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15/4/75

APPROVED
APR 25 1975

THE WHITE HOUSE
WASHINGTON
April 21, 1975

ACTION
Last Day: April 25

Post
4/25/75
Jo. ...
4/25/75

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *JC*
SUBJECT: Enrolled Bill S. 994 - Nuclear
Regulatory Commission Supplemental
Appropriation Authorization

Attached for your consideration is S. 994, sponsored by Senator Pastore, which authorizes supplemental appropriations of \$50.2 million to the Nuclear Regulatory Commission for FY 75.

The NRC originally requested \$56.4 million in supplemental appropriations. The enrolled bill reduces the request by \$6.2 million to reflect the receipt of a larger amount of revenues than initially anticipated.

Additional information is provided in OMB's enrolled bill report at Tab A.

NRC, OMB, Max Friedersdorf, Phil Buchen (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign S. 994 at Tab B.

Press Office (Thym Smith) notified 4/25/75 (1:30 pm)



APPROVED
APR 25 1975

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 18 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 994 - Nuclear Regulatory Commission
Supplemental Appropriation Authorization
Sponsor - Sen. Pastore (D) Rhode Island

Last Day for Action

April 25, 1975 - Friday

Purpose

Authorizes supplemental appropriations of \$50.2 million to the Nuclear Regulatory Commission for fiscal year 1975.

Agency Recommendations

Office of Management and Budget	Approval
Nuclear Regulatory Commission	Approval

Discussion

The 1976 Budget included a 1975 supplemental appropriations estimate of \$56.4 million for the Nuclear Regulatory Commission (NRC). On February 3, 1975, the NRC transmitted to the Congress proposed legislation to authorize those appropriations. This enrolled bill differs from that proposal by reducing the request by \$6.2 million to reflect the receipt of a larger amount of revenues to offset budget authority than initially estimated.

A. Change in Revenue Treatment (\$32.8 million). The Atomic Energy Commission retained most of the revenues it received and used them to offset budget authority requirements. Almost all Federal agencies with similar functions deposit their revenues in the Treasury and obtain their full budget authority through the appropriations process. The 1976 Budget proposed that revenues of NRC be treated in this manner, because (1) NRC's



revenues constitute a larger proportion of its budget authority than did AEC's, and a fluctuation in revenues would have a greater impact on NRC's program level, and (2) there is a serious question whether a regulatory agency should be dependent for its operations on revenues from those who are being regulated.

The original estimate of revenues for 1975 was \$50 million. Because it was anticipated that \$11 million would be collected by AEC prior to the transfer of functions to the NRC, the authorization bill transmitted by NRC included \$39 million to compensate for funds that would be deposited in the Treasury. However, because the actual revenues received prior to transfer were \$17.2 million, the enrolled bill reduces the requested amount by \$6.2 million.

B. Refunds to Licensees (\$9.5 million). Since October 1, 1968, the AEC charged licensing and inspection fees to cover the costs of administering regulatory programs. The U.S. Supreme Court in two cases decided in March 1974, ruled that regulatory agency fees based solely on the cost to the Federal Government were unconstitutional in that they constitute a tax and not a fee (National Cable Television Association, Inc. v. United States and Federal Power Commission v. New England Power). The enrolled bill includes the requested \$9.5 million to make the necessary refunds of fees collected since the inception of AEC's fee schedule in 1968.

C. Additional Expenses. The amount authorized by the enrolled bill also includes a requested \$7.9 million for other expenses related to establishment of NRC as a separate agency:

- . \$2.2 million for central administrative functions previously performed by AEC and for new responsibilities under the Energy Reorganization Act of 1974.
- . \$3.0 million for special studies required by that Act. In its report, the Joint Committee on Atomic Energy expressed concern over the extent to which NRC planned to contract for these studies with private organizations and recommended that available

Government expertise be used to maximum extent possible.

- . \$2.7 million for other expenses.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 18, 1975

Time: 600pm

FOR ACTION: Mike Duval
Max Friedersdorf
Ken Lazarus

cc (for information): Warren Hendriks
Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: April 21

Time: 200pm

SUBJECT:

Enrolled Bill S. 994-Nuclear Regulatory Commission
Supplemental Appropriation Authorization

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

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

APR 1 4 1975

Mr. J.F.C. Hyde, Jr.
Acting Assistant Director
for Legislative Reference
Office of Management and Budget

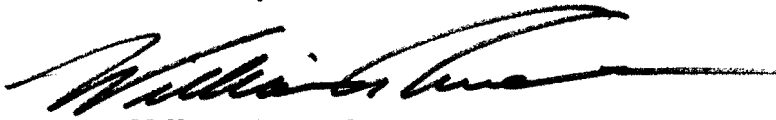
Dear Mr. Hyde:

The Nuclear Regulatory Commission is pleased to respond to your request for its views and recommendations on Enrolled Bill S. 994, a bill "[t]o authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975.

The Bill would authorize to be appropriated to the Nuclear Regulatory Commission to carry out the provisions of section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, \$50,200,000 for fiscal year 1975.

The funds to be appropriated are necessary for the operation of the Commission for the remainder of the fiscal year. Accordingly, the Commission recommends that the President sign the Enrolled Bill.

Sincerely,



William A. Anders
Chairman



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 18, 1975

Time: 600pm

FOR ACTION: Mike Duval
Max Friedersdorf
Ken Lazarus

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FROM THE STAFF SECRETARY

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For Your Comments

Draft Remarks

REMARKS:

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No objection. However, the following might be noted with respect to the \$9.5 million authorization for refunds to licensees. First, in the National Cable and New England Power cases, the court did not reach any issues of constitutional dimension -- the ruling only precludes the imposition of any fees for which there is no "value received". Second, the \$9.5 million authorization figure is intended to cover claims only against the imposition of clearly unauthorized "annual fees" and it is anticipated that the actual appropriation for this item will approximate only \$5 million.

