

PDR



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

March 1, 1988

The Honorable George H. W. Bush
President of the United States Senate
Washington, D.C. 20510

Dear Mr. President:

In accordance with the provisions of Section 161 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), and Section 305 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5875), we submitted on February 3, 1987, proposed legislation which would authorize appropriations for fiscal year 1988 and fiscal year 1989. The proposed legislation requested authorization for "Salaries and Expenses" of \$427,800,000 for fiscal year 1988 and of \$422,600,000 for fiscal year 1989 and proposed raising Nuclear Regulatory Commission (NRC) user fees to 50 percent of the NRC budget. The proposed legislation is currently pending in the Congress.

The President is requesting a fiscal year 1989 budget of \$450,000,000 for the Nuclear Regulatory Commission. This is an increase of \$27,400,000 above the \$422,600,000 contained in the proposed legislation to authorize appropriations that was provided to you last year. Consistent with the President's request, we are submitting proposed amended legislation which would authorize appropriations for fiscal year 1989. Section 106, which proposes to increase NRC user fees to 55 percent of the NRC budget, has been included at the request of the Office of Management and Budget in order to meet the user fee target called for by the Bipartisan Budget Agreement.

The proposed amended legislation requests authorization for "Salaries and Expenses" of \$450,000,000 for fiscal year 1989. The Office of Management and Budget has advised that the enactment of this amended legislative proposal would be in accordance with the program of the President.

Sincerely,

Lando W. Zech Jr.
Lando W. Zech, Jr.

Enclosure:
NRC Proposed Bill for
Authorization of
Appropriations

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PDR COMMS NRCC
CORRESPONDENCE PDR



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

March 1, 1988

The Honorable Jim Wright
Speaker of the United States
House of Representatives
Washington, D.C. 20515

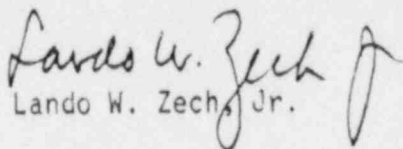
Dear Mr. Speaker:

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

March 1, 1988

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

Dear Mr. Chairman:

In accordance with the provisions of Section 161 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), and Section 305 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5875), we submitted on February 3, 1987, proposed legislation which would authorize appropriations for fiscal year 1988 and fiscal year 1989. The proposed legislation requested authorization for "Salaries and Expenses" of \$427,800,000 for fiscal year 1988 and of \$422,600,000 for fiscal year 1989 and proposed raising Nuclear Regulatory Commission (NRC) user fees to 50 percent of the NRC budget. The proposed legislation is currently pending in the Congress.

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Appropriations

cc: Rep. Don Young



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

March 1, 1988

The Honorable John D. Dingell, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with the provisions of Section 161 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), and Section 305 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5875), we submitted on February 3, 1987, proposed legislation which would authorize appropriations for fiscal year 1988 and fiscal year 1989. The proposed legislation requested authorization for "Salaries and Expenses" of \$427,800,000 for fiscal year 1988 and of \$422,600,000 for fiscal year 1989 and proposed raising Nuclear Regulatory Commission (NRC) user fees to 50 percent of the NRC budget. The proposed legislation is currently pending in the Congress.

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Lando W. Zech, Jr.

Enclosure:
NRC Proposed Bill for
Authorization of
Appropriations

cc: Rep. Norman F. Lent



CHAIRMAN

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

March 1, 1988

The Honorable Quentin N. Burdick, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the provisions of Section 161 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), and Section 305 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5875), we submitted on February 3, 1987, proposed legislation which would authorize appropriations for fiscal year 1988 and fiscal year 1989. The proposed legislation requested authorization for "Salaries and Expenses" of \$427,800,000 for fiscal year 1988 and of \$422,600,000 for fiscal year 1989 and proposed raising Nuclear Regulatory Commission (NRC) user fees to 50 percent of the NRC budget. The proposed legislation is currently pending in the Congress.

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Enclosure:
NRC Proposed Bill for
Authorization of
Appropriations

cc: Senator Robert T. Stafford

U.S. NUCLEAR REGULATORY COMMISSION
PROPOSED AMENDED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FOR
FISCAL YEAR 1989

To authorize appropriations for the Nuclear Regulatory Commission for Fiscal Year 1989 and for other purposes. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, this Act may be cited as the "Nuclear Regulatory Commission Authorization Act for Fiscal Year 1989".

