



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

June 14, 1979

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OFFICE OF THE  
CHAIRMAN

**DEFA**

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

Dear Mr. Chairman:

This letter is to ask your Committee's support in restoring the reductions to the NRC FY 1980 budget request recommended by the House Appropriations Committee, Subcommittee on Energy and Water Development. The House Subcommittee's recommendation on NRC's FY 1980 budget request provides a total of \$353,340,000 for the NRC. This is a \$19,960,000 reduction below the NRC request. In addition, the House Subcommittee recommended, consistent with the House Authorization (Interior and Insular Affairs Committee) action, that the NRC continue the gas-cooled reactor effort in the amount of \$4.7 million, which we had not planned to fund after FY 1979. Therefore, the House action has the effect of reducing NRC's FY 1980 budget request by \$24.6 million. In addition, we anticipate having also to accommodate about \$6.0 million in unbudgeted initiatives as directed in the markup by the Senate Authorization Committee on Environment and Public Works. The House Subcommittee, as a portion of its markup, also recommends a personnel level of 2,788 permanent positions or 108 positions less than the 2,896 requested by the Commission.

The Commission finds it necessary to appeal to your Committee for the restoration of the \$19,960,000 and the 108 permanent positions. During the course of the FY 1980 budget presentation to the Congress we indicated that our FY 1980 request represents essentially the same level of program that the Congress approved for FY 1979. Seventy percent of the increase in funds required in FY 1980, as compared to FY 1979, results solely from inflation and the phased costs of our Loss-of-Fluid Test (LOFT) experiment. The remainder of the increase is primarily due to the necessity for meeting license review schedules, to resolve the more urgent generic safety issues, and to accelerate the development of waste repository licensing criteria which is critical to the Department of Energy's nuclear waste management program. Without the restoration, carefully developed regulatory programs would have to be delayed or cancelled and we will be substantially limited in our ability to deal with the current problems we face in the regulation of civilian nuclear activities.

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A loss of the 108 new positions we requested for FY 1980 would limit our capability to adequately discharge our regulatory responsibilities. Eighty-five of these positions are for the Office of Nuclear Reactor Regulation (NRR). The need for these positions is now aggravated by the fact that the major portion of Commission plans and proposed courses of action to resolve the issues related to Three Mile Island (TMI) will fall upon NRR to accomplish. Action has been taken for NRR to structure an interim organization to deal with the impacts of TMI. This provisional arrangement is designed to accommodate the urgent need for increased manpower related to TMI and yet still deal with the other priorities of that office, as best we can. The impact of the temporary restructure of NRR, as a result of the Three Mile Island accident, will be the continued diversion of significant managerial and technical resources of NRR from planned FY 1980 work priorities.

While the TMI evaluations will undoubtedly require changes in licensing, it is important that the NRR functions of reviewing and evaluating applications for construction permits, operating licenses, and standard plant designs and early site reviews continue simultaneously with the Three-Mile-Island-related efforts.

Furthermore, the loss of these positions will impair our ability to fulfill our commitment to the Congress to resolve the most urgent generic safety issues in a timely manner. We will transfer some manpower and funds from other functions. However, we are extremely limited in transferability of the technical skills required and also in the number of people that can be made available without terminating major ongoing projects. The positions requested for NRR in FY 1980 are essential, if the mainline responsibilities of the Commission are to be accomplished.

The other new 23 positions we requested for FY 1980 are spread among several functions. Though the number for each individual office is not large, it is nevertheless critical to the functions of the individual offices. The functions involved include waste management, state emergency preparedness, export licensing, and inspection and enforcement. Enclosure 1 addresses the specific needs for the increase in personnel we have requested. We have also addressed in Enclosure 1 the programmatic impacts that will result if the reduction to our FY 1980 budget request is sustained.

The recent events at TMI add a new dimension to the number of problems that must be resolved by the NRC. While the impact of TMI is not yet totally clear, it is reasonably clear to the Commission that there will be an increased demand upon the licensing and inspection efforts of the NRC. Although we recognize the House Subcommittee has indicated it would be receptive to a FY 1980 supplemental request related to TMI,

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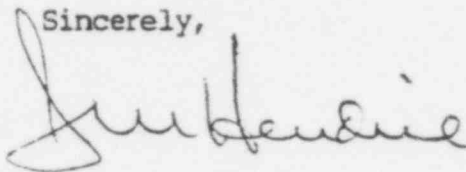


**POOR ORIGINAL**

there is no doubt we will have to reprogram some of our FY 1980 resources early in the fiscal year to accommodate the most urgent TMI requirements on a timely basis. Such reprogramming exacerbated by the House reduction and the additional reprogramming directed by the Authorization Committees will seriously disrupt ongoing programs that are, in our view, essential to the nuclear regulatory mission. TMI will result in the NRC deferring some licensing and related effort that should have been accomplished in FY 1980. However, to successfully achieve one of our mutual objectives to resolve the impact of TMI as effectively and expeditiously as possible, the House Committee reduction must be restored.

The NRC is fully aware of its responsibility for economy in the Federal Government and we believe our budget request for FY 1980, as approved by the Administration, reflected that awareness. As indicated above, the major portion of our increase in funding requirements results from inflation and cost commitments for overdue ongoing research that is essential to nuclear regulation. It is the view of this Commission that with the proposed House Appropriations Committee reduction and the reprogramming requirements of TMI, and the Congressional Committees, the NRC will be unable to accomplish its responsibilities during FY 1980. The Commission appreciates the opportunity to submit its views in this matter for your consideration. I am available for any additional information you may wish.

Sincerely,



Joseph M. Hendrie  
Chairman

Enclosures:

1. House Approps. Cmte Markup  
of NRC FY 1980 Budget and  
NRC Appeal
2. FY 1980 Authorization -  
Senate Mark

cc w/enclosures:

Sen. Mark O. Hatfield

498 003

SUMMARY OF HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT  
MARKUP OF NRC FY 1980 BUDGET  
AND NRC APPEAL  
(Dollars in Thousands)

	<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
<b>Program Support and Equipment:</b>				
<b>Nuclear Reactor Regulation</b>				
498 Casework and TECH Projects .....	\$ 13,166	\$ 10,666	\$ -2,500	\$ +2,500
Safeguards .....	970	600	-370 1/	+370
Advanced Reactor .....	815	815	+1,000 2/	-1,000 3/
Other .....	6,200	369	-831 4/	+831
Total .....	<u>21,151</u>	<u>18,450</u>	<u>-2,701</u>	<u>+2,701</u>
<b>Standards Development</b>				
094 Safeguards .....	3,100	2,000	-1,100 1/	+1,100
Other .....	3,325	3,180	-145 4/	+145
Total .....	<u>6,425</u>	<u>5,180</u>	<u>-1,245</u>	<u>+1,245</u>
<b>Inspection and Enforcement</b>				
Fuel Facility and MDS .....	2,320	1,935	-385 4/	+385
Safeguards .....	1,280	1,000	-280 1/	+280
Other .....	1,685	1,685	-	-
Equipment .....	750	750	-	-
Total .....	<u>6,035</u>	<u>5,370</u>	<u>-665</u>	<u>+665</u>
<b>Nuclear Material Safety and Safeguards</b>				
Waste Management .....	8,975	8,000	-975	+975
Safeguards .....	2,530	1,500	-1,030 1/	+1,030
Other .....	4,274	2,665	-1,609 4/	+1,609
Total .....	<u>\$ 15,779</u>	<u>\$ 12,165</u>	<u>\$ -3,614</u>	<u>\$ +3,614</u>

- 1/ The agency is to absorb a \$4.8M reduction in safeguards which is to be spread proportionately to each major office except IE which is to receive a specified \$280K reduction.
- 2/ Increase for gas-cooled thermal pre-applications review effort to be offset by reduction in balance of NRR Program Support.
- 3/ These represent House Appropriation Committee initiatives that would require additional new budget authority for NRC to implement. For additional details see individual Program Office appeals.
- 4/ \$500K for grants to States, added to PTS (State Programs), under section 207 of the Uranium Mill Tailings Radiation Control Act of 1978. On a prorated basis, an offsetting reduction has been distributed to the five major offices as follows: NRR-\$50K; SD-\$15K; IE-\$15K; NMSS-\$35K; and RES-\$385K.



