



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 27, 1994

MEMORANDUM FOR: The Chairman
Commissioner Rogers
Commissioner de Planque
FROM: *Dennis K. Rathbun*
Dennis K. Rathbun, Director
Office of Congressional Affairs
SUBJECT: STATUS OF ISSUES IN THE 103RD CONGRESS

Attached for your information and use is the status of issues in the 103rd Congress relevant to the NRC and being monitored by the Office of Congressional Affairs.

Attachment:
As stated

cc: EDO
OGC
SECY
OPA
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ACRS
ACNW
OCAA

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STATUS OF ISSUES
IN THE 103RD CONGRESS

September 27, 1994

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I. NRC BUDGET

A. NRC FISCAL YEAR 1995 APPROPRIATIONS:

H. R. 4506, Fiscal Year 1995 Energy and Water Development Appropriations Act, passed the House of Representatives on June 14, 1993, and the Senate on June 30, 1993. The version passed by the House of Representatives provided \$545,581,000 which included \$5,080,000 for the Inspector General and \$22 million from the Nuclear Waste Fund. The Senate bill reduced the amount by \$5 million to \$540,581,000.

During the conference on H. R. 4506 the Subcommittees were advised of the \$20 million budget amendment request from NRC to OMB. The conference subsequently reduced the NRC Fiscal Year 1995 appropriation to \$520,581,000 including \$5,080,000 for the Inspector General and \$22 million from the Nuclear Waste Fund. The House and Senate agreed to the Conference Report accompanying H. R. 4506 on August 10 and 11, 1993. The President signed the bill on August 26, 1993, becoming P.L. 103-316. (See attachment for Conference Report language.)

B. NRC FY'S 1994-1995 AUTHORIZATION AND LEGISLATIVE PROPOSALS:

H. R. 2743, a bill to authorize appropriations for the NRC for Fiscal Years 1994-1995 was introduced, by request, by Representative Richard Lehman (D-CA) on May 18, 1993. A hearing regarding this legislation was held on May 27, 1993, before the Subcommittee on Energy and Mineral Resources, House Committee on Natural Resources. The Subcommittee will consider further action when comparable legislation clears the Senate. No further action on H. R. 2743 has been scheduled.

S. 1166, a bill to authorize appropriations for the NRC for Fiscal Years 1994-1995 was introduced by Senators Max Baucus (D-MT) and Joseph Lieberman (D-CT). A hearing was held on June 30, 1993, before the Subcommittee on Clean Air and Nuclear Regulation, Senate Committee on Environment and Public Works. The Senate Subcommittee on Clean Air and Nuclear Regulation marked up S. 1166, the NRC legislative proposals and S. 1162, the NRC Fiscal Years 1994-95 authorization bill on October 29, 1993. S. 2166 and S. 1162 were revised and incorporated into S. 1166.

Senator Metzenbaum (D-OH) offered an amendment which would raise the base civil penalty for violations by medical licensees to \$20,000. The NRC could raise or lower that amount using the

factors in its enforcement policy. The amendment was agreed to and the Subcommittee then adopted the substitute, as amended.

The Subcommittee also made largely editorial changes to NRC's administrative search warrant proposal. Following the markup the Subcommittee staff requested a briefing to provide additional information regarding the need for search warrant authority by the NRC. The meeting took place on November 10, 1993.

The Senate Committee on Environment and Public Works marked up, adopted, and reported to the Senate on June 24, 1994, after renumbering the bill as S. 2313. Three amendments were offered and accepted to S. 2313. The first amendment revised the FY 1994-95 budget to reflect the FY 1994 rescission and the FY 1995 budget request. The second amendment deleted the administrative search warrants provision in S. 1162 which was a part of the NRC's legislative proposals. The third amendment provides increased penalties for violations of medical therapy licenses.

At the markup, Senators Lieberman and Simpson (R-WY) said the Committee recognized the need to revisit the user fee equity issue and will attempt to resolve this problem by offering an amendment to S. 2313 on the Senate floor. As of this date the Committee has not been able to craft user fee language that is acceptable to all interested groups.

