



OFFICE OF THE  
CHAIRMAN

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

February 3, 1983

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

Dear Mr. Chairman:

The Nuclear Regulatory Commission (NRC) is requesting approval to reprogram a portion of its FY 1983 available funds to compensate for Federal employees' 1982 pay raises and to increase NRC's efforts in quality assurance and the use of cost benefit analysis in the regulatory process. The proposed reprogramming adjustments with explanations are detailed in the enclosure.

The enclosure will also serve as the initial and first quarter FY 1983 Base Table Reports and, as such, identifies the \$17 million appropriation reductions that are necessary until an FY 1983 appropriation is enacted.

Your early consideration of the proposed reprogramming actions is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Nunzio J. Palladino".

Nunzio J. Palladino  
Chairman

Enclosure:  
As stated

cc: Rep. John Meyers

Identical letters sent to:

The Honorable Richard L. Ottinger, Chairman  
Subcommittee on Energy Conservation and Power  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

cc: Rep. Carlos Moorhead

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

cc: Sen. J. Bennett Johnston

The Honorable Alan Simpson, Chairman  
Subcommittee on Nuclear Regulation  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

cc: Sen. Gary Hart

The Honorable Morris Udall, Chairman  
Subcommittee on Energy and the Environment  
Committee on Interior and Insular Affairs  
United States House of Representatives  
Washington, D.C. 20515

cc: Rep. Manuel Lujan

The Honorable Edward Markey, Chairman  
Subcommittee on Oversight and Investigations  
Committee on Interior and Insular Affairs  
United States House of Representatives  
Washington, D.C. 20515

cc: Rep. Ron Marlene

U.S. NRC  
 FY 1983 REPROGRAMMING AND OTHER CHANGES  
 (\$ in Thousands)

<u>Program</u>	<u>FY 1983 President's Budget</u>	<u>Change<sup>1/</sup></u>	<u>Appro. P.L. 97-377</u>	<u>Proposed<sub>2/</sub> Reprog.</u>	<u>Other Changes<sub>2/</sub></u>	<u>Revised FY 1983 Budget</u>
NRR	\$93,120	\$-3,700	\$ 89,420	+\$1,540	\$ +3,420	\$94,380
IE	69,850	-896	68,954	+2,545	-2,219	69,280
NMSS	37,385	-1,330	36,055	-180	-225	35,650
RES	219,725	-10,110	209,615	+170	-285	209,500
PTS	23,400	-450	22,950	+855	+3,245	27,050
PDA	<u>36,020</u>	<u>-510</u>	<u>35,510</u>	<u>+2,420</u>	<u>+1,480</u>	<u>39,410</u>
Total	\$479,500	\$-16,996	\$462,504	+\$7,350	\$ +5,416	\$475,270

<sup>1/</sup> This is the result of the enactment of the Continuing Resolution which provides NRC funding at the "current rate" which is \$471,800,000 less the FY 1982 unobligated balance carryover of \$9,296,000 for a net of \$462,504,000 in new obligational authority. This is \$16,996,000 below the President's budget request of \$479,500,000. These reductions will be necessary until an appropriation is enacted.

<sup>2/</sup> These are discussed in detail on the following pages.

U.S. NRC  
 FY 1983 REPROGRAMMING CHANGES  
 (\$ in thousands)

<u>Program</u>	<u>Pay Shortfall</u>	<u>Quality Assurance</u>	<u>Cost Benefit Analysis</u>	<u>Const. &amp; Vendor</u>	<u>Waste Mgt.</u>	<u>Other</u>	<u>Total</u>
NRR	\$+1,710					\$-170	\$+1,540
IE	+1,995	\$+550					+2,545
NMSS	+720				\$-900		-180
RES	+630				-460		+170
PTS	+715			\$+230		-90	+855
PDA	<u>+1,580</u>	<u>      </u>	<u>\$+1,000</u>	<u>      </u>	<u>      </u>	<u>-160</u>	<u>+2,420</u>
Total	\$+7,350	\$+550	\$+1,000	\$+230	\$-1,360	\$-420	\$+7,350
Unob. Carryover	\$-7,350						\$-7,350

Pay Shortfall

Effective January 1, 1982, the Congress raised the pay cap from \$50,112 to \$57,500 for non SES personnel and to \$58,500 for SES personnel. These increases were not included in the FY 1983 President's Budget. In addition, the NRC was allowed to include in the FY 1983 pay raise supplemental only one half of the cost of the October 1, 1982 4% pay increase and one half of the government share of the 1.3% medicare tax levied on all government employees effective January 1, 1983. The total for last year's pay cap increase and one half of last October's pay increase and the medicare tax is estimated to cost the NRC \$7,350,000. It should be noted that the cost of the December 18, 1982 pay cap increase is not funded in this reprogramming action and that a subsequent reprogramming request will be necessary if not provided by a supplemental.