Ken Lazarus

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For the President

THE WHITE HOUSE

ACTION MEMORANDUM

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FOR ACTION: Mike Duval
Max Friedersdorf
Ken Lazarus

cc (for information): Warren Hendriks
Jim Cavanaugh
Jack Marsh

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Supplemental Appropriation Authorization

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Draft Remarks

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Please return to Judy Johnston, Ground Floor West Wing

OK

Mike Duval

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

George R. Brown
For the Staff Secretary

THE WHITE HOUSE

WASHINGTON

April 21, 1975

MEMORANDUM FOR: WARREN HENDRIKS

FROM: MAX L. FRIEDERSDORF *M.G.*

SUBJECT: Action Memorandum - Log No.
Enrolled Bill S.994 - Nuclear Reg. Comm.
Supplemental Approp. Authorization

The Office of Legislative Affairs concurs with the Agencies
that the enrolled bill be signed.

Attachments



AUTHORIZING SUPPLEMENTAL
APPROPRIATIONS TO THE
NUCLEAR REGULATORY COMMISSION
FOR FISCAL YEAR 1975

REPORT

BY THE

JOINT COMMITTEE ON ATOMIC ENERGY

[To accompany H.R. 4224]



MARCH 20, 1975.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

AUTHORIZING SUPPLEMENTAL APPROPRIATIONS TO
THE NUCLEAR REGULATORY COMMISSION FOR FIS-
CAL YEAR 1975

MARCH 20, 1975.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

JOINT COMMITTEE ON ATOMIC ENERGY

JOHN O. PASTORE, Rhode Island, *Chairman*
MELVIN PRICE, Illinois, *Vice Chairman*

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STUART SYMINGTON, Missouri	TENO RONCALIO, Wyoming
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GEORGE F. MURPHY, Jr., *Executive Director*
JAMES B. GRAHAM, *Assistant Director*
ALBION W. KNIGHT, Jr., *Professional Staff Member*
WILLIAM C. PARLER, *Committee Counsel*
RANDALL C. STEPHENS, *Assistant Counsel*
COL. SEYMOUR SHWILLER, USAF (Ret.), *Technical Consultant*
NORMAN P. KLUG, *Technical Consultant*
WILLIAM J. MINSCH, Jr., *Special Counsel*
LAWRENCE F. ZENKER, *GAO Consultant*
CHRISTOPHER C. O'MALLEY, *Printing Editor*

(II)

Mr. PRICE, from the Joint Committee on Atomic Energy,
submitted the following

REPORT

[To accompany H.R. 4224]

The Joint Committee on Atomic Energy, having considered H.R. 4224, to authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975, hereby report without amendment the bill and recommend that the bill do pass.

SUMMARY OF THE BILL

This bill authorizes supplemental appropriations of \$50,200,000 to the Nuclear Regulatory Commission (NRC) for fiscal year 1975. This authorization is in addition to \$90,765,000 which was authorized for the Atomic Energy Commission for fiscal year 1975 by Public Law 93-276, and was transferred to the Nuclear Regulatory Commission on January 19, 1975, when the Atomic Energy Commission was abolished pursuant to the Energy Reorganization Act of 1974, Public Law 93-438, and its functions were transferred to the newly established Nuclear Regulatory Commission and Energy Research and Development Administration. The supplemental request is needed primarily because of a change in the treatment of revenues received by the new Commission and because of new responsibilities which NRC is required by Public Law 93-438 to undertake.

BACKGROUND

On February 3, 1975, the Nuclear Regulator Commission transmitted to the Congress a request for an increase in appropriations for fiscal year 1975 of \$56,400,000 (see appendix). On February 12, 1975, Senator John O. Pastore, Chairman of the Joint Committee on Atomic Energy, introduced, by request, S. 674, authorizing appropriations of

such funds as are necessary to carry out the functions and responsibilities of the Nuclear Regulatory Commission for fiscal year 1975. On February 19, 1975, Representative Melvin Price, Vice Chairman of the Joint Committee, introduced an identical bill, H.R. 3275, by request.

On March 4, 1975, Vice Chairman Price introduced H.R. 4224, a substitute bill, in lieu of the above measure. This bill was introduced by Chairman Pastore on March 6, as S. 994. The full committee met on March 20 in open session and voted without dissent to report those bills favorably without amendment and to adopt this report.

HEARINGS

On February 20, 1975, the Subcommittee on Legislation of the Joint Committee on Atomic Energy held an open hearing on the request for authorization of supplemental appropriations. Testimony was presented on behalf of the Nuclear Regulatory Commission by Chairman William A. Anders; Commissioner Edward A. Mason; Lee V. Gosick, Acting Executive Director for Operations; Andrew W. Jackson, Jr., Acting Controller; Donald F. Knuth, Director, Office of Inspections and Enforcement; Edson G. Case, Acting Director, Office of Nuclear Reactor Regulation; Howard Shapar, Acting General Counsel; Herbert J. Kouts, Director, Office of Nuclear Regulatory Research; and Richard A. Miller, Chief, Business Management Branch, Office of the Controller. The committee also heard testimony from Leo Goodman, chairman, Split Atom Study Group, and Harry W. Belfor, private citizen.

COMMITTEE COMMENTS

The Commission request was for an increase of \$56,400,000 in their fiscal year 1975 authorization. This consisted of (1) \$39,000,000 to replace anticipated revenues which under the Atomic Energy Commission would have been applied as an offset to budget authority but which under NRC will be deposited directly to the miscellaneous receipts of the U.S. Treasury, (2) \$9,500,000 for refunds of license fees which have been collected since 1968 based on a fee schedule that was not in accordance with constitutional standards recently prescribed by the U.S. Supreme Court, and (3) \$7,900,000 to support new activities of NRC which were required by the Energy Reorganization Act of 1974 as well as various staff services required for NRC to function as a separate and independent agency. The Committee concurs with the request of the Commission with the exceptions described below. The Committee has reduced the requested authorization by \$6,200,000 because the revenues received during fiscal year 1975 by the office of the Director of Regulation of the Atomic Energy Commission prior to its dissolution on January 19, 1975 exceeded by that amount the revenues expected to be received at the time the Commission request was submitted to the Office of Management and Budget in November 1974. The reduction will not in any way reduce the planned operations of NRC.

CHANGE IN REVENUE TREATMENT

The Atomic Energy Commission had been authorized for many years to retain revenues it received (except those from disposal of

property) and utilize them as an offset against budget authority. Virtually all other Federal agencies deposit such revenues to the miscellaneous receipts of the U.S. Treasury and obtain their full budget authority through the appropriations process.

