



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

November 28, 2000

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director *DR*
Office of Congressional Affairs

SUBJECT: STATUS OF ISSUES IN THE 106TH CONGRESS

During the 106th Congress NRC provided testimony for 18 hearings on a variety of issues. The Office of Congressional Affairs monitored those issues for which we provided testimony and other issues of importance to the agency. Attached for your information is the latest status report. The Office of the General Counsel is separately providing analyses of significant legislation of interest to the NRC.

The House is in recess until December 4 and the Senate will return on December 5. I will provide you with any updates to these issues, such as the Federal pay raise, when Congress acts on them.

Attachment:
As Stated

cc: EDO
OGC/Cyr
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INDEX

STATUS OF ISSUES IN THE 106TH CONGRESS

November 2000

	Page Number
I. BUDGET	
A. NRC FY 2001 Appropriations	1
B. Technical Training Center	2
C. NRC Authorization- Legislative Proposals- User Fees	2
II. NRC COMMISSIONER NOMINATION / CONFIRMATION	3
III. GOVERNMENT-WIDE ISSUES / LEGISLATION	
A. Civil Service Bills	3
B. Computer Security	4
C. Electronic Signatures.....	5
D. Federal Chief Information Officers	5
E. Financial Management	5
F. GPRA and Reports Consolidation Act	6
G. Inspectors General Act Amendments.....	6
H. Regulatory Improvement Bills	6
IV. PROGRAM ISSUES / LEGISLATION	
A. Atlas-Moab	7
B. Electricity Deregulation	7
C. Emergency Planning	8
D. EPA/NRC Memorandum of Understanding	8
E. External Regulation of DOE Facilities	8
F. FUSRAP Sites	9
G. Gaseous Diffusion Plants	9
H. High-Level Waste	10
I. Indian Point 2	11
J. International Issues	11
K. Price-Anderson Act Renewal	13
L. Spent Fuel Storage Facilities	13
M. Superfund Reauthorization	13
N. Tax Treatment of Nuclear Decommissioning Funds	13
O. Uranium Mill Tailings Radiation Control Act (UMTRCA)	14

STATUS OF ISSUES

I. BUDGET

A. NRC FY 2001 APPROPRIATIONS

On June 28, 2000, the House of Representatives approved the FY 2001 Energy and Water Development Appropriations bill, H.R. 4733. The NRC appropriations is the same as that approved by the Subcommittee on Energy and Water Development and the Committee on Appropriations. The NRC received its budget request of \$481.9 million for Salaries and Expenses, and its authority to collect 100% of its budget through fees was extended through FY 2001. The IG appropriation is \$5.5 million, an increase of \$0.5 million above FY 2000 and a decrease of \$0.7 million compared to the request. The total budget for NRC is \$487.4 million.

The House Report 106-693 included language that congratulates the Commission for issuing the first license renewal of a nuclear power plant, explains the extension of authority to recover fees at approximately 100%, emphasizes the need to consolidate safety assistance for Soviet-designed reactors in one NRC office and to have a focused approach for the program, and directs the Commission to continue to provide monthly reports on the status of its licensing and regulatory duties.

On July 13, 2000, the Senate Appropriations Subcommittee on Energy and Water Development marked up and approved H.R. 4733. At Committee markup on July 18, 2000, Senator Pete Domenici (R-NM) offered a manager's amendment increasing NRC's appropriation by \$7 million over the Subcommittee mark of \$474.9 million -- to \$481.9 million -- as requested by the President and approved by the House. A number of NRC's legislative proposals also were added to the bill. Like the House, the Senate Appropriations Committee approved \$5.5 million for the Inspector General. The Senate began consideration of the Energy and Water bill on September 5 and approved it on September 7. The Senate bill closely follows S. 1627, the NRC's authorization bill, and includes a 12% reduction of fees over a five year period, beginning in FY 2002.

The Senate Report 106-395 addresses the extension of NRC's authority to collect user fees. Other portions of the report of interest to the NRC include the Formerly Utilized Sites Remedial Action Program (FUSRAP), the DOE's nuclear energy programs (including options for sustaining a domestic uranium enrichment industry), the Nuclear Waste Fund, and the International Nuclear Safety Program.

The bill, as amended in Conference, includes a 10% reduction off the fee base over a five year period, 2% a year beginning in FY 2001. The legislative proposals included in the Senate's bill were deleted in Conference.