II. NRC-RELATED ISSUES AND LEGISLATION

A. ADVANCED NEUTRON SOURCE:

The Appropriations Bill only provided money for design work for the advanced neutron source for FY 1995. It is not clear that the Administration and/or the Appropriations committees will include construction money for FY 1996, move for authorization for the entire project at one time (an attempt to preclude another Supercollider episode), or continue at minimum levels. Sen. Sasser (D-TN) and the Vice President are interested in progress, but Rep. Lloyd (D-TN) is retiring and her successor may have difficulty in moving this project through the House. The commercial isotope community is viewed on the Hill as not being as enthusiastic as they could be on this project and they are generally cool to the idea of sharing any costs.

NRC is not likely to be significantly tasked by Congress until such time as construction appears likely. If authorized, the NRC will almost certainly be tasked to license this facility; therefore, we would be asked to testify regarding licensing process, amount of time, safety standards, resources, etc.

B. ADVANCED REACTORS:

As long as progress continues on the certification of the evolutionary designs and review of the advanced designs, there will be few issues generated in this area. New interest or controversy will be proportional to any significant delays in our progress.

C. ELIMINATION OF REPORTS TO CONGRESS:

The Senate Governmental Affairs Committee approved S. 2156, the Congress Reports Elimination Act, on August 2, 1994. The bill would allow NRC to eliminate the annual reports of the ACRS, on Price-Anderson and on Employees Detailed to the Executive Branch and the quarterly report on Non-Disclosure of Safeguards Information. The House has taken no action.

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D. EMERGENCY PREPAREDNESS:

On May 20, 1993, Senator Mikulski (D-MD) introduced S. 995, the "Federal Disaster Preparedness and Response Act of 1993." The bill directs the President to develop a Presidential Response Plan to provide federal assistance to states when needed. This bill would also restructure the Federal Emergency Management Agency. The bill was referred to the Committee on Governmental Affairs. On November 19, 1993, Senator Mikulski introduced S. 1697 which modifies the previous bill in some areas but is basically the same as S. 995. A markup was held on August 18, 1994, by the Committee on Governmental Affairs in which the bill was favorably reported. It appears the bill may be passed in the Senate if time allows before they adjourn this session. Representative Deutsch (D-FL) introduced H.R. 2548, the companion bill to S. 995. A similar bill (H. R. 2692) was introduced by Representative Peterson (D-FL) and was referred to the Committees on Armed Services, and Public Works and Transportation. There has been no action on these bills in the House nor does it seem likely.

E. ENFORCEMENT DISCRETION:

Oversight Committees will continue to explore the limits of and the exercise of discretion in enforcing our regulations. There will likely be additional questions regarding this matter, especially after the results of several reviews that are underway in this area are completed.

F. FIRE PROTECTION/THERMO-LAG:

Interest centers on two areas. The first is the progress that we and the licensees make in resolving Thermo-lag related deficiencies on a plant-by-plant basis.

The second will be any regulatory actions that might be necessary whenever the Inspector General's efforts in this matter are completed.

The level of interest remains well below that of 18 months ago.

G. HIGH-LEVEL WASTE:

Before the Labor Day recess, the House Energy and Commerce Committee's Subcommittee on Energy and Power (Sharp) held a hearing on the civilian nuclear waste program. This hearing was a status report on DOE's program and was one of a number of energy-related hearings held by Chairman Sharp as a prelude to his retirement. NRC testimony was not requested at the high-level waste (HLW) hearing.

Certain industry representatives have focused on the question of whether DOE will accept spent fuel in 1998 as contemplated in the Nuclear Waste Policy Act. Some legislation to clarify DOE's obligation was introduced along with language which would allow a Monitored Retrievable Storage (MRS) facility to be located in the same State as a HLW repository. Little success is likely to come from such a proposal in this Congress. Senator Johnston and Representative Dingell have both indicated that they will look at the HLW program in the next Congress. Senator Bryan (D-NV) continues to press to no avail his bill, S. 2244, which would provide credits in lieu of contributing to the Nuclear Waste Fund to utilities constructing on-site dry cask storage.

H. INDIAN RIGHTS:

Two different bills, H. R. 4230 and S. 2269, are designed to protect Indian religious rights. H. R. 4230 would allow the use of peyote by Indians for religious purposes. Federal agencies, including NRC, could still prohibit this use to ensure fitness for duty but would be required to first consult with affected Tribes. This bill passed the House in August. In the Senate, the Indian Affairs Committee does not plan to consider this bill this Congress.

