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APPROVED

MAY 22 1976

THE WHITE HOUSE
WASHINGTON
May 19, 1976

ACTION
Last Day: May 24

*Posted
5/22/76
- To Archives
5/24/76*

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

S. 3107 - Nuclear Regulatory Commission
appropriation authorization

Attached for your consideration is S. 3107, sponsored by Senators Pastore and Baker, which authorizes appropriations of \$274. million for the Nuclear Regulatory Commission for fiscal year 1977. This is an increase of \$24.9 million over the 1977 request of \$249.4 million.

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

OMB, Max Friedersdorf, Bill Seidman, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign S. 3107 at Tab B.



MVA 57 210



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

MAY 18 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3107 - Nuclear Regulatory Commission
appropriation authorization
Sponsor - Sen. Pastore (D) Rhode Island and
Sen. Baker (R) Tennessee

Last Day for Action

May 24, 1976 - Monday

Purpose

To authorize appropriations for the Nuclear Regulatory Commission (NRC) for fiscal year 1977.

Agency Recommendations

Office of Management and Budget	Approval
Nuclear Regulatory Commission	Approval (Informally)

Discussion

S. 3107 would authorize appropriations of \$274.3 million for NRC for 1977, an increase of \$24.9 million over the 1977 request of \$249.4 million. The report of the Joint Committee on Atomic Energy on this legislation indicated that the Committee intended the extra funds to be distributed among NRC activities as they were requested of OMB by the Commission. The largest single addition (\$20.9 million) would be in NRC's nuclear regulatory research program.

While the increased authorization level is undesirable, the appropriation committees have always closely reviewed the NRC budget and we believe the appropriation process will result in a more acceptable budget level for the Commission.

The enrolled bill would also:

- permit NRC to use 1976 and 1977 funds received for the cooperative nuclear safety research programs to pay for salaries and expenses associated with those programs, subject to appropriation of such funds.
- authorize NRC to transfer funds to other Federal agencies to perform work for which the appropriation is made.
- provide that NRC's appropriations for fiscal year 1976, the transition quarter, and 1977 shall remain available until expended.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

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

MAY 18 1976

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 19

Time: 845am

FOR ACTION: Glenn Schleede *ms* cc (for information): Jack Marsh
 Max Friedersdorf *mf* Jim Cavanaugh
 Ken Lazarus *kl* Ed Schmults
 Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date: May 19

Time: 500pm

SUBJECT:

S. 3107 - Nuclear Regulatory Commission appropriations authorization

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Jddy 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

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 19

Time: 845am

FOR ACTION: Glenn Schleede
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: May 19

Time: 500pm

SUBJECT:

S. 3107 - Nuclear Regulatory Commission
appropriations 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

No objection -- Ken Lazarus 5/19/76

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.

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

May 19, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.6.*
SUBJECT: S. 3107 - Nuclear Regulatory Commission
Appropriations Authorization

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

Attachments

MAY 15 RECD

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 19

Time: 845am

FOR ACTION: Glenn Schleede
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: May 19

Time: 500pm

SUBJECT:

S. 3107 - Nuclear Regulatory Commission
appropriations 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

12684

Approve RHP for FW3

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.

James M. Cannon
For the President

THE WHITE HOUSE

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WASHINGTON

LOG NO.:

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FOR ACTION: Glenn Schleede
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appropriations 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

*Remond
approval
Schleede*

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.

James M. Cannon
For the President



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 5-19-76

TO: Bob Linder

FROM: Jim Frey

Attached is the NRC views letter on S. 3107, for inclusion in the enrolled bill file.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555

MAY 19 1976

OFFICE OF THE
CHAIRMAN

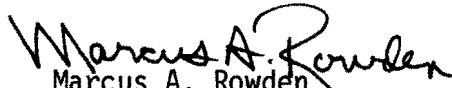
Mr. James M. Frey
Assistant Director for
Legislative Reference
Executive Office of the President
Office of Management and Budget
Washington, DC 20503

Dear Mr. Frey:

This letter is in response to your May 12, 1976 request for the views and recommendations of the Nuclear Regulatory Commission on the enrolled bill, S. 3107. This bill authorizes appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended. The amount appropriated for salaries and expenses is \$274,300,000 to remain available until expended.

We recommend that the President approve the bill.