The new Nuclear Regulatory Commission proposes to treat its revenues in the same manner as the other Federal agencies. The Commission witnesses testified that there are two reasons for proposing this change. NRC's revenues constitute a greater percentage of its budget authority than did AEC's and thus fluctuations in revenues would have a more significant impact on NRC's operations. For instance, the anticipated shortfall of \$28 million in revenues for fiscal year 1975, as compared to the estimate of \$50 million made at the time the 1975 budget was approved by Congress, would represent about a 20 percent decrease in the total funds available to the agency. A shortage of this magnitude could not be accommodated without significant dislocations in the Commission's operations.

Perhaps of more significance is the question whether a regulatory agency should be dependent on revenues from those who are being regulated for a significant portion of its funding. The committee concurs with the Commission that it is essential that the NRC revenues be treated under the same method as that of most other Federal agencies.

The original estimate for the fiscal year 1975 revenues of the Director of Regulation of the Atomic Energy Commission was \$50,000,000. At the time the Commission prepared this supplemental request, it was anticipated that \$11,000,000 would be received and applied to budget authority prior to the transfer of the regulatory functions to NRC. It was proposed that NRC revenues not be applied to budget authority. Thus, authorization of appropriations of \$39,000,000 would have been required to replace those revenues.

However, \$17,200,000 in fiscal year 1975 revenues were actually received by the AEC Office of the Director of Regulation prior to January 19, 1975. Thus only \$32,800,000 is actually required. This has been confirmed by NRC. That is the amount authorized by the Joint Committee in this legislation for replacement of revenues.

REFUNDS TO LICENSEES

The Commission's licensing and inspection fees have in the past been based essentially on the costs of administering those programs. The U.S. Supreme Court, in two cases decided in March 1974, ruled that regulatory agency fees based solely on the cost to the Federal Government were unconstitutional in that they constitute a tax rather than a fee (*National Cable Television Assoc., Inc. v. United States*, 94 S. Ct. 1146, and *Federal Power Commission v. New England Power Co.*, 94 S. Ct. 1156).

The Nuclear Regulatory Commission is presently revising its fee schedule to reflect the criteria established by the Court in those cases. Those portions of all such fees collected since the initial establishment of AEC's fee schedules in October 1, 1968 which exceed the amounts acceptable under the standards enunciated by the Court will be refunded. NRC estimates that a total of \$9,500,000 will be required for the refunds. The Joint Committee approves the authorization for appropriations of the requested amount.

ENERGY REORGANIZATION ACT

The NRC request of \$7,900,000 for expenses related to the establishment of a separate agency consists of the following items.

	Request
Personnel (205 positions)-----	\$2,200,000
Contract funds:	
Energy center survey-----	1,500,000
Nonreactor confirmatory research-----	700,000
Standards for new regulations-----	300,000
Security agency assessment-----	500,000
Housekeeping and equipment-----	1,700,000
Goods and services on order-----	1,000,000
Total -----	7,900,000

Personnel.—The additional personnel consist of 148 positions designated for those functions which were previously administered wholly or partly on a common basis for AEC's regulatory and developmental organizations by staff located at Germantown who have been transferred to ERDA. These include financial management, housekeeping services, liaison, nonregulatory legal functions, contracting personnel and other such functions. An additional 57 positions are for the new responsibilities imposed by the Energy Reorganization Act of 1974. These include the nonreactor confirmatory research program (8 positions), the nuclear energy center site survey (16 positions), an assessment for establishing a security agency (4 positions), the expanded safeguards program (22 positions), and the development of regulations specifically required by the Act (7 positions).

Although there have been a substantial number of recent deferrals and cancellations of proposed nuclear facilities, the Commission testified that their analyses to date have not suggested any reduction in current workload which would free personnel to take on the new functions described above. It is anticipated that these developments, if not reversed, will, however, reduce the projected future workload of the Commission and thus reduce or postpone the need for future staff increases.

The committee notes that the Commission's request reflects a substantial growth in the number of NRC personnel. As of February 10, 1975, NRC had a total of 1,815 personnel on-board, including some 183 transfers from the developmental side of the Atomic Energy Commission. NRC has projected that, with the addition of the 205 positions proposed to be authorized by the Supplemental and 36 other positions to be filled in fiscal year 1975, the on-board personnel by June 30, 1975 will total 2,056. The Joint Committee strongly recommends that the Commission—in view of this large growth and the significant numbers of plant delays and cutbacks—closely examine its operations to assure the maximum productivity and efficiency of its operations.

There now remains only one quarter of the fiscal year in question. It is hoped that this Legislation can be handled expeditiously by the Congress. However, the Committee recognizes that the passage of time may make it impossible for the Commission to bring on line all the new staff that the bill would authorize. Because of the impossibility of projecting both the time at which the authorization can be enacted and the portion of the requested increase that would be ob-

viated by the passage of that time, the Committee has not reduced the request for personnel increases.

Contract Funds.—The Joint Committee is concerned by the extent to which NRC plans to conduct the special studies required by the Energy Reorganization Act in part through new contracts with private organizations. It would appear that the Commission and other Government agencies, as well as the national laboratories, have the experience and the expertise required for most of the tasks under these studies. These personnel should be utilized to the maximum extent possible. It is not apparent that the proposed allocation of effort between NRC, other Government agencies, and contracts with private organizations is in accord with this objective. Minimization of the use of new consultants and contractors is particularly important in the safeguards and security areas, because of the sensitivity of the information involved and the significant background of the Government and national laboratory personnel who could be utilized in the studies.

The Joint Committee recommends a reduction of the contract effort for the Security Agency Assessment to \$250,000. The Joint Committee has not reduced the overall request of \$700,000 for this study, but recommends a reallocation of funds within that level of effort so that more of the effort is performed by government personnel. This should allow for more efficient use of resources in accomplishing this critical study. The Committee recommends that any savings realized from this reallocation be used by the Commission to upgrade and strengthen its inspection practices and procedures, specifically in the nuclear materials accountability area.

The Joint Committee also notes with concern that the Special Safeguards Study of a plutonium economy involves what appears to be excessive dependence on new contracts with private organizations and individuals. Although that study is not part of this supplemental request, the Joint Committee also urges the Commission to reexamine the allocation of effort under it.

Other Funds.—The Joint Committee recommends approval of the request for \$1,700,000 for Housekeeping and Equipment and for \$1,000,000 for Goods and Services on Order.