President Clinton vetoed H.R. 4733 primarily due to his objections to a provision that would have prevented the Army Corps of Engineers from revising its water management plan for the Missouri River. The House overrode his veto; however, the Senate, not having enough votes to override, deleted the provision. Energy and Water was incorporated into the VA-HUD and Independent Agencies Appropriations bill, H.R. 4635, and it passed both chambers. The bill

was sent to the President on October 20. President Clinton signed the bill into law on October 27, 2000 (P.L. 106-377).

The Conference Report has many sections that are of particular interest to the NRC. For example, DOE is directed to submit a report to Congress that contains a description of all alternatives that are available to the Northern States Power Company and the Federal Government to allow the company to continue to operate the Prairie Island nuclear plant until the end of its NRC-issued license -- in view of the State of Minnesota's law that limits the quantity of spent fuel that may be stored at the plant. Also, DOE is directed to undertake an evaluation, and make specific recommendations, on various options to sustain a domestic uranium enrichment industry in the short and long term, to be delivered to Congress no later than December 31, 2000. Regarding the waste program, the Conferees reiterated the expectation by Congress that DOE submit its site recommendation report in July 2001. The Office of the General Counsel is analyzing relevant portions of the bill.

B. TECHNICAL TRAINING CENTER

After the Commission made a decision to relocate the Technical Training Center (TTC) in Chattanooga, Tennessee to Rockville, Maryland, Congressman Zach Wamp (R-TN) was able to get an amendment pertaining to the TTC added to the Emergency Supplemental Appropriations for FY 2000. The amendment prohibits the NRC from using any fiscal year 2000 funds to relocate, or plan or prepare for the relocation of NRC's Technical Training Center. The amendment also gained support in the Senate and was included in H.R. 4425, the Military Construction and Emergency Supplemental Appropriations legislation. It was changed in conference to include FY 2001. The bill was signed by the President on July 13, 2000 (P.L. 106-246).

C. NRC AUTHORIZATION - LEGISLATIVE PROPOSALS - USER FEES

In September 1999, the House Commerce Committee's Subcommittee on Energy and Power marked up, approved, and referred to full committee NRC's authorization legislation for FY 2000. Subcommittee Chairman Barton (R-TX) offered an amendment in the nature of a substitute to H.R. 2531 which eliminated many of NRC's legislative proposals that were included in the bill as originally introduced. Also adopted, was Rep. Markey's (D-MA) amendment on NRC's implementation of the Sunshine Act. Rep. Markey introduced, and later withdrew, an amendment regarding the sale or transfer of contaminated material or equipment. Title I of the bill extends NRC's authority to collect approximately 100% of its budget through fees and it also permits cost recovery from other Federal agencies. On September 29, 1999, the House Commerce Committee approved and reported H.R. 2531 - as passed by the Subcommittee.

On September 29, 1999, the Senate Environment and Public Works Committee approved and reported, without discussion, S. 1627, which included Senator Inhofe's (R-OK) version of the NRC fee reauthorization and elements of NRC's legislative package. The fee reauthorization that they passed is intended to phase in a 12% amount off the fee base over a five-year period. Senator Inhofe said that they would offer a manager's amendment to correct any deficiencies/problems with the bill.

On April 13, 2000, the Senate passed S. 1627, the NRC Fairness in Funding Act of 2000. Senator Bob Smith, Chairman of the Environment and Public Works Committee, offered two amendments which were accepted. One amendment extends NRC's authority to collect annual charges and modifies the formula for the charges. The other amendment provides the NRC authority over former licensees for funding of decommissioning.

The Senate and House authorization bills and associated reports were previously distributed by OCA.

II. NRC NOMINATION/CONFIRMATION

Commissioner McGaffigan was nominated for a second term in February 2000, confirmed by the Senate on May 25, 2000, and sworn in on June 12, 2000 for a term ending on June 30, 2005.

III. GOVERNMENT-WIDE ISSUES

A. CIVIL SERVICE ISSUES

Pay Raise; Rollback in Retirement Contributions

The Treasury/Postal Service Appropriations bill, H.R. 4985, was supposed to include an average 3.7% pay raise for federal workers, effective next January; however, it was left out of the bill. Congress intends to add it to legislation before they adjourn. The amount of the pay raise for workers in different parts of the country will differ, depending upon locality pay. The provisions of H.R. 4985 were included in Legislative Branch Appropriations, H.R. 4516, which provides a 2.75% COLA for Members of Congress, thereby increasing the cap on SES salaries from \$130,200 to \$133,700. The President vetoed this combined appropriations bill, however, stating that issues regarding other bills should be resolved before Congress and the White House are funded. Regarding retirement contributions, Transportation Appropriations, P.L. 106-346, eliminates the higher pension contribution rates Federal employees have paid resulting from the 1997 balanced-budget agreement: in the absence of this action, employees would have paid an additional .5% of salary through 2002. P.L. 106-346 also includes a provision mandating more telecommuting by Federal employees and contains provisions barring Federal agencies from using their internet websites to collect personal information from those who access their websites. The Office of the General Counsel is preparing a memorandum for the Commission analyzing this legislation.

