

BRP Information Notice 2016-03

Proposed Rulemaking Notice:
Chapter 218 Fee Increase

To whom it may concern:

I manage the II-VI IR Optics Division which complies with the PADEP Bureau of Radiation Protection rules specifically as it relates to our Radiation Material license. Please see below for comments related to the proposed rule change regarding the annual fee increase by the PADEP.

The PADEP is proposing to increase our annual Radioactive Material License fee by 50%. This would increase our current fee from \$13,400 to \$20,100 or a \$6,700 increase. Our annual X-ray Certificate currently costs \$600 and will increase to \$900 per year under the new fee structure. Therefore, the total increase in cost to the company is \$7,000 annually.

I understand that the Radiation Protection Fund is entirely funded by Chapter 218 for license fees. This covers the registration and inspection of x-ray facilities, licensing and inspection of accelerators, registration of radiation-producing machine services providers, and licensing and inspection of "Radioactive Material Users". I also understand that this fee increase is intended to assure there is enough funding so the Commonwealth can carry out its duties under the "Agreement State program and the Radiation Protection Act".

The proposed 50% increase far exceeds the actual Consumer Price Index 9.5% total inflation rate since 2009 and even the projected 20.0% 2009-2022 total inflation rate. The proposed new Source Material - Other license fee of \$20,100 per year also would greatly exceed the current U.S. Nuclear Regulatory Commission equivalent source materials license (2.E.) fee of \$8,300 per year. To cover expected DEP regulatory cost increases for the period 2009-2022, the radioactive license fees should not be raised more than 20% at this time (to \$16,080 per year rather than the proposed \$20,100 per year for Source Material - Other licenses).

The main concern with this exceptional cost increase is the sheer magnitude and the added cost to our business which can affect our competitiveness in a global economy. As costs escalate the ability to maintain manufacturing in PA becomes more difficult. By maintaining a more reasonable fee we can continue to invest more in the local economy and provide more jobs. We believe that a more fiscally responsible approach to the fee structure will benefit both the PADEP and II-VI.

Given the current information II-VI requests that the PADEP Bureau of Radiation Protection vote against this rate increase or such a significant percentage.

Thank you for your consideration,



Stephen P. Rummel
Vice President, IR Optics Division
II-VI Incorporated