TITLE I -- AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1989

Section 101.: There are hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of Section 261 of the Atomic Energy Act of 1954 and Section 305 of the Energy Reorganization Act of 1974, \$450,000,000 for the fiscal year 1989 to remain available until expended.

Section 102.(a) The sums authorized to be appropriated in this Act for fiscal year 1989 shall be allocated as follows:

- (1) not more than \$151,622,000 for fiscal year 1989, may be used for "Reactor Safety and Safeguards Regulation;"
 - (2) not more than \$137,117,000 for fiscal year 1989, may be used for "Nuclear Safety Research;"
 - (3) not more than \$30,586,000 for fiscal year 1989, may be used for "Nuclear Material Safety and Safeguards Regulation;"
 - (4) not more than \$22,394,000 for fiscal year 1989, may be used for "Nuclear Waste Regulation;"
 - (5) not more than \$40,965,000 for fiscal year 1989, may be used for "Special and Independent Reviews, Investigations and Enforcement;"
 - (6) not more than \$67,316,000 for fiscal year 1989, may be used for "Nuclear Safety Management and Support."
- (b) The Nuclear Regulatory Commission may use not more than 1 per centum of the amounts authorized to be appropriated under paragraph 102(a)(4) to exercise its authority under Section 31a. of the Atomic Energy Act of 1954 (42 U.S.C. 2051(a)) to enter into grants and cooperative agreements with universities pursuant to such paragraph. Grants made by the Commission shall be made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et. seq.) and other applicable law.
- (c) Any amount appropriated for a fiscal year to the Nuclear Regulatory Commission pursuant to any paragraph of subsection 102(a) for purposes of the program referred to in such paragraph, may be reallocated by the Commission for use in a program referred to in any other paragraph of such subsection, or for use in any other activity within a program, except that the amount available from appropriations for such fiscal year for use in any program or specified activity may not, as a result of reallocations made under this subsection, be increased or reduced by more than \$500,000

unless a period of thirty calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) passes after the receipt by the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives, and the Committee on Environment and Public Works of the Senate of notice submitted by the Commission containing a full and complete statement of the reallocation proposed to be made and the facts and circumstances relied upon in support of such proposed reallocation.

Section 103: Money received by the Nuclear Regulatory Commission for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs including criminal history checks under Section 149 of the Atomic Energy Act, as amended, may be retained and used for salaries and expenses associated with those activities, notwithstanding the provisions of Section 3302 of Title 31, United States Code, and shall remain available until expended.

Section 104: From amounts appropriated to the Nuclear Regulatory Commission pursuant to this title, the Commission may transfer to other agencies of the Federal Government sums for salaries and expenses for the performance by such agencies of activities for which such appropriations of the Commission are made. Any sums so transferred may be merged with the appropriation of the agency to which such sums are transferred.

Section 105: Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

Section 106: (a) In General --

- (1) Beginning with fiscal year 1989, the Nuclear Regulatory Commission (NRC) shall assess and collect user fees in an amount that approximates fifty-five percent of the Commission's budget.
- (2) Pursuant to Section 9701 of Title 31, United States Code, any person who receives special benefits from the Commission shall pay user fees to cover the NRC's costs in providing those special benefits.
- (3) Any person who holds a license issued under Section 103 or 104b. of the Atomic Energy Act of 1954, as amended, (42 U.S.C. 2133, 2134(b)) that authorizes the person to operate a utilization facility with a rated thermal capacity in excess of 50,000,000 watts shall pay, in addition to the fees set forth in paragraph (2), an annual fee. In this annual fee, the Commission is to recover a portion of its costs in providing regulatory services not covered under paragraph (2) that provide benefits to power reactor licensees. These include, but are not limited to, generic services such as research and rulemaking. The annual fee would assign costs based on the principle that those licensees who require the greatest expenditures of NRC resources should pay the greatest annual fee.

- (b) Procedures for Establishing Fees. The Commission shall implement this section through rulemaking.
- (c) Repeal. Title VII of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), as amended by Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), is amended by striking subtitle G. This repeal shall become effective upon promulgation of the Commission's final rule implementing this section.

