



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

August 29, 1995

MEMORANDUM TO:

Chairman Jackson  
Commissioner Rogers

FROM:

*Dennis K. Rathbun*  
Dennis K. Rathbun, Director  
Office of Congressional Affairs

SUBJECT:

STATUS OF ISSUES IN THE 104TH CONGRESS

Attached for your information and use is the status of issues in the 104th Congress relevant to the NRC and being monitored by the Office of Congressional Affairs. We will keep you apprised of progress on these issues and any other significant new issues that may arise.

The Senate began its August recess on August 11 and will return on September 5. The House of Representatives began its recess on August 4 and will return on September 6.

Attachment:  
As stated

cc: EDO  
OGC  
OGC/Cyr  
SECY  
OPA  
OIP  
OIG  
ACRS  
ACNW  
ASLB  
OCAA

A/11

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## I. NRC BUDGET

### A. NRC FISCAL YEAR 1996 APPROPRIATIONS:

The Nuclear Regulatory Commission requested a fiscal year 1996 budget of \$525.8 million, to be funded by two appropriations -- one is NRC's Salaries and Expenses appropriation for \$520.3 million and the other is NRC's Office of the Inspector General appropriation for \$5.5 million. The House approved \$473.3 million, which is \$52.2 million less than our request. Included in that amount is \$11 million for the high-level waste program (one half of the agency's request for high-level waste). The Senate agreed with the House reductions to NRC's salaries and expenses and the Office of the Inspector General, but restored \$6 million to the high-level waste program, thus, approving \$479.3 million for the NRC. The House/Senate conference has not been scheduled. (See attachment for House and Senate Reports.)

### B. NRC FISCAL YEARS 1996-1997 AUTHORIZATION:

Draft NRC authorization language was sent to Congress in March. A bill has not been introduced in the Senate or House of Representatives. The House Commerce Committee's Subcommittee on Energy and Power may hold an authorization hearing in the Fall.

### C. BUDGET RESOLUTION: NRC USER FEES/FEDERAL PENSIONS/ FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM:

The Senate and House of Representatives approved the conference report (H.Rept. 104-159) accompanying the Budget Resolution (H.Con.Res. 67). The provisions in the report are not statutorily binding, but are recommendations to the authorizing committees as a means to achieve budget reduction. If those committees do not agree with the recommendations, they must find other means to achieve the same amount of savings. The committees must act on the recommendations by late September; all of the provisions are then packaged in the Omnibus Budget Reconciliation bill to be acted on by the Congress in the Fall. As a result, it may be late in the year before final action is taken.

#### NRC USER FEES

The report language assumes the extension of NRC user fees through 2002 (100% fee recovery) and states that these fees will continue to offset NRC appropriations.

#### FEDERAL PENSIONS

The Budget Resolution recommends that employees' pension contributions increase by  $\frac{1}{2}\%$  in the following manner:  $\frac{1}{4}\%$  in 1996 and another  $\frac{1}{4}\%$  in 1998. The method for determining average

salary for retirement purposes would be changed from high three to high four in 1997 and to high five in 1998.

#### FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP)

The Budget Resolution recommends that the government's contribution to FEHBP change from the current 75% of premium costs to a fixed dollar amount indexed to the CPI. Concerns have been raised that the index should be related to faster-growing medical costs rather than the CPI.

### II. NOMINATIONS

#### NOMINATIONS

The President nominated Ms. Greta Dicus to the Nuclear Regulatory Commission for a term that expires on June 30, 1998. The Senate Environment and Public Works Committee held a confirmation hearing on August 10. There is no known opposition to Ms. Dicus' nomination, and the Committee and then the Senate are both expected to vote to confirm her as Commissioner soon after returning from the August recess.

The nomination of Mr. Dan Berkovitz to a term expiring on June 30, 2000 is still pending before the Senate Environment and Public Works Committee. Following his confirmation hearing on February 16, 1995, eight of the nine Republicans on the Committee signed a letter urging that a different person be nominated. The future of his nomination is uncertain. No one has been nominated to the term expiring on June 30, 1996.

On August 10, the Senate received the nomination of David C. Williams, NRC's Inspector General, to be the Inspector General for the Social Security Administration. No one has been nominated to be the NRC's new IG.