### Quality Assurance Program

Within the Inspection and Enforcement program Quality Assurance (QA) activities are being increased. Funding is required for technical assistance in support of construction assessment teams; integrated design inspections; management and quality improvement programs; and the long term QA study.

### Cost Benefit Analysis Function

In the development of NRC's FY 1984 budget, the Commission decided to place more emphasis on the use of cost benefit analysis in the process of establishing new rules and regulations. The House Appropriations Committee, in their report on NRC's FY 1983 Appropriations, has also stressed the need for cost benefit analysis. To initiate this program in FY 1983, it is estimated that \$1,000,000 would be needed in contractual assistance to complement the efforts of a small in-house staff in the Office of Resource Management.

### Construction and Vendor Data Base Program

This program would allow the NRC to extract data from reports provided by the nuclear industry, analyze the data and enter it into a central data base that provides a capability to match and compare like occurrences at different facilities. This effort will be performed by the Office of Analysis and Evaluation of Operating Data and will complement the QA efforts by IE.

### Waste Management

These reductions were the result of increased use of DOE data and refined estimates of FY 1983 program requirements.

### Other

These minor reductions were primarily the result of updated estimates of contract requirements.

U.S. NRC  
 FY 1983 "OTHER" CHANGES  
 (in thousands)

<u>Program</u>	<u>Pay Raise Supplemental</u>	<u>Prior Year Commitments</u>	<u>Programmatic Transfers</u>	<u>Rate &amp; Staff Changes</u>	<u>Total</u>
NRR	\$+860	\$ +20		\$+2,540	\$+3,420
IE	+960	+1,536	\$+300	-5,015	-2,219
NMSS	+310	+150		-685	-225
RES	+320	+240	-300	-545	-285
PTS	+400			+2,845	+3,245
PDA	<u>+620</u>	<u>          </u>	<u>          </u>	<u>+860</u>	<u>+1,480</u>
Total	\$+3,470	\$+1,946	-0-	-0-	\$+5,416
Unob. Carryover		\$-1,946			\$-1,946

FY 1983 Pay Raise Supplemental

The requested FY 1983 pay raise supplemental for the NRC amounts to \$3,470,000 and as stated earlier, represents one half of our total requirement for the October 1, 1982 pay increase and the government's share of the medicare tax imposed on January 1, 1983.

Prior Year Commitments

As in past years, we have provided the Congress in the Quarterly Base Table report the use of prior year unobligated carry-over funds, to fund prior year commitments, which due to delays in contracting, were unable to become obligations in the prior year.

Programmatic Transfers

In consonance with increased emphasis on QA, this effort has been consolidated within the Inspection and Enforcement program. As a result, \$300,000 in contractual support has been transferred from RES to IE.

Rate and Staff Changes

Previous Quarterly Base Table reports, identified funding changes resulting from rate changes in the allocation of salaries and benefits and administrative support.

At the time the budget is formulated, salaries and benefits are allocated to each program based on the most current actual average salary rates for the staff within the program. Portions of administrative support costs are assigned directly to the applicable program, (i.e., ADP costs directly related to a specific program) with the remainder allocated to programs based on a rate per staff year. The following year, when the next year's budget is formulated, actual salary rates have changed and the estimates for the direct allocation of administrative support costs are more refined. Therefore, to make the "current year" column of the budget on a comparable basis with the "budget year," the rate change adjustments are made.

Also, staff changes which have taken place in the past year require a reallocation of salaries and benefits and administrative support. NRC has reorganized its investigations function and established a new Office of Investigations (OI). Funding for OI is now shown in the Program Technical Support line. Formerly, investigations were a part of the Inspection and Enforcement program. Also, as announced previously, NRC established the Deputy Executive Director for Regional Operations and Generic Requirements. This is shown in the Program and Direction and Administration line and the staff years were allocated from the Inspection and Enforcement program. The licensing boards and panels were increased due to the licensing hearing workload and were allocated from the Research program.