



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

November 7, 1984

Attachment D

16A43

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

Dear Mr. Chairman:

For your information, enclosed is a copy of the NRC's FY 1985
Initial Base Table.

Sincerely,

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

cc: Rep. Carlos Moorhead

IDENTICAL LETTER SENT TO:
Sen. Simpson/cc: Sen. Hart
Rep. Udall/cc: Rep. Lujan

Sen. Hatfield/cc: Sen. Johnston
Rep. Beville/cc: Rep. Myers

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PDR FOIA
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OFFICE	OCA						
URNAME	FAY:lac						
DATE	11/7/84						

U.S. Nuclear Regulatory Commission
FY 1985 Initial Base Table
(Dollars in Thousands)

	<u>President's Budget</u>	<u>Adjustments^{1/}</u>	<u>Congressional Reduction^{2/}</u>	<u>Initial Base</u>
Nuclear Reactor Regulation (NRR)	\$ 90,950	+\$1,001	-\$ 700	\$ 91,251
Inspection and Enforcement (IE)	92,190	+ 844	- 1,000	92,034
Nuclear Material Safety and Safeguards (NMSS)	43,520	- 884	- 1,000	41,636
Nuclear Regulatory Research (RES)	168,415	- 655	- 17,300	150,460
Program Technical Support (PTS)	30,545	+ 86		30,631
Program Direction and Administration (PDA)	<u>42,580</u>	<u>- 392</u>	<u> </u>	<u>42,188</u>
Total	\$468,200	-	-\$20,000	\$448,200

See attached page(s) for footnotes.

U.S. Nuclear Regulatory Commission
FY 1985 Initial Base Table
(Dollars in Thousands)

1/ Includes comparability transfer of \$750,000 from the Office of the Secretary (SECY/PDA) to the Atomic Safety and Licensing Board Panel (ASLBP/PTS) for the Transcription Services Contract. ASLBP is using this contract in support of the ASLBP hearing process. In previous years, SECY funded this entire contract. Now SECY is only funding for effort in the Washington, D.C., area; and ASLBP is funding for effort outside the Washington, D.C., area.

Also includes adjustments for salaries 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., ADF 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. In addition, minor staff changes which have taken place in the past year require a reallocation of salaries and benefits, administrative support, and travel. The FTE reallocations are related to increased support of reactor operator licensing activities, increased reactor inspection efforts, increases to improve implementation of quality assurance recommendations, reduced uranium mill renewals and amendments, reduced research effort consistent with the research funding reductions, and no increase in the number of investigators.

2/ NRC allocation of the \$20,000,000 reduction to our appropriation for FY 1985. Most of the reduction was applied to the research program (RES). As we stated in our letter to Senator McClure on August 31, 1984:

"We carefully reviewed how best to distribute this reduction as equitably as possible among Nuclear Reactor Regulation, Inspection and Enforcement, Nuclear Materials Safety and Safeguards, and Nuclear Regulatory Research. There were no easy options. About fifty percent of NRC's budget is non-discretionary -- Salaries/Benefits and Administrative Support are directly tied to the size of our staff and their corresponding logistical support -- and must be paid, the only remaining area from which the \$20 million reduction could be taken was the \$237.5 million in Program Support funds. Of this \$237.5 million, \$151 million represented research support work and the remaining \$86 million was for the support of the day-to-day licensing and regulatory oversight of operating plants, safeguards, transportation safety, and review and appraisal of new plants. We felt we could not cut deeply into the \$86 million operating support without seriously threatening our immediate safety oversight responsibilities. Since NRC must give priority, through its inspection and licensing programs, to assuring the continued safety of operating facilities and industrial and medical use of radioactive

materials and because of the magnitude of the reduction, the Office of Nuclear Regulatory Research absorbed a larger reduction than a pro rata share. We were terribly troubled by the need to apply such a disproportionate share of this \$20 million cut to the research program but given the circumstances we felt we had no other options."

The principal impacts of this reduction to the research program are: reduction of some of the materials aging studies; termination of certain plant instrumentation and control programs; cancel planned thermal-hydraulic research on steam generators; reduce the analytical code effort to a maintenance level; significant reduction in hydrogen research; defer certain high-level waste research; and perform no research to provide technical guidance to states related to low-level waste facilities. Sufficient funds have been provided to complete the Phase I fuel damage test program at the PBF facility. The remainder of the Congressional reduction was allocated to lower priority activities related to licensing amendments (NRR), inspection support (IE), and transportation safety and waste management (NMSS).