### III. NRC-RELATED AND GOVERNMENT-WIDE ISSUES AND LEGISLATION

#### A. CLEAN AIR

Hearings have been held in both the House Commerce and the Senate Environment and Public Works Committees. The issue in both has been mainly implementation of automobile emissions standards. Radionuclide emissions have not been discussed.

## B. CLEAN WATER

The House has passed H.R. 961, a bill which would significantly alter the 1972 Clean Water Act. The most controversial part of the bill is Section 404 which would ease the restrictions on developing wetlands. Of interest to NRC is Section 316 which would exempt NRC licensees' radiological activities (but not NRC certificate holders such as the United States Enrichment Corporation for its gaseous diffusion facilities) from being regulated by the Environmental Protection Agency or otherwise treated as a federal facility.

In the Senate, the Environment and Public Works Committee has had internal staff disagreements on how to proceed between Committee and Subcommittee. Subcommittee hearings are expected to begin but it is unlikely that final Committee action will be taken this session.

## C. DEPARTMENT OF ENERGY

On September 7, 1995, the House Science Committee's Subcommittee on Basic Research and Subcommittee on Energy and Environment will hold a hearing on several pieces of legislation regarding the DOE National Laboratories' missions and governance and their role in the overall federal scientific establishment. The Subcommittees asked the NRC to submit testimony which provides views on H.R. 2142, the Department of Energy Laboratory Missions Act and H.R. 1510, the Department of Energy Laboratories Efficiency Improvement Act. The thrust of these proposals is to shift a portion of the regulatory responsibilities for the laboratories away from the DOE. No comparable legislation has been introduced in the Senate.

On May 16, 1995, Secretary of Energy Hazel O'Leary testified before the House Committee on Government Reform and Oversight's Subcommittee on Government Management, Information and Technology regarding the missions of DOE. The Secretary presented a plan for a much leaner DOE; she described how the Department could be downsized by the year 2000.

## D. ENRICHMENT

The Administration submitted legislation to privatize the U.S. Enrichment Corporation; however, that proposal has not been introduced. Other privatization bills have been introduced in both Houses of Congress. The House Commerce Committee held a hearing on H.R. 1216. That bill was incorporated into H.R. 1215, the "Tax Fairness and Deficit Reduction Act," and was passed by the House. In the Senate, H.R. 1215 is pending before the

Finance Committee. Also in the Senate, Senator Domenici introduced S. 755, a bill similar to H.R. 1216. The Senate Energy Committee held a hearing but no further action has been taken.

Since privatization of the USEC could result in a gain of over \$1.5 billion to the U.S. Treasury, Congressional Committees with budgetary oversight authority (House Commerce and Senate Energy) are anxious to claim the savings. One possible scenario for passage could be to incorporate privatization legislation in versions of the budget reconciliation bills now being formulated for passage this session.

#### **E. FEDERAL ENERGY COSTS**

Senator Bingaman (D-NM) amended Energy and Water Development Appropriations, H.R. 1905, to direct federal agencies under the purview of that bill to achieve in FY 1996 a 5% reduction from FY 1995 levels in the energy costs of facilities. Fifty percent of the savings realized from this reduction would then be available in FY 1997 for further conservation measures, with the remaining 50% for such use as the agency head decides. The Senator is amending every appropriations bill with such language. The House appropriations bills do not include such provisions.

#### **F. FEDERAL INFORMATION TECHNOLOGY REFORM ACT**

Senator Cohen (R-ME) introduced S. 946, the Federal Information Technology Reform Act, in June. The purpose of the legislation is to improve the federal technology acquisition process, with chief information officers being created at agencies to oversee such improvements. After a Subcommittee hearing in July, Senator Cohen successfully offered a substantially modified version of S. 946 as an amendment to the DOD Authorization bill, S. 1026. The NRC had earlier sent a letter to Senator Cohen expressing concerns about the prescriptive nature of some of the bill's provisions and its effect on small federal agencies; many of our concerns were addressed in the amended version of the bill.

The Senate is expected to complete consideration of S. 1026 in early September. A bill similar to S. 946 has not been introduced in the House, nor does the House-passed version of DOD Authorization contain such provisions. Accordingly, the future of the Cohen amendment will be determined in conference on the DOD Authorization.