	<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
RES				
LWR .....	\$ 118,300	\$116,900	\$ -1,400	\$ +1,400
Fast Breeder Reactor .....	13,700	12,500	-1,200	+1,200
Advanced Converter Reactor .....	0	3,700	+3,700	-3,700 <u>3/</u>
Site Safety .....	10,000			
Environment and Fuel Cycle .....	7,600	25,100	-4,900	+4,900
Waste Management .....	6,700			
Risk Assessment .....	5,700			
Safeguards .....	5,000	3,000	-2,000	+2,000
Improved Reactor Safety .....	1,000	9,700	-600	+600
Equipment .....	9,300			
Other .....	0	-385	-385 <u>4/</u>	+385
Total .....	<u>177,300</u>	<u>170,515</u>	<u>-6,785</u>	<u>+6,785</u>
PTS				
Grants to State .....	0	500 <u>4/</u>	+500	-500 <u>3/</u>
Other .....	1,930	1,000	-930	+930
Total .....	<u>1,930</u>	<u>1,500</u>	<u>-430</u>	<u>+430</u>
PDA .....	2,400	1,500	-900	+900
Personnel Compensation and Benefits .....	100,860	97,860 <u>5/</u>	-3,000	+3,000
Administrative Support .....	34,100	33,800	-300	+300
Travel .....	<u>7,320</u>	<u>7,0</u>	<u>-320</u>	<u>+320</u>
Total .....	\$ 373,300	\$353,3	\$-19,960	\$+19,960

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3/ These represent House Appropriation Committee initiatives that would require additional new budget authority for NRC to implement. For additional detail see individual Program Office appeals.

4/ \$500K for grants to States, added to PTS (State Programs), under section 207 of the Uranium Mill Tailings Radiation Control Act of 1978. On a prorated basis, an offsetting reduction has been distributed to the five major offices as follows: NRR-\$50K; SD-\$15K; IE-\$15K; NMSS-\$35K; and RES-\$385K.

5/ Includes \$60K for the employment of two individuals in NMSS to help implement the US/IAEA Safeguards Treaty.

SUMMARY OF HOUSE APPROPRIATIONS COMMITTEE  
 SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT  
 MARKUP OF NRC FY 1980 BUDGET  
 AND NRC APPEAL  
 (Dollars in Thousands)

	<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
<b>Full-Time Permanent Positions</b>				
Nuclear Reactor Regulation .....	716	631	-85	+85
Standards Development .....	157	157	-	-
Inspection and Enforcement .....	724	715	-9	+9
Nuclear Material Safety and Safeguards .....	297	294	-3	+3
Nuclear Regulatory Research .....	159	159	-	-
Program Technical Support .....	246	239	-7	+7
Program Direction and Administration .....	<u>597</u>	<u>593</u>	<u>-4</u>	<u>+4</u>
<b>Total .....</b>	<b>2,896</b>	<b>2,788</b>	<b>-108</b>	<b>+108</b>

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NRC Safeguards Program  
(\$ in Millions)

	<u>FY 80</u> <u>Budget</u>	<u>HAC</u> <u>Action</u>	<u>NRC</u> <u>Appeal</u>
SD .....	\$ 3.1	\$ -1.1	\$ +1.1
I&E .....	1.3	-0.3	+0.3
NRR .....	1.0	-0.4	+0.4
NMSs .....	2.5	-1.0	+1.0
RES .....	5.0	-2.0	+2.0
Total .....	<u>\$ 12.9</u>	<u>\$ -4.8</u>	<u>\$ +4.8</u>

Impact Upon Safeguards

The objective of our NRC Safeguards Program is to ensure against the theft or diversion of special nuclear material or the sabotage of nuclear facilities. The achievement of this objective is dependent upon the successful performance of a wide array of activities such as the: development and application of promising new safeguards technology; protection of the public health and safety as well as the promotion of national security through the licensing of adequate safeguards programs throughout the nuclear fuel cycle; development and maintenance of a data base, information system, evaluation techniques, and systematic processes for reviewing the adequacy of safeguards for all licensed nuclear facilities; and activities associated with the processing, transport and handling of nuclear materials. Additionally, we have been making a concerted effort to upgrade our regulations for the purpose of increasing security effectiveness, to implement new standards to facilitate licensee compliance with the regulations, and to analyze transportation, communications and response alternatives.

Notwithstanding every attempt to absorb the proposed reduction in safeguards funding by careful establishment of priorities, the magnitude of the reduction, about 37%, would necessitate impacting some aspect of many, if not all, of the safeguards activities. The result would be a serious reduction in effective safeguards resulting in increased risk of unauthorized diversion of nuclear materials and/or of nuclear threat and sabotage. Prime examples are shown below:

- o Delay of preparation of guides for licensees. This would result in lengthening the license process for all types of facilities that possess special nuclear material.
- o Will have to delay a sizable portion of our development of improved performance inspection procedures. Lessons learned over the recent past would not be introduced into the inspection process in a timely manner.
- o Severely curtail and delay the upgrading or improvement of the material control and accounting regulations.
- o Development of associated national standards to help the industry would be all but eliminated during FY 1980.
- o Cease all safeguards transportation work except one project on shipping casks.
- o Severely curtail the development of methods for performance evaluation of material control and physical protection at fixed sites.

- o An analysis to determine the impact of emergencies upon safeguards based on Three Mile Island Experience would be cancelled.

Delay the initiation of the NRC Integrated Safeguards Information System (ISIS). This major project is to provide NRC the ability to respond quickly and accurately to information demands which are required continuously to regulate the nuclear industry. NRC does not currently have an accurate and timely central record of the nuclear material inventories and transactions of licensees. The currently utilized Nuclear Materials Management and Safeguards System (NMMSS), which is jointly sponsored by DOE and NRC, is considered unsatisfactory in meeting NRC's needs for material-accounting information for several important reasons: (1) about half of the information reports desired by NRC offices are not available under NMMSS and (2) NMMSS data are not as complete and free from error as necessary to provide a sound basis for vigorous material control and accounting. The proposed NRC ISIS program would solve these problems.



