

August 14, 2001

The Honorable Harry Reid, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing both to express the Commission's appreciation for the support that the Senate and the House of Representatives have shown for the Nuclear Regulatory Commission (NRC) in their respective versions of the Energy and Water Development Appropriations Act for Fiscal Year 2002 (S.1171 and H.R. 2311), and to provide our views on two provisions on which the Senate and House of Representatives bills differ.

Both the Senate and House of Representatives versions would appropriate \$516.9 million for NRC Salaries and Expenses, including \$10 million added by Congress to enable the NRC to prepare for and respond to new reactor initiatives. The House of Representatives bill requires us to recover approximately \$473 million of the appropriation in fees charged to NRC licensees, while the Senate bill requires the recovery of approximately \$468 million. The Senate bill would share the cost of the new reactor initiatives equally between the Federal Government and the nuclear industry. This past year, Congress enacted legislation which helped bring fairness and equity to the fees that NRC is required to charge its licensees. In doing so, Congress acknowledged that NRC licensees should not be charged fees for activities that are important to the national interests and to the Agency's mission, but which do not directly benefit them. Several of the new reactor initiatives are of exactly this nature. With the strong Congressional interest in crafting a national energy policy that endorses more reliable energy sources and with renewed interest in nuclear power, we encourage you to support the provision in the Senate bill which would allow the Federal Government to share costs with the industry.

The Senate bill, unlike the House bill, would bar the NRC from expending funds to implement or enforce the regulations amending 10 CFR Part 35, "Medical Use of Byproduct Material," that a unanimous Commission is on the verge of promulgating. The revised Part 35, which would govern the medical use of byproduct material, has been developed over several years through an enhanced rulemaking process that involved extensive dialogue with the varied stakeholders, including States, a number of medical professional societies and the Commission's Advisory Committee on Medical Use of Isotopes. The thrust of these revisions is to reduce unnecessary regulatory burden while maintaining safety. More specifically, the revised regulations would: 1) focus regulatory oversight on those procedures that pose the highest risk, 2) reduce the burdens on diagnostic uses, 3) revise the requirements for

qualification of physicians and other users to focus on those aspects that are important to the safe use of radiation and radioactive material, 4) introduce new provisions that allow for new types of treatments without imposing unnecessary regulatory burden, 5) continue to assure appropriate accountability and control of radioactive material, and 6) replace the prescriptive quality management program requirements of the current Part 35 with more flexible performance-based requirements. The revised regulations would also grant a medical licensee's request in a petition for rulemaking to provide licensees greater flexibility in permitting visitors to hospitalized patients receiving radiation therapy. The NRC estimates that the regulations, if promulgated, would annually allow savings of \$8.8 million by NRC and Agreement State licensees, \$1.4 million by Agreement States, and \$0.6 million by the NRC. Over a twenty-year period, the total savings are estimated at \$125 million. In addition, the current annual information collection burden imposed on the regulated community would be reduced by 33 percent (by approximately 440,000 hours).

If the Commission is barred from implementing and enforcing the revised regulations, the current Part 35 would remain in effect. The Commission recognizes that some members of the medical community propose that the Commission remove essentially all requirements for diagnostic nuclear medicine. But after seriously considering all of the views expressed by all stakeholders over the past several years, the Commission has determined that it has drawn the appropriate lines to protect public health and safety. The new Part 35 would reduce substantially the burdens imposed on the regulated community while continuing to protect public health and safety. We urge the Congress not to preclude the NRC from implementing this improved regulatory regime.

I would be pleased to discuss our views with you.

Sincerely,

/RA/

Richard A. Meserve

cc: Senator Pete V. Domenici, Ranking Member

Identical letter sent to:

The Honorable Harry Reid, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

cc: Senator Pete V. Domenici, Ranking Member

The Honorable Robert C. Byrd, Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

cc: Senator Ted Stevens, Ranking Member

The Honorable Ernest F. Hollings
United States Senate
Washington, D.C. 20510

The Honorable Patty Murray
United States Senate
Washington, D.C. 20510

The Honorable Byron L. Dorgan
United States Senate
Washington, D.C. 20510

The Honorable Dianne Feinstein
United States Senate
Washington, D.C. 20510

The Honorable Tom Harkin
United States Senate
Washington, D.C. 20510

The Honorable Daniel K. Inouye
United States Senate
Washington, D.C. 20510

The Honorable Thad Cochran
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
United States Senate
Washington, D.C. 20510

The Honorable Robert F. Bennett
United States Senate
Washington, D.C. 20510

The Honorable Conrad Burns
United States Senate
Washington, D.C. 20510

The Honorable Larry E. Craig
United States Senate
Washington, D.C. 20510

The Honorable Sonny Callahan, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

cc: Representative Peter J. Visclosky, Ranking Member

The Honorable C.W. Bill Young, Chairman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

cc: Representative David Obey, Ranking Member

The Honorable Harold Rogers
United States House of Representatives
Washington, D.C. 20515

The Honorable Rodney Frelinghuysen
United States House of Representatives
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The Honorable Tom Latham
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The Honorable Roger F. Wicker
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The Honorable Zach Wamp
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The Honorable Jo Ann Emerson
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The Honorable John T. Doolittle
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The Honorable Chet Edwards
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The Honorable Ed Pastor
United States House of Representatives
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The Honorable James E. Clyburn
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The Honorable Lucille Roybal-Allard
United States House of Representatives
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