S. 2269 seeks to protect Indian sacred sites. Federal agencies' administrative proceedings could become more complicated by having to conduct proceedings in camera with regard to siting of licensed activities on secret sites held sacred by Indians.

Administrative proceedings could be appealed in Federal District Court rather than in the Court of Appeals. The Indian Affairs Committee voted to approve the bill but their staff has indicated that no report will be written and the bill will not be reported to the Senate.

I. INTERNATIONAL:

In March 1994, the Export-Import Bank granted a loan guarantee for the Czech Republic to finance U.S. exports to upgrade a Soviet-designed VVER-1000 nuclear plant in Temelin. Representative Dingell's (D-MI) Subcommittee on Oversight and Investigation, Committee on Energy and Commerce, is currently looking into this matter and has asked the General Accounting Office to begin an investigation. The Committee may have a hearing once the investigation is completed, which may not be until June 1995.

On August 23, 1994, the President signed into law the Foreign Operations Appropriations bill (P.L. 103-306) which appropriates \$850 million in fiscal year 1995 for assistance to the Newly Independent States.

J. LICENSE RENEWAL:

There has not been much Congressional interest in our rule changes. There is some interest in operational issues which oversight staff connect with aging: equipment qualification (especially cables), core shroud and internals cracking, embrittlement, etc.). The concern is, if components and structures can't withstand 40 years of operation are we being vigorous enough in evaluating operability for additional years. The level of interest is likely to remain low as long as there is no actual renewal candidate.

K. LOW-LEVEL WASTE:

Congress continues to take a hands off approach toward development of low-level radioactive waste sites. The Senate Energy and Natural Resources Committee (Johnston, D-LA) held a hearing on the problems associated with licensing the California LLW site. Senator Johnston has introduced (but is not expected to push) legislation, S. 2151, which would mandate the Secretary of the Interior to transfer federal lands to the State of California for the Ward Valley site within thirty days on enactment of the Act.

Two Compacts (the Texas/Maine/Vermont and the Central Midwest with Illinois and Kentucky) are seeking amendments to their

Compacts. The Senate Judiciary Committee marked up both (S. 2222 and S. 2369) and these bills are awaiting consideration by the full Senate. In the House, the Energy and Commerce Committee's Subcommittee on Energy and Power (Sharp) and the Energy and Natural Resources Committee's Subcommittee on Energy and Mineral Resources (Lehman), held a joint hearing on the Compacts (H.R. 4800 and H.R. 4814). Markup is expected at the next Energy and Natural Resources Committee meeting on September 28. The Illinois bill is expected to pass. The Texas bill is being deferred until next Congress at the request of Representative Ron Coleman (D-TX).

L. MEDICAL/NUCLEAR MATERIALS AND AGREEMENT STATES PROGRAMS:

Representative Mike Synar (D-OK), Chairman of the House Committee on Government Operations' Subcommittee on Environment, Energy, and Natural Resources and Senator John Glenn (D-OH), Chairman of the Senate Committee on Governmental Affairs have been very interested in these programs and held hearings during the first session of the 103rd Congress. Senator Glenn has not filed any legislation, but we expect his continued interest; hearings are possible next session.

The NRC's FY 1995 appropriation report language addresses the nuclear materials program. It urges the NRC to increase efforts to establish "procedures and criteria for discontinuance of certain of the Commission's regulatory responsibilities with respect to by-product, source, and special nuclear materials, and the assumption thereof by the States," as provided by section 274 A(4) of the Atomic Energy Act of 1954 (see attachment).

M. MINING REFORM:

Amid great controversy, in November 1993, the House passed a mining reform bill, H. R. 322. Also in November and, again, with great controversy, the Senate passed an amended version of the same bill. The Senate has since made two compromise offers to the House, the latest being in August 1994. The House is considering the proposal but it is uncertain whether they will accept the Senate proposal. Of interest to NRC is the question of whether certain cleanup provisions of the bill will overlap/duplicate NRC and Agreement State authority under the Atomic Energy Act and the Uranium Mill Tailings Radiation Control Act. House Energy and Natural Resources staff said that Chairman George Miller (D-CA) will attempt to add wording to the Managers' Statement on the bill that will indicate Congressional intent to preserve NRC's authority and not create dual regulation.