Retirement Corrections & Long-term Care

Two unrelated Federal issues were linked to gain enactment of both: the Long-Term Security Act and the Retirement Corrections Act. Both the House and Senate approved bills regarding provision of long-term care insurance for Federal employees (H.R. 4040 and S. 2420). These bills would make available long-term care insurance to Federal employees, members of the uniformed services, and civilian and military retirees. Employees would pay full premium costs for the insurance, but they would be able to get group, rather than individual, rates.

Separately, both bodies passed bills to correct errors made during the initial change from CSRS to FERS when some Federal workers were placed in incorrect retirement plans. The bills differ, however, regarding who is responsible for payments to retirement funds to compensate for the errors: the Government (H.R. 416) or employees (S. 1232). Unable to resolve these differences, Senator Cochran (R-MS), in an effort to reach a compromise, attached the Senate retirement bill to the House long-term care bill. Congress approved H.R. 4040 and the President signed it in September, P.L. 106-265.

Student loan repayment

Currently, most agencies have the option of repaying employees' student loans as a recruitment and retention measure; however, excepted service agencies such as the NRC do not have this authority. The National Defense Authorization Act for FY 2001, P.L. 106-398, broadens the program to include excepted service agencies, clearing the way for them to offer this benefit if they so choose.

Thrift Savings Plan

Rep. Morella's (R-MD) H.R. 208 would: (1) allow for the contribution of certain rollover distributions to TSP accounts; and (2) eliminate certain waiting period requirements for participation. The bill was cleared by Congress and signed by the President in October 2000 (P.L. 106-361).

B. COMPUTER SECURITY

The House Government Reform Committee's Subcommittee on Government Management, Information, and Technology held five hearings this year on computer security. The Chairman of that Subcommittee, Rep. Horn (R-CA), sent a computer security questionnaire in August to government agencies; the NRC responded on August 18. This survey, as well as audits by the GAO and Inspectors General, were the basis for the Subcommittee's first report card on computer security at Federal departments and agencies, issued in September. The NRC, DOE, FEMA, and DOT were the only agencies to get "incompletes," because there "has been insufficient auditor scrutiny to validate their self-evaluations." Overall, the Federal Government received a "D-." Rep. Horn will be chairing a different Subcommittee in the 107th Congress; the next Chairman would be likely to continue with report cards.

Included in DOD Authorization, P.L. 106-398, are the provisions of the Government Information Security Act (S. 1993 and H.R. 2413). This Act would enhance OMB's role in coordinating security of Federal information systems, require the development of government-wide standards for information security controls, require annual evaluations of agencies' information security programs and practices, and enhance training in information security. It also has provisions authorizing increased pay for Federal employees with needed information technology skills.

**C. ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT,
P.L. 06-229**

In June, President Clinton signed this Act, referred to as "E-SIGN," into law. The Act prohibits the Federal Government from denying legal effect to a signature, contract, or other record relating to a private transaction solely because the signature or record is in electronic form. For more detail on the interpretation of this law, see the memo from Stephen Burns to the Commission, "P.L. 106-229, Electronic Signatures in Global and National Commerce Act," dated September 28, 2000.

D. FEDERAL CHIEF INFORMATION OFFICERS

The House Government Reform Committee's Subcommittee on Government Management, Information, and Technology held a hearing March 24, "The Performance of Federal CIOs: How Do They Compare with the Private Sector?" Two bills have been introduced in the House to establish a Federal CIO and an Office of Information Technology at OMB: Rep. Turner's (D-TX) H.R. 4670 and Rep. Davis' (R-VA) H.R. 5024; a hearing was held on the bills by the same Subcommittee in September. GAO stated, however, that OMB believes that accountability for information technology (IT) has appropriately been given to the agencies, so it might be reluctant to support a more centralized IT role. No further action has occurred.

In May, the Senate Governmental Affairs Committee sent a letter to agencies requesting data on their IT management "as a basis for our further oversight on information technology management issues." No further action has occurred.