COST OF LEGISLATION AND BUDGET IMPACT

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the Joint Committee estimates that the following costs will be incurred if this bill and the subsequent appropriations are enacted into law.

Fiscal years:	Millions
Total costs-----	\$17.4
1975-----	6.9
1976-----	10.5
1977 and thereafter-----	0

The difference between the total costs of \$17.4 million reflected in the above table and the \$50.2 million which is proposed to be authorized by this bill is the \$32.8 million needed by NRC as a result of the change in the treatment of revenues. Since this \$32.8 million relates only to a change in accounting for revenues, it will not have any effect on NRC's cost of operations.

CHANGES IN EXISTING LAW

This bill does not make any changes in existing law.

INFLATIONARY IMPACT

Pursuant to clause 2(1) (4), Rule XI, of the House of Representatives, the Joint Committee estimates that enactment of this bill and the subsequent appropriations will have virtually no inflationary impact on the U.S. economy. As indicated in the Cost of Legislation Section NRC's cost of operations would only increase by \$17.4 million which represents only about .005% of present Federal spending.

APPENDIX

U.S. NUCLEAR REGULATORY COMMISSION,
Washington, D.C., February 3, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: In accordance with provisions of Section 305 of the Energy Reorganization Act of 1974, (42 U.S.C. 5801), we are submitting proposed legislation to increase the authorization for appropriations for the Nuclear Regulatory Commission by \$56,400,000 for "Salaries and Expenses". This increased authorization is needed to supplement those funds transferred to the NRC under section 202 of the Budget and Accounting Procedures Act of 1950, (31 U.S.C. 581c).

The authorization of supplemental appropriations for "Salaries and Expenses" of \$56,400,000 provides for accrued program costs of \$6,900,000, additional budget authorization of \$39,000,000 required due to the change in revenue application, \$9,500,000 in refunds due certain licensees resulting from a recent Supreme Court decision and for \$1,000,000 additional Selected Resources.

The Office of Management and Budget has advised that this legislative proposal is in accord with the President's program.

Sincerely,

WILLIAM A. ANDERS, *Chairman.*

U.S. NUCLEAR REGULATORY COMMISSION—ANALYSIS OF PROPOSED BILL
FOR SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS UNDER SEC-
TION 305 OF THE ENERGY REORGANIZATION ACT OF 1974, FISCAL
YEAR 1975

A BILL To authorize supplemental appropriations to the Nuclear Regulatory
Commission for fiscal year 1975

*Be it enacted by the Senate and the House of Representatives of the
United States in Congress assembled,* That there are authorized to be
appropriated, for fiscal year 1975, such sums as are necessary to carry
out the functions and responsibilities of the Nuclear Regulatory Com-
mission, established by Section 201 of Public Law (88 Stat. 1233, 1242),
93-438.

SUMMARY

Salaries and Related Expenses.—Costs required to support the con-
duct of the activities of the Nuclear Regulatory Commission (NRC)
established by the Energy Reorganization Act of 1974 are estimated
at \$6.9 million. This increase provides for 205 positions with related
costs, contractual services and equipment necessary to function as a
separate agency and to discharge programmatic requirements of the
Act.

New Obligational Authority.—The President's fiscal year 1975 budget to Congress included \$67.8 M in accrued costs for the Regulatory Activities program and associated revenue of \$50.0 M. Since the revenues obtained by the NRC will be deposited directly to miscellaneous receipts and not be offset to requested level of budget authority, \$39.0 M (estimated receipts 12/31/74—\$11.0 million) in new obligational authority is required for the operation of the new Commission. NRC would require additional authority in any event because the revenues are not received on a scheduled basis. This would make the day-to-day operations of a small agency impossible.

Increase or Decrease in Selected Resources—Refunds to Licensees.—Refunds to licensees are required because of the Supreme Court decision of March 4, 1974, (*National Cable Television Assoc., Inc. v. United States*, 94 S. Ct. 1146, and *Federal Power Commission v. New England Power Co.*, 94 S. Ct. 1156). Accordingly, refunds are in order for licensees who paid annual fees dating from October 1, 1968. This amounts to \$9.5 million. Also, an increase of \$1.0 million for goods and services on order is required to support the increased cost levels discussed above.

SUMMARY

	<i>Fiscal year 1975 supplemental authorization</i>
Section 101—(a) Salaries and expenses.....	\$56,400,000
Total	56,400,000

SALARIES AND EXPENSES

Section 101 (a) Salaries and Expenses. Under this head are covered the expenses for the Nuclear Regulatory Commission which will enable the new Commission to function as a separate organization and to specifically respond to new Regulatory responsibilities set forth in the Act. Principal among these are the establishment of the Office of Nuclear Regulatory Research, conduct of the nuclear energy site survey and the assessment of the need for a security agency for safeguards.

	<i>Fiscal year 1975 supplemental</i>
Accrued costs by program:	
Nuclear reactor regulation.....	\$434,000
Nuclear materials safety and safeguards.....	2,380,000
Nuclear regulatory research.....	1,270,000
Program direction and administration.....	2,816,000
Total accrued program costs.....	6,900,000
Change in selected resources.....	10,500,000
Financing—Non-Federal sources.....	39,000,000
Total obligations to be incurred.....	56,400,000
New appropriations being requested.....	56,400,000
Total amount requested for authorization.....	56,400,000

NUCLEAR REGULATORY COMMISSION—FISCAL YEAR 1975 PROPOSED
SUPPLEMENTAL BUDGET

Under the former AEC organization, some of the administrative functions directly supporting the Regulatory program were performed by staff within the Regulation organization. That Regulation admin-

istrative staff will form the nucleus of the administrative staff for NRC, but will have to be augmented to carry out a variety of new or expanded functions which were not required when the Regulatory staff functioned as part of the overall AEC administrative effort. This augmentation will be accomplished partially by transfer of positions and funds from other parts of the AEC to the Regulatory staff. However, it is not possible to cover all of the NRC requirements by such transfers since ERDA, the successor energy R&D agency, will also require former AEC staff for its functions as a separate agency. For example, the former AEC Congressional Relations Office will be retained by ERDA, and NRC will have to establish its own Congressional Relations function as will be the case with the basic AEC financial management (Controller), public information, personnel, and a variety of other support functions which are required for any independent agency. Also, some additional positions will be required to meet program directives contained in the Act. These NRC requirements and needed supplemental resources are described below.