N. MONITORED RETRIEVABLE STORAGE (MRS):

The prohibition of funds for Phase II-B grants for the Department of Energy's MRS program was not carried over to the FY 1995 Energy and Water Development Appropriations Bill. The Department of Energy is free to proceed with this effort.

O. NONPROLIFERATION/EXPORT ISSUES:

During the first session of this Congress, Senator Glenn (D-OH) introduced S. 1054 which imposes sanctions against persons and firms (domestic and foreign) that materially contribute through the export of goods or technology to any non-nuclear weapon state's effort to acquire unsafeguarded weapons-grade uranium or plutonium, or to use, develop, or otherwise acquire a nuclear explosive device. Also, this bill requires that NRC submit for the President's annual report a description of each component export licensed by the NRC during the previous year. These provisions were enacted into law as part of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 which was signed into law on April 30, 1994 (P.L. 103-236).

Senator Glenn also introduced S. 1055, the "Nuclear Export Reorganization Act of 1993." This bill will allow NRC to obtain access to all of Commerce Department's data on nuclear dual-use export cases, give NRC the authority to request additional information beyond the dual-use cases, and require NRC concurrence on the issuance of all dual-use export licenses. The Committee on Governmental Affairs held a hearing on May 17, 1994, at which the NRC testified, but no further action has occurred.

There are two major pieces of legislation introduced that the House and Senate are considering that would reauthorize the Export Administration Act on controls of dual-use items. They are S. 2203, introduced by Senator Riegle (D-MI) and H. R. 3937, introduced by Representative Gejdenson (D-CT). The Export Administration Act expired on August 20, 1994, but the President by Executive Order has continued export controls as they currently exist. On August 21, Representative Hamilton (D-IN) introduced H. R. 5009 that would extend the Export Administration Act. While both Houses of Congress will continue to work towards passage of a bill, it is not likely there will be legislation passed this year. When a bill is brought to the House floor, it is expected that Representative Abercrombie (D-HI) will offer his amendment that would prevent the transshipments of high-level radioactive waste through U.S. ports.

P. NUCLEAR ENFORCEMENT ACCOUNTABILITY ACT - S. 1165:

Senator Lieberman's (D-CT) S. 1165 would provide standards for NRC evaluation of 2.206 petitions and for judicial review of NRC's decisions on 2.206 petitions. The Commission testified against S. 1165, asserting that it would restrict the agency's discretionary authority and that NRC's enforcement actions should not be singled out for judicial review. The Senate Environment and Public Works Committee reported out the bill (the votes were split by party line) and S. 1165 was placed on the Senate Legislative Calendar in August. Senate passage is unlikely.

Q. REGULATION OF DOE FACILITIES:

Reps. Miller and Lehman (both D-CA), held hearings on their proposed legislation which called for NRC regulation of new DOE nuclear facilities as well as a study of who should regulate existing DOE facilities. At the request of DOE's Secretary Hazel O'Leary, Reps. Miller and Lehman agreed to hold off any markup in favor of her establishing her own review commission to look at the matter. There is no Senate bill, and no Senate interest is likely.

Progress in establishing the commission has been slow. New activity concerning this legislation is not expected until the review commission completes its work and that is not likely to occur for at least another year.

R. RELATIONSHIP WITH INPO:

There is current interest, especially on the part of the Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, in our relationship with INPO. This interest stems from the Subcommittee's review of South Texas Nuclear Power Plant, and extends to recent correspondence from INPO to the NRC and to the Subcommittee regarding INPO's views on NRC regulation.

Our other oversight committees may pick up on this issue, especially in light of past concerns involving the lack of availability of INPO documents to the public and questions about the efficacy of NRC reviews of INPO reports.

S. SOUTH TEXAS PROJECT:

Representative John Dingell's Subcommittee on Oversight and Investigation's is conducting an investigation of the NRC inspection program as it relates to the South Texas Project. The NRC staff has briefed the Subcommittee staff on five occasions.

The Subcommittee has mentioned the possibility of a Congressional hearing sometime in mid-November. The General Accounting Office is also doing an investigation of the NRC's inspection program for the Subcommittee and is scheduled to report its findings early calendar year 1995.

