

Fees Transparency and Simplified Calculations

NOTE: Based on comments received from the public and input from fees steering committee members, the staff developed a list of more than 50 improvements that address concerns with the current fee process.

Assigned office	Themes	Fees Transformation Ideas	Source	A= Actionable, LT=Long Term, N= Cannot be done	Type of Change P= Process Pol=Policy	Process Year/Comments	How did NRC come up with fees? Includes simplifying and predictability. Transparency ₁	How early can we find out our fee amount? Timeliness ₁	Is it a fair and equitable allocation of NRC costs? Equitability ₁
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POLICY CHANGES IN THE SECY

1	OCFO	Evaluation of New Basis for Fees	Modify calculation of the annual fee using size of the licensed facility (e.g. megawatt hours, number of wellfields on a site)	Staff	LT	Policy	FY 2019	H	L	H
2	NRR	Evaluation of New Basis for Fees	Charge one combined fee for operating reactors based on historical costs of hours expended for licensing actions	Staff	LT	Policy	FY 2018	H	H	L
3	OCFO/NMSS	Evaluation of New Basis for Fees	Charge flat fee for license amendments and routine activities for materials program licensees	Staff,WMA, Kennecott, Uranerz Energy, NEI	LT	Policy	FY 2020	H	L	L, H
4	OGC	Evaluation of New Basis for Fees	Charge licensees hourly fees for all hearings.	Staff/WMA, NEI, Exelon, Kennecott, Cameco	LT	Policy	FY 2018	H	L	H

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FY 2017 PROCESS IMPROVEMENTS									
1 OCFO	Alignment of Budget and Fees	Include additional content in Congressional Budget Justification to help licensees understand how the planned workload in the budget impacts fees.	Exelon	A	Process	FY 2017 [FY 2019 budget]	H	L	L
2 OCFO	Alignment of Budget and Fees	Include information about planned rulemaking and the associated resources and its impact on fees	Staff/NEI	A	Process	FY 2017	H	L	L
3 OCFO	Direct billing to licensees	Create Web-based training slides for an annual review of how to charge time to billable projects that would be included in the project manager training materials.	Staff	A	Process	FY 2017	H	L	L
4 NRR/NMSS/NRO/OCFO	Outreach to Licensees	Provide data on the cost of various licensing actions to the licensees.	Staff,WMA, Exelon, NEI, Uranerz Energy	A	Process	FY 2017	H	H	L
5 OCFO	Outreach to Licensees	Explain what international activities are subject to fee relief.	Staff/NEI	A	Process	FY 2017	H	L	L
6 OCFO	Outreach to Licensees	Added additional plain language fee-related FAQs to the public website.	Staff	A	Process	FY 2017	H	L	L
7 OCFO	Outreach to Licensees	Publish a blog post in response to stakeholder comments received as a result of the Request for Information published in the Federal Register on March 22, 2016.	NEI	A	Process	FY 2017	H	L	L
8 NRR/NRO/NMSS	Outreach to Licensees	Publically communicate generic estimates or ranges of fees for new types of work based on historical expenses for similar actions.	Staff	A	Process	FY 2017	H	L	L
9 OCFO	Streamlining Fee Calculations	Develop a process by which the OCFO would decide resource level earlier in the fee process to develop the proposed fee rule.	Staff	A	Process	FY 2017	H	H	L
10 OCFO/Program Office	Streamlining Fee Calculations	Developing a 10 CFR Part 170 fee estimates report containing information about docket, region, and office to assist the lead point-of-contact for each Fee Class in program offices in asking the right people for their workload estimates. The report will include financial expenses that were charged to the Fee Class.	Staff	A	Process	FY 2017	H	L	H
11 OCFO	Streamlining Fee Calculations	Post fee-related spreadsheets in electronic format on the public Web site.	NEI, Exelon	A	Process	FY 2017	H	L	L