#### **G. FEDERAL PENSIONS**

The House Government Reform and Oversight Committee has held three hearings on federal pensions, with much discussion of whether the CSRS constitutes an "unfunded liability" and the "burden" of federal pensions on taxpayers; the Senate

Governmental Affairs Committee's Subcommittee on Post Office and Civil Service has held less critical hearings. The Chair of that Subcommittee, Senator Stevens (R-AK), is the father of FERS; he is considering folding CSRS into FERS to lessen its vulnerability to budget cuts. The Budget Resolution calls for the establishment of a commission to make recommendations on the long-term solvency of the military and civil service retirement funds.

#### **H. FEDERAL THRIFT SAVINGS PLAN**

Senator Stevens (R-AK) introduced S. 1080 which would broaden the options for investment in the Thrift Savings Plan (TSP); Rep. Morella (R-MD) has announced her intent to introduce a companion bill. S. 1080 would allow participants to invest in international and small capitalization funds as well as the current G, C, and F funds. No action has occurred, but sponsorship by members who are active on federal employee issues increases the likelihood of passage.

#### **I. HIGH-LEVEL WASTE**

Prior to the adjournment of the House, the Energy and Commerce Committee voted to report H.R. 1020, the Nuclear Waste Policy Act of 1995, sponsored by Representative Fred Upton (R-NY). Three other House Committees (Resources, Transportation and Budget) are reviewing those parts of the bill over which they have jurisdiction. It is not known whether any of these Committees will hold hearings or mark up the bill. If no problems are identified, the bill is expected to come before the House this session.

The Senate has held hearings on high-level waste but Energy Committee Chairman Frank Murkowski has not yet decided upon a course of action. The Committee's Ranking Minority, Senator J. Bennett Johnston (D-LA), introduced S. 167, similar to Representative Upton's H.R. 1020. Senator Pete Domenici has floated a number of draft bills but none have been introduced. Once Senator Domenici's bill is introduced, a Senate Energy hearing is likely. However, it is unlikely the Senate will pass a comprehensive HLW bill in the remainder of this session.

During formulation of the Energy and Water appropriations bill, H.R. 1905, the House Appropriations Committee directed the Department of Energy to suspend, downgrade or terminate its repository program in favor of constructing an interim spent fuel storage facility at the Yucca Mountain site. During Senate debate, an amendment was passed that reaffirmed existing law prohibiting the siting of an interim storage facility in the same State as a site undergoing characterization to be a permanent repository. Also, the Senate restored \$6 million to NRC's high-level waste program. The differences between the House and

Senate passed versions of the bill will have to be worked out in conference.

A number of other bills have been introduced but none are expected to be acted upon.

## **J. INTERNATIONAL**

### **1. U.S.-North Korea Agreed Framework**

Several resolutions have been introduced, both in the House and the Senate, expressing the sense of Congress with respect to the U.S.-North Korea Agreed Framework. Two bills that have made progress are: (1) S. J. Res. 29 introduced by Senator Murkowski (R-Ak) on March 20, and (2) H. J. Res. 83 introduced by Representative Bereuter (R-NE) on March 30.

S. J. Res. 29 emphasizes the importance of having the U.S. promote a dialogue between North and South Korea. This bill was reported out of the Foreign Relations Committee and placed on the Senate legislative calendar. H. J. Res. 83 deals with, among other aspects of the Agreement, South Korea being the only acceptable source for the light water reactors that are to be provided to North Korea. This resolution was voted out of the International Relations Committee on June 29, 1995.

### **2. Aid to Russia/Cuba**

During consideration of H.R. 1868, the Foreign Operations Appropriations, the House adopted an amendment by Representative Menendez (D-NJ) that reduces the amount of U.S. assistance to Russia by the amount spent on the construction of the Juragua nuclear power plant in Cienfuegos, Cuba. This bill passed the House on July 11, 1995 and was referred to the Senate Committee on Appropriations. There was no action taken in the Senate before the August recess.

With recent rumors that Russia was planning to assist the Cubans in completing construction of the Juragua nuclear plant, the House International Relations, Subcommittee on Western Hemisphere held a hearing to receive testimony from the GAO and the State Department on the status of the plant and U.S. interactions with Russia concerning the plant.