T. SUPERFUND:

H. R. 3800, a bill to reauthorize the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), was introduced by Representative Al Swift (D-WA). Over twenty hearings and markups were held over the past two years in seven House Committees. The House bill reported from the Energy and Commerce Committee included language on radionuclides. The Committee notes that radioactive materials released into the environment are currently subject to CERCLA, pursuant to section 101(22), with the exception of two specific types of radioactive releases--those from a nuclear incident subject to Price Anderson liability coverage pursuant to section 170 of the Atomic Energy Act of 1954, and uranium processing sites designated under the Uranium Mill Tailings Radiation Control Act of 1978. Radionuclides are not excluded from the terms chemical carcinogen and non-carcinogen as used in the national goals provision of section 121(d) of CERCLA as amended by the Committee. Nothing in the committee amendment is intended to affect the application of the Atomic Energy Act to any facility licensed by the Nuclear Regulatory Commission.

On September 13, 1994, the House Rules Committee met to consider a rule for Superfund. As of September 23 the Rules Committee has not been able to agree on a rule for superfund consideration by the House of Representatives. Further action is doubtful.

S. 1834, the Superfund Reform Act of 1994, has been considered by the Senate Committees on Environment and Public Works and Finance. On August 3, 1994, the Environment Committee reported out the bill which included report language on radionuclides. In particular, standards and regulations established by the EPA or the Nuclear Regulatory Commission under the Atomic Energy Act and Reorganization Plan No. 3 for the remediation of soil, ground water, surface water, and structures at NRC-licensed and regulated sites and at Federal facility sites contaminated with radioactive material would continue to apply to the extent that such remediation activities are conducted pursuant to these authorities. Currently, both EPA and the NRC are developing comprehensive regulations under the Atomic Energy Act and Reorganization Plan No. 3 for such remedial activities and for decontamination and decommissioning of sites at which radiological contamination is present. This bill does not affect the development or application of these regulations under these other authorities.

On September 14, 1994, the Senate Finance Committee held a hearing on Superfund regarding insurance taxes as a funding mechanism for Superfund. The Finance Committee has scheduled a markup for September 27. Once the Finance Committee completes action on S. 1834 the bill will be ready for Senate debate. However, support for the bill in the Senate is eroding and there is only a short time left for this second session of the 103rd Congress.

III. GOVERNMENT-WIDE LEGISLATION

A. ADMINISTRATIVE LAW JUDGE CORPS ACT:

Senator Howell Heflin's (D-AL) S. 486 and Representative Dan Glickman's (D-KS) H. R. 2586 would establish a corps of administrative law judges separate from individual agencies. The Senate passed an amended version of the bill in November 1993. The bill has not been reported out of Committee in the House.

B. CRIME BILL:

With crime a major concern among voters and crime legislation a top priority of the Clinton administration, the Senate on August 25, 1994, turned back a vigorous effort to alter the final version of a huge \$30.2 billion omnibus crime bill and finally cleared the bill for the President. Included in the bill is a provision to ban the possession or transfer of certain semi-automatic weapons after the date of enactment. Federal and state agencies and NRC licensees are exempt from this ban.

C. DEPARTMENT OF ENERGY NATIONAL LABORATORIES:

Legislation to shift the focus of national labs from research centers on weapons production and energy systems to partnerships with the private sector to improve industrial competitiveness has passed the Senate (S. 473) and was reported out of the House Committee on Energy and Commerce. The Committees on Armed Services and Science, Space and Technology reported out a similar bill, H. R. 1432. It was placed on the calendar on May 19, 1994, but has not been brought to the Floor.

D. DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP):

Although the Senate passed its version of the bill, S. 171, introduced by Senator John Glenn (D-OH) in May 1993, it has floundered in the House where H. R. 3425 was ready for Floor

consideration in November 1993. No action is expected on this issue in this Congress because the Senate would likely insist on including controversial risk assessment provisions.