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PERSONNEL

(Full Time Permanent Positions)

	<u>FY 1980 Budget</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
Nuclear Reactor Regulation .....	716	-85	+85
Standards Development .....	157		-
Inspection and Enforcement .....	724	-9	+9
Nuclear Material Safety and Safeguards ....	297	-3	+3
Nuclear Regulatory Research .....	159		-
Program Technical Support .....	246	-7	+7
Program Direction and Administration .....	<u>597</u>	<u>-4</u>	<u>+4</u>
Total .....	2,896	-108	+108

The NRC budget requests for FY 1980 sought an increase of 108 full-time permanent positions. The House Appropriations Committee, Subcommittee on Energy and Water Development (HAC) recommended the elimination of all 108 of this request. The loss of the 108 new positions will limit NRC's capability to accomplish its regulatory responsibilities. Eighty-five of these positions are for the Office of Nuclear Reactor Regulation (NRR). The need for these positions is further aggravated by the fact that the major portion of Commission plans and proposed courses of action to resolve the issues related to Three Mile Island (TMI) will fall upon NRR to accomplish. As an interim measure, NRR has taken action to structure a temporary organization to deal with the impacts of TMI. This provisional agreement is designed to accommodate the urgent, current need for increased manpower related to TMI while still dealing selectively with the other priorities of that office. The FY 1980 request for 85 additional positions was based upon pre-TMI requirements and we anticipate that TMI will impose additional workload. It is essential that the important NRR function of reviewing and evaluating applications for construction permits (CP), operating licenses (OL), standard plant designs and early site reviews

continue simultaneously with the Three Mile Island-related efforts. If the additional positions are not restored to NRR to perform these casework reviews, then the availability of electric power to the nation will be severely impacted and costs to the public resulting from plant delays will be significant. An additional impact of not being authorized these positions will be our inability to fulfill our commitment to the Congress to resolve the most urgent generic safety issues in a timely manner. TMI has also increased the urgency of resolving these issues. While some manpower and funds will be transferred from other functions within NRC, the agency is extremely limited in its flexibility to transfer the requisite technical skills and also in the number of people that can be made available without literally terminating major ongoing projects. The 85 positions requested for NRR in FY 1980 are essential, if the mainline responsibilities of the Commission are to be accomplished.

The other 23 positions requested for FY 1980 are spread among several functions as indicated above. Though the number for each individual office is relatively small, the manpower is nevertheless critical to the functions of that office. The functions involved include waste management, state emergency preparedness, export licensing, inspection and enforcement, and support functions. The specifics of these requirements follow:

Inspection and Enforcement (IE)

The addition of nine positions represents growth associated with the increase in the number of operating reactors that are scheduled to come on line. With a constant number of inspectors spread over a larger number of operating reactors in FY 1980, the result will be a reduced inspection program for all operating reactors. Reducing the level of effort applied to the inspection of operating

mentors at a time when recent events dictate the need for more operational inspection seems inappropriate. NRC considers that the requested increase of nine personnel is an absolute minimum requirement.

Nuclear Material Safety and Safeguards (NMSS)

In recognition of the high priority of the waste management program, NMSS has reallocated the maximum feasible number of people to this function. The requested increase of three positions was to be applied to satisfying additional high priority waste management requirements. The HAC reduction would impact the Low Level Waste Management effort. NRC has been required to evaluate, on a consultative basis, existing DOE LLW burial grounds. In FY 1979, NRC was asked by Congress to recommend whether NRC should regulate currently non-licensed DOE waste activities. Although the Commission has not completed its deliberations, NRC and DOE have both found acceptable the concept of a pilot program to evaluate, on a consultative basis, existing DOE low level waste activities. The scope of the pilot program will most likely include one or more LLW disposal sites and can be accomplished through a memorandum of understanding between the agencies. If the three positions are not restored, no assessment of existing DOE sites will be performed.

Program Technical Support (PTS)

The requests for FY 1980 increases of seven positions in PTS involves three offices as follows:

Office of State Programs - The one position increase is to reduce the backlog in the review of state emergency response plans. Approval of these plans is essential to the development of viable state and local emergency preparedness

programs. The recent event of TMI indicates the need for increased emphasis in this activity.

Executive Legal Director - The two attorney positions result from an increase in workload that we anticipate in Rulemaking and Enforcement, and adjudication associated with our fuel cycle and waste management program. The NRC has already experienced a doubling of enforcement matters over FY 1979 as the result of the reactor shutdowns due to seismic considerations and TMI. Additional adjudication will be required with the passage of proposed legislation increasing civil penalties for violations of NRC regulations.

Office of International Programs - The significant increase in export license casework anticipated in FY 1980 (due to the Nuclear Non-Proliferation Act) requires two positions or we simply cannot process these licenses in a timely manner. Additionally, one position is requested to accommodate increased reactor safety assistance to countries building U.S.-type power reactors. This assistance program has been growing at a rate of about 50% annually.

Program Direction and Administration (PDA)

In FY 1980, PDA offices are requesting an overall increase of four positions. The requested two positions for the Division of Contracts in FY 1980 represent the minimal level at which the contracting staff could continue to make timely contract awards. This level is predicated upon a continuation of the 20% growth in contract actions which the agency has experienced over the past three years.

The restoration of two permanent positions for telephone operators is required in order to assure continuous, experienced, and qualified permanent telephone

operators fully qualified to handle unusual and emergency situations. These operators serve as the public's first point of contact with NRC on National Emergency (DEFCON) and Incident Response activities on a 24-hour/day, seven days a week basis, and as the agency's non-duty hours secure communications coordinator. The present operator staff comprises seven operators, only two of whom are full-time permanent to cover the seven-day, three shift operation. These two are well trained and understand the NRC organization. Of the remaining five, four are temporary and constantly rotate, leaving an experience gap. The retention of personnel in such critical positions during times of crisis or national emergency is essential. Additionally, these operators are trained in a diversity of other essential operations such as radio, facsimile, paging control, and teletype.



OFFICE OF NUCLEAR REACTOR REGULATION

Program Support

(\$ in millions)

Program Support

	(Dollars in Millions)			
	<u>1980 Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
Technical Projects	\$5.885	\$5.135	\$-2.5	\$+2.5
Casework	7.281	5.531		
Gas Cooled Reactors	0	1.0	+1.0	-1.0
Safeguards	0.97	0.60	-0.37	0.37
Others	<u>7.015</u>	<u>6.184</u>	<u>-0.831</u>	<u>+0.831</u>
TOTAL	\$21.151	\$18.450	-2.701	+2.701

The HAC made a specific reduction of \$2.3M associated with the elimination of the proposed increase of 85 positions and a \$2.7M reduction in program support including a \$2.5M reduction for Casework and Technical Projects. The Subcommittee also took the initiative to require that NRR accommodate \$1M to accelerate the effort in gas-cooled thermal reactor pre-application review. In addition, the House Subcommittee's proposed reduction in Safeguards program support will result in a \$0.37M reduction in the NRR program in this area. The actions regarding program support have the effect of reducing the NRR requested program by \$3.7M.

The following appeal request is for the reinstatement of the requested 85 positions and four program support funding:

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POSITIONS

<u>Positions</u>	<u>FY1980 Budget Request</u>	<u>Positions</u>	<u>HAC Action</u>	<u>Positions</u>	<u>Millions</u>
716	\$26,535	-85	- \$2.3	+85	+2.3

For appeal statement on positions, refer to consolidated NRC position appeal.

Technical Projects

<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
\$5.885M	\$5.135	\$-0.75	\$+0.75

The House Subcommittee reduced Technical Projects and Casework by \$2.5M. NRR has allocated \$0.75M of this cut to Technical Projects and the balance to Casework.

Without restoration of the appealed amounts for Technical Projects, the following activities will be reduced or eliminated:

498 016

- Direct support for the review of topical reports on safety issues
- Development and use of staff's plant transient analysis capability
- Containment Analyses

Casework

<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
\$7.281M	\$5.531	\$-1.75	+\$1.75

The House subcommittee specifically cut Technical Projects and Casework by \$2.5M. NRR has allocated \$1.75M of this cut to Casework and the balance to Technical Projects.