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12	OCFO	Streamlining Fee Calculations	To facilitate publishing the FY 2017 proposed and final fee rule earlier, the staff will modify the calculation of 10 CFR Part 170 estimates. This will be accomplished by relying more on prior year billing data for calculating the estimates since the current year billing data would not be available early enough for this calculation.	Staff	A	Process	FY 2017	L	H	L
13	OCFO	Evaluation of New Basis for Fees	Include a section discussing the new fee class for small modular reactors .	NEI	A	Process	FY 2017	H	L	L
14	OCFO	Modification of Invoices	Enhance the notification process to staff to heighten awareness of the importance of validating their fee-billable charges in the time and labor system.	Staff	A	Process	FY 2016	H	L	L

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POLICY CHANGES RECOMMENDED FOR FUTURE CONSIDERATION - FY 2018 AND BEYOND

1	OCFO	Streamlining Fee Calculations	Update rulemaking for the U.S. Nuclear Regulatory Commission's (NRC) small business size standard § 2.810 in Part 2 of Title 10 of the Code of Federal Regulations (10 CFR), "Agency Rules of Practice and Procedure" to align NRC size standards with the those of Small Business Administration.	Staff	LT	Policy	FY 2020	H	L	H
2	OCFO	Evaluation of New Basis for Fees	Bill vendors for inspection hours.	Exelon	LT	Policy	FY 2018	L	L	H
3	OCFO	Evaluation of New Basis for Fees	Define a new, more focused, class of licensees that should be assessed the annual fee for new reactor costs.	Staff, Exelon	LT	Policy	FY 2019	L	L	H
4	NRR/OCFO	Evaluation of New Basis for Fees	Develop strategy for charging fees for white papers.	Staff	LT	Policy	FY 2019	L	L	H
5	OCFO	Evaluation of New Basis for Fees	Charge annual fees to entities that hold a combined license or construction permit, regardless of whether they have actually constructed and are operating. The annual fee for operating reactors should apply to holders of combined licenses.	Staff/Exelon	LT	Policy	FY 2019	L	L	H, H
6	OCFO	Evaluation of New Basis for Fees	Institute 2 different hourly rates or flat application fees for applicants, in order to provide funds for infrastructure work.	Staff	LT	Policy	FY 2020	L	L	H
7	NMSS	Evaluation of New Basis for Fees	Do not allow more than one site on one license.	Staff	LT	Policy	FY 2020	L	L	L

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PROCESS CHANGES RECOMMENDED FOR FUTURE CONSIDERATION - FY 2018 AND BEYOND

1	OCFO	Direct billing to licensees	Direct charge time for support functions including OGC, ASLB, when they are working on a fee-billable project.	Staff	LT	Process	FY 2018	H	L	H
2	OCFO	Direct billing to licensees	Direct charge Branch Chiefs' time when they are directly working on a fee-billable activity.	Staff	LT	Process	FY 2018	H	L	H
3	OCFO	Direct billing to licensees	Direct charge time for support functions including licensing assistants and administrative assistants when they are working on a fee-billable project.	Staff	LT	Process	FY 2018	H	L	H
4	OCFO	Direct billing to licensees	Review the 2015 fee rule revised the methodology of charging overhead time for Project Managers (PM) and Resident Inspectors(RI) and modify it for more clarity	NEI, Westinghouse	LT	Process	FY 2018	H	L	L
5	OCFO	Modification of Invoices	Add identification of each NRC staff member on the invoice.	Uranerz Energy	LT	Process	FY 2018	H	L	L
6	OCFO	Alignment of Budget and Fees	Identify budgeted activities being allocated to an annual fees or user fees either in CBJ or work papers.	Staff/Westinghouse/Exelon	LT	Process	FY 2018 [FY 2020 budget]	H	L	H
7	OCFO	Alignment of Budget and Fees	Providing clarity and transparency in work papers. Include easy to understand crosswalk to match information in the CBJ and the fee rule documents.	NEI	LT	Process	FY 2018 [FY 2020 budget]	H	L	L
8	OCFO	Alignment of Budget and Fees	Any drivers that impact an NRC business line budget should be shown and how each driver impacts annual fees assessed for licensees within that business line should also be explained.	Westinghouse	LT	Process	FY 2018 [FY 2020 budget]	H	L	L
9	OCFO	Alignment of Budget and Fees	The NRC should periodically validate the budgeting process by comparing "budgeted" with "as spent" amounts. This would enable stakeholders to determine whether the NRC is budgeting and expending funds appropriately and with maximum efficiency.	Exelon	LT	Process	FY 2018 [FY 2020 budget]	H	L	L
10	OCFO	Alignment of Budget and Fees	Revise interim allocation of budgeted training, travel, and support costs across business lines process	Staff	LT	Process	FY 2018 [FY 2020 budget]	H	L	L
11	OCFO	Modification of Invoices	Include fees collected data for the previous fiscal year.	Westinghouse	LT	Process	FY 2019	H	L	L

