



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

OFFICE OF THE
CHAIRMAN

January 9, 1986

The Honorable Tom Beville, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Nuclear Regulatory Commission is requesting approval to reprogram, utilizing unobligated funds carried over from FY 1985. The major portion of these monies is needed to fund the Administration's proposed 5 percent pay reduction which was subsequently withdrawn.

The proposed reprogramming adjustments with explanation are enclosed. The enclosure will also serve as the initial FY 1986 Base Table report. Your early consideration of the proposed reprogramming actions is appreciated.

Sincerely,

A handwritten signature in cursive script, reading "Nunzio J. Palladino".

Nunzio J. Palladino
Chairman

Enclosure:
As stated

cc: Rep. John Myers

8601280247 860108
PDR COMMS NRCC
CORRESPONDENCE PDR



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

OFFICE OF THE
CHAIRMAN

January 8, 1986

The Honorable Mark O. Hatfield, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Nuclear Regulatory Commission is requesting approval to reprogram, utilizing unobligated funds carried over from FY 1985. The major portion of these monies is needed to fund the Administration's proposed 5 percent pay reduction which was subsequently withdrawn.

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Sincerely,

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Nunzio J. Palladino
Chairman

Enclosure:
As stated

cc: Sen. J. Bennett Johnston



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

OFFICE OF THE
CHAIRMAN

January 8, 1986

The Honorable Edward J. Markey, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Nuclear Regulatory Commission is requesting approval to reprogram, utilizing unobligated funds carried over from FY 1985. The major portion of these monies is needed to fund the Administration's proposed 5 percent pay reduction which was subsequently withdrawn.

The proposed reprogramming adjustments with explanation are enclosed. The enclosure will also serve as the initial FY 1986 Base Table report. Your early consideration of the proposed reprogramming actions is appreciated.

Sincerely,

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Nunzio J. Palladino
Chairman

Enclosure:
As stated

cc: Rep. Carlos Moorhead



OFFICE OF THE
CHAIRMAN

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

January 8, 1986

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

Dear Mr. Chairman:

The Nuclear Regulatory Commission is requesting approval to reprogram, utilizing unobligated funds carried over from FY 1985. The major portion of these monies is needed to fund the Administration's proposed 5 percent pay reduction which was subsequently withdrawn.

The proposed reprogramming adjustments with explanation are enclosed. The enclosure will also serve as the initial FY 1986 Base Table report. Your early consideration of the proposed reprogramming actions is appreciated.

Sincerely,

Nunzio J. Palladino
Chairman

Enclosure:
As stated

cc: Rep. Manuel Lujan



OFFICE OF THE
CHAIRMAN

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

January 8, 1986

The Honorable Alan Simpson, Chairman
Subcommittee on Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Nuclear Regulatory Commission is requesting approval to reprogram, utilizing unobligated funds carried over from FY 1985. The major portion of these monies is needed to fund the Administration's proposed 5 percent pay reduction which was subsequently withdrawn.

The proposed reprogramming adjustments with explanation are enclosed. The enclosure will also serve as the initial FY 1986 Base Table report. Your early consideration of the proposed reprogramming actions is appreciated.

Sincerely,

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Nunzio J. Palladino
Chairman

Enclosure:
As stated

cc: Sen. Gary Hart

Enclosure

U.S. NUCLEAR REGULATORY COMMISSION
FY 1986 INITIAL BASE TABLE AND REPROGRAMMING REQUEST
(Dollars in Thousands)

	<u>Budget Submitted to Congress</u>	<u>Comparability and other Changes</u> ^{1/}	<u>Revised Base</u>	<u>Programmatic Changes</u> ^{1/}	<u>Current Base</u>
Nuclear Reactor Regulation	\$ 88,930	\$- 6,050	\$ 82,880	+ 310	\$ 83,190
Nuclear Material Safety and Safeguards	40,730	- 150	40,580	+ 90	40,670
Inspection and Enforcement	92,890	+ 3,560	96,450	+ 620	97,070
Nuclear Regulatory Research	135,970	+ 1,290	137,260	- 2,230	135,030
Program Technical Support	29,300	+ 330	29,630	+ 380	30,010
Program Direction and Administration	<u>41,180</u>	<u>+ 1,020</u>	<u>42,200</u>	<u>+ 830</u>	<u>43,030</u>
Total	\$429,000	0	\$429,000	\$ 0	\$429,000 ^{2/}

^{1/} These changes are described on the following pages.

^{2/} This is the total of the FY 1986 appropriation provided by Congress of \$418,000,000 and the utilization of \$11,000,000 of the \$13,311,500 unobligated funds at the end of FY 1985 and carried over into FY 1986. The remaining unobligated funds of \$2,311,500 are FY 1985 commitments and will be addressed in the first quarter Base Table.