Without restoration of the appealed amounts of Casework, the following activities will be reduced or eliminated:

- Four Early Site Reviews
- LOCA Audit Analyses
- Core and Fuel Performance Analyses
- Seismic, Geological and Other Site Related Reviews
- Cost Benefit Reviews

498 017

Other

<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
\$7.015M	\$6.184	\$-0.831	\$+0.831

To offset the additional House cut of \$0.2M and the balance of the initiative in gas-cooled reactors, an additional reduction of \$0.831M in NRR programs is required. NRR has allocated \$0.231M of this additional reduction to Technical Projects and \$0.600M to Casework.

Without restoration of the appealed amounts, the following activities will be reduced or eliminated:

- Technical Projects - assistance in the resolution of generic safety issues
- Casework - Two construction permit reviews
  - One early site review

Reactor Safeguards

<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
\$0.970	\$0.600	\$-0.370	\$+0.370

For appeal statement refer to consolidated NRC appeal for safeguards

498 018

ANALYSIS OF INITIATIVES OF  
The House Appropriations Committee  
Nuclear Reactor Regulation (NRR)

Gas-Cooled Reactors

<u>Budget Request</u>	<u>House Markup</u>	<u>House Action</u>	<u>NRC Appeal</u>
0	\$ 1.0	\$ +1.0	\$ -1.0

The HAC allowance followed the lead of the House Authorization Committee (Udall) to accelerate the effort in gas-cooled thermal pre-application review by requiring NRR to provide \$1.0M within its FY 1980 availability for this effort. The NRR FY 1980 budget request to Congress for advanced reactors did not include any resources for gas-cooled reactors in keeping with the Administration's decision to terminate the domestic HTGR program. Further, since it is anticipated that no commercial (domestic) HTGR pre-application reviews would be needed before late FY 1981, no funding is required for such reviews in FY 1980. Therefore, NRC believes that there is no requirement to fund a pre-application review initiative in FY 1980.

However, recently the DOE Authorization and Appropriation Committees have provided \$25.0M for a direct cycle HTGR program in cooperation with the Federal Republic of Germany in FY 1980. This program consists of the DOE request of \$12.0M along with the addition of a Congressional initiative of \$13.0M. Based on this level of effort, NRC believes that it could effectively utilize \$0.3M of program support funding to provide review and evaluation of related DOE reports as requested on a timely basis.

498 019

Further, the NRR Office estimates that they could effectively utilize \$0.2M of program support funds in support of the operation of the Ft. St. Vrain gas-cooled reactor and for resolution of Ft. St. Vrain technical issues.



Since NRC did not request funds in FY 1980 for the efforts related to the direct cycle HTGR or the Ft. St. Vrain reactor, if Congress believes these efforts should be supported, it is requested that additional budget authorization be appropriated above the NRC request to avoid terminating or delaying other high priority light water reactor efforts.

OFFICE OF STANDARDS DEVELOPMENT

PROGRAM SUPPORT

(Dollars in Millions)

	FY 1980	HAC	NRC
	<u>BUDGET</u>	<u>ACTION</u>	<u>APPEAL</u>
Safeguards Standards	\$3.100	-1.100	\$ +1.100
Other SD Programs	<u>3.325</u>	<u>-0.145</u>	<u>+0.145</u>
TOTAL	\$6.425	-1.245	\$ +1.245

The HAC made specific reductions of \$1.23M (program support) to SD and took the initiative of adding \$0.50 for grants to states to Program Technical Support (State Programs) under Section 207 of the Uranium Mill Tailings Radiation Control Act of 1978. SD's prorated share to support the grants to states initiative is \$0.015M. These two actions have the net effect of reducing the SD requested program support by \$1.245M (approximately 20%). The following appeal request is for program support funding only.

Safeguards

For appeal statement refer to consolidated safeguards appeal.

498 021

Other SD Programs

	HAC	NRC
	<u>ACTION</u>	<u>APPEAL</u>
Power Facility Standards	\$ -0.130	\$ +0.130
Offset to absorb grants to states increase	<u>-0.015</u>	<u>+0.015</u>
Total allocated to Power Facility Standards	-0.145	+0.145

SD's FY 1980 budget was developed to accommodate only the highest priority efforts, by deferring other planned activities to later years. Consequently, SD must revise, where possible, important previously planned standards development projects to incorporate urgently needed efforts as a result of the Three Mile Island incident.

In doing so, the \$145K reduction will impact revised planned accomplishments in the worker radiation protection area (specifically respiratory protection). Hence, without the restoration of the appealed amounts, SD will be restrained in fully satisfying its FY 1980 program requirements and in conducting essential post TMI analyses.

498 022

OFFICE OF INSPECTION AND ENFORCEMENT

Program Support

(\$ in Millions)

	<u>FY 1980 Budget Request</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
Safeguards	\$1.28	- .28	+ .28
Fuel Facilities & Materials Safety/ Management Direction & Support	2.32	- .39	+ .39
Others	<u>1.69</u>	-	-
Total	<u>5.29</u>	<u>- .67</u>	<u>+ .67</u>

The HAC made reductions to IE totaling \$0.67M, and nine positions. The following appeal request is for Program Support funding and positions.

POSITIONS					
<u>FY 1980 Budget Request</u>		<u>HAC ACTION</u>		<u>NRC APPEAL</u>	
<u>Positions</u>	<u>\$ Millions</u>	<u>Positions</u>	<u>\$ Millions</u>	<u>Positions</u>	<u>\$ Millions</u>
724	23.43	-9	- .25	+ 9	+ .25

For appeal statement on positions refer to consolidated NRC position appeal.

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PROGRAM SUPPORT

Safeguards

For appeal statement, refer to Consolidated NRC Safeguards appeal.

Fuel Facilities and Materials Safety (FFMS)/Management Direction and Support (MD&S)

The \$.39M HAC reduction would be entirely borne by FFMS.

The \$1.575M shown in the FY 1980 President's budget for FFMS is comprised almost entirely of three areas concentrating on independent verification and testing of equipment/systems designed to detect effluents emitted into the atmosphere. These three areas are Aerial Radiological Surveys; Grants to States for Participation in Environmental Monitoring; (and, Independent Equipment Testing/Report Analysis conducted by DOE.

Without restoration of the \$.39M amount the number of aerial surveys of nuclear facility sites will be reduced from about 10 per year to three per year. These surveys provide the only means by which the NRC can make a comprehensive assessment over a large geographical area of the radiological impact of nuclear facilities. Much of the funds spent to date on this program have been to establish baseline surveys against which future surveys can be compared to assess long term impact. With this reduction, the familiarity of aerial

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survey teams with the locale and geography for specific sites would also be lost. This background information and its effect on the response time of surveys can be critical in the time of emergencies, such as at Three Mile Island.

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OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

Program	Program Support (\$ in Millions)					
	FY 1980 Budget		HAC Action		NRC Appeal	
	People	\$M	People	\$M	People	\$M
Waste Management	55	2.975	-3	-1.584	+3	+1.584
Fuel Cycle and Material Safety	118	4.114	0	-1.000	0	+1.000
Safeguards	89	2.530	0	-1.030	0	+1.030
MDS	35	0.160	0	0	0	0
TOTAL	297	15.779	-3	-3.614	+3	+3.614

The HAC reduced the NMSS personnel level from 297 to 294 (3 positions) and reduced program support funds from \$15.779M to \$12.165M (\$3.6M). Of these amounts the Subcommittee allocated a reduction of \$1.0M to the Waste Management Program and a reduction of \$1.0M to the Safeguards Program. The remaining reduction was not distributed by the Committee. NMSS allocated a cut of 3 positions and \$0.6M to the Waste Management Program, and a cut of \$1.0M to the Fuel Cycle and Material Safety Program.