E. FINANCIAL MANAGEMENT

Financial Statements

In March, the House Government Reform Committee's Subcommittee on Government Management, Information, and Technology issued its annual report on the quality of agencies' 1999 financial statements; the NRC received a "D+," as it did last year. Overall, the Government also received a "D+." The report card was based on reliable financial information (an unqualified opinion), effective internal controls, and compliance with laws and regulations. The NRC received a "yes" for the first category, but a "no" for each of the others. Both GAO and Chairman Horn (R-CA) stressed that although unqualified opinions are an accomplishment, they are not the "end game." They contended that the most important category was "effective internal controls," to ensure that there is accurate information on a day-to-day basis. Rep. Horn will be chairing a different Subcommittee in the 107th Congress; the next Chairman would be likely to continue with report cards.

Performance Reports

The Senate Governmental Affairs Committee issued a report card in October on agencies' FY 1999 performance reports: the NRC received a "C-." The grades were based on reviews of the reports by the Congressional Research Service, the Mercatus Center, GAO, agency Inspectors General, and Committee staff. Additionally, Committee staff and the GAO met with individual agencies: the NRC's meeting was on March 16, 2000.

The grades range from "A" to "F," with the majority of agencies receiving a "C-." The NRC was criticized for not addressing management challenges identified by GAO and the NRC's IG by "setting a performance goal to solve it. Indeed, NRC did not agree that some of the areas were major.....NRC did not agree to craft a performance indicator to gauge its success in addressing many of these major management challenges."

F. GOVERNMENT PERFORMANCE AND RESULTS ACT; REPORTS CONSOLIDATION ACT

In July, the House Government Reform Committee held a hearing, "Seven Years of the Government Performance and Results Act (GPRA): Has the Results Act Provided Results?" Chairman Horn (R-CA) noted that agencies have made significant, but uneven, progress in linking program planning with their budget requests. OMB testified as to agencies' progress while noting that the real challenge was moving beyond writing reports to incorporating those plans into everyday use for management decisions.

GAO listed key challenges for agencies to become high-performing organizations through GPRA: (1) articulating a results orientation, (2) coordinating crosscutting programs, (3) showing performance consequences of budget decisions, (4) showing how daily operations contribute to results, and (5) building the capacity to gather and use performance information. He added that agencies had made incremental progress in these areas, and the initial GPRA documents "have the potential" to help Congress set its oversight agenda and to achieve high performance.

Congress approved S. 2712, the Reports Consolidation Act, in October (submitted to the President, Nov. 14, 2000), which would combine agencies' financial and performance management reports into one report and move the due date for agencies' performance reports from March 31 to March 1 of each year. The Office of the General Counsel is preparing a memorandum for the Commission on this Act.

G. INSPECTORS GENERAL ACT AMENDMENTS

Last year, Senator Collins (R-ME) introduced S. 870, the Inspector General Act Amendments; a companion bill was introduced by Rep. Biggert (R-IL) in October. The bill would authorize renewable nine-year terms for Inspectors General (IG), prohibit the acceptance by IG's of cash awards or bonuses, increase IG pay from Level IV to Level III, consolidate smaller IG offices, and provide for a periodic external review of IG management practices. The Senate Governmental Affairs Committee held a hearing on S. 870 in July and reported out the bill in October; there has been no further action on either bill.

Congress did pass legislation providing for a Presidentially appointed IG for TVA and establishing, in the Treasury Department, a Criminal Investigation Academy and General Forensic Laboratory for the use of all IGs (P.L. 106-422).

H. REGULATORY IMPROVEMENT BILLS

In previous Congresses and last year, there was a strong push to enact comprehensive regulatory reform; this year, the effort turned to a piecemeal approach. In Spring 1999, the

Senate Governmental Affairs Committee approved S. 746, the Regulatory Improvement Act, which mandates risk assessment and cost benefit analyses of all major rules. No further action has occurred and there has been no action on the House bill, H.R. 3311.

In July, the House approved Rep. Kelly's (R-NY) H.R. 4924, the Truth in Regulating Act. This bill directs GAO, at the request of a Chairman or Ranking Member of a congressional committee, to review an agency's analysis of rules that would produce an economic impact of more than \$100 million annually or would adversely affect the economy, the environment, public health and safety, or state, local or tribal governments. The Senate passed similar legislation, S. 1198, in May. The House then passed the Senate bill. President Clinton signed it into law on October 17 (P.L. 106-312). On November 2, 2000, OGC provided a memorandum to the Commission regarding this legislation.

The House passed H.R. 1074, the Regulatory Right-to-Know Act, in July 1999. The Senate Governmental Affairs Committee attempted to mark up the companion bill, S. 59, in November, but there were insufficient votes to report it out. The legislation requires OMB to annually submit to Congress a statement assessing the costs and benefits to the private sector of Federal rules. Since 1996, Senator Stevens (R-AK) has included in Treasury/Postal Service Appropriations bills a requirement for a less-detailed report from OMB; he intends to continue with this approach in the absence of other action.