U.S. NUCLEAR REGULATORY COMMISSION
ANALYSIS OF PROPOSED AMENDED FY 1989
AUTHORIZATION OF APPROPRIATIONS LANGUAGE

TITLE I - Section 101. The Nuclear Regulatory Commission is responsible for assuring that the possession, use, and disposal of radioactive materials and the construction and operation of reactors and other nuclear facilities are conducted in a manner consistent with public health and safety and the common defense and security, with proper regard for environmental quality, and in conformance with antitrust statutes.

The Commission's program is comprised of nuclear facilities and materials licensing, inspection and enforcement and related regulatory functions; nuclear safety research; rulemaking; and technical and administrative support activities.

The budget request for the Commission is stated in terms of obligational authority requested to carry out the responsibilities of the Commission.

Section 102.(a). For fiscal year 1989, the requested total authorization for appropriations is \$450,000,000, allocated as follows:

	<u>FY 1989</u>
Reactor Safety and Safeguards Regulation	\$151,622,000
Nuclear Safety Research	137,117,000
Nuclear Materials Safety and Safeguards Regulation	30,586,000
Nuclear Waste Regulation	22,394,000
Special and Independent Reviews, Investigations and Enforcement	40,965,000
Nuclear Safety Management and Support	67,316,000

Section 102.(b). This section provides authorization for moneys received by the Commission to be utilized for grants and cooperative agreements. Although the language of this section specifically addresses universities, other eligible recipients, such as state and local governments and not-for-profit institutions, may be included in the Commission's assistance program.

Section 102.(c). This section provides the Commission with the authority to reprogram funding among the program activities specified in Section 102.(a) with certain specified constraints.

Section 103. This section provides authorization for moneys received by the Commission for cooperative nuclear safety research programs, for services rendered to foreign governments and international organizations, for costs of certain licensee security investigations, and for costs of fingerprint examinations and criminal history checks to be used as salaries and expenses and for such moneys to remain available until expended notwithstanding the provisions of Section 3302 of the revised statutes.

Under the cooperative nuclear safety research program, funds are received from foreign governments for their participation in NRC's reactor safety research experiments. The NRC would also be authorized to receive directly compensation from foreign governments and international organizations for providing safety assistance and other services related to promoting the public health and safety. Funds are also received in the form of fees from licensees for the cost of security investigations and related processing associated with access to formula quantities of special nuclear material. These funds will be used to pay the related NRC processing costs and the agency performing the security investigations. Funds will be received in the form of fees from licensees for the cost of fingerprint examinations and criminal history checks of each individual granted access to safeguards information or unescorted access to a nuclear power plant. These funds will be used to pay for processing and performing the fingerprint examinations and criminal history checks. NRC will also use the money currently collected under 10 CFR Part 25, to pay the NRC processing costs and the Office of Personnel Management for conducting background investigations used as a basis for NRC security clearances for designated licensee representatives and other personnel requiring access to classified information.

Section 104. This section provides authorization for the transfer of amounts from the Commission's Salaries and Expenses appropriation to other agencies of the Federal Government for the performance of the work or services rendered by such agencies on behalf of the Commission.

Section 105. This section provides language required by the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344), Section 401(a).

Section 106. Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272), the NRC collected user fees that total approximately 33 percent of the agency's budget. The Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) amended Public Law 99-272 to require NRC to collect user fees that total at least 45 percent of the agency's budget in FY 1988 and FY 1989. Thereafter, the agency would collect user fees that total approximately 33 percent of its budget. Pursuant to the requirements of the Bipartisan Budget Agreement, the Office of Management and Budget has proposed that the NRC raise its user fees to approximately 55 percent of the budget. If this proposed legislative is approved by Congress, the Commission would implement this section through rulemaking conducted pursuant to the Administrative Procedure Act.

The NRC would continue to charge its applicants and licensees for licensing and inspection services pursuant to the Independent Offices Appropriations Act of 1952 (IOAA). Under the regulations implementing the IOAA authority, those licensees that require the greatest level of regulatory services from the NRC would pay higher fees than those who require a lesser level of service from the NRC.

In addition to IOAA fees, each holder of a nuclear power reactor operating licenses would pay an annual fee. This fee is to recover a portion of NRC costs in providing regulatory services not covered through fees collected under the IOAA. These services include, but are not limited to, generic activities such as research and rulemaking. In setting the annual fee, the

Commission would assign its costs based on the principle that those licensees who require the greatest expenditures of NRC resources should pay the greatest annual fee.

The total amount of fees to be collected under the IOAA and the annual fee shall approximate 55 percent of the NRC's budget.