NRC requests the Senate to restore the full House reduction. The following paragraphs explain this request.

WASTE MANAGEMENT PROGRAM

FY80 Budget		HAC Action		NRC Appeal	
People	\$M	People	\$M	People	\$M
55	8.975	-3	-1.584	+3	+1.584

The HAC action represents a reduction which results in resources that are inadequate to accomplish the NRC Waste Management Program objectives based on our assessment of the capabilities of the NRC program and the influence of the Waste Management Interagency Review Group (IRG) recommendations. This was reported to the Congressional Committees by the NMSS Director in his statement for the FY 1980 NRC Authorization and Appropriation Hearings. In view of this situation, besides appealing the HAC reduction, it is estimated that additional resources in the amount of \$4.3M <sup>1/</sup> and 22 positions would be required in FY 1980 to meet our Waste Management Program objectives. The following includes the appeal for restoration of the HAC reduction as well as, the rationale for the additional resources.

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<sup>1/</sup> If the FY 1979 reprogramming request transmitted to the Congress on April 26, 1979, is approved, this figure is reduced by \$2.1M.

High Level Waste Management

The DOE is expending large sums of monies to select a repository site(s), design a facility and prepare an application(s) to be submitted to NRC. By comparison, the NRC HLW budget is relatively small. However, the small NRC program has the potential, by providing timely regulatory guidance, of reducing by many fold the total Federal Government expenditures for development and implementation of HLW disposal technology. This is only possible if NRC has sufficient funds and staff to advance its program to the point where it can provide guidance to DOE on the technical, social and institutional issues which it will be required to address in its application. In this way, DOE could discontinue work that NRC found unnecessary and/or redirect its program as necessary to meet regulatory requirements. Therefore, the potential exists to reduce unnecessary expenditures by DOE by an amount which far exceeds the total NRC Waste Management Program.

We have evaluated the resources required to meet the IRG recommendations now pending before the President. The FY 1980 and 1981 growth rates required to meet the FY 1985 option (application from DOE which considers approximately five sites from a variety of geological media) would be approximately 100%. The required need of \$4.3 million above the FY 1980 budget proposal is based on a planned growth rate (20-25%) which will allow us to meet the IRG objectives (that is, publish criteria and be in a position to review an application based on a variety of geological media) in mid-1986, about 12 months late.

Such a plan requires resources in excess of those currently in the FY 1980 budget request (approximately 20% increase). The HAC action, however, will result in an overall slip of NRC capability in response to the IRG recommendations, to mid-FY 1988, which is, in effect, some three years later than the IRG date of FY 1985.

For appeal statement of the three positions reduced by the HAC, refer to consolidated NRC position appeal.

<u>FUEL CYCLE AND MATERIAL SAFETY PROGRAM</u>	<u>FY 1980 Budget</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
<u>Decision Unit</u>	\$M	\$M	People \$M
Uranium Fuel Cycle (Uranium Recovery)	1.160	-0.282	+0.282
Uranium Fuel Cycle (Remainder)	0.730	-0.177	+0.177
Spent Fuel	0.900	-0.219	+0.219
Transportation	0.275	-0.067	+0.067
Radioisotopes Licensing	0.314	-0.076	+0.076
Operations and Technology	0.735	-0.179	+0.179
Total	4.114	-1.000	+1.000

NMSS is appealing the \$1.0 M reduction in the Fuel Cycle and Material Safety Program.

Uranium Fuel Cycle (Uranium Recovery)

Reduction \$282K

IMPACT: This Decision Unit encompasses those activities associated with the safety and environmental reviews required for licensing and regulation of uranium mills and other uranium recovery facilities. The House Appropriations Committee reduction increases the existing funding shortfall in this decision unit. During FY79 and FY80, the number of new cases expected has increased by 30 cases or 50%. This unanticipated casework will result in a significant increase in licensing review time. In addition to this, the HAC reduction of \$282K will further increase the review time by limiting the contract effort for technical support for environmental reviews for new mill license applications.

Uranium Fuel Cycle (Remainder)

Reduction \$177K

## Technical Projects

- Reduce FY80 funding from \$400K to \$223K for the radiological evaluation of former licensed sites which may have residual contamination greater than that currently authorized for facilities and grounds that have been released for unrestricted use.
- IMPACT: An evaluation of over 8,000 docket files related to former licensed sites had indicated that approximately 225 will need an additional evaluation. It is anticipated that some of these will need a radiological survey to assure the staff that the site is suitable for release for unrestricted use. The overall program is currently scheduled for completion in FY83. Funding at the reduced level could delay the program to survey and subsequently take remedial action at some of these former licensed sites.

Spent Fuel Storage and Processing

Reduction \$219K

## Technical Projects

- Reduce FY80 funding from \$350K to \$130K for the program initiated in FY79 to acquire additional information concerning the conditions of the high-level waste tanks and their contents at the Western New York State Nuclear Service Center near West Valley, NY. This information will be used to verify the ability of the waste storage system to safely contain the wastes until resolution of their ultimate disposition.



- IMPACT: Funding at the reduced level would be sufficient to perform only about one-third of the planned FY80 work comprising the overall program of inspection of tanks and tank annular spaces, waste sampling and analysis, corrosion studies and soil transport studies. The impact will be to defer the remainder of the work into succeeding fiscal years resulting in a delay in acquisition of this safety related information.

#### Transportation

Reduction \$67K

#### Technical Projects

- Reduce FY80 funding from \$150K to \$83K for continued development, maintenance, and improvement of standard methods for thermal, criticality, and shielding analysis. The FY80 funding included approximately \$80K for development of a Regulatory Guide for Criticality for use by Transportation and Fuel Licensing.
- IMPACT: This reduced level of funding would require deferring the development of a Regulatory Guide for Criticality. The guide would provide both the applicant and the public with a clearer understanding of criticality requirements for all phases of the fuel cycle (transportation, fuel storage, fabrication, etc.). The net effect would be to delay the realization of the benefits of this Regulatory Guide. The major benefit would be more efficient review in all areas of Fuel Cycle involving criticality evaluation. The Guide also serves to demonstrate to the public and applicants the basis and extent of our reviews concerning nuclear criticality safety.

Radioisotopes Licensing

Reduction \$76K

## Technical Projects

- Reduce FY80 funding from \$114K to \$38K for development of a licensing information program to supplement license application guides and provide safety bulletins to licensees in order to improve the quality of license applications submitted to NRC and thereby reduce the average turnaround time for processing license applications.
- IMPACT: Funding at the reduced level would be insufficient to initiate the program in FY80 and, therefore, this program to provide licensees with information concerning licensing requirements and the licensing process would have to be deferred to FY81.

Operations and Technology

Reduction \$179K

## Technical Projects

- Reduce FY80 funding from \$220K to \$41K for a program to refine the technological base to support and improve the efficiency and effectiveness of the licensing process, a program in support of Executive Order 12044, Improving Government Regulation.

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- IMPACT. Funding the program at the reduced level would mean delay in initiation of the program until very late in FY80, with a concomitant delay in completion of the effort. This work, in support of Executive Order 12044, Improving Government Regulations, has already been deferred in the past.

