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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

CHAIRMAN

February 28, 2000

The Honorable Albert Gore, Jr.
President of the United States Senate
Washington, D.C. 20510

Dear Mr. President:

In accordance with the provisions of Section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017), Section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and Section 108 of the Inspector General Act of 1988 (31 U.S.C. 1105(a)(25)), the Nuclear Regulatory Commission (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 2001. The proposed legislation requests authorization for fiscal year 2001 for "Salaries and Expenses" of $481,900,000; and for the "Office of Inspector General" of $6,200,000. Section 5 specifies the percentage of the agency's budget authority that is to be collected in user fees over the next five fiscal years. Section 6 authorizes the NRC to collect fees for services provided to other Federal agencies, beginning in FY 2001. Section 7 authorizes the NRC, in limited circumstances, to make grants or enter into cooperative agreements with Agreement States for remediation of sites formerly licensed by the NRC.

The Office of Management and Budget has advised that it has no objection to the submission of this proposal to Congress and that its enactment would be in accordance with the program of the President.

Sincerely,

Richard A. Meserve

Enclosure: Proposed Legislation Authorizing Appropriations for FY 2001

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

CHAIRMAN

February 28, 2000

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands, Private
Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the provisions of Section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017), Section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and Section 108 of the Inspector General Act of 1988 (31 U.S.C. 1105(a)(25)), the Nuclear Regulatory Commission (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 2001. The proposed legislation requests authorization for fiscal year 2001 for "Salaries and Expenses" of $481,900,000; and for the "Office of Inspector General" of $6,200,000. Section 5 specifies the percentage of the agency's budget authority that is to be collected in user fees over the next five fiscal years. Section 6 authorizes the NRC to collect fees for services provided to other Federal agencies, beginning in FY 2001. Section 7 authorizes the NRC, in limited circumstances to make grants or enter into cooperative agreements with Agreement States for remediation of sites formerly licensed by the NRC.

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Sincerely,

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Enclosure: Proposed Legislation Authorizing
Appropriations for FY 2001

cc: Senator Bob Graham

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

CHAIRMAN

February 28, 2000

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with the provisions of Section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017), Section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and Section 108 of the Inspector General Act of 1988 (31 U.S.C. 1105(a)(25)), the Nuclear Regulatory Commission (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 2001. The proposed legislation requests authorization for fiscal year 2001 for "Salaries and Expenses" of $481,900,000; and for the "Office of Inspector General" of $6,200,000. Section 5 specifies the percentage of the agency's budget authority that is to be collected in user fees over the next five fiscal years. Section 6 authorizes the NRC to collect fees for services provided to other Federal agencies, beginning in FY 2001. Section 7 authorizes the NRC, in limited circumstances to make grants or enter into cooperative agreements with Agreement States for remediation of sites formerly licensed by the NRC.

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Sincerely,

Richard A. Meserve

Enclosure: Proposed Legislation Authorizing Appropriations for FY 2001

cc: Representative Rick Boucher

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 28, 2000

CHAIRMAN

The Honorable J. Dennis Hastert
Speaker of the United States
House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

In accordance with the provisions of Section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017), Section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and Section 108 of the Inspector General Act of 1988 (31 U.S.C. 1105(a)(25)), the Nuclear Regulatory Commission (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 2001. The proposed legislation requests authorization for fiscal year 2001 for "Salaries and Expenses" of $481,900,000; and for the "Office of Inspector General" of $6,200,000. Section 5 specifies the percentage of the agency's budget authority that is to be collected in user fees over the next five fiscal years. Section 6 authorizes the NRC to collect fees for services provided to other Federal agencies, beginning in FY 2001. Section 7 authorizes the NRC, in limited circumstances to make grants or enter into cooperative agreements with Agreement States for remediation of sites formerly licensed by the NRC.

The Office of Management and Budget has advised that it has no objection to the submission of this proposal to Congress and that its enactment would be in accordance with the program of the President.

Sincerely,

Richard A. Meserve

Enclosure: Proposed Legislation Authorizing Appropriations for FY 2001

U. S. NUCLEAR REGULATORY COMMISSION
PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FISCAL YEAR 2001

To authorize appropriations for the Nuclear Regulatory Commission for fiscal year 2001.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Nuclear Regulatory Commission Authorization Act for Fiscal Year 2001."

Section 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2001.

(a) SALARIES AND EXPENSES.--There are authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017) and section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), $481,900,000 for fiscal year 2001 to remain available until expended, of which $21,600,000 is authorized to be appropriated from the Nuclear Waste Fund.

(b) OFFICE OF INSPECTOR GENERAL.--There are authorized to be appropriated to the Nuclear Regulatory Commission's Office of Inspector General in accordance with the provisions of 31 U.S.C. 1105(a)(25), $6,200,000 for fiscal year 2001 to remain available until expended.