IV. PROGRAM ISSUES AND LEGISLATION

A. ATLAS-MOAB

Representative George Miller (D-CA) introduced H.R. 393 to transfer responsibility for cleanup and removal of the Atlas-Moab uranium mill tailings to the Department of Energy. Rep. Chris Cannon (R-UT), who represents the Moab area, also introduced legislation, H.R. 1559, to have the Secretary of Energy clean up and remove the Atlas-Moab mill tailings to an alternate site. Both bills were referred to the Commerce Committee which took no action.

Senator Robert Bennett introduced S. 2588 on May 18, 2000, to transfer the Atlas-Moab tailings to the Department of Energy (DOE) for removal to an alternate site within the State of Utah. On July 13, 2000, the Senate passed H.R. 4205, the Defense Authorization bill, which included language similar to that contained in S. 2588. The House conferees successfully added language requiring DOE to obtain from the National Academy of Sciences (NAS) technical advice, assistance and recommendations on, among other things, benefits and costs associated with various remediation alternatives. If DOE's final plan is not consistent with NAS' recommendations, DOE must submit a report to Congress explaining the reasons for the deviations. The President signed H.R. 4205, the Floyd D. Spence National Defense Authorization Act (P.L. 106-398) into law on October 30, 2000.

B. ELECTRICITY DEREGULATION

Congress continues to lack consensus on the content of legislation regarding electricity deregulation: comprehensively or narrowly focused, state or federal oversight? Senate Energy and Natural Resources Committee Chair Murkowski (R-AK) attempted to report out a comprehensive deregulation bill, but the Committee instead endorsed S. 2071, a narrow

approach dealing with reliability; in June, the Senate approved S. 2071. This bill establishes an industry-run reliability body with FERC oversight that could set enforceable rules for electricity transmission. In comments to OMB, NRC noted its preference that S. 2071 include a provision stating that regulations issued by the reliability body will be consistent with NRC statutory obligations; the agency also indicated that the Administration's bill, S. 1047, contained such a provision. The NRC supports S. 1047 since it also includes two other items sought by the agency: elimination of the NRC antitrust reviews and payment priority for decommissioning funds in bankruptcy.

In July, Chairman Bliley of the House Commerce Committee indefinitely postponed a scheduled markup of H.R. 2944, the Electricity Competition and Reliability Act, a comprehensive electricity deregulation bill. He had intended to offer an amendment granting oversight authority of the transmission grid to FERC; in contrast, the chair of the pertinent Subcommittee, Rep. Barton (R-TX), favors state control. Of interest to the NRC, H.R. 2944 includes the antitrust review elimination, but does not include the bankruptcy provision due to jurisdictional concerns with the Judiciary Committee. Environmentalists and the Administration oppose H.R. 2944. Due to insufficient votes in the Committee for Chairman Bliley's approach, further electricity deregulation action will await the 107th Congress.

C. EMERGENCY PLANNING

Potassium Iodide

On July 26, 2000 Representative English (R-PA) introduced H.R. 4969, legislation which directs the Director of the Federal Emergency Management Agency, jointly with the NRC and other Federal agencies, to develop a plan for stockpiling potassium iodide tablets in areas within a 50-mile radius of a nuclear power plant. The bill was referred to the Committee on Transportation and Infrastructure. No further action occurred.

D. EPA/NRC MEMORANDUM OF UNDERSTANDING

The FY 2001 House Appropriations Committee Report, H. Rept. 106-674, for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies (including EPA) again contains language stating that EPA should defer to the NRC for cleanup of NRC licensed sites. The report notes that it appears that no movement has been made since last year's directive for NRC and EPA to enter into a Memorandum of Understanding (MOU) that clarifies EPA's involvement when it is requested by NRC. A subsequent colloquy between Representatives Joseph Knollenberg (R-MI), a member of the Subcommittee, and James Walsh (R-NY), Chairman of the Subcommittee, noted NRC's efforts to finalize the MOU.

Neither the Senate nor the Conference addressed the EPA/NRC MOU. The President signed the bill into law (P.L. 106- 377) on October 27, 2000.

E. EXTERNAL REGULATION OF DOE FACILITIES

Representative Tom Bliley (R.VA) introduced H.R. 3907, a bill to provide for the external regulation of nuclear safety and occupational safety and health with Department of Energy

facilities on March 14, 2000. H.R. 3907 authorized the Nuclear Regulatory Commission and OSHA to jointly regulate all DOE facilities by a date certain.