	<u>FY 1980 Budget</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
	\$M	\$M	\$M
<u>Safeguards Program</u>			
ISIS	\$0.600	-\$0.600	+\$0.600
Other Safeguards Programs	<u>1.930</u>	<u>-0.430</u>	<u>+0.430</u>
Total	\$2.530	-\$1.030	+\$1.030

For appeal statement, refer to consolidated NRC safeguards appeal.

OFFICE OF NUCLEAR REGULATORY RESEARCH  
Program Support and Equipment  
(\$ in millions)

	<u>FY 1980 Budget</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
Fast Breeder Reactors	\$ 13.7	\$ -1.2	\$ +1.2
Advanced Converter Reactors	0	+3.7	-3.7
1. Sub-total Advanced Reactors	<u>\$ 13.7</u>	<u>\$ +2.5</u>	<u>\$ -2.5</u>
2. Other Research Programs	\$163.6	\$ -9.3	\$ +9.3
TOTAL	<u>\$177.3</u>	<u>\$ -6.8</u>	<u>\$ +6.8</u>

The HAC made reductions to RES totaling \$10.5 M but also took the initiative of designating \$3.7M for the High Temperature Gas Cooled (HTGR) research within the Advanced Reactor Safety Research allowance consistent with the proposed authorization by the House Interior and Insular Affairs Committee. These combined actions have the effect of reducing the RES requested program of \$14.2M.

1. Advanced Reactor Safety Research

	<u>FY 1980 Budget</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
Fast Breeder Reactors	\$ 13.7	\$ -1.2	\$ +1.2
Advanced Converter Reactors	0	+3.7	-3.7
TOTAL	<u>\$ 13.7</u>	<u>\$ +2.5</u>	<u>\$ -2.5</u>

The HAC reduced Fast Breeder Research by \$1.2M and increased HTGR effort from zero to \$3.7M, consistent with the action by the House Interior and Insular Affairs Committee. Since no funding was provided by the HTGR effort, this item combined with the reductions has the net effect of decreasing the funding available for RES by \$4.9M.

The FY 1980 President's Budget for Advanced Reactor Safety Research included \$13.7M for Fast Breeder Reactor Research. It provides for the assessment of advanced reactor safety systems and the consequence of accidents. The House action in effect reduces the program to less than the FY 1979 level of \$12.5M with no provision for added program requirements or for inflation. This is a minimum for maintaining a limited capability to develop answers to key safety questions. If the \$1.2M is not restored, we will have to terminate several key aspects of the program such as high temperature design assessment, computer models of containment integrity and some university contracts on basic safety issues.

The House Authorization Committee reinstated the gas-cooled thermal reactor safety research to maintain the current level of effort of \$3.7M. The NRC did not request funds for advanced converter safety research for FY 1980 in keeping with the Administration's decision to terminate the domestic HTGR program. If the Congress wishes NRC to support research in this area, it is requested that additional New Budget Authority be appropriated above the NRC request in order to avoid terminating other higher priority research programs.

2. Other Research Programs

<u>Program</u>	<u>HAC Action</u>	<u>NRC Appeal</u>
Light Water Reactors	\$-1.8*	\$+1.8*
Site Safety	-4.9	+4.9
Environmental and Fuel Cycle		
Risk Assessment		
Waste Management		
Safeguards	-2.0	+2.0
Improved Reactor Safety	-0.6	+0.6
Equipment		
TOTAL	<u>\$-9.3</u>	<u>\$+9.3</u>

Without restoration of the appealed amounts the following impacts would occur:

Light Water Reactors (\$1.8M)

If the \$1.8 million is not restored, data on the behavior of the fuel, the release of fission products from fuel, and thermal hydraulic behavior of the core and primary coolant system during transient and small LOCA events would have to be curtailed. These data are required for analytical computer codes. They will be used to analyze a variety of transient and small LOCA events under various failure conditions in order to investigate aspects of plant system design and safety system operation.

\*Includes \$0.4M allocation of State Programs funding for grants to State.

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Site Safety, Risk Assessment and Waste Management (\$4.9M)

Restoration of this amount is requested to provide for improvement in Site Safety which includes the highly important Seismic Safety Margin Research Program (SSMRP) to quantify seismic design safety margins in nuclear power plants. The importance of this program can be judged from the fact that several plants are currently shut down because of the discovery of errors in the methods used in the seismic structural design of the plant.

The increased effort in the Risk Assessment Program will provide funds to develop system models for operating LWR plants having the highest component failure records to determine time trends (e.g., component wear-out) and design and quality control contributions. An effort to evaluate simulator data for human factors information and human error rate data must also be initiated. This work would determine trends, patterns, abnormalities, and basic causes. There will also be a timely completion of an examination of risk to the operation of reactors from non-nuclear material transportation accidents, a risk assessment of recovery techniques for accidents within LWR plants, and an identification of the means of reducing radiation exposure to plant maintenance workers. The risk-related resident inspection operation review would begin. The availability of the risk assessment models and sensitivity analysis methods for disposal of radioactive waste in deep geologic formations would be accelerated by at least nine months.

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If the funds for nuclear waste management research are not restored, tests to determine the capability of overpack materials to retain high level wastes would not be started until FY 1981. This would delay for more than one year the development of a reliable technical basis for standards and guidance for regulating the capacity and reliability of packing materials to prevent long-lived radionuclides from being released from deteriorated solid waste. Confirmation of the integrity of spent fuel under repository conditions would not be initiated, delaying for at least one year, the completion of data and standards needed for licensing geologic repositories for spent fuel storage.

Critical studies could not be made of the properties of ground waters which control the extent and rate of decomposition of high level waste under repository conditions; field measurements could not be made to determine the migration of radioactive particulates from decomposed wastes. Without this information reliable models for predicting the long-term migration and fate of high-level wastes in geologic media would not be available until 1984. Technical bases for predicting and evaluating the pathways whereby high-level waste could move through ecosystems and contaminate human life and studies of methods for protecting repository workers from radiological exposures would also be significantly delayed.

Measurements of low-level waste containment effectiveness of existing commercial and land burial facilities in arid regions would be delayed. Thus, evaluation

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of arid western sites compared to the wetter eastern sites would not be available for needed siting criteria until 1983.

On-going experiments to confirm the effects and health hazards from inhaling thorium that is emitted from uranium mill tailings would be terminated. These data are required for regulating the management of tailings piles and for assessing proposed methods for permanent stabilization of tailings piles.

Equipment (\$0.6M)

As in the past, equipment funding continues to play a significant role in support of Reactor Research. In view of the TMI situation this area of funding has become particularly critical due to expected effort on new programs to investigate primary coolant chemistry and hydrogen evolution and behavior following fuel failure, and develop system improvements to enhance in-plant accident response.

Safeguards (\$2.0M)

For appeal statement, refer to consolidated safeguards appeal.

PROGRAM TECHNICAL SUPPORT

(\$ in Millions/People)

	FY 1980	HAC	NRC
	<u>Budget</u>	<u>Action</u>	<u>Appeal</u>
Program Technical Support	\$14.9/246	\$-.43/7	\$+.43/+7

The HAC made a net dollar reduction of \$430,000, and a general reduction of all requested personnel (7 positions in PTS). This appeal is for reinstatement of Program Support dollars. Both the personnel request and the funding associated with the personnel positions being appealed are presented separately under Personnel Compensation and Benefits and Personnel.