Personnel services and benefits..... \$2,200,000

205 new positions are needed in fiscal year 1975 to support the conduct of the activities of the Nuclear Regulatory Commission. Of this number, 148 positions are needed to function administratively as an independent regulatory commission and 57 positions are needed for special functions and tasks of a programmatic nature imposed by the Act.

The areas requiring augmentation of staffing to administer the independent status are:

Financial Management (35 positions)—Required for the establishment of a self-sufficient budget and financial management organization including the development and maintenance of a system of accounting and financial control which conforms to the standards prescribed by the Comptroller General. This request includes a controller, accounting staff augmentation, a budget group, and an auditing group.

Housekeeping Services (50 positions)—This function comprises the largest single increment of additional personnel required as a result of separate commission status. Personnel are needed for establishment of a self-sufficient library, augmentation of publication and graphics services, separate communications services, augmented building and property management and facilities protection and expanded mail and file services.

Advisory and Liaison (32 positions)—This includes a self-sufficient equal employment opportunity program (2) legal functions not previously covered (18), public information (6), international relations on nuclear energy (1), and a congressional relations office (5).

Organization and Personnel (17 positions)—Establishment of the new Commission, with requirements for additional staff and personnel programs requires augmented staff for recruiting, processing of personnel, general personnel support, training, labor-management relations and personnel policy and standards.

Contracting (8 positions)—To provide separate agency contracting support, an augmented staff of contract and procurement specialists are requested.

Personnel and Physical Security (4 positions)—A small augmentation is needed in this function to provide the new Commission with independent support.

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Nuclear Energy Center Site Survey (16 positions)—Personnel are required for the Commission to comply with that part of the Act which directs a national survey to include consideration of each of the existing or future electric reliability regions, or other appropriate regional areas, to locate and identify possible nuclear energy center sites.

Expanded Safeguards Program (26 positions)¹—Expanded safeguards efforts called for in the Act (Section 204) will require additional personnel to conduct technical support work and to systematically evaluate existing and future safeguards efforts. Technical support efforts will be used in developing guides and standards in the areas of physical protection and materials control and accounting to deal with current issues.

Development of Regulations Required by the Act (7 positions)—The Act requires rules to define defects required to be reported relative to manufacture, assembly and operation of nuclear facilities. Rules for licensing of retrievable surface storage facilities for radioactive wastes are also required by the Act.

	Millions
Program support-----	\$3.0

Additional funds will be needed in four programs initiated by the Act. These are the nuclear energy center site survey, independent confirmatory assessment research, specified rulemaking actions, and security agency assessment.

I. Nuclear energy center site survey-----	1.5
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This support is needed for studies to analyze all aspects of the integrated site concept and alternatives to it. To identify sites as required by the Act, it is necessary to project energy requirements, population distributions, water resource availability and impacts of seismic, geologic and meteorological features.

II. Nonreactor confirmatory research-----	0.7
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These funds are required for the initiation of a program to obtain independently developed technical information on safety and environmental protection with respect to fuel cycle facilities. The work will include confirmatory research

¹ Includes four positions for security agency assessment.

on environmental impact matters, waste treatment and disposal, and transportation.

III. Rulemaking on nuclear facility defects and high-level wastes-----	\$0.3
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The siting regulations for high level waste facilities will require technical support in developing the criteria. A survey and summary of failure modes in fuel cycle facilities is needed for rulemaking on defects.

IV. Assessment for establishment of a security agency-----	0.5
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This includes a survey of existing protection systems and their effectiveness, prediction of systems needed to meet future circumstances and the cost, legal, social, economic, and operational considerations associated with various options.

AUTHORIZING SUPPLEMENTAL
APPROPRIATIONS TO THE
NUCLEAR REGULATORY COMMISSION
FOR FISCAL YEAR 1975

REPORT

BY THE

JOINT COMMITTEE ON ATOMIC ENERGY

[To Accompany S. 994]



MARCH 20 (legislative day, MARCH 12), 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

AUTHORIZING SUPPLEMENTAL APPROPRIATIONS TO
THE NUCLEAR REGULATORY COMMISSION FOR FISCAL
YEAR 1975

MARCH 20 (legislative day, MARCH 12), 1975.—Ordered to be printed.

Mr. PASTORE, from the Joint Committee on Atomic Energy,
submitted the following

REPORT

[To accompany S. 994]

The Joint Committee on Atomic Energy, having considered S. 994,
to authorize supplemental appropriations to the Nuclear Regulatory
Commission for fiscal year 1975, hereby report without amendment
the bill and recommend that the bill do pass.

SUMMARY OF THE BILL

This bill authorizes supplemental appropriations of \$50,200,000 to
the Nuclear Regulatory Commission (NRC) for fiscal year 1975. This
authorization is in addition to \$90,765,000 which was authorized for
the Atomic Energy Commission for fiscal year 1975 by Public Law
93-276, and was transferred to the Nuclear Regulatory Commission
on January 19, 1975, when the Atomic Energy Commission was
abolished pursuant to the Energy Reorganization Act of 1974, Public
Law 93-438, and its functions were transferred to the newly established
Nuclear Regulatory Commission and Energy Research and Develop-
ment Administration. The supplemental request is needed primarily
because of a change in the treatment of revenues received by the new
Commission and because of new responsibilities which NRC is required
by Public Law 93-438 to undertake.

BACKGROUND

On February 3, 1975, the Nuclear Regulatory Commission trans-
mitted to the Congress a request for an increase in appropriations for

JOINT COMMITTEE ON ATOMIC ENERGY

JOHN O. PASTORE, Rhode Island, *Chairman*
MELVIN PRICE, Illinois, *Vice Chairman*

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JAMES B. GRAHAM, *Assistant Director*
ALBION W. KNIGHT, Jr., *Professional Staff Member*
WILLIAM C. PARLER, *Committee Counsel*
RANDALL C. STEPHENS, *Assistant Counsel*
COL. SEYMOUR SHWILLER, USAF (Ret.), *Technical Consultant*
NORMAN P. KLUG, *Technical Consultant*
WILLIAM J. MINSCH, Jr., *Special Counsel*
LAWRENCE F. ZENKER, *GAO Consultant*
CHRISTOPHER C. O'MALLEY, *Printing Editor*

fiscal year 1975 of \$56,400,000 (see appendix). On February 12, 1975, Senator John O. Pastore, Chairman of the Joint Committee on Atomic Energy, introduced, by request, S. 674, authorizing appropriations of such funds as are necessary to carry out the functions and responsibilities of the Nuclear Regulatory Commission for fiscal year 1975. On February 19, 1975, Representative Melvin Price, Vice Chairman of the Joint Committee, introduced an identical bill, H.R. 3275, by request.