A hearing was held on March 22, 2000, on H.R. 3709 and other legislation. There has been no further action on this legislation. There is no comparable legislation in the Senate.

The Armed Service Committee report on S. 2549, the National Defense Authorization Act for FY 2001, contains language regarding the external regulation for DOE facilities.

The report states that "The Committee remains deeply concerned with proposals to establish a new, external regulation regime for DOE defense nuclear facilities. The Committee does not support such efforts. The Committee notes that the only DOE defense facility to be placed under regulation by the Nuclear Regulatory Commission (NRC) required almost \$500.0 million and three years to establish a new licensing process. The Committee believes that placing additional DOE facilities under NRC regulation would not be beneficial or cost-effective. Such a move would waste scarce cleanup funds and jeopardize the pace of cleanup at DOE facilities. The Committee believes that the Defense Nuclear Facilities Safety Board (DNFSB) continues to provide comparable, independent safety oversight for all DOE defense nuclear facilities with an annual budget of less than \$20.0 million a year."

There is no comparable language in the House DOD authorization bill.

F. FUSRAP

The House and Senate passed Energy and Water Development Appropriations bills that would appropriate funds to the Army Corps of Engineers to clean up FUSRAP sites. The House Committee report reiterated earlier statements that it believes FUSRAP sites belong to the Department of Energy. In a June 27, 2000, colloquy between Representatives Chet Edwards (D-TX) and House Appropriations Subcommittee on Energy and Water Development Chairman Ron Packard (R-CA), Rep. Edwards asked if Rep. Packard would confirm that the Committee on Appropriations does not wish to influence the judgement of the Commission on certain legal issues relating to the off-site disposal of FUSRAP material. Rep. Packard responded in the affirmative. He added that if any committee of Congress wishes to take action regarding the off-site disposal issue the Commission is considering, it ought to be the relevant authorizing committees of the House that does it. He added that he would have no objections to the authorizes taking up such issues and the Committee on Appropriations, appropriately, has chosen not to do so.

Senators Robert Bennett (R-UT) and Barbara Boxer (D-CA) were granted the hearing promised by former Environment and Public Works Committee Chairman Chafee (R-RI) on whether pre-1978 11e(2) byproduct material should be licensed by NRC after they decided not to offer an amendment to the NRC authorization bill, S. 1627. NRC staff testified at the hearing which was held on July 25, 2000. No further action was taken.

G. GASEOUS DIFFUSION PLANTS (GDP)

The Oversight and Investigations (O&I) Subcommittee of the House Commerce Committee conducted investigations into operation of the gaseous diffusion plants by the USEC. The

Subcommittee held a hearing into allegations of radiological contamination and unsafe conditions at the Paducah, KY, GDP. The allegations center on past practices at the facility by the Department of Energy (DOE) prior to privatization and certification of the U. S. Enrichment Corporation. NRC staff briefed the Subcommittee's staff, which includes the Congressmen (Ed Whitfield (R-KY) and Ted Strickland (D-OH)) who represent the Districts where the GDPs are located as well as staffs of Senators Mitch McConnell (R-KY), Jim Bunning (R-KY), George Voinovich (R-OH), and Mike DeWine (R-OH), on a number of occasions and pointed out that the allegations being raised are "legacy" issues which stem from DOE oversight of the facilities. NRC staff has maintained that in its areas of responsibility the facilities are now being operated in a manner that adequately protects public health and safety and the environment. The Subcommittee was also interested in the financial viability of USEC and held a hearing at which NRC staff testified. Most recently the Committee asked for and obtained NRC documents on this issue. The Subcommittee may hold another hearing into USEC finances in the next Congress.

Representative Ted Strickland (D-OH) introduced H.R. 4883, the "Nuclear Fuel Reliability Act of 2000", which would have made it possible for the government to reacquire ownership of the US Enrichment Corporation and operate the GDPs. DOE announced that it would maintain the Portsmouth GDP in cold shutdown and build a pilot centrifuge facility at Portsmouth, Ohio. Details of this announcement are being worked out amid questions in Congress about the legality of using unappropriated funds to accomplish this.

Additional hearings on public health and safety aspects of the operation of both facilities were held by Senator Jim Bunning (R-KY) from the Senate Energy and Natural Resources Committee, Senator McConnell (R-KY) from the Senate Energy and Water Development Appropriations Subcommittee, and a field hearing in Portsmouth by Senator George Voinovich (R-OH) of the Senate Governmental Affairs Committee.

A number of bills were introduced that would compensate past and present workers at the GDPs and possibly other DOE weapons facilities. Energy Secretary Bill Richardson apologized to workers for unsafe practices and conditions at the facilities and said he supports compensation. Congress enacted a DOE worker compensation program as part of the Defense Authorization Act (P.L. 106-398).

