



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JAN 19 1981

Honorable John Ahearne  
Chairman  
Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Chairman:

This letter notifies you of the budget allowances and significant policy determinations applicable to the Nuclear Regulatory Commission for the 1982 Budget. The President has approved for your agency budget authority for 1981 and 1982 as shown on pages 526-527.

Significant program and tax policy proposals have been considered in the context of a planning period that extends beyond the budget year. Accordingly, estimates of budget authority and related outlays for 1983-1985 are set forth in Enclosure A.

The budget authority for the years 1981-1984 represents your agency's budget allowance for that period. These are the amounts within which your agency's program should be planned. No increases should be contemplated unless they are required because of circumstances beyond the agency's control, and no budget allowance for the year 1981-1984 will be increased except when approved by the President. The budget authority for 1985 should be viewed as tentative, to be reviewed and confirmed or amended during the Spring Review process.

The outlay amounts shown for all years are not targets or ceilings; they are estimates of the most probable spending levels that can be expected to result from the programs approved by the President. Continued emphasis should be placed on improving the accuracy of your agency's outlay estimating techniques. The FY 1981 and 1982 outlay estimates should be reviewed each month in the light of actual spending to date, and this Office should be informed whenever it appears that the estimates should be revised under procedures set forth in OMB Circular No. A-112.

Ceilings on civilian employment for your agency are set forth in Enclosure B.

Your agency should be well advanced in planning for conversion to a full-time equivalent (workyear) system for the control of its personnel resources for 1982. Employment ceilings for 1982 and subsequent years will be based on that system. The 1981 ceilings are on an end-of-year (on-board) basis and the total employment ceiling for 1981 reflects the requirements of 5 USC 3394, i.e., accounting for part-time permanent positions on a fractional basis.

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Significant policy determinations

Increases in the NRC personnel ceiling have been provided for FY 1982. Although the ceiling has been increased by 30 FTE over FY 81, the hiring limitation still holds the NRC staff level to 3267. The increases have been provided so that NRC can initiate 100% Federal presence at all operating reactors as well as those under construction. A quarterly report should be provided to OMB on the success of NRC in hiring inspectors and their role in on site inspections of the construction and operation of plants. The first report should be submitted to OMB no later than June 1, 1981.

One of the key questions raised in our examination of the 1982 Budget was the role of research in achieving nuclear safety. Funding for NRC research was held approximately constant, considering inflation. However, within the research budget increased emphasis in certain areas was afforded by decreasing levels in other areas. Loss of Coolant Accident (LOCA) research was decreased from \$62M in FY 81 to \$51M in FY 82, while efforts were increased in the areas of plant operational safety, severe accident research, system and reliability analysis and waste management. Continued use of the PBF and LOFT facilities to support the needs of the severe accident research program should be assessed. The facilities are expensive to maintain and must satisfy a clearly defined need to justify future funding. The objectives of this research area should be better defined and an appraisal should be made of the optimum experimental approach. In the past, it has been difficult to identify, in any causal or quantitative way, how specific research meets NRC program goals. In the future, OMB supports research priorities and funding levels being defended on the basis of:

- (1) a direct relationship to a need defined in a rulemaking activity, or
- (2) satisfying a clearly articulated requirement of an NRC sanctioned safety goal, or
- (3) improving the safety of nuclear reactors in a way that can be shown to meet reasonable cost/benefit criteria.

In each instance, an estimate should also be made of when the benefit of the safety research can reasonably be expected to materialize.

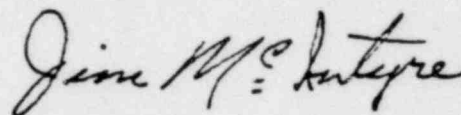
Funds are provided for a prototype Nuclear Data Link. OMB supports a limited test system linking one PWR and one BWR reactor to the NRC's operations center in Washington. OMB believes that a data link may be necessary for keeping headquarters personnel informed regarding possible incidents but oppose reliance on the system for crisis management. Please provide by March 1, 1981 a report on the scale and proposed utilization of the prototype system and how this system will be integrated into the NRC emergency response capability.

Within the employment and budgetary allowances established in this letter, every effort should be made to support civil rights activities vigorously and to assure that civil rights directives within your agency reflect the involvement of policy and program officials.

Each official in the agency is expected to support actively the proposals set forth in the budget and summarized in this letter and its enclosures subject only to such changes as may be authorized by Presidential action. This support should be given in testimony before Congressional committees, in informal contacts with members of Congress and their staffs, and in speeches and meetings with outside groups.

Your cooperation in preparing the 1982 Budget is much appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Jim McEntyre". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Enclosures

Nuclear Regulatory Commission  
Multi-Year Planning Estimates  
(\$ in millions)

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Budget Authority	530	550	550
Outlays	498	528	528

Details concerning the derivation of these totals can be provided by staff of this office.

<u>Employment Ceilings</u>	<u>Sept. 1981 (End-of-year positions)</u>	<u>1982 (Full-time equivalents (workyears))</u>
Total employment, excluding dis- advantaged youth and personnel participating in the Worker- Trainee Opportunity Program (WTOP)..	3490 <u>1/</u>	3459
Full-time permanent employment, excluding personnel participating in WTOP.....	3336	3366

These ceilings represent, for your agency:

- a. For September 30, 1981, upper limits on the number of employees, and
- b. For FY 1982, the maximum number of full-time equivalent (workyears) allowed.

1/ The total employment ceiling for 1981 reflects the requirements of 5 USC 3394, concerning the fractional counting of part-time permanent positions.