Comparability and Other Changes

During the formulation of the FY 1987 budget, the Commission consolidated probability risk assessment training within the Office of Administration. As a result, \$300,000 was transferred from Inspection and Enforcement's program support to administrative support which is then allocated to all programs based on staffing. Additionally, to more properly reflect program requirements, (1) the cost of the Incident Response Center communications lines has been allocated to the IE program rather than the NRR program; and (2) the cost of the seismic circuitry communication lines has been allocated to the RES program rather than a per capita allocation to all offices.

The remaining changes are the result of using more current historical rates for allocating salaries and benefits, some minor changes in staffing, and refinements in the allocation of administrative support funds, such as updating the estimates for the direct allocation of the Incident Response Center communication costs, computer timesharing costs, and training costs.

These comparability and other funding changes are detailed as follows:

<u>Program</u>	<u>Salaries & Benefits</u>	<u>Program Support</u>	<u>Administrative Support</u>	<u>Net Change</u>
NRR	\$+ 100		\$- 6,150	\$- 6,050
NMSS	- 120		- 30	- 150
IE	- 20	\$- 300	+ 3,880	+ 3,560
RES	+ 20		+ 1,270	+ 1,290
PTS	+ 110		+ 220	+ 330
PDA	- 90		+ 1,100	+ 1,020
Total	0	\$- 300	+ 300	0

Programmatic Changes

At about the time Congress made final changes to NRC's FY 1986 appropriation, the NRC's FY 1985 accounting records were closed out and it became known that FY 1985 unobligated funds totaled \$13,311,500. (The magnitude of the unobligated funds carried forward was due to the unavailability of the FY 1985 rescission of \$4.3 million which was subsequently reinstated and unusually high activity in closing out completed contracts with obligated funds remaining unused. This resulted in the deobligation of prior year funds totaling \$4.8 million. The remaining unobligated balance of \$4.2 million represents less than 1% of funds obligated in FY 1985 and is due to minor program under-runs.) As a result, the Commission reviewed NRC's total funding needs based on the \$11.0 million Congressional reduction and the availability of the FY 1985 unobligated funds. The programmatic funding changes are as follows:

<u>Program</u>	<u>Salaries & Benefits</u>	<u>Program Support</u>	<u>Admin. Support</u>	<u>Travel</u>	<u>Net Change</u>
NRR	\$+1,280	\$- 500	\$- 330	\$- 140	\$+ 310
NMSS	+1,100	- 800	- 170	- 40	+ 90
IE	+2,070	- 900	- 370	- 180	+ 620
RES	+ 680	-2,800	- 110		-2,230
PTS	+ 770	- 140	- 180	- 70	+ 380
PDA	+1,600	- 360	- 340	- 70	+ 830
Total	\$+7,500	\$-5,500	\$-1,500	\$- 500	\$ 0

The net change represents the \$11.0 million Congressional reduction to NRC's FY 1986 budget and the utilization of \$11.0 million of the \$13.3 million unobligated at the end of FY 1985 and carried over into FY 1986. The remaining unobligated funds of \$2.3 million are FY 1985 commitments and will be addressed in the first quarter Base Table.

The increase of \$7,500,000 to salaries and benefits is necessary to fund the Administration's initially proposed 5% pay reduction that was subsequently withdrawn.

The impact of the program support reductions are: (a) \$0.5 million to NRR will reduce contingency funding for the resolution of unanticipated safety issues; (b) \$0.8 million to NMSS primarily reflects updated estimates with little impact to program; (c) \$0.9 million to IE will reduce the amount of independent destructive testing of materials and contractor-assisted inspections of plant and equipment vendors and will delay some initiatives in the Quality Assurance Program Plan such as third party audits and licensee project team qualifications; (d) \$2.8 million to RES will delay the evaluation of the material properties of the Shippingport reactor components about 3 months, will eliminate some testing of electrical equipment for severe accident conditions and follow-on buckling tests to evaluate seismic effects and interim improvements to the containment systems code to incorporate data

generated under an NRC/FRG Cooperative Agreement, and will limit the scope of the accident management program to providing near-term support for IDCOR interaction and NUREG-1150 (risk reference document) by including only sequences for MARK I's involving containment venting; and (e) \$0.5 million reduction to PTS and PDA reflects updated estimates of planned work and will provide for fewer and less detailed regulatory cost analyses and about a 3% reduction in funds for contractor support for studies of operational events.

The \$1.5 million reduction to administrative support is accommodated by holding GSA rent charges at the FY 1985 level and updated estimates of the cost of other planned activities.

The \$0.5 million reduction to travel will keep travel costs at the FY 1985 level. Some staff travel will be reduced to accommodate the inflation increases of the past year.