H. HIGH-LEVEL WASTE

The House Commerce Committee passed a comprehensive high-level waste bill, H.R. 45, The Nuclear Waste Policy Act of 1999, on April 21, 1999.

The Senate Energy and Natural Resources Committee passed its version of a comprehensive high-level waste bill, S. 1287, The Nuclear Waste Policy Amendments Act of 1999, with attendant report, S. Rpt. 106-98, on June 24, 1999. An amended version of the bill passed the Senate on February 10, 2000, by a vote of 64 - 34. The bill was then considered and passed without amendment by the House on March 22, 2000, by a vote of 253 - 167. On April 25, 2000, the bill was vetoed by the President. The Senate failed to override the veto by a vote of 64 - 35.

I. INDIAN POINT 2

On February 15, 2000, the Indian Point Nuclear Power Plant, Unit 2, was manually shut down following indications of a steam generator tube failure in one of the plant's four steam generators. The plant is 24 miles north of New York City and is in the district of Representative Sue Kelly (R-NY) .

Consolidated Edison (ConEd) owns and operates the plant and initially chose to repair the faulty steam generator. However, on August 9, 2000, ConEd decided to replace the four steam generators. Unit 2 may be out of service until the end of CY 2000.

The Indian Point Unit 2 event required the mobilization of a communications team to handle the extensive public, Congressional and media interest. Numerous Congressional briefings were conducted to keep Senators and Representatives and their staffs apprised of NRC actions relating to Indian Point Unit 2.

J. INTERNATIONAL ISSUES

Export Administration Act

The Export Administration Act expired in 1994; thereafter, the President has regulated exports through executive orders and individual waivers. On September 23, 1999, the Senate Banking, Housing and Urban Affairs Committee approved S. 1712, reauthorizing the Export Administration Act. The bill would reduce export controls for those items that do not have security implications and it would tighten controls for those items that do. The Senate Armed Services Committee and the Committee on Commerce, Science and Transportation held hearings in the spring. However, due to lack of support for the bill, Senator Gramm (R-TX), Chairman of the Banking, Housing and Urban Affairs Committee was not able to get full Senate consideration and a vote on the bill. No further action occurred this Congress.

On September 21, Representative Gilman (R-NY) introduced H.R. 5239, the Export Administration Modification and Clarification Act of 2000 and it passed the House on September 25. The House bill increases penalties for companies and individuals that violate rules on the export of high technology equipment with both military and commercial uses. The Senate amended the bill to simply reauthorize the Export Administration Act until August 20, 2001, and passed the bill on October 11. The House subsequently accepted the Senate version. The President signed the bill on November 13, 2000.

North Korea

A bill introduced in April 2000 by Representative Benjamin Gilman (R-NY), Chairman of the International Relations Committee, prohibiting the assumption of financial responsibility for nuclear power construction and nuclear accidents in North Korea was included as an amendment to H.R. 4205, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 and H.R. 4811, the Foreign Operations, Export Financing, and Related Programs Appropriations Act for Fiscal Year 2001. The House conferees to H.R. 4205 and H.R. 4811 withdrew the provision from the conference report.

The House of Representatives passed H.R. 4251 on May 15, 2000. This bill requires Congress to enact a joint resolution confirming that North Korea is in full compliance with its IAEA safeguards agreement before an export license for U.S. nuclear material, equipment or technology can be issued. The Administration continues to oppose this legislation. In the Senate, Senator Thompson (R-TN) introduced a similar bill (S. 2752) which also includes a provision to prohibit U.S. assumption of liability for nuclear accidents in North Korea. This bill was placed on the Senate calendar in June. There was no further action this Congress.

Preparedness Against Terrorism Act of 2000, H.R. 4210

This bill passed the House on July 25 and was referred to the Senate the next day. Its purpose is to strengthen interagency emergency planning so that it can develop more capability for early detection and response to domestic terrorist attacks, including attacks involving weapons of mass destruction. The Administration has from the start opposed the bill as neither necessary nor appropriate -- not necessary because Presidential Decision Directive 62 (1998) accomplishes, in the Administration's opinion, the aims of the bill (the Directive does not mention the NRC), and inappropriate because the new structure would conflict with existing authorities. The NRC has not been asked by OMB to comment on the bill, even though legislation of this sort might affect the NRC.

The heart of the legislation is its 9th section, which would add several new sections to the existing Robert T. Stafford Disaster Relief and Emergency Assistance Act (DREA) (42 USC 5195 *et seq.*).