The net effect of the House Appropriations action was a program support cut of \$430K. This cut, however, consists of two separate actions (1) the addition of \$500K for grants to states (as enunciated in the Uranium Mill Tailing and Radiation Control Act of 1978) which was not included in the original request and which NRC is required to absorb, and (2) a cut of \$930K to PTS program support. These two actions are addressed separately below:

(1) \$500K Add-on for Uranium Mill Tailing Grants

The NRC fully supports the initiative of the House Appropriations Committee to provide grant money to states for this purpose. However, the NRC recommends that if it is the desire of the Congress to initiate

this program, resources should be provided additive to the FY1980 budget request to fund this program. If \$500K is added to the NRC budget request for this purpose, it should be in the PTS program where this work is functionally located.

(2) \$930K Reduction to PTS Program Support Funds

With regard to the dollar reduction, the House Appropriations Committee made no specific allocation among the PTS offices. Regardless of how the reduction is allocated the effects of a cut of this magnitude would be severe. A \$930,000 reduction in this area amounts to a cut of nearly 50%. The most immediate and unavoidable impact of this cut is in the Office of State Programs. OSP would be forced to totally discontinue its radiological emergency response operations course for State and local government personnel. This program has proven to be one of the most useful and successful programs conducted by OSP. Discontinuance of this program would be particularly unfortunate at this time when emergency preparedness is becoming an increasingly high priority item both to the Commission and to the States.

The other major effect of this dollar reduction would be to delay review of Licensee Event Reports by the Advisory Committee on Reactor Safeguards. These reports identify events which have implications for improved reactor safety, and its significance is amplified in the wake of the Three Mile Island incident.

PROGRAM DIRECTION AND ADMINISTRATION

(\$ in millions/people)

	FY 1979	HAC	NRC
	<u>BUDGET</u>	<u>ACTION</u>	<u>APPEAL</u>
	\$/Personnel	\$/Personnel	\$/Personnel
Program Direction and Administration	\$30.7/597	\$-.9 <sup>1/</sup> / <sub>-4</sub>	\$+.9 <sup>1/</sup> / <sub>+4</sub>

The HAC made a dollar reduction of \$900,000 to PDA program support and a general reduction of all requested personnel (4 positions in PDA). The personnel reductions are addressed in the appeal entitled PERSONNEL.

The HAC made no allocation of the program support cut among the PDA offices. A \$900,000 cut to PDA amounts to a net reduction of 37% for these offices. The most immediate effect of such a cut would be in the Office of the Secretary's support of the Public Document Room and transcription services for the Commission and board and panel meetings. Growth in these areas has been expanding dramatically and, after the Three Mile Island incident, there has been an even sharper increase in workload volume. Additionally, a cut of this magnitude will severely impact the ability of the Office of Management and Program Analysis to respond to increased requirements for review and analysis of operational data from power reactors. This expansion in workload is in response to both internal NRC directives and a GAO report (EMD-79-16, "Reporting - Unscheduled Events at Commercial Nuclear Facilities: Opportunities to Improve Nuclear Regulatory Commission Oversight.")

1/ Program Support portion only. ADM support is dealt with in another section of this paper.

PERSONNEL COMPENSATION AND BENEFITS

( \$ in Millions )

	<u>FY 1980</u>	HAC	IRC
	<u>BUDGET</u>	<u>ACTION</u>	<u>APPEAL</u>
Personnel Compensation and Benefits	\$100.9	\$-3.0	\$+3.0

The HAC reduced the agency's personnel compensation and benefits by \$3M in concert with the elimination of the total full-time permanent position request of 108 positions: 85 in NRR, 9 in I&E, 3 in NMSS, 7 in PTS, and 4 in PDA. The justifications supporting our appeal of these 108 positions appear in the section on Personnel. The above appeal represents the dollars associated with these 108 positions.

ADMINISTRATIVE SUPPORT

(\$ in Millions)

	FY 1980	HAC	NRC
	<u>Budget</u>	<u>Action</u>	<u>Appeal</u>
Administrative Support:	\$ 30.65	\$ -.3	\$ +.3

Administrative support funding provides administrative and logistic services to all of the offices of the Nuclear Regulatory Commission. The HAC reduced NRC 108 full-time permanent positions. The agency is appealing these positions throughout various offices. The administrative funds to support these positions are also appealed. Specific support items such as furniture and furnishings, office machines, equipment and supplies will be necessary to support the requested increase in personnel. During FY 1980, the Office of Inspection and Enforcement will assign 27 resident inspectors to reactor sites; these inspectors will also require similar support items. The NRC cannot furnish these support items as well as maintain other administrative responsibilities with a reduction in administrative support.

TRAVEL

(Dollars in Millions)

	FY 1980	HAC	NRC
	<u>BUDGET</u>	<u>ACTION</u>	<u>APPEAL</u>
Travel	\$ 7.32	\$ -.32	\$ +.32

The HAC reduced the agency travel request by \$320,000 and did not specifically identify the program(s) which are to receive the reduction. The NPC travel request is considered a minimum requirement and is based solely on the agency's need to satisfy travel requirements for such functions as licensing review, nuclear reactor inspection, vendor inspection, IAEA meetings/conferences, State preparedness meetings, etc. which are essential to the accomplishment of NRC's mission. Under the HAC reduction some or all of these functions will have to be reduced which, in turn, will reduce the agency's effectiveness in these areas. We are, therefore, requesting that all of the \$320,000 be restored.

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## FY 1980 AUTHORIZATION - SENATE MARK

<u>Sec. 101(a)</u>	<u>NRC Request</u>	<u>Senate Mark</u>	<u>Chg. Fm. Request</u>	<u>NRC Position</u>
<u>NRR</u>	\$ 57,040	\$ 57,040	-	\$ 57,040
<u>SD</u>	\$ 14,270	\$ 14,270	-	\$ 14,270
<u>IE</u>				
Reactor Oper. Prog.	\$ 11,030	\$ 15,714	\$ +4,684	\$ 15,714 <sup>1/</sup>
Balance of Program	30,170	25,486	-4,684	30,170
Subtotal	\$ 41,200	\$ 41,200	\$ -	\$ 45,884
<u>NMSS</u>				
Waste Management	\$ 10,732	\$ 11,432	\$ +700	\$ 11,432 <sup>1/</sup>
Balance of Program	18,873	18,173	-700	18,873
Subtotal	\$ 29,605	\$ 29,605	-	\$ 30,305
<u>RES</u>				
Improved Reactor Safety	\$ 1,116	\$ 4,516	\$ +3,400	\$ 4,516 <sup>1/</sup>
Balance of Program	184,454	181,054	-3,400	184,454
Subtotal	\$185,570	\$185,570	-	\$188,970
<u>PTS</u>				
Office of State Programs	\$ 2,753	\$ 4,238	\$ +1,485	\$ 4,238 <sup>1/</sup>
Balance of Program	12,172	10,687	-1,485	12,172
Subtotal	\$ 14,925	\$ 14,925	-	\$ 16,410
<u>PDA</u>				
Div. of Admin - Contracts	\$ 7,822	\$ 8,222	\$ +400	\$ 8,222 <sup>1/</sup>
Balance of Program	22,868	22,468	-400	22,868
Subtotal	\$ 30,690	\$ 30,690	-	\$ 31,090
<u>TOTAL</u>	\$373,300	\$373,300		\$383,969

<sup>1/</sup> These represent Senate initiatives which NRC supports, but which would require additional new budget authority for NRC to implement.

