



Texas Radiation Advisory Board

Michael Ford, C.H.P.
Chair

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April 17, 2003

The Honorable Arlene Wohlgemuth
Chair, Subcommittee on Health & Human Services
Committee on Appropriations
P.O. Box 2910
Austin, TX 78768

Subject: Section 2.33 of HB 2292

Dear Chairman Wohlgemuth:

As Chair of the Texas Radiation Advisory Board (TRAB), I am writing regarding House Bill 2292 which was voted out of committee on 17 April 2003. This amendment will have an impact on the radioactive material licensees regulated by the Texas Department of Health, Bureau of Radiation Control, and thus is of concern to the Board. I would like to call your attention to some impacts that I believe may have unintended and serious consequences to the security of radioactive materials in Texas.

Section 2.33 of HB 2292 would require collection of license fees for a 3-year period. Currently, the regulatory program *does* collect the cost of its operations, but it does so annually. By collecting a fee that is *three times* as much as the annual fee, I am concerned that some of the radioactive material licensees may be financially unable to stay in business.

Some companies and hospitals are currently having problems paying the existing annual fees. These entities would have even more difficulty paying three times as much under HB2292. It is estimated that approximately three to five percent of the companies would either fail to pay, go bankrupt, or go out of business.

The oil and gas industry depends on sources of radiation for non-destructive testing of pipelines, logging of oil and gas wells, and tracers to detect formations. Many of these non-destructive testing companies exist on marginal overhead. The requirement to pay for three years of fees instead of just one, plus additional costs to the company and the agency for processing renewals more often, could put some of the small companies out of business.

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Because disposal fees for their radioactive sources are extremely high (and in some cases there are no reasonable alternatives for disposal), the potential for these sources to be abandoned, thereby jeopardizing public safety, increases. In prior years of economic downturn, the abandonment of sources has in fact occurred, leaving the state with the financial and security burdens of impounding these sources.

Fees vary widely from approximately \$100 per year for dental x-ray to \$106,953 per year for a radioactive waste processing license. Uranium companies that are currently paying \$47,601 annually in fees would be required to pay over \$200,000 every 3 years. This could cause about one-half of the companies to fail to pay or go bankrupt. If the state had to take over these sites, cleanup of the sites would not take place as timely and could be more costly.

In the current economic conditions, I am concerned that many of the small businesses may find the burden of paying three times their annual fee to be the breakpoint. If the companies were allowed to accumulate those fees over a 3-year period, the impacts of the bill would not be as significant. However, instituting the 3-year license requirement immediately places a significant burden on these businesses that they may not be able to withstand.

I would urge you to consider the associated health and safety impacts that may be caused by financial burden imposed by Section 2.33 of HB2292. If I may offer further information or assistance, please let me know. You may contact me at 806-477-5727 if you would like to discuss these or any other radiation issues that our state faces.

Sincerely,

Original signed by:

Michael S. Ford, C.H.P.
Chair

cc: Members of the House Appropriations Committee