New section 651 of the DREA would establish the President's Council on Domestic Terrorism Preparedness, which would be composed of the President, the Director of FEMA, the Attorney General, the Director of OMB, and whomever else the President wished to appoint. The Council would be chaired by the President or by a Senate-confirmed Executive Chair.

Sections 652 and 653 would assign to the Council the responsibility for developing and transmitting to the President and the Congress a Domestic Terrorism Preparedness Plan and an annual strategy for carrying out the Plan. In developing the Plan, the Council would consult with Congress, the heads of Federal agencies, state and local officials, and others. The Plan would include a description of the specific role of each relevant Federal department and agency under the Plan. Once the Plan was in place, the Council would have at its disposal many devices by which to influence, but not direct, a Federal agency's implementation of the Plan. The Council would notify an agency in writing if it found that the agency was not in compliance with its responsibilities under the Plan. No further action occurred this Congress.

Waste Cleanup in Northern Europe

Representative Gejdenson (D-CT), Ranking Member of the Committee on International Relations, introduced legislation that would foster cross-border cooperation in Northern Europe and provide assistance in the clean up of nuclear waste in that region. The bill directs the Secretary of State, in consultation with the heads of other appropriate Federal agencies, to submit a report to Congress on the threat to the environment in Northern European countries from marine nuclear reactors, waste, and contamination and to identify possible U.S. assistance. This bill was signed into law on August 2, 2000 (P.L. 106-255).

K. PRICE-ANDERSON ACT RENEWAL

The Price-Anderson Act expires on August 1, 2002, although existing NRC coverage would continue in the absence of legislation. Congressional action is required for renewal. The NRC and DOE have submitted separate reports to Congress with their views on renewal.

The Senate Environment and Public Works Committee through Senator James Inhofe (R-OK), introduced its version of the reauthorization act, S. 2292, on March 23, 2000. This version of the Act addresses NRC's authority. The NRC staff had previously briefed Senator Inhofe's staff on NRC's role under the Act.

The Senate Energy Committee introduced its version, S. 2162, on March 5, 2000, which addresses DOE's authority. No action was taken on either bill.

No companion bills were introduced in the House. We expect interest in this issue in the 107th Congress.

L. SPENT FUEL STORAGE FACILITIES

In June 1997, Private Fuel Storage (PFS) submitted an application for a license to store spent fuel from nuclear reactors in dry cask storage systems within an independent spent fuel storage installation to be constructed and operated on the reservation of the Skull Valley Band of Goshute Indians. A draft Environmental Impact Statement (EIS) was released for comment in June 2000.

There has been considerable State and Congressional interest in the project and Representative Merrill Cook (R-UT) and Representative Jim Hansen (R-UT) commented on the proposal at the EIS public meetings. Both members spoke in opposition to the facility.

M. SUPERFUND REAUTHORIZATION

None of the Committees of jurisdiction in the House and Senate were able to develop a comprehensive bill that a coalition of Republicans and Democrats could accept.

N. TAX TREATMENT OF NUCLEAR DECOMMISSIONING FUNDS

In July, Senator Murkowski (R-AK), Chair of both the Energy and Natural Resources Committee and the Finance Committee's Subcommittee on Long Term Growth, introduced S. 2967, the Electric Power Industry Tax Modernization Act. Much of the bill is focused on tax treatment of municipal utilities, but Section 5 deals with nuclear decommissioning funds. Significantly, S. 2967 enjoys bipartisan support by members of the Finance Committee. A companion bill, H.R. 4971, was introduced in the House by Rep. Hayworth (R-AZ) with similar support. With the short legislative session remaining, however, there is very little opportunity for the consideration of this legislation.

O. URANIUM MILL TAILINGS RADIATION CONTROL ACT (UMTRCA)

Representatives Barbara Cubin (R-WY) and Steve Largent (R-OK) introduced H.R. 2641, "To make technical corrections to Title X of the Energy Policy Act of 1992," for cleanup of radioactive contamination from the operation of uranium and thorium milling operations. The bill would extend authority for Title X cleanups from 2002 to 2007 and increase the reimbursement from \$6.25 per ton to \$10.00 per ton. This is similar to legislation that was considered but not acted upon in the last Congress. H.R. 2641 was referred to the Commerce Committee and on July 5, 2000, the Energy and Power Subcommittee held a hearing. Negotiations between Committee majority and minority led Rep. Largent to agree to a bill that merely extended the date for Title X cleanup authority to 2007. This "lite" version, introduced in the Senate by Senator Nickles (R-OK), passed the Senate and was signed into law on October 19, 2000 (P.L. 106-317).