



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

January 26, 2006

The Honorable Pete V. Domenici
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Enclosed is NRC's FY 2006 first reprogramming request. Please call me at 301-415-1776,
if you have any questions concerning this material.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca L. Schmidt".

Rebecca L. Schmidt, Director
Office of Congressional Affairs

Enclosure: As stated

cc: Senator Harry Reid

C-11

**U.S. NUCLEAR REGULATORY COMMISSION
FY 2006 REPROGRAMMING REQUEST**
(Dollars in Thousands)

Programs	Revised Allocation 10/01/2005	Proposed¹ Reprogramming	Revised Allocation
Nuclear Reactor Safety	\$ 515,683	\$ -	\$ 515,683
Nuclear Materials & Waste Safety	\$ 218,693	-	218,693
Subtotal	\$ 734,376	\$ -	\$ 734,376
Inspector General Program	\$ 8,316	-	8,316
Total NRC	\$ 742,692	\$ -	\$ 742,692

As indicated in the NRC's FY 2006 Initial Base Table, Public Law 109-103 appropriated \$46.1 million from the Nuclear Waste Fund (NWF) for the NRC's High Level Waste Program. This resulted in appropriations from the NWF being \$22.9 million less than the President's budget and non-NWF appropriations being increased by the same amount. The NRC's Initial Base Table also indicated that pending reprogramming request(s) being submitted for these funds, \$13.6 million was allocated to the Nuclear Reactor Safety Program and \$9.4 million to the Nuclear Materials and Waste Safety Program. This reprogramming request is to utilize \$6.3 million of the available FY 2006 funds to implement new or expanded responsibilities under the Energy Policy Act as described below.

Nuclear Reactor Safety **\$1,900,000**

The request will utilize funds available in the Nuclear Reactor Safety Program to implement the Energy Policy Act. This includes revising security rulemakings associated with the security evaluations, design basis threat, fingerprinting and criminal history record checks, and use of firearms by security personnel. Further, the resources will be used for the interactions with the Department of Energy on a risk insurance program for the new nuclear power plants.

Nuclear Materials and Waste Safety **\$4,400,000**

The request will utilize funds available in the Nuclear Materials and Waste Safety Program to implement the Energy Policy Act. This includes support for the interagency Task Force on Radiation Source Protection and Security; additional activities to establish a mandatory tracking system for radiation sources in the United States; an expansion of NRC's regulatory authority to include accelerator produced material, discrete sources of radium-226, and certain discrete sources of naturally - occurring radioactive material; and contracting with the National Academy of Sciences for a study of industrial, research and commercial uses for radiation sources.

¹ This reprogramming request does not require a change in funding source due to allocation of the Congressional realignment of funds described in NRC's Initial Base Table.



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Dear Mr. Chairman:

Enclosed is NRC's FY 2006 Initial Base Table. This table reflects changes since the NRC budget submission to the Congress in February 2005. Please call me at 301-415-1776 if you have any questions concerning this material.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca L. Schmidt".

Rebecca L. Schmidt, Director
Office of Congressional Affairs

Enclosure: As stated

cc: Senator Harry Reid

U.S. NUCLEAR REGULATORY COMMISSION FY 2006 INITIAL BASE TABLE (Dollars in Thousands)				
Programs	FY 2006 President's Budget	Congressional Action	Program Changes ¹	Revised Allocation 10/01/2005
Nuclear Reactor Safety	\$ 469,148	\$ 47,710	\$ (1,175)	\$ 515,683
Nuclear Materials & Waste Safety	\$ 224,228	\$ (6,710)	\$ 1,175	\$ 218,693
Subtotal	\$ 693,376	\$ 41,000		\$ 734,376
Inspector General Program	\$ 8,316	\$ -	\$ -	\$ 8,316
Total NRC	\$ 701,692	\$ 41,000	\$ -	\$ 742,692²

CONGRESSIONAL ACTION

Public Law 109-103 appropriated \$742.7 million to the NRC for FY 2006. This appropriation was \$41 million above the President's budget. Of this amount, \$20 million is to support preparatory activities and pre-application consultations for the combined license applications the agency expects to begin receiving in FY 2007. Of the remaining \$21 million, \$15.4 million is to conduct nuclear power plant security assessments and support other nuclear materials related security initiatives, and \$5.6 million is to help fund the enacted Federal pay raise which was significantly more than the budget estimate. Public Law 109-103 also appropriated \$46.1 million from the Nuclear Waste Fund (NWF) for the NRC's High Level Waste Program. This resulted in appropriations from the NWF being \$22.9 million less than the President's budget and non-NWF funding being increased by the same amount. This \$22.9 million will be used to implement the Energy Policy Act and other priority activities of the agency. A reprogramming request(s) will be submitted for these funds. In the interim, pending reprogramming approval, \$13.6 million has been allocated to the Nuclear Reactor Safety Program and \$9.4 million to the Nuclear Materials and Waste Safety Program.

¹These changes are discussed in the lower portion of this page and on the following page. Calculations were performed using exact values, therefore, adding the numbers displayed in the table may not produce the same values.

²NRC's FY 2006 appropriations of \$742,692,000

Nuclear Reactor Safety **\$47,710,000**

Resources were increased by \$20 million to support new reactor licensing activities in preparation for multiple combined license applications expected beginning in 2007-2008. These funds will be used to update the NRC's regulatory infrastructure; hire and train new technical staff; and put in place the organizational infrastructure for the additional staff and contractors. Resources were also increased to conduct homeland security activities (\$10 million) including site-specific assessments of spent fuel pools at nuclear reactor sites, and for the federal pay raise (\$4.2 million). As discussed above, in the interim, \$13.6 million has been allocated to the Nuclear Reactor Safety Program pending submission and approval of the agency's reprogramming request(s).

Nuclear Materials and Waste Safety **(\$6,710,000)**

The decrease in the Nuclear Materials and Waste Safety Program is attributable to the Congressional reduction of \$22.9 million from the NRC's High Level Waste Program. This reduction was partially offset by an increase of resources for homeland security activities (\$5.4 million) including NRC work to support the DHS's Domestic Nuclear Detection Office and to conduct nuclear materials security rulemakings, and for the federal pay raise (\$1.4 million). As discussed above, in the interim, \$9.4 million has been allocated to the Nuclear Material and Waste Safety Program, pending the submission and approval of the agency's reprogramming request(s).

PROGRAM CHANGES

Nuclear Reactor Safety **(\$1,175,000)**

Resources decrease due to a change in the schedule for the receipt of license renewal applications and the assumption of an additional five percent efficiency gain in the review of license renewal applications.

Nuclear Materials and Waste Safety **\$1,175,000**

Resources increase primarily to support increased workload in fuel facilities licensing and inspection as a result of license application hearings, licensing amendments and integrated safety analysis reviews, and security and safeguards related activities.