### **3. Omnibus Counterterrorism Act of 1995**

Senator Dole introduced S. 735, the Comprehensive Terrorism Prevention Act of 1995, on April 27, 1995. Unlike the Administration's bills, H.R. 896 and S. 390, this bill does not include a nuclear materials title. The Senate passed S. 735 on June 7. It was received in the House on August 9 and held at the



desk. The House is expected to take up the bill sometime in September.

#### **K. LOW-LEVEL WASTE**

H. R. 558, the Texas Low-Level Waste Compact, which includes Maine and Vermont, was reported by the House Commerce Committee. The Senate Judiciary Committee also reported an identical bill, S. 419. The bills are expected to be taken up by both Houses before the end of the session.

No other bills are expected to be introduced or hearings held on low-level radioactive waste issues.

#### **L. NONPROLIFERATION/EXPORT ISSUES**

The White House is expected to send the U.S.-Euratom Agreement to Congress when it returns from recess in September. The Agreement must sit before Congress for 90 days of continuous session; therefore, the accord may expire before action is taken. If there is a lapse in the Agreement, it would be a few weeks into the next session of Congress before the agreement could take effect. The House International Relations and Senate Foreign Affairs Committees may have hearings this fall.

It does not appear that there will be significant problems for the new Agreement in Congress. The Agreement does not require an affirmative vote to enter into force. Blocking the Agreement requires passage of a joint resolution of disapproval. If no one does anything, it goes into effect automatically.

#### **M. REGULATORY REFORM**

Regulatory reform legislation is currently at a stalemate in the Senate. The purpose of the legislation is to mandate the use of risk and cost-benefit analysis in federal rulemaking; however numerous concerns have been raised about the prescriptive nature, increased judicial review, and resource impact of implementation. Also, of key concern to the NRC is the loss of independence from OMB that would result.

The Senate consumed numerous days in June and July attempting to pass S. 343; however, moderates refused to vote to end debate and vote on the bill (while there is a majority to pass S. 343, 60 votes are needed to invoke cloture). After three failed attempts to invoke cloture, Majority Leader Dole pulled the bill from the Floor. There are grass roots efforts to persuade moderate Democrats to support regulatory reform since these votes are crucial to the success of a bill in this session. Negotiations to further modify the bill are not occurring, and the Senate's busy floor schedule come September prevents more time being spent on the bill until there are the necessary 60 votes.

The House passed its version, H.R. 9, on March 3, which rolled into one bill a risk-assessment procedure, a cost-benefit measure and a private property compensation bill.

#### **N. REGULATORY SUNSET AND REVIEW ACT**

The House Government Reform and Oversight Committee has ordered to be reported H.R. 994, Regulatory Sunset and Review Act. This bill requires agencies to periodically review existing regulations and would sunset those regulations that are not reviewed. In response to a request from Ranking Minority Member Collins (D-IL) for information concerning how the NRC would be affected by the bill, the NRC sent a letter expressing strong concerns about the loss of NRC independence from OMB whereby OMB could determine which NRC rules should be retained and that the legislation could have the unintended effect of creating regulatory instability and cost the agency significant resources. An amendment by Rep. Spratt (D-SC) to exempt NRC from this provision was defeated. The Senate's regulatory reform bill, S. 343, includes a regulatory review provision.

#### **O. REORGANIZATION OF THE FEDERAL ADMINISTRATIVE JUDICIARY**

The House Judiciary Subcommittee on Commercial and Administrative Law held a hearing in July on H.R. 1082 establishing an Administrative Law Judge (ALJ) Corps. The Senate has passed this bipartisan bill in previous Congresses, with action never occurring in the House; thus, this Subcommittee action could indicate greater likelihood of enactment.

The NRC submitted a letter to the record of the hearing which expressed the view that any ALJ legislation should not preclude or limit the NRC's use of ASLBs and the technical expertise of its administrative judges.

#### **P. REPORTS ELIMINATION**

In July, the Senate approved S. 790, the Federal Reports Elimination and Sunset Act. The bill would change the NRC's quarterly abnormal occurrences report to an annual report. Additionally, four years after enactment, S. 790 would sunset all statutorily required reports which are on a certain list published by the Clerk of the House. This latter provision would result in the eventual elimination of NRC's annual report to Congress, the ACRS' annual report, the quarterly report on non-disclosure of safeguards information and the annual report on the Price-Anderson Act.