On March 4, 1975, Vice Chairman Price introduced H.R. 4224 as a substitute bill in lieu of the above measure. This bill was introduced by Chairman Pastore on March 6, as S. 994. The full committee met on March 20 in open session and voted without dissent to report these bills favorably without amendment and to adopt this report.

HEARINGS

On February 20, 1975, the Subcommittee on Legislation of the Joint Committee on Atomic Energy held an open hearing on the request for authorization of supplemental appropriations. Testimony was presented on behalf of the Nuclear Regulatory Commission by Chairman William A. Anders; Commissioner Edward A. Mason; Lee V. Gossick, Acting Executive Director for Operations; Andrew W. Jackson, Jr., Acting Controller; Donald F. Knuth, Director, Office of Inspections and Enforcement; Edson G. Case, Acting Director, Office of Nuclear Reactor Regulation; Howard Shapar, Acting General Counsel; Herbert J. Kouts, Director, Office of Nuclear Regulatory Research; and Richard A. Miller, Chief, Business Management Branch, Office of the Controller. The committee also heard testimony from Leo Goodman, chairman, Split Atom Study Group, and Harry W. Belfor, private citizen.

COMMITTEE COMMENTS

The Commission request was for an increase of \$56,400,000 in their fiscal year 1975 authorization. This consisted of (1) \$39,000,000 to replace anticipated revenues which under the Atomic Energy Commission would have been applied as an offset to budget authority but which under NRC will be deposited directly to the miscellaneous receipts of the U.S. Treasury, (2) \$9,500,000 for refunds of license fees which have been collected since 1968 based on a fee schedule that was not in accordance with constitutional standards recently prescribed by the U.S. Supreme Court, and (3) \$7,900,000 to support new activities of NRC which were required by the Energy Reorganization Act of 1974 as well as various staff services required for NRC to function as a separate and independent agency. The Committee concurs with the request of the Commission with the exceptions described below. The Committee has reduced the requested authorization by \$6,200,000 because the revenues received during fiscal year 1975 by the office of the Director of Regulation of the Atomic Energy Commission prior to its dissolution on January 19, 1975 exceeded by that amount the revenues expected to be received at the time the Commission request was submitted to the Office of Management and Budget in November 1974. The reduction will not in any way reduce the planned operations of NRC.

CHANGE IN REVENUE TREATMENT

The Atomic Energy Commission had been authorized for many years to retain revenues it received (except those from disposal of property) and utilize them as an offset against budget authority. Virtually all other Federal agencies deposit such revenues to the miscellaneous receipts of the U.S. Treasury and obtain their full budget authority through the appropriations process.

The new Nuclear Regulatory Commission proposes to treat its revenues in the same manner as the other Federal agencies. The Commission witnesses testified that there are two reasons for proposing this change. NRC's revenues constitute a greater percentage of its budget authority than did AEC's and thus fluctuations in revenues would have a more significant impact on NRC's operations. For instance, the anticipated shortfall of \$28 million in revenues for fiscal year 1975, as compared to the estimate of \$50 million made at the time the 1975 budget was approved by Congress, would represent about a 20 percent decrease in the total funds available to the agency. A shortage of this magnitude could not be accommodated without significant dislocations in the Commission's operations.

Perhaps of more significance is the question whether a regulatory agency should be dependent on revenues from those who are being regulated for a significant portion of its funding. The committee concurs with the Commission that it is essential that the NRC revenues be treated under the same method as that of most other Federal agencies.

The original estimate for the fiscal year 1975 revenues of the Director of Regulation of the Atomic Energy Commission was \$50,000,000. At the time the Commission prepared this supplemental request, it was anticipated that \$11,000,000 would be received and applied to budget authority prior to the transfer of the regulatory functions to NRC. It was proposed that NRC revenues not be applied to budget authority. Thus, authorization of appropriations of \$39,000,000 would have been required to replace those revenues.

However, \$17,200,000 in fiscal year 1975 revenues were actually received by the AEC Office of the Director of Regulation prior to January 19, 1975. Thus only \$32,800,000 is actually required. This has been confirmed by NRC. That is the amount authorized by the Joint Committee in this legislation for replacement of revenues.

REFUNDS TO LICENSEES

The Commission's licensing and inspection fees have in the past been based essentially on the costs of administering those programs. The U.S. Supreme Court, in two cases decided in March 1974, ruled that regulatory agency fees based solely on the cost to the Federal Government were unconstitutional in that they constitute a tax rather than a fee (*National Cable Television Assoc., Inc., v. United States* 94 S. Ct. 1146, and *Federal Power Commission v. New England Power Co.*, 94 S. Ct. 1156).

The Nuclear Regulatory Commission is presently revising its fee schedule to reflect the criteria established by the Court in those cases. Those portions of all such fees collected since the initial establishment

of AEC's fee schedules in October 1, 1968 which exceed the amounts acceptable under the standards enunciated by the Court will be refunded. NRC estimates that a total of \$9,500,000 will be required for the refunds. The Joint Committee approves the authorization for appropriations of the requested amount.

ENERGY REORGANIZATION ACT

The NRC request of \$7,900,000 for expenses related to the establishment of a separate agency consists of the following items.

	<i>Request</i>
Personnel (205 positions)-----	\$2,200,000
Contract funds:	
Energy center survey-----	1,500,000
Nonreactor confirmatory research-----	700,000
Standards for new regulations-----	300,000
Security agency assessment-----	500,000
Housekeeping and equipment-----	1,700,000
Goods and services on order-----	1,000,000
Total-----	7,900,000

Personnel.—The additional personnel consist of 148 positions designated for those functions which were previously administered wholly or partly on a common basis for AEC's regulatory and developmental organizations by staff located at Germantown who have been transferred to ERDA. These include financial management, housekeeping services, liaison, nonregulatory legal functions, contracting personnel and other such functions. An additional 57 positions are for the new responsibilities imposed by the Energy Reorganization Act of 1974. These include the nonreactor confirmatory research program (8 positions); the nuclear energy center site survey (16 positions), an assessment for establishing a security agency (4 positions), the expanded safeguards program (22 positions), and the development of regulations specifically required by the Act (7 positions).