E. ELECTRONIC FOIA:

On August 25, 1994, the Senate passed S. 1782, the Electronic Freedom of Information Improvement Act. The bill was sent to the House where it is unlikely to be acted upon. The House Committee on Government Operations also has taken no action on a similar bill, H. R. 4917. The bill would require agencies to provide information to requesters in electronic format if the information already exists in electronic format. Additionally, agencies would be required to make a reasonable effort to provide information in electronic format to requesters even if the information does not exist in electronic format. The bill would also permit FOIA requesters to obtain attorneys fees and costs from the Government when a Federal agency did not respond to the FOIA request within a specified time period.

F. FEDERAL BUY-OUT LEGISLATION:

The House passed H. R. 3400, a wide-spread set of government streamlining and savings proposals, on November 22, 1993. Most of the bill's savings, \$35.2 billion, would be achieved through a reduction in the federal work force of 252,000 full-time positions over five years. After the bill stalled in the Senate, several of its provisions were included in other bills. The personnel cut was included in a bill, H. R. 3345, the federal employee buyouts bill, to offer buyouts to federal employees. The President signed H. R. 3345 on March 30, 1994. Congressional support for "reinventing government" appears to be waning at this time.

G. FEDERAL EMPLOYEES - MISCELLANEOUS:

The following is a list of bills that are of interest, but further action is doubtful:

H. R. 1095 - "Ethics in Government Act Amendments," to restore right of most federal workers to accept honoraria while limiting the annual amount accepted to \$2,000. The bill was referred to four committees. There hasn't been any activity since November 1993.

H. R. 3694 - "Child Abuse Accountability Act," to allow garnishment of federal wages to satisfy a judgement against an annuitant for physically abusing a child. The measure passed the House by voice vote on September 19, 1994.

H. R. 4488 - "Federal Workforce Restructuring," to limit use of contract employees to do jobs of individuals released because of restructuring. The House Post Office and Civil Service Committee, Subcommittee on Compensation and Employee benefits, held a hearing on September 22, 1994.

H. R. 4361 - "Federal Employees Family Friendly Leave Act," to allow federal employees to use sick leave to attend to medical needs of a family member and to allow federal employees to transfer annual leave at any time to another family member. On September 19, 1994, the House passed H. R. 4361.

H. R. 4719 - "Job Placement for Laid Off Federal Workers," to establish a program to help find jobs for federal employees laid off because of reductions in force. The House Post Office and Civil Service Committee, Civil Service Subcommittee held a hearing on September 21, 1994.

H. R. 512 - "FEGLI Living Benefits Act," to provide that group life benefits may be paid out to an insured person who is terminally ill. Measure passed the House by voice vote on July 19, 1994; Senate Governmental Affairs held markup session and ordered it to be reported on September 20, 1994.

S. 2238 - "Employment Non-Discrimination Act," to prohibit employment discrimination on the basis of sexual orientation - Committee on Labor and Human Resources. Committee hearings held on July 29, 1994.

H. HEALTH CARE REFORM:

This legislation is dead for this session. Senator Mitchell's (D-ME) S. 1757, was marked up by the Finance Committee but Appropriations Chairman Robert Byrd (D-WV) has said it would be too costly. New proposals are expected in the next Congress.

I. PAPERWORK REDUCTION ACT REAUTHORIZATION:

A compromise between the bills, S. 560, introduced by Senator Sam Nunn (D-GA), and S. 681, introduced by Senator John Glenn resulted in a Governmental Affairs bill that should be ready for Floor consideration in the near future. The bill would, among other things, reauthorize the Office of Information and

Regulatory Affairs. In the House a bill, H. R. 2995, identical to Senator Nunn's original, was offered by Representative Sisisky (D-VA). Opposition by interest groups has kept the bill from moving out of the Government Operations Committee.

J. PROCUREMENT REFORM:

This bill, which is a centerpiece of the National Performance Review, has passed both Houses and is ready for Presidential signature. The bill would raise the threshold level for small orders and require the government to purchase products, when possible, that can be bought off-the-shelf rather than those designed specifically for government use.

CONFERENCE REPORT LANGUAGE

NUCLEAR REGULATORY COMMISSION

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: \$520,501,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates \$520,501,000 for the Nuclear Regulatory Commission Salaries and Expenses instead of \$540,501,000 as proposed by the House and \$535,501,000 as proposed by the Senate.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: \$498,501,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement applies revenues of \$498,501,000 instead of \$518,501,000 as proposed by the House and \$513,501,000 as proposed by the Senate.