Having passed the Senate, rather than being referred to a House committee for consideration, S. 790 is being held at the desk. This procedure means that S. 790 can bypass committee action and move directly to a vote by the House.

**Q. TREASURY/POSTAL SERVICE APPROPRIATIONS**

(pay raise, training, FEHBP coverage, SES leave, appointees)

The Senate approved H.R. 2020, Treasury/Postal Appropriations, on August 5; the House approved the bill in July. The bill assumes that federal employees will be receiving a 2.4% pay raise in January; how this 2.4% would be divided between a cost-of-living increase and locality pay is currently unknown. Additionally, the Senate version of H.R. 2020 prohibits Members of Congress from receiving a pay increase; SES and SLS pay is tied to that of the Members.

The House and Senate must now conference differences between the two bills. Differences include: 1) the House prohibits abortion coverage under the FEHBP while the Senate allows it for cases of rape, incest or the life of the mother; 2) the Senate caps the number of political appointees at 2000 while the House is silent; 3) the Senate limits the amount of leave that members of the SES may accrue to 60 days while the House is silent; and 4) the House bans funds for training that does not bear directly upon the performance of official duties and restricts training that induces stress or is offensive to one's personal values; the Senate is silent.

## HOUSE REPORT

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## NUCLEAR REGULATORY COMMISSION

<b>Gross Appropriation:</b>	
Appropriation, 1995 .....	\$520,501,000
Budget Estimate, 1996 .....	520,300,000
Recommended, 1996 .....	468,300,000
<b>Comparison:</b>	
Appropriation, 1995 .....	-52,201,000
Budget Estimate, 1996 .....	-52,000,000
<b>Revenues:</b>	
Appropriation, 1995 .....	-498,501,000
Budget Estimate, 1996 .....	-498,300,000
Recommended, 1996 .....	-457,300,000
<b>Comparison:</b>	
Appropriation, 1995 .....	+41,201,000
Budget Estimate, 1996 .....	+41,000,000
<b>Net Appropriation:</b>	
Appropriation, 1995 .....	22,000,000
Budget Estimate, 1996 .....	22,000,000
Recommended, 1996 .....	11,000,000
<b>Comparison:</b>	
Appropriation, 1995 .....	-11,000,000
Budget Estimate, 1996 .....	-11,000,000

The Omnibus Reconciliation Act of 1990, as amended, requires that the Nuclear Regulatory Commission recover 100 percent of its budget authority, less the appropriation from the Nuclear Waste Fund, by assessing license and annual fees. The Committee recommends an appropriation of \$468,300,000 for fiscal year 1996, a reduction from both the Administration's budget request and the fiscal year 1995 level.

The fiscal year 1996 budget request proposes that \$22,000,000 of the agency's total appropriation be derived from the Nuclear Waste Fund. These funds are requested for agency activities related to implementation of the Nuclear Waste Policy Act and in support of the Department of Energy's efforts to characterize Yucca Mountain as a potential site for a permanent nuclear waste repository. Consistent with the Committee's direction to the Department of Energy to suspend, downgrade or terminate site characterization activities at Yucca Mountain, the NRC appropriation from the Nuclear Waste Fund is reduced by \$11,000,000. The Commission is directed to target funds appropriated from the Nuclear Waste Fund to activities consistent with the expeditious development and execution of a national interim storage program.

In recommending a reduction for fiscal year 1996, the Committee notes that licensee safety performance indicators demonstrate a pronounced trend toward improved industry performance. The Committee also notes that agency staffing appears to be unreasonably high, especially given: the maturation of the industry; the lack of nuclear power plants under construction; and a decreased need for research and rulemaking services. Also, the Committee observes that the Commission must reduce its unacceptably high levels of unobligated balances and undelivered orders.

The Committee understands that the Commission plans to reduce its staffing in future years. In light of severe budgetary constraints and consistent with congressional efforts to downsize and streamline government, the Commission is directed to accelerate those plans.