Although there have been a substantial number of recent deferrals and cancellations of proposed nuclear facilities, the Commission testified that their analyses to date have not suggested any reduction in current workload which would free personnel to take on the new functions described above. It is anticipated that these developments, if not reversed, will, however, reduce the projected future workload of the Commission and thus reduce or postpone the need for future staff increases.

The committee notes that the Commission's request reflects a substantial growth in the number of NRC personnel. As of February 10, 1975, NRC had a total of 1,815 personnel on-board, including some 183 transfers from the developmental side of the Atomic Energy Commission. NRC has projected that, with the addition of the 205 positions proposed to be authorized by the Supplemental and 36 other positions to be filled in fiscal year 1975, the on-board personnel by June 30, 1975 will total 2,056. The Joint Committee strongly recommends that the Commission—in view of this large growth and the significant numbers of plant delays and cutbacks—closely examine its operations to assure the maximum productivity and efficiency of its operations.

There now remains only one quarter of the fiscal year in question. It is hoped that this legislation can be handled expeditiously by the Congress. However, the Joint Committee recognizes that the passage of time may make it impossible for the Commission to bring on line all the new staff that the bill would authorize. Because of the impossibility of projecting both the time at which the authorization can be enacted and the portion of the requested increase that would be obviated by the passage of that time, the Joint Committee has not reduced the request for personnel increases.

Contract Funds.—The Joint Committee is concerned by the extent to which NRC plans to conduct the special studies required by the Energy Reorganization Act in part through new contracts with private organizations. It would appear that the Commission and other Government agencies, as well as the national laboratories, have the experience and the expertise required for most of the tasks under these studies. These personnel should be utilized to the maximum extent possible. It is not apparent that the proposed allocation of effort between NRC, other Government agencies, and contracts with private organizations is in accord with this objective. Minimization of the use of new consultants and contractors is particularly important in the safeguards and security areas, because of the sensitivity of the information involved and the significant background of the Government and national laboratory personnel who could be utilized in the studies.

The Joint Committee recommends a reduction of the contract effort for the Security Agency Assessment to \$250,000. The Joint Committee has not reduced the overall request of \$700,000 for this study, but recommends a reallocation of funds within that level of effort so that more of the effort is performed by government personnel. This should allow for more efficient use of resources in accomplishing this critical study. The Joint Committee recommends that any savings realized from this reallocation be used by the Commission to upgrade and strengthen its inspection practices and procedures, specifically in the nuclear materials accountability area.

The Joint Committee also notes with concern that the Special Safeguards Study of a plutonium economy involves what appears to be excessive dependence on new contracts with private organizations and individuals. Although that study is not part of this supplemental request, the Joint Committee also urges the Commission to reexamine the allocation of effort under it.

Other Funds.—The Joint Committee recommends approval of the request for \$1,700,000 for Housekeeping and Equipment and for \$1,000,000 for Goods and Services on Order.

COST OF LEGISLATION AND BUDGET IMPACT

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the Joint Committee estimates that the following costs will be incurred if this bill and the subsequent appropriations are enacted into law.

Fiscal years:	<i>Millions</i>
Total costs-----	\$17.4
1975-----	6.9
1976-----	10.5
1977 and thereafter-----	0

The difference between the total costs of \$17.4 million reflected in the above table and the \$50.2 million which is proposed to be authorized by this bill is the \$32.8 million needed by NRC as a result of the change in the treatment of revenues. Since this \$32.8 million relates only to a change in accounting for revenues, it will not have any effect on NRC's cost of operations.

CHANGES IN EXISTING LAW

This bill does not make any changes in existing law.

APPENDIX

U.S. NUCLEAR REGULATORY COMMISSION,
Washington, D.C., February 3, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate.

DEAR MR. PRESIDENT: In accordance with provisions of Section 305 of the Energy Reorganization Act of 1974, (42 U.S.C. 5801), we are submitting proposed legislation to increase the authorization for appropriations for the Nuclear Regulatory Commission by \$56,400,000 for "Salaries and Expenses". This increased authorization is needed to supplement those funds transferred to the NRC under Section 202 of the Budget and Accounting Procedures Act of 1950, (31 U.S.C. 581c).

The authorization of supplemental appropriations for "Salaries and Expenses" of \$56,400,000 provides for accrued program costs of \$6,900,000, additional budget authorization of \$39,000,000 required due to the change in revenue application, \$9,500,000 in refunds due certain licensees resulting from a recent Supreme Court decision and for \$1,000,000 additional Selected Resources.

The Office of Management and Budget has advised that this legislative proposal is in accord with the President's program.

Sincerely,

WILLIAM A. ANDERS, *Chairman.*

U.S. NUCLEAR REGULATORY COMMISSION—ANALYSIS OF PROPOSED BILL FOR SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS UNDER SECTION 305 OF THE ENERGY REORGANIZATION ACT OF 1974, FISCAL YEAR 1975

A BILL To authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled, That there are authorized to be appropriated, for fiscal year 1975, such sums as are necessary to carry out the functions and responsibilities of the Nuclear Regulatory Commission, established by Section 201 of Public Law (88 Stat. 1233, 1242), 93-438.

SUMMARY

Salaries and Related Expenses.—Costs required to support the conduct of the activities of the Nuclear Regulatory Commission (NRC) established by the Energy Reorganization Act of 1974 are estimated at \$6.9 million. This increase provides for 205 positions with related costs, contractual services and equipment necessary to function as a separate agency and to discharge programmatic requirements of the Act.

New Obligational Authority.—The President's fiscal year 1975 budget to Congress included \$67.8 M in accrued costs for the Regulatory Activities program and associated revenue of \$50.0 M. Since the revenues obtained by the NRC will be deposited directly to miscellaneous receipts and not be offset to requested level of budget authority, \$39.0 M (estimated receipts 12/31/74—\$11.0 million) in new obligational authority is required for the operation of the new Commission. NRC would require additional authority in any event because the revenues are not received on a scheduled basis. This would make the day-to-day operations of a small agency impossible.