Section 3. ALLOCATION OF AMOUNTS AUTHORIZED.

(a) IN GENERAL.--The amounts authorized to be appropriated under Section 2 (a) for fiscal year 2001 shall be allocated as follows:

(1) NUCLEAR REACTOR SAFETY.--$217,130,000 may be used for the "Nuclear Reactor Safety Program".

(2) NUCLEAR MATERIALS SAFETY.--$57,407,000 may be used for the "Nuclear Materials Safety Program".

(3) NUCLEAR WASTE SAFETY.--$57,837,000 may be used for the "Nuclear Waste Safety Program".

(4) INTERNATIONAL NUCLEAR SAFETY SUPPORT PROGRAM. --$4,802,000 may be used for the "International Nuclear Safety Support Program".

(5) MANAGEMENT AND SUPPORT PROGRAM.--$144,724,000 may be used for the "Management and Support Program".

(b) LIMITATIONS.--The Nuclear Regulatory Commission may use not more than 1 percent of the amounts allocated under section 3(a) to exercise its authority under section 31a. of the Atomic Energy Act of 1954 (42 U.S.C. 2051(a)) to make grants and enter into cooperative agreements with organizations such as universities, State and local governments, and not-for-profit institutions. Grants made by the Commission shall be made in accordance with 31 U.S.C. chapter 63, and other applicable law.

(c) REALLOCATION.--

(1) IN GENERAL.--Except as provided in paragraphs (2) and (3), any amount allocated for a fiscal year pursuant to any paragraph of Section 3(a) for purposes of the program referred to in the paragraph may be reallocated by the Nuclear Regulatory Commission for use in a program referred to in any other paragraph of section 3(a).

(2) LIMITATION.--The amount available from appropriations for use in any program specified in any paragraph of section 3(a) may not, as a result of reallocations made under paragraph (1), be increased or reduced by more than $1,000,000 in a quarter, unless the Committee on Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate are notified in advance by the Commission. The notification shall contain a full and complete statement of the reallocation to be made and the facts and circumstances relied upon in support of the reallocation.

(3) USE OF CERTAIN FUNDS.--Funds authorized to be appropriated from the Nuclear Waste Fund may be used only for the high-level nuclear waste activities of the Commission and may not be reallocated for other Commission activities.

Section 4. LIMITATION.

Notwithstanding any other provision of this Act, no authority to make payments or collect any user fee or annual charge under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

Section 5. NRC USER FEES AND ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(2)) is amended by striking "September 30, 2000" and inserting "September 30, 2005".

Section 6101(c)(2) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(c)(3)) is amended by striking "100 percent" and inserting "98 percent in fiscal year 2001, 96 percent in fiscal year 2002, 94 percent in fiscal year 2003, 92 percent in fiscal year 2004, and 90 percent in fiscal year 2005,"

Section 6. COST RECOVERY FROM GOVERNMENT AGENCIES.

Section 161 w. of the Atomic Energy Act of 1954, as amended, is revised by--

(a) striking "or which operates any facility regulated or certified under section 1701 or 1702,";

(b) striking "483a" and inserting "9701"; and

(c) inserting the following before the period at the end thereof:

"; and commencing on October 1, 2000, prescribe and collect from any other Government agency, any fee, charge, or price which it may require, in accordance with the provisions of section 9701 of title 31 of the United States Code or any other law".

Section 7. ASSISTANCE TO STATES FOR REMEDIATION OF SITES FORMERLY LICENSED BY THE NRC

(a) Section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021) is amended by adding the following subsection after subsection o.:

"p. The Commission is authorized to make grants to, and enter into cooperative agreements with, States that have entered into an agreement under subsection b. to assist such States in remediation of sites containing materials covered by the agreement, where the ownership or possession of the material or activities involving such material was licensed by, and the license was terminated by, the Commission before the agreement became effective. Such a grant or cooperative agreement may include reimbursement of State costs incurred in

connection with remediation of a site where the costs were incurred for work completed before the Commission approved the grant or cooperative agreement."

(b) Any limitation contained in this Act, or any other Act enacted after the date of approval of this Act, on the amount available for grants to and cooperative agreements with States from funds authorized or appropriated for use by the Nuclear Regulatory Commission shall not be applicable to assistance provided to States by the Commission pursuant to subsection (a).

U. S. NUCLEAR REGULATORY COMMISSION
ANALYSIS OF PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FISCAL YEAR 2001

Section 2.(a)--The Nuclear Regulatory Commission (NRC) is responsible for assuring that the possession, use and disposal of radioactive materials, and the construction and operation of reactors and other nuclear facilities are conducted in a manner consistent with public health and safety and the common defense and security, with proper regard for environmental quality, and in conformance with antitrust statutes. The Commission's program is comprised of nuclear facilities and material licensing, inspection and enforcement and related regulatory functions, nuclear safety research, rulemaking, and technical and administrative support activities.