## OFFICE OF INSPECTOR GENERAL

## GROSS APPROPRIATION

Appropriation, 1995 .....	\$5,080,000
Budget Estimate, 1996 .....	5,500,000
Recommended, 1996 .....	5,000,000
Comparison:	
Appropriation, 1995 .....	-80,000
Budget Estimate, 1996 .....	-500,000

## REVENUES

Appropriation, 1995 .....	-5,080,000
Budget Estimate, 1996 .....	-5,500,000
Recommended, 1996 .....	-5,000,000
Comparison:	
Appropriation, 1995 .....	+80,000
Budget Estimate, 1996 .....	+500,000

This appropriation provides for the Office of Inspector General of the Nuclear Regulatory Commission. Pursuant to law, budget authority appropriated to the Inspector General must be recovered through the assessment of license and annual fees.

The Committee recommends an appropriation of \$5,000,000 for fiscal year 1996. This recommendation, a reduction from both the Administration request and the fiscal year 1995 level, is consistent with reductions to the Commission and congressional efforts to downsize and streamline the Federal government.

## NUCLEAR WASTE TECHNICAL REVIEW BOARD

Appropriation, 1995 .....	\$2,664,000
Budget Estimate, 1996 .....	2,970,000
Recommended, 1996 .....	2,531,000
Comparison:	
Appropriation, 1995 .....	-133,000
Budget Estimate, 1996 .....	-439,000

The Committee recommendation provides continued funding for the Nuclear Waste Technical Review Board. The Nuclear Waste Policy Amendments Act of 1987 directed the Board to evaluate the technical and scientific validity of the activities of the Department of Energy's nuclear waste disposal program. The Board must report its findings not less than two times a year to the Congress and the Secretary of Energy.

The Committee recommendation of \$2,531,000 represents a five-percent reduction in funding from the current fiscal year and a fifteen-percent reduction from the Administration's budget request. In making this recommendation, the Committee observes that the budget request assumes that the Board will operate with a full complement of eleven Board members as authorized by law. The Board, however, has never in its history had eleven members. In fact, current Board membership is six, and the terms of these members will expire in April 1996. The Committee hopes the Administration will act expeditiously to fill Board vacancies but anticipates that savings will be realized through reductions in compensation, benefits, and travel related to a continued shortage of Board members. The Committee also observes that the budget request funds an apparently excessive ratio of clerical staff to profes-

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York, New Jersey, the Commonwealth of Pennsylvania, and the Federal Government. The compact enables the Commission to participate jointly in the development of water and related resources of the region drained by the Delaware River and its tributaries.

The amount recommended is for the expenses of the U.S. Commissioner and associated staff. The action holds the salaries and expenses at the current level because of the severe budget constraints.

## CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

Appropriations, 1995 .....	\$478,000
Budget estimate, 1996 .....	551,000
House allowance .....	
Committee recommendation .....	478,000

An appropriation of \$478,000 is recommended by the Committee for fiscal year 1996. This appropriation provides the Federal share of the annual expenses of the Commission.

Due to the severe budgetary limitations, the Committee has recommended that the contribution to the Delaware River Basin Commission be held at the current year's level.

## INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

### CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Appropriations, 1995 .....	\$511,000
Budget estimate, 1996 .....	524,000
House allowance .....	
Committee recommendation .....	511,000

In light of the severe budgetary constraints, the Committee recommendation includes \$511,000 for the contribution to the Interstate Commission on the Potomac River Basin. This is the same as the current fiscal year and \$13,000 below the budget request.

The Interstate Commission on the Potomac River Basin was created by compact among the States in the basin: Maryland, West Virginia, the Commonwealth of Virginia and the Commonwealth of Pennsylvania, and the District of Columbia. The Commission has the responsibility for basinwide water quality, planning, program coordination, and assistance.

## NUCLEAR REGULATORY COMMISSION

### SALARIES AND EXPENSES

#### GROSS APPROPRIATION

Appropriations, 1995 .....	\$520,501,000
Budget estimate, 1996 .....	520,300,000
House allowance .....	468,300,000
Committee recommendation .....	474,300,000

#### REVENUES

Appropriations, 1995 .....	-\$498,501,000
Budget estimate, 1996 .....	-498,300,000
House allowance .....	-457,300,000
Committee recommendation .....	-457,300,000

## NET APPROPRIATION

Appropriations, 1995 .....	\$22,000,000
Budget estimate, 1996 .....	22,000,000
House allowance .....	11,000,000
Committee recommendation .....	17,000,000

The Omnibus Reconciliation Act of 1990, as amended, requires that the Nuclear Regulatory Commission recover 100 percent of its budget authority, less the appropriation from the nuclear waste fund, by assessing licenses and annual fees. The Committee recommends an appropriation of \$474,300,000 for fiscal year 1996, a reduction from both the administration's budget request and the fiscal year 1995 level.