Amendments No. 48 and 49 provide for economies at the Nuclear Regulatory Commission.

HOUSE REPORT LANGUAGE

NUCLEAR REGULATORY COMMISSION

GROSS APPROPRIATION

Appropriation, 1994	\$542,900,000
Budget Estimate, 1995	540,501,000
Recommended, 1995	540,501,000
Comparison:	
Appropriation, 1994	- 2,399,000
Budget Estimate, 1995	

REVENUES

Appropriation, 1994	- \$520,900,000
Budget Estimate, 1995	- 518,501,000
Recommended, 1995	- 518,501,000
Comparison:	
Appropriation, 1994	+ 2,399,000
Budget Estimate, 1995	

NET APPROPRIATION

Appropriation, 1994	\$22,000,000
Budget Estimate, 1995	22,000,000
Recommended, 1995	22,000,000
Comparison:	
Appropriation, 1994	
Budget Estimate, 1995	

As a result of enacted legislation, NRC has been directed to offset expenses with user fees. The fiscal year 1995 budget request and recommendation reflect this legislation. In addition, the Administration proposes that \$22,000,000 of the appropriation for the NRC be derived from the Nuclear Waste Fund which is required to fund the NRC efforts focused on implementation of the Nuclear Waste Policy Act as amended in 1987 and DOE's efforts to characterize the Yucca Mountain site.

The Committee commends the NRC for progress made in the Advanced Light-Water Reactor program with the completion of the Final Safety Evaluation Reports (FSER) and Final Design Approvals (FDA) for the General Electric Advanced Boiling Water Reactor and the ABB-Combustion Engineering System 80+. The Committee also recognizes the completion of the Preapplication Safety Evaluation Report (PSER) at the NRC for the Advanced Liquid Metal Reactor (ALMR) in December 1993.

The Committee is also encouraged by the NRC's actions to modify the license renewal rule for current operating licensees to ensure a stable predictable regulatory process.

While the Committee was encouraged by the Commission's efforts to improve financial management practices and recognizes

that those efforts resulted in savings in fiscal year 1994, the Committee continues to be concerned about the high cost of doing business with the NRC.

The Committee is concerned about issues of equity and fairness raised in the NRC's Report to the Congress on the U.S. Nuclear Regulatory Commission's Licensee Fee Policy Review. The Report contains several examples which illustrate the major impact of the NRC's fee policy and identifies several instances in which licensees are paying for activities for which they receive little or no direct benefit. One area of concern is the current policy of not assessing fees for inspections for Federal agencies that do not hold an NRC license. The Committee sees no reasons why the private sector should be required to pay for these activities.

The Committee continues to be concerned about the increase in nuclear medicine fees since 1990 and the effect the increase has on the licensees' ability to operate. This escalation of fees has caused a reduction in these services.

OFFICE OF INSPECTOR GENERAL

GROSS APPROPRIATION

Appropriation, 1994	\$4,800,000
Budget Estimate, 1995	5,080,000
Recommended, 1995	5,080,000
Comparison:	
Appropriation, 1994	+ 280,000
Budget Estimate, 1995	

REVENUES

Appropriation, 1994	- \$4,800,000
Budget Estimate, 1995	- 5,080,000
Recommended, 1995	- 5,080,000
Comparison:	
Appropriation, 1994	- 280,000
Budget Estimate, 1995	

This appropriation provides for the Office of Inspector General of the Nuclear Regulatory Commission.

As a result of enacted legislation, the Office of Inspector General of the NRC is to offset expenses with NRC user fees. The fiscal year 1995 budget request and recommendation reflect this legislation.

The Inspector General Act Amendments of 1988 established a statutory Office of the Inspector General within the NRC, effective on April 17, 1989. The function of the Office of the Inspector General is to provide the Commission with an independent review and appraisal of the integrity of NRC programs and operations. Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving agency programs, personnel, and operations.

SENATE REPORT LANGUAGE

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

GROSS APPROPRIATIONS

Appropriations, 1994	\$542,900,000
Budget estimate, 1995	540,501,000
House allowance	540,501,000
Committee recommendation	535,501,000

REVENUES

Appropriations, 1994	\$520,900,000
Budget estimate, 1995	518,501,000
House allowance	518,501,000
Committee recommendation	513,501,000

NET APPROPRIATION

Appropriations, 1994	\$22,000,000
Budget estimate, 1995	22,000,000
House allowance	22,000,000
Committee recommendation	22,000,000

A net appropriation of \$22,000,000 is recommended for the Nuclear Regulatory Commission [NRC].