The Nuclear Waste Policy Act, as amended, provides for the establishment of a Nuclear Waste Fund to ensure that the costs of carrying out activities relating to the disposal of high-level radioactive waste and spent nuclear fuel will be borne by the generators of such waste and spent fuel and provides that the amounts paid by generators and owners of these materials into the fund is reviewed annually to determine if any adjustment is needed to ensure full cost recovery. The Nuclear Regulatory Commission is required by the Nuclear Waste Policy Act, as amended, to license a repository for the disposal of high-level radioactive waste and spent nuclear fuel and a monitored retrievable storage facility. The Commission is assigned specific review responsibilities in the steps leading to submission of the license applications. Thus, the Act establishes NRC's responsibility throughout the repository and monitored retrievable storage siting processes, culminating in the requirement for NRC licensing as a prerequisite to construction and operation of the facilities. The Nuclear Waste Policy Act, as amended, also specifies that expenditures from the Nuclear Waste Fund shall only be used for activities relating to spent fuel and high-level radioactive waste disposal (including identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any repository or monitored retrievable storage facility constructed under the Act) and administrative costs of the high-level radioactive waste disposal program.

The budget request for the Commission is stated in terms of obligational authority requested to carry out the responsibilities of the Commission.

Section 2.(b)--The Inspector General Act Amendments of 1988 amended the Inspector General Act of 1978, established the Office of Inspector General within the Nuclear Regulatory Commission effective April 17, 1989, and required the establishment of a separate appropriation account to fund the Office of Inspector General.

The budget request for the Office of Inspector General is stated in terms of obligational authority requested to carry out the responsibilities of the Office of Inspector General.

Section 3.(a)--The requested authorization for appropriations under Section 2.(a) is $481,900,000 for fiscal year 2001 and is allocated as follows:

Program	FY 2001
Nuclear Reactor Safety	$217,130,000
Nuclear Materials Safety	$57,407,000
Nuclear Waste Safety	$57,837,000
International Nuclear Safety Support	$4,802,000
Management and Support	$144,724,000

For Fiscal Year 2001, the request is broken into five program activity categories corresponding to the major strategic areas and programs identified in the NRC Strategic Plan.

Section 3.(b)--This section provides a limitation on the amount of funds that may be utilized by the Commission for grants and cooperative agreements with organizations such as universities, State and local governments, and not-for-profit institutions.

Section 3.(c)--This section provides the Commission with the authority to reallocate funds among the program activities specified in Section 3.(a) with certain specified constraints. Funds authorized to be appropriated from the Nuclear Waste Fund will be used only for NRC's high-level nuclear waste activities and will not be reallocated for other NRC activities.

Section 4.--This section provides language required by section 401(a) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Section 5.-- Under the Omnibus Budget Reconciliation Act of 1990, as amended, the NRC is required to collect from its licensees annual charges that total approximately 100 percent of the agency's budget, less any amount appropriated to the Commission from the Nuclear Waste Fund and fees collected for services rendered pursuant to the Independent Offices Appropriation Act of 1952 (31 U.S.C. 9701), for each year of FY 1991-2000. Absent new legislation, beginning in FY 2001, the agency would again collect user fees that total approximately 33 percent of its budget, as provided for in the Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272). Due to fairness and equity concerns related to charging NRC licensees for agency expenses which do not provide a direct benefit to them, the NRC

proposes to continue the fee recovery requirement at a rate of 98 percent in FY 2001 and further decreasing this percentage by an additional two percent per year beginning in FY 2002 resulting in a fee recovery of approximately 90 percent by FY 2005.

Section 6.--Under the Independent Offices Appropriation Act of 1952 (31 U.S.C. 9701), the NRC is not authorized to charge fees to other Federal agencies for licensing and inspection services. Beginning in FY 2001, this amendment will permit the NRC to assess and collect fees from other Federal agencies for these services rather than recovering the costs through annual fees assessed to all licensees. The reference to sections 1701 and 1702 of the Atomic Energy Act was deleted as obsolete because of the privatization of the United States Enrichment Corporation.

Section 7.--This section provides the Commission with the authority to make grants to or enter into cooperative agreements with States for remediation of sites formerly licensed by the NRC, where the license was terminated by the Commission before the State became an agreement State. These grants or cooperative agreements may include reimbursement of agreement State remediation costs incurred prior to the award of the grant or cooperative agreement, including costs for reviewing documentation and conducting site surveys related to the need for remediation. A statutory limitation contained in this or any other legislation on the amount available from funds authorized or appropriated for use by the NRC for grants to and cooperative agreements with States, such as that in section 3.(b), would not be applicable to assistance provided by NRC to States for the purposes authorized by this section.