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12	OCFO/Program Office	Outreach to Licensees	Modify the inspection reports to include information on progress of work performed	NEI, Exelon	LT	Process	FY 2019	H	L	L
13	OCFO/NMSS	Streamlining Fee Calculations	Streamline calculation of fees for small Materials Users reducing fee categories.	Staff	LT	Process	FY 2019	H	L	L
14	OCFO/NMSS	Streamlining Fee Calculations	Streamline calculation of fees for Fuel Facilities and Uranium Recovery licensees.	Staff	LT	Process	FY 2019	H	L	L
15	OCFO/NMSS	Modification of Invoices	System re-design to better integrate systems e.g. HRMS, FAIMIS, WBL, RPS replacement system to reduce billing errors.	Staff	LT	Process	FY 2019	H	L	L
16	OCFO	Modification of Invoices	System re-design so that individual Cost Activity Code (CAC) numbers include running cost totals until the CAC number is closed. CAC descriptions should be made clearer.	Exelon, Westinghouse	LT	Process	FY 2019	H	L	L
17	OCFO	Modification of Invoices	System re-design to send electronic invoices rather than hardcopies and bill monthly rather than quarterly to increase the speed of billing. Distribute invoices via email for faster processing.	Staff/NEI Exelon, Westinghouse	LT	Process	FY 2020	H	H	L
18	OCFO	Outreach to Licensees	Project Manager to provide details of contract costs listed on the invoice, on request.	NEI, Kennebecott, Westinghouse , Cameco	LT	Process	FY 2020	H	L	L

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NOT POSSIBLE UNDER THE CURRENT STATUTORY AND REGULATORY ENVIRONMENT									
1		NRC should not bill licensees fees-hourly, annual, or flat-for activities that provide no direct benefit to an individual or to the regulated community. May require appropriations or authorizing legislation.. It is important for the Commission to take a leadership role in addressing problems that members of Congress and industry have identified with the current system.	NEI	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
2		The work papers should provide sufficient information to demonstrate that the statutory requirements governing fees are being met. The work papers generically identify contract costs. But never identify what those contracts are for, who they are with, and whether their costs are recovered through user fees.	Exelon	N		The budgetary amounts are formulated ahead of the current year. Under the Federal Acquisition Regulation, NRC cannot project the contract details in advance.			
3		Establish different hourly rates based on the grade level of the employee doing the work	Staff	N		Hourly rate does not reflect efficiency. The efficiency is expressed in the number of hours charged to a licensee not the rate which is a fully-costed rate that enables NRC recover 90% of its budget.			
4		If the calculated hourly rate reflects a significant decrease from the previous FY, the NRC should make the new hourly rate immediately effective.	Exelon	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
5		Charge annual or hourly fees to Research and Test Reactors	Staff	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
6		Eliminate hourly fees and collect all fees through annual fees.	Staff	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
7		Establish annual fees that do not change from year-to-year to eliminate the increased burden of fees as the number of licensees decreases.	Staff	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
8		Reduce annual fees for new and operating reactors and uranium recovery due to economic conditions	Staff	N		Current interpretation of OBRA -90 does not allow implementation of this change.			
9		The NRC should issue the proposed and final fee rule earlier in the fiscal year. Greater transparency and predictability in fee policy could be realized if the NRC published the proposed rule in the 1st quarter of the FY and final fee rule in the 2nd or early in the 3rd quarter of the FY.	NEI, Exelon	N		Current interpretation of OBRA -90 does not allow implementation of this change.			

¹Legend: H=High impact, L=Low impact, **bolded** means the impact is negative. Transparency and Timeliness were specifically called-out in the SRM for SECY-15-0015. Simplifying and predictability of fees are inherent when the fee process is transparent. NRC fees are based on a fair and equitable allocation of NRC regulatory costs.