ANALYSIS OF SENATE INITIATIVES  
NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (NMSS)

The Senate Authorization Committee authorized an additional \$700K (\$450K and 5 people at \$50K each) for the NMSS Waste Management Budget to fund the requirements of the Uranium Mill Tailings Act. Even though the NMSS budget already contained four persons and \$250K for Agreement States assistance and minimum effort for the DOE remedial action program, the Senate action would require NMSS to reprogram 5 additional people and \$450K to satisfy this requirement. NMSS requires 5 additional positions and \$450K to fully implement the Senate initiative without disrupting other important NMSS programs. If NMSS is required to reallocate these resources from within the office, these resources would be reprogrammed from other licensing case work. The impact of taking these resources from the licensing efforts would be to increase the backlog and review time for mill licensing. This would aggravate a problem which is already anticipated without this Senate initiative.

Increasing the review time for licensing decisions will pose an economic burden on the new applicants, since review of new applications would be deferred so amendments and renewals with the public safety implications can be completed first.

ANALYSIS OF INITIATIVES BY

SENATE COMMITTEE ON ENVIRONMENT & PUBLIC WORKS

Nuclear Regulatory Research

The Senate Authorization Committee action on the new initiative described below amounts to \$3.4M. The NRC position for implementing these initiatives would be a total requirement for additional BA of \$3.4M with no internal reallocation from other RES programs.

Improved Reactor Safety

Senate action: A program totaling \$4.516 is recommended to expand an Improved Safety System Research program in FY 1980. This is an increase over the requested level of \$1.116 by \$3.4M.

NRC Position:

An additional \$3.4M is appropriate because the accident at Three Mile Island demonstrated the urgent need for system improvements to enhance inplant accident responses. This area of research need was given high priority and addressed in some detail in the NRC's Plan for Research to Improve Safety in Light-Water Nuclear Power Plants" (NUREG-0438), submitted to the Congress in April 1978. This work includes improved data display and diagnostic systems to assist the plant operator under accident conditions. It also provides for

in-vessel and plant instrumentation which will operate reliably under accident conditions, enhanced data transmission capabilities to obtain outside assistance during emergencies, system interlocks to preclude plant operation unless all safety systems are in an operable condition, and development of improved requirements for operator training simulators. Requirements should also be developed to improve the use of simulators in studying operator response to accident situations and for related training. Studies should be performed to define all instruments needed to assist plant operators in the diagnosis of accident conditions, and tests should be conducted to evaluate and improve reliability of such instrumentation under long term accident environments. Accelerated studies of vented containment concepts, alternate heat removal concepts and development of improved valve-impact methodology would also be provided for in the requested increase. Investigation of improved seismic design and alternate ECC systems would also be initiated.

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Analysis of Initiatives of  
Senate Committee on Environment and Public Works

OFFICE OF INSPECTION AND ENFORCEMENT (IE)

The Senate Authorization Committee action on the initiative described below totals \$4.684M for reprogramming from within IE for 146 additional resident inspectors. The intent of the authorization is to allow expansion of the Resident Inspector program to require one resident inspector at each reactor unit ("unit" inspector) with an operating license or in the preoperational testing phase in addition to an inspector assigned to each facility site ("site" inspector). The \$4.684M would be applied to the Resident Inspector program and would be taken out of the balance of the IE program. The NRC position for implementing this initiative in FY 1980 totals \$4.684M (including 146 positions) in addition to all other budgetary authority requested by the NRC for IE.

REACTOR OPERATIONS PROGRAM

Senate Authorization Action

The Senate Committee added resources of \$4.684M for 146 positions to be applied to the Resident Inspector program to be reallocated from the balance of the IE program.

NRC Position

IE cannot assign any additional "unit" residents in FY 1980 or FY 1981 without additional end strength (146 positions) and associated funding (\$4,684M). The current "site" resident program is using all the reactor operations inspector resources IE now has to meet FY 1981 full implementation of this program to maintain a suitable region-based support capability. The resources for the proposed "unit" resident program must come from new recruitment in addition to current end strength.

IE did not propose to assign 146 additional resident inspectors in FY 1980 as proposed in the bill. The 146 positions IE has identified as a requirement in FY 1980 contained 100 "unit" resident inspectors to augment the current resident program in the areas of independent verification aimed directly at the operation of safety-related equipment at licensee facilities. The balance (46 positions) of the requirement was to accommodate associated administrative support for the additional residents and to strengthen the inspection training program. The 146 total positions are needed to provide a base against which to recruit during FY 1980 to achieve full implementation (one "unit" resident at every reactor unit in either preoperational testing or in operation) by the end of FY 1981.

The balance of the IE program could not conceivably be drawn upon to furnish the resources required to implement the unit resident program. The resources currently dedicated to IE are being obligated toward activities vital to mission accomplishment in the areas of Reactor Construction Safety, Fuel Facilities and Materials Safety, Nuclear Materials Safeguards, Licensee Vendor and Contractor equipment safety and associated support elements to those programs of inspection. If resources are withdrawn from within IE programs, activities related to protection of public health and safety in these vital areas could not be achieved.

ANALYSIS OF INITIATIVES BY  
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Program Technical Support (PTS)

The Senate Authorization Committee provided \$1,485K and eight positions for the Office of State Programs to assist in the NRC emergency preparedness program. Resources for this effort are required to be reallocated from within the balance of the PTS program. The NRC position for implementing this initiative is that to accommodate the effort would require NRC to effectively eliminate the balance of PTS program support activities.

Senate Authorization Action: That \$1,485K and eight additional people be provided to DSP in FY 1980 to assist in the area of emergency preparedness and state emergency response plans. Of this amount \$1,085K is for program support and \$400K for personnel costs. The \$1,485K is to be allocated from within PTS.

NRC Position:

Implementation of this initiative would require the total elimination of all program support for other offices in the PTS program (ACRS, ASLAP, ASLBP, OIP, ELD). Even if this were done, \$535K would still be required from elsewhere to fully accommodate the add-on requirement. In addition, transfer of eight people from elsewhere within PTS is infeasible since workload, especially in the wake of TMI, has expanded in all PTS offices. Should this initiative be approved by the Congress in the final FY 1980 budget, it is requested that the \$1,485K required to fund it be made additive to the FY 1980 PTS request.



ANALYSIS OF INITIATIVES BY  
SENATE COMMITTEE ON ENVIRONMENT & PUBLIC WORKS

Program Direction and Administration (PDA)

Senate Authorization Action

On March 7, 1979, the GAO issued a report entitled "NRC's Use of Consultants, Contractors, and the National Laboratories" to the Senate Subcommittee on Nuclear Regulation. In this report, the GAO recommended that NRC involve the contracting staff in increased contract administration, and close-out action. Acting on this recommendation, the Senate Subcommittee on Nuclear Regulation directed NRC to reallocate eight (8) full-time permanent positions for the Division of Contracts from other offices within Program Direction and Administration to accomplish this task.

NRC Position

The NRC supports the addition of eight positions to the Division of Contracts to implement the recommendations of the GAO report mentioned above, but without reallocation from other offices within PDA. The FY 1980 budget requested a four position net increase for the 12 offices within PDA. Two of these positions are designated for the Division of Contracts. With the exception of the Division of Contracts, the staff offices in this area have been held virtually level through operating efficiencies and have not increased commensurate with growth in the major program offices. In addition, the effects of TMI have placed a significant increase burden on these offices, with every prospect that the situation will continue into FY 1980. Little or no flexibility exists to absorb additional workload within this area as would be required by this initiative. Should this initiative be approved by the Congress in the final FY 1980 budget, it is requested that the eight full-time permanent positions and associated personnel services and benefits funding be made additive to the FY 1980 PDA budget.

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