

March 5, 2007

The Honorable Richard B. Cheney
President of the United States Senate
Washington, D.C. 20510

Dear Mr. President:

In accordance with the provisions of section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017), section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and section 108 of the Inspector General Act of 1988 (31 U.S.C. 1105(a)(25)), the Nuclear Regulatory Commission is submitting proposed legislation which authorizes appropriations for fiscal year 2008. The legislation requests authorization for fiscal year 2008 for "Salaries and Expenses" of \$908,409,000; and for the "Office of Inspector General" of \$8,144,000.

The Office of Management and Budget advises that the transmission of this legislation to Congress is in accord with the program of the President.

Sincerely,

/RA/

Dale E. Klein

Enclosure: Legislation Authorizing
Appropriations for FY 2008

Identical letter sent to:

The Honorable Richard B. Cheney
President of the United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the United States
House of Representatives
Washington, D.C. 20515

The Honorable Thomas R. Carper
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator George V. Voinovich

The Honorable Barbara Boxer
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James M. Inhofe

The Honorable Rick Boucher
Chairman, Subcommittee on Energy
and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative J. Dennis Hastert

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

The Honorable Byron Dorgan
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510
cc: Senator Pete V. Domenici

The Honorable Peter J. Visclosky
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515
cc: Representative David L. Hobson

The Honorable Joseph I. Lieberman
Chairman, Committee on Homeland Security and
Governmental Affairs
United States Senate
Washington, D.C. 20510
cc: Senator Susan M. Collins

The Honorable Henry A. Waxman
Chairman, Committee on Oversight and
Government Reform
United States House of Representatives
Washington, D.C. 20515
cc: Representative Tom Davis

The Honorable Kent Conrad
Chairman, Committee on the Budget
United States Senate
Washington, D.C. 20510
cc: Senator Judd Gregg

The Honorable John M. Spratt, Jr.
Chairman, Committee on the Budget
United States House of Representatives
Washington, D.C. 20515
cc: Representative Paul Ryan

U. S. NUCLEAR REGULATORY COMMISSION
PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FISCAL YEAR 2008

To authorize appropriations for the Nuclear Regulatory Commission for fiscal year 2008.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the “Nuclear Regulatory Commission Authorization Act for Fiscal Year 2008.”

Section 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2008.

(a) SALARIES AND EXPENSES.--There are authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017) and section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), \$908,409,000 for fiscal year 2008 to remain available until expended, of which \$37,250,000 is authorized to be appropriated from the Nuclear Waste Fund.

(b) OFFICE OF INSPECTOR GENERAL.--There are authorized to be appropriated to the Nuclear Regulatory Commission's Office of Inspector General in accordance with the provisions of 31 U.S.C. 1105(a)(25), \$8,144,000 for fiscal year 2008 to remain available until September 30, 2009.

Section 3. ALLOCATION OF AMOUNTS AUTHORIZED.

(a) IN GENERAL.--The amounts authorized to be appropriated under section 2(a) for fiscal year 2008 shall be allocated as follows:

(1)NUCLEAR REACTOR SAFETY.-- \$709,003,000 may be used for the “Nuclear Reactor Safety Program.”

(2)NUCLEAR MATERIALS AND WASTE SAFETY.-- \$199,406,000 may be used for the “Nuclear Materials and Waste Safety Program.”

(b)LIMITATIONS.--The Nuclear Regulatory Commission may use not more than 2 percent of the amounts allocated under section 3(a) to exercise its authority under sections 31a. and 243 of the Atomic Energy Act of 1954 (42 U.S.C. 2051(a), and 2015(b)) to make grants and enter into cooperative agreements with organizations such as universities, State and local governments, and not-for-profit institutions. Grants made by the Commission shall be made in accordance with 31 U.S.C. chapter 63, and other applicable law.

(c)REALLOCATION.--

(1)IN GENERAL.--Except as provided in paragraphs (2) and (3), any amount allocated for a fiscal year pursuant to any paragraph of section 3(a) for purposes of the program referred to in the paragraph may be reallocated by the Nuclear Regulatory Commission for use in a program referred to in any other paragraph of section 3(a).

(2)LIMITATION.--The amount available from appropriations for use in any program specified in any paragraph of section 3(a) may not, as a result of reallocations made under paragraph (1), be increased or reduced by more than \$1,000,000 in a quarter, unless the Committee on Energy and Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate are notified in advance by the Commission. The notification shall contain a full and complete statement of the reallocation to be made and the facts and circumstances relied upon in support of the reallocation.

(3)USE OF CERTAIN FUNDS.--Funds authorized to be appropriated from the Nuclear Waste Fund may be used only for the high-level nuclear waste activities of the Commission and may not be reallocated for other Commission activities.

Section 4. LIMITATION.

