



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

April 3, 1997

The Honorable Albert Gore, Jr.
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 (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 1998. The proposed legislation requests authorization for fiscal year 1998 for "Salaries and Expenses" of \$476,500,000; and for the "Office of Inspector General" of \$4,800,000. Section 3 of the proposed legislation includes authorization for NRC to retain and use funds received from State governments; section 6 would authorize the NRC to exclude the funds appropriated for NRC regulatory reviews and other assistance provided to DOE and other Federal agencies from the requirement for NRC to collect fees for approximately 100 percent of its budget authority; and section 7 would extend the requirement for NRC to collect approximately 100 percent of its budget from FY 1998 to FY 2002.

The Office of Management and Budget has advised that it has no objection to the submission of this proposal to Congress and that its enactment would be in accordance with the program of the President.

Sincerely,

Shirley Ann Jackson

Enclosure: Proposed Legislation Authorizing
Appropriations for FY 1998

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CORRESPONDENCE PDR



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

April 3, 1997

The Honorable Newt Gingrich
Speaker of the United States
House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

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 (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 1998. The proposed legislation requests authorization for fiscal year 1998 for "Salaries and Expenses" of \$476,500,000; and for the "Office of Inspector General" of \$4,800,000. Section 3 of the proposed legislation includes authorization for NRC to retain and use funds received from State governments; section 6 would authorize the NRC to exclude the funds appropriated for NRC regulatory reviews and other assistance provided to DOE and other Federal agencies from the requirement for NRC to collect fees for approximately 100 percent of its budget authority; and section 7 would extend the requirement for NRC to collect approximately 100 percent of its budget from FY 1998 to FY 2002.

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

April 3, 1997

The Honorable Dan Schaefer, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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 (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 1998. The proposed legislation requests authorization for fiscal year 1998 for "Salaries and Expenses" of \$476,500,000; and for the "Office of Inspector General" of \$4,800,000. Section 3 of the proposed legislation includes authorization for NRC to retain and use funds received from State governments; section 6 would authorize the NRC to exclude the funds appropriated for NRC regulatory reviews and other assistance provided to DOE and other Federal agencies from the requirement for NRC to collect fees for approximately 100 percent of its budget authority; and section 7 would extend the requirement for NRC to collect approximately 100 percent of its budget from FY 1998 to FY 2002.

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Sincerely,

Shirley Ann Jackson

Enclosure: Proposed Legislation Authorizing
Appropriations for FY 1998

cc: Representative Ralph Hall



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

April 3, 1997

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands, Private
Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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 (NRC) is submitting proposed legislation which authorizes appropriations for fiscal year 1998. The proposed legislation requests authorization for fiscal year 1998 for "Salaries and Expenses" of \$476,500,000; and for the "Office of Inspector General" of \$4,800,000. Section 3 of the proposed legislation includes authorization for NRC to retain and use funds received from State governments; section 6 would authorize the NRC to exclude the funds appropriated for NRC regulatory reviews and other assistance provided to DOE and other Federal agencies from the requirement for NRC to collect fees for approximately 100 percent of its budget authority; and section 7 would extend the requirement for NRC to collect approximately 100 percent of its budget from FY 1998 to FY 2002.

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Sincerely,

Shirley Ann Jackson

Enclosure: Proposed Legislation Authorizing
Appropriations for FY 1998

cc: Senator Bob Graham

U. S. NUCLEAR REGULATORY COMMISSION
PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FISCAL YEAR 1998

To authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1998.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. This Act may be cited as the "Nuclear Regulatory Commission Authorization Act for fiscal year 1998."

Section 1. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.

(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), \$476,500,000 for fiscal year 1998 to remain available until expended, of which \$17,000,000 is authorized 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), \$4,800,000 for fiscal year 1998 to remain available until expended.

Section 2. ALLOCATION OF AMOUNTS AUTHORIZED.

(a) IN GENERAL.--The amounts authorized to be appropriated under Section 1.(a) for fiscal year 1998 shall be allocated as follows:

- (1) REACTOR PROGRAM.--\$237,217,000 may be used for the "Reactor Program".
- (2) NUCLEAR MATERIALS AND NUCLEAR WASTE PROGRAM.--\$84,804,000 may be used for the "Nuclear Materials and Nuclear Waste Program".
- (3) MANAGEMENT AND SUPPORT PROGRAM.--\$154,479,000 may be used for the "Management and Support Program".

(b) LIMITATIONS.--The Nuclear Regulatory Commission may not use more than 1 percent of the amounts allocated under section 2.(a) to exercise its authority under section 31a. of the Atomic Energy Act of 1954 (42 U.S.C. 2051(a)) to enter into grants and

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 amounts allocated for a fiscal year pursuant to any paragraph of Section 2.(a) for purposes of the program referred to in any such paragraph may be reallocated by the Nuclear Regulatory Commission for use in a program referred to in any other paragraph of such section.

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

Money received by the Nuclear Regulatory Commission for the cooperative nuclear safety research program, services rendered to State governments, foreign governments and international organizations, and the material and information access authorization programs (including criminal history checks under section 149 of the Atomic Energy Act of 1954, (42 U.S.C. 2169) may be retained and used for salaries and expenses associated with those activities, notwithstanding the provisions of 31 U.S.C. 3302, and shall remain available until expended.

