

March 1, 2001

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director **/RA/**
Office of Congressional Affairs

SUBJECT: SENATOR MURKOWSKI INTRODUCES ENERGY BILL;
CONGRESS INITIATES ENERGY POLICY REVIEW

On February 26, Senator Murkowski (R-AK) introduced the National Energy Security Act, a comprehensive energy bill. His proposal is in two bills: S. 388 and S. 389. S. 388 has been referred to the Energy and Natural Resources Committee, and S. 389, which is identical to S. 388 except for an extra title (Title IX) regarding tax incentives, has been referred to the Finance Committee. The Administration intends to have an energy proposal ready this Spring, at which time Majority Leader Lott (R-MS) has said that both the Administration's and Senator Murkowski's proposals will be blended into one bill. He hopes to have this package considered by the Senate before the August recess. OGC, following receipt of staff comments, will prepare an analysis of the National Energy Security Act.

Section 106 requires the Chairman of the NRC to submit a report to the Congress, within six months from the date of enactment, on the state of nuclear power generation and production in the United States and the potential for increasing nuclear generating capacity and production as part of the Nation's energy mix. Also of interest to the NRC, S. 389 includes provisions regarding reauthorization of the Price-Anderson Act, development of a national spent nuclear fuel strategy, establishment of a DOE Office of Spent Nuclear Fuel Research, a study on the financing of advanced design nuclear power plants, a nuclear energy research initiative, development of a "roadmap" to design and develop a new nuclear energy facility in the U.S., nuclear energy production incentives, funding for capital improvements at nuclear plants, repeal of PURPA and PUHCA, and tax treatment both for decommissioning funds and temporary storage expenses of spent fuel. The pertinent sections of S. 389 are attached; a copy of the complete bill is available in OCA.

In the House, the Energy and Commerce Committee's Energy and Air Quality Subcommittee began hearings this week regarding the formation of a national energy policy; the first hearing focused on natural gas. Chairman Barton (R-TX) said that future hearings will examine coal, nuclear, crude oil, hydroelectric, renewable energy, and conservation and efficiency. Next week, there will be a hearing with the witnesses consisting exclusively of Members of Congress. The Subcommittee hopes to mark up legislation in March or April. Rep. Barton

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anticipates that the House's legislative approach will be a group of bills considered separately, rather than one comprehensive bill. Rep. Boucher (D-VA), ranking minority member of the Subcommittee, pledged to work with Rep. Barton on developing a bill. He added that energy policy divides along producer/consumer regions of the country, and that bridging that gap will be more of a challenge than bridging any partisan one.

Attachment: As stated

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The report should include an assessment of agency readiness to license new advanced reactor designs and discuss the needed confirmatory and anticipatory research activities that would support such a state of readiness. The report should also review the status of the relicensing process for civilian nuclear power plants, including current and anticipated applications, and recommendations for improvements in the process, including, but not limited to recommendations for expediting the process and ensuring that relicensing is accomplished in a timely manner.