Notwithstanding any other provision of this Act, no authority to make payments or collect any user fee or annual charge under the Omnibus Budget Reconciliation Act of 1990, as amended, shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

U. S. NUCLEAR REGULATORY COMMISSION

ANALYSIS OF PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS

FISCAL YEAR 2008

Section 2.(a)--The Nuclear Regulatory Commission (NRC) is responsible for ensuring that its licensees design, construct, and operate civilian reactor facilities safely. The Atomic Energy Act and the Energy Reorganization Act provide the foundation for regulating the Nation's civilian nuclear power industry. Nuclear reactor safety encompasses all NRC efforts to ensure that civilian nuclear reactor facilities and research and test reactors are to operate in a manner that provides adequate protection of public health and safety and the environment, and protects against radiological sabotage and theft or diversion of special nuclear materials. These efforts include reactor licensing; reactor license renewal; operator licensing; financial assurance; inspection; performance assessment; new reactor licensing; identification and resolution of safety issues; reactor regulatory research; regulation development; operating experience evaluation; incident investigation; homeland security efforts (including threat assessment, mitigating strategies, and emergency preparedness); emergency response; investigation of alleged wrongdoing by licensees, applicants, contractors, or vendors; imposition of enforcement sanctions for violations of NRC requirements; and reactor technical and regulatory training. In response to renewed interest in building nuclear power reactors, NRC will conduct pre-licensing and licensing reviews and will develop necessary regulatory infrastructure to support these reviews. The NRC participates in international safety support activities, including some that support the Agency's domestic mission and others that support broader U.S. national interests. These activities include international policy formulation, treaty implementation, international

information exchange, international safety and safeguard assistance, and deterring nuclear proliferation. The NRC will continue its security and safeguards program for civilian reactor facilities and address any significant weaknesses.

Nuclear Materials and Waste Safety encompasses all NRC efforts to ensure that NRC-regulated aspects of nuclear fuel cycle facilities and nuclear materials activities are handled in a manner that provides adequate protection of public health and safety and that promotes the common defense and security, including implementation of P.L. 109-58, the Energy Policy Act of 2005. These efforts include licensing/certification, inspection, and enforcement activities; import-export licensing of nuclear materials and equipment; regulation and guidance development; nuclear materials research; identification and resolution of safety and safeguard issues; improved regulatory control of radiological sources; operating experience evaluation; incident investigation; threat assessment; emergency response; technical training; implementation of State and tribal programs; and investigation of alleged wrongdoing by licensees, applicants, certificate holders, and contractors.

The Nuclear Waste Policy Act, as amended, provides for the establishment of a Nuclear Waste Fund to ensure that the costs of carrying out activities relating to the disposal of high-level radioactive waste and spent nuclear fuel will be borne by the generators of such waste and spent fuel and provides that the amounts paid by generators and owners of these materials into the fund is reviewed annually to determine if any adjustment is needed to ensure full cost recovery. The Nuclear Regulatory Commission is required by the Nuclear Waste Policy Act, as amended, to determine whether to license a repository for the disposal of high-level radioactive waste and spent nuclear fuel. The Commission is assigned specific review responsibilities in the steps leading to submission of the license application. Thus, the Act establishes NRC's responsibility

throughout the repository process, culminating in the requirement for NRC licensing as a prerequisite to construction and operation of the facility. The Nuclear Waste Policy Act, as amended, also specifies that expenditures from the Nuclear Waste Fund shall only be used for activities relating to spent fuel and high-level radioactive waste disposal (including identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any repository constructed under the Act) and administrative costs of the high-level radioactive waste disposal program.

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

Section 2.(b)--The Inspector General Act Amendments of 1988 amended the Inspector General Act of 1978, established the Office of Inspector General within the Nuclear Regulatory Commission effective April 17, 1989, and required the establishment of a separate appropriation account to fund the Office of Inspector General.

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

Section 3.(a)--The requested authorization for appropriations under section 2.(a) is \$908,409,000 for fiscal year 2008 and is allocated as follows:

<u>Program</u>	<u>FY 2008</u>
Nuclear Reactor Safety	\$709,003,000
Nuclear Materials and Waste Safety	\$199,406,000

Section 3.(b)--This section provides a limitation on the amount of funds that may be utilized by the Commission for grants and cooperative agreements with organizations such as universities, State and local governments, and not-for-profit institutions.

Section 3.(c)--This section provides the Commission with the authority to reallocate funds among the program activities specified in section 3.(a) with certain specified constraints. Funds authorized to be appropriated from the Nuclear Waste Fund will be used only for NRC's high-level nuclear waste activities and will not be reallocated for other NRC activities.

Section 4.-- This section includes language necessary for budget scoring purposes to score the collections as discretionary offsetting collections.