Section 4. TRANSFER OF CERTAIN FUNDS.

From amounts authorized to be appropriated to the Nuclear Regulatory Commission under Section 1.(a), other than funds appropriated from the Nuclear Waste Fund, the Commission may transfer amounts to its Office of Inspector General, except that the total amount so

transferred during any fiscal year may not exceed 5 percent of the amount authorized under Section 1.(b) for such fiscal year.

Section 5. LIMITATION.

Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation acts.

Section 6. LICENSE FEE EXEMPTION.

Funds authorized to be appropriated by this Act for regulatory reviews and other assistance provided by the Nuclear Regulatory Commission to the Department of Energy and other Federal agencies for activities which do not derive their funding from the Nuclear Waste Fund shall be excluded from the calculation of the aggregate amount of charges described in 42 U.S.C. 2214.

Section 7. NRC USER FEES AND ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1998" and inserting "September 30, 2002".

U. S. NUCLEAR REGULATORY COMMISSION
ANALYSIS OF PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS
FISCAL YEAR 1998

Section 1.(a)--The Nuclear Regulatory Commission (NRC) is responsible for assuring that the possession, use and disposal of radioactive materials, and the construction and operation of reactors and other nuclear facilities are conducted in a manner consistent with public health and safety and the common defense and security, with proper regard for environmental quality, and in conformance with antitrust statutes. The Commission's program is comprised of nuclear facilities and material licensing, inspection and enforcement and related regulatory functions, nuclear safety research, rulemaking, and technical and administrative support activities.

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 license a repository for the disposal of high-level radioactive waste and spent nuclear fuel and a monitored retrievable storage facility. The Commission is assigned specific review responsibilities in the steps leading to submission of the license applications. Thus, the Act establishes NRC's responsibility throughout the repository and monitored retrievable storage siting processes, culminating in the requirement for NRC licensing as a prerequisite to construction and operation of the facilities. 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 or monitored retrievable storage facility constructed under the Act) and administrative costs of the 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 1.(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 2.(a)--The requested authorization for appropriations under Section 1.(a) is \$476,500,000 for fiscal year 1998 and is allocated as follows:

<u>Program</u>	<u>FY 1998</u>
Reactor Program	\$237,217,000
Nuclear Materials and Nuclear Waste Program	\$84,804,000
Management and Support Program	\$154,479,000

Section 2.(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 2.(c)--This section provides the Commission with the authority to reallocate funds among the program activities specified in Section 2.(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 3.--This section provides authorization for retention by the Commission of funds received for the cooperative nuclear safety research program, for services rendered to State governments, foreign governments and international organizations, and for costs of certain licensee security investigations (including fingerprint examinations and criminal history checks) to be retained and used for salaries and expenses associated with those activities, subject to appropriations, and for such funds to remain available until expended, notwithstanding the provisions of 31 U.S.C. 3302. Under the cooperative nuclear safety research program, funds are received from domestic entities, foreign governments, and international organizations for their participation in NRC's reactor safety research experiments. Funds are also received from foreign governments and international organizations for providing safety assistance and other services related to promoting the public health and safety. Funds are received from State governments for providing services such as training, travel, and inspections and licensing related activities. Funds are also received in the form of fees from licensees to recover the costs of security investigations and related processing associated with access to formula quantities of special nuclear material, fingerprint examinations and criminal history checks of each individual granted access to safeguards information or unescorted access to a nuclear power plant. These funds will be used to pay the related NRC processing costs and the agency performing the security investigations. NRC will also use the money currently collected under 10 CFR Part 25 to pay the NRC processing

costs and the costs of Office of Personnel Management background investigations used as a basis for NRC security clearances for designated licensee representatives and other personnel requiring access to classified information.

Section 4.--This section provides for limited transfer authority from NRC's Salaries and Expenses appropriation, except for appropriations from the Nuclear Waste Fund, to its Office of the Inspector General appropriation. This will permit the NRC to augment the Inspector General appropriation on a limited basis, if it becomes necessary, without seeking additional appropriations for that fiscal year. The transfer of funds from one account to another account is only permitted when authorized by law (31 U.S.C. 1532).

Section 5.--This section provides language required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), section 401(a).

Section 6.--Under the Independent Offices Appropriation Act of 1952 (31 U.S.C. 9701), the NRC is not authorized to charge fees to the Department of Energy or other Federal agencies for these activities. Rather than having the NRC recover these costs by assessing fees to its licensees under its 100 percent cost recovery requirement, the costs of these regulatory reviews and other assistance will be derived from appropriated funds. Two million dollars is requested for these activities in FY 1998 under the "Nuclear Materials and Nuclear Waste Program."

Section 7.-- Under the Omnibus Budget Reconciliation Act of 1990, as amended, the NRC is authorized to collect from its licensees annual charges that total approximately 100 percent of the agency's budget, less any amount appropriated to the Commission from the Nuclear Waste Fund and fees collected for services rendered pursuant to the Independent Offices Appropriation Act of 1952 (31 U.S.C. 9701), for each year of FY 1991-1998. Absent new legislation, beginning in FY 1999, the agency would again collect user fees that total approximately 33 percent of its budget, as provided for in the Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).