Increase or Decrease in Selected Resources—Refunds to Licensees.—Refunds to licensees are required because of the Supreme Court decision of March 4, 1974, (*National Cable Television Assoc., Inc. v. United States* 94 S. Ct. 1146, and *Federal Power Commission v. New England Power Co.*, 94 S. Ct. 1156). Accordingly, refunds are in order for licensees who paid annual fees dating from October 1, 1968. This amounts to \$9.5 million. Also, an increase of \$1.0 million for goods and services on order is required to support the increased cost levels discussed above.

SUMMARY	<i>Fiscal year 1975 supplemental authorization</i>
Section 101—(a) Salaries and expenses.....	\$56, 400, 000
Total.....	56, 400, 000

SALARIES AND EXPENSES

Section 101 (a) Salaries and Expenses. Under this head are covered the expenses for the Nuclear Regulatory Commission which will enable the new Commission to function as a separate organization and to specifically respond to new Regulatory responsibilities set forth in the Act. Principal among these are the establishment of the Office of Nuclear Regulatory Research, conduct of the nuclear energy site survey and the assessment of the need for a security agency for safeguards.

	<i>Fiscal year 1975 supplemental</i>
Accrued costs by program:	
Nuclear reactor regulation.....	\$434, 000
Nuclear materials safety and safeguards.....	2, 380, 000
Nuclear regulatory research.....	1, 270, 000
Program direction and administration.....	2, 816, 000
Total accrued program costs.....	6, 900, 000
Change in selected resources.....	10, 500, 000
Financing—Non-Federal sources.....	39, 000, 000
Total obligations to be incurred.....	56, 400, 000
New appropriations being requested.....	56, 400, 000
Total amount requested for authorization.....	56, 400, 000

NUCLEAR REGULATORY COMMISSION—FISCAL YEAR 1975 PROPOSED SUPPLEMENTAL BUDGET

Under the former AEC organization, some of the administrative functions directly supporting the Regulatory program were performed by staff within the Regulation organization. That Regulation administrative staff will form the nucleus of the administrative staff for NRC, but will have to be augmented to carry out a variety of new

or expanded functions which were not required when the Regulatory staff functioned as part of the overall AEC administrative effort. This augmentation will be accomplished partially by transfer of positions and funds from other parts of the AEC to the Regulatory staff. However, it is not possible to cover all of the NRC requirements by such transfers since ERDA, the successor energy R&D agency, will also require former AEC staff for its functions as a separate agency. For example, the former AEC Congressional Relations Office will be retained by ERDA, and NRC will have to establish its own Congressional Relations function as will be the case with the basic AEC financial management (Controller), public information, personnel, and a variety of other support functions which are required for any independent agency. Also, some additional positions will be required to meet program directives contained in the Act. These NRC requirements and needed supplemental resources are described below.

Personnel services and benefits..... \$2, 200, 000

205 new positions are needed in fiscal year 1975 to support the conduct of the activities of the Nuclear Regulatory Commission. Of this number, 148 positions are needed to function administratively as an independent regulatory commission and 57 positions are needed for special functions and tasks of a programmatic nature imposed by the Act.

The areas requiring augmentation of staffing to administer the independent status are:

Financial Management (35 positions)—Required for the establishment of a self-sufficient budget and financial management organization including the development and maintenance of a system of accounting and financial control which conforms to the standards prescribed by the Comptroller General. This request includes a controller, accounting staff augmentation, a budget group, and an auditing group.

Housekeeping Services (50 positions)—This function comprises the largest single increment of additional personnel required as a result of separate commission status. Personnel are needed for establishment of a self-sufficient library, augmentation of publication and graphics services, separate communications services, augmented building and property management and facilities protection and expanded mail and file services.

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Contracting (8 positions)—To provide separate agency contracting support, an augmented staff of contract and procurement specialists are requested.

Personnel and Physical Security (4 positions)—A small augmentation is needed in this function to provide the new Commission with independent support.

Management Information Systems (2 positions)—A small augmentation is needed to provide for data processing systems independent from ERDA.

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Nuclear Energy Center Site Survey (16 positions)—Personnel are required for the Commission to comply with that part of the Act which directs a national survey to include consideration of each of the existing or future electric reliability regions, or other appropriate regional areas, to locate and identify possible nuclear energy center sites.

Expanded Safeguards Program (26 positions)¹—Expanded safeguards efforts called for in the Act (Section 204) will require additional personnel to conduct technical support work and to systematically evaluate existing and future safeguards efforts. Technical support efforts will be used in developing guides and standards in the areas of physical protection and materials control and accounting to deal with current issues.

Development of Regulations Required by the Act (7 positions)—The Act requires rules to define defects required to be reported relative to manufacture, assembly and operation of nuclear facilities. Rules for licensing of retrievable surface storage facilities for radioactive wastes are also required by the Act.

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This support is needed for studies to analyze all aspects of the integrated site concept and alternatives to it. To identify sites as required by the Act, it is necessary to project energy requirements, population distributions, water resource availability and impacts of seismic, geologic and meteorological features.

II. Nonreactor confirmatory research.....	0.7
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These funds are required for the initiation of a program to obtain independently developed technical information on safety and environmental protection with respect to fuel cycle facilities. The work will include confirmatory research on environmental impact matters, waste treatment and disposal, and transportation.

¹ Includes four positions for security agency assessment.

III. Rulemaking on nuclear facility defects and high-level wastes.....	<i>Millions</i> \$0.3
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The siting regulations for high level waste facilities will require technical support in developing the criteria. A survey and summary of failure modes in fuel cycle facilities is needed for rulemaking on defects.

IV. Assessment for establishment of a security agency.....	0.5
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This includes a survey of existing protection systems and their effectiveness, prediction of systems needed to meet future circumstances and the cost, legal, social, economic, and operational considerations associated with various options.



Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To authorize supplemental appropriations to the Nuclear Regulatory Commission
for fiscal year 1975.

*Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled, That there is author-
ized to be appropriated to the Nuclear Regulatory Commission to carry
out the provisions of section 261 of the Atomic Energy Act of 1954, as
amended, and section 305 of the Energy Reorganization Act of 1974,
\$50,200,000 for fiscal year 1975.*

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

April 14, 1975

Dear Mr. Director:

The following bill was received at the White House on April 14th:

S. 994

Please let the President have reports and recommendations as to the approval of this bill as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.