The fiscal year 1996 budget request proposes that \$22,000,000 of the agency's total appropriation be derived from the nuclear waste fund. These funds are requested for agency activities related to implementation of the Nuclear Waste Policy Act and in support of the Department of Energy's efforts to characterize Yucca Mountain as a potential site for a permanent nuclear waste repository. Consistent with the Committee's support for the development of a national interim storage program for the Nation's high level civilian radioactive waste, and the direction for the Department of Energy to continue site characterization activities at Yucca Mountain at a reduced level of effort, the Committee has restored \$6,000,000 of the House reduction for the NRC's salaries and expenses appropriation. Considering that the NRC must review significant health and safety aspects of a potential interim storage program and the transportation program as well as maintain sufficient technical capability to assess geologic repository issues, the Committee recommends an appropriation of \$17,000,000 to be derived from the nuclear waste fund, a reduction of \$5,000,000 from the budget request.

The Committee concurs with the House in directing the NRC to accelerate plans to downsize and streamline staff and organization.

The Committee is encouraged by progress in the licensing for the General Electric advanced boiling water reactor and the ABB-combustion engineering system 80+ as shown by the issuance for public comment of the first two proposed design certification rules, and urges the Commission to act expeditiously to resolve public comments received, and to proceed to a final version of these rules. The Committee further urges the Commission to follow up these rules with detailed guidance on how the new licensing process will interface with existing practices, such as inspection and enforcement activities, so that future licensees, NRC staff, and the public will have a clear understanding of the regulatory framework in which these plants will be built and operated.

The Committee also encourages the NRC to continue to give special attention to replacing unnecessary prescriptive requirements and guidance with performance-based requirements and guidance. The Committee believes that a performance-based regulatory approach can substantially improve the regulatory process and result in a more effective and efficient use of both the NRC and licensee resources.

The Committee continues to be concerned about overly burdensome NRC review fees charged to ALWR design certification applicants. The Committee expects the timely completion of final design

approval for the two small, passive reactors: the Westinghouse AP-600 and the General Electric simplified boiling water reactor.

The Committee commends the NRC for expeditious actions to modify the license renewal rule for current operating licensees. The amended rule offers a stable, predictable regulatory process that utilities will use to demonstrate continued safe operation of one of the Nation's sources of electricity—nuclear power.

The Committee is encouraged by the recent efforts to reduce most fees and to revise the method of calculating hourly rates to allocate the costs associated with the reactor program and with the waste and materials programs separately, and more equitably. The Committee is also pleased that the rates for each class of applicants and licensees have been reduced. The Committee supports the effort to streamline the fee program and improve the predictability of fees by eliminating the materials flat inspection fees and including these costs in annual licensing fees.

However, the Committee continues to be concerned about issues of equity and fairness resulting from fees that are charged to licensees for which they receive no direct benefit, including international cooperative safety programs, and international safeguards activities, agreement State oversight, low-level waste disposal generic activities, and site decommissioning management plan activities. As an example, one area where the Committee expects an immediate change, by the close of this fiscal year, is the current policy of assessing fees to licensees for NRC licensing reviews and inspections for Federal agencies. The Committee sees no reason why the private sector should be required to pay for these activities.

#### OFFICE OF INSPECTOR GENERAL

##### GROSS APPROPRIATION

Appropriations, 1995 .....	\$5,080,000
Budget estimate, 1996 .....	5,500,000
House allowance .....	5,000,000
Committee recommendation .....	5,000,000

##### REVENUES

Appropriations, 1995 .....	-\$5,080,000
Budget estimate, 1996 .....	-5,500,000
House allowance .....	-5,000,000
Committee recommendation .....	-5,000,000

This appropriation provides for the Office of Inspector General of the Nuclear Regulatory Commission. Pursuant to law, budget authority appropriated to the inspector general must be recovered through the assessment of license and annual fees.

The Committee recommends an appropriation of \$5,000,000 for fiscal year 1996. This recommendation, a reduction from both the administration request and the fiscal year 1995 level, is consistent with reductions to the Commission and congressional efforts to downsize and streamline the Federal Government.