The Committee recommendation reduces the gross appropriation and the revenues required to offset the appropriation by \$5,000,000. This consists of a reduction of \$3,000,000 to conform to the reported legislation authorizing appropriations for the Commission and a reduction of \$2,000,000 expected to be available from prior year carryover funds.

As a result of enacted legislation, NRC has been directed to offset expenses with user fees. The fiscal year 1994 budget request and recommendation reflect this legislation. In addition, the administration proposes that \$22,000,000 of the appropriation for the NRC be derived from the nuclear waste fund which is required to fund the NRC efforts focused on implementation of the Nuclear Waste Policy Act as amended in 1987 and DOE's efforts to characterize the Yucca Mountain site.

The Committee is pleased that the NRC has essentially completed the final design approvals for the ABB-combustion engineering system 80+ and the General Electric ABWR. However, the Committee is again compelled to address the high costs of NRC review fees and the heavy burden that these fees place upon the applicants. As a means of controlling these costs, the Committee believes that review charges against the current applicants should cease to accrue once the final design approvals are issued. The Committee directs that the NRC, within 180 days, provide this Committee a report on the projected total costs for each reactor design. In addition, the report shall also include, if it is the intent of the NRC to continue to accrue review charges against the current applicants, its justification for doing so.

The Committee is aware that on June 26, 1992, OMB notified the NRC that the information collection request [ICR] regarding NRC's quality management and misadministration rule had been disapproved. In its letter of disapproval, the OMB expressed concern that "while this program may be more cost effective than any other step the NRC could take, the program is not cost effective in an absolute sense, because the practical utility that the program will yield does not justify the significant burden the program will impose." Despite this detailed reasoning by OMB, the NRC voted to override the Office of Management and Budget's disapproval.

While the Paperwork Reduction Act authorizes an independent regulatory agency such as the NRC, to override an OMB disapproval the Committee is concerned that the NRC is not sufficiently sensitive to the paperwork burden and unreasonable cost

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imposed by its ICR. The Committee, therefore, urges NRC to reconsider when the ICR comes up for review in 1995.

The Committee continues to be concerned about the 1,400 percent increase in nuclear medicine fees since 1990 and the effect the increase has on the licensees ability to operate. This escalation of fees has caused 2,700 licensees (including 500 medical licensees) to drop their license since 1991, directly affecting the health and well-being of those dependent on the medical licensees. The Committee is also aware that NRC has recommended amendments to the full cost recovery requirement of OBRA-90 to permit the exclusion of approximately \$45,000,000 of costs inappropriately charged to the licensees.

The Committee believes that absent changes in the full cost recovery law, the best way to make fees less burdensome is to reduce NRC costs. In the context of reducing NRC costs, the Committee believes that turning control of a large part of the regulation of materials licensees over to the States will be beneficial to the licensees and reduce the cost of regulation.

The Committee, therefore, urges the NRC to increase efforts to establish "procedures and criteria for discontinuance of certain of the Commission's regulatory responsibilities with respect to by-product, source, and special nuclear materials, and the assumption thereof by the States," as provided by section 274 A(4) of the Atomic Energy Act of 1954.

OFFICE OF INSPECTOR GENERAL

GROSS APPROPRIATION

Appropriations, 1994	\$4,800,000
Budget estimate, 1995	5,080,000
House allowance	5,080,000
Committee recommendation	5,080,000

REVENUES

Appropriations, 1994	\$4,800,000
Budget estimate, 1995	5,080,000
House allowance	5,080,000
Committee recommendation	5,080,000

The appropriation recommended provides for the Office of the Inspector General of the Nuclear Regulatory Commission.

The Inspector General Acts Amendments of 1988 established a statutory Office of the Inspector General within the NRC, effective on April 17, 1989. The functions of the Office of the Inspector General are to provide the Commission with an independent review and appraisal of the integrity of NRC programs and operations. Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving agency programs, personnel, and operations.