Sincerely,


Marcus A. Rowden
Chairman

AUTHORIZING APPROPRIATIONS FOR
THE NUCLEAR REGULATORY
COMMISSION FOR FISCAL
YEAR 1977

REPORT

BY THE

JOINT COMMITTEE ON ATOMIC ENERGY

[To accompany H.R. 12387]



APRIL 30, 1976.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

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 MELVIN PRICE, Illinois, *Vice Chairman*

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CHRISTOPHER C. O'MALLEY, *Printing Editor*

(II)

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(III)

**AUTHORIZING APPROPRIATIONS FOR THE NUCLEAR
REGULATORY COMMISSION FOR FISCAL YEAR 1977**

APRIL 30, 1976.—Committed to the Committee of the Whole House and the State
of the Union and ordered to be printed

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

REPORT

(To accompany H.R. 12387)

The Joint Committee on Atomic Energy, having considered H.R. 12387, a bill to authorize appropriations to the Nuclear Regulatory Commission for fiscal year 1977 in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes, hereby report favorably thereon with amendments and recommend that the bill as amended do pass.

COMMITTEE AMENDMENTS

The Joint Committee on Atomic Energy recommends the following amendments to H.R. 12387.

1. On page 1, line 8 delete the figure "\$249,430,000" in section 101 and substitute therefor the figure "\$274,300,000".
2. On page 2, line 6 add the following sentence to section 102: "Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts."
3. On page 2, line 12 insert the following:

AMENDMENTS TO PRIOR YEAR ACT

SEC. 104. (a) Title I of Public Law 94-79 is amended by adding section 102 to read as follows: "Monies received by the Commission for the Cooperative Nuclear Research Program may be retained and used for salaries and expenses associated with that program, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts."

(b) Section 101 of Public Law 94-79 is amended by adding the phrase, "and shall remain available until expended" after the word "September 30, 1976".

SUMMARY OF COMMITTEE AMENDMENTS

The amendments to H.R. 12387 recommended by the Joint Committee on Atomic Energy are discussed in detail in the appropriate sections of this report. The following is a summary of the amendments to the bill.

Amendment 1 adds \$24,870,000 to the authorization of appropriations to the Nuclear Regulatory Commission.

Amendment 2 includes language in the bill to permit the obligation of funds received by the Commission for the cooperative nuclear safety research programs only to the extent provided in appropriation acts.

Amendment 3 amends Public Law 94-79 to authorize "no year" appropriations to the Nuclear Regulatory Commission for fiscal year 1976 and amends Public Law 94-79 by adding a new section 102 which permits the Commission subject to the same conditions included in amendment 2 above, to retain and use funds received by the Commission for the cooperative nuclear research programs during fiscal year 1976.

BACKGROUND

On January 26, 1976, the Nuclear Regulatory Commission forwarded to the Congress proposed legislation authorizing appropriations to the Commission for fiscal years 1977 and 1978. On March 9, 1976, Chairman John O. Pastore, for himself and Mr. Baker, introduced the proposed legislation for fiscal year 1977 by request as S. 3107, and Vice Chairman Melvin Price introduced an identical bill by request as H.R. 12387. Both bills were referred to the Joint Committee.

On April 29, 1976, the Joint Committee met in open session to consider the proposed NRC authorization for fiscal year 1977. The committee voted by unanimous vote of the members present to amend H.R. 12387 and S. 3107, to report the bills, as amended, and to approve this report.

HEARINGS

The Joint Committee began consideration of the proposed legislation authorizing appropriations to the Nuclear Regulatory Commission for fiscal year 1977 with a public hearing before the Subcommittee on Legislation on January 29, 1976. At this hearing, the Honorable William A. Anders, Chairman of the NRC, reviewed the overall budget request. Subsequent public hearings occurred on February 17 and March 19. In the course of these hearings, the NRC's programs for nuclear reactor regulation, regulatory research, nuclear materials safety and safeguards, standards development, and inspection and enforcement were the subjects considered.

During the public hearings on NRC's authorization request, the following witnesses from the Nuclear Regulatory Commission appeared before the committee to present testimony or to assist in the development of the record: William A. Anders, Chairman; Richard T. Kennedy, Commissioner; Lee V. Gossick, Executive Director for Opera-

tions; Benard C. Rusche, Director, Office of Nuclear Reactor Regulation; Dr. Herbert J. C. Kouts, Director, Office of Nuclear Regulatory Research; Kenneth R. Chapman, Director, Office of Nuclear Material Safety and Safeguards; Robert B. Minogue, Director, Office of Standards Development; John G. Davis, Acting Director, Office of Inspection and Enforcement; Robert J. Friedman, Controller; Carl H. Builder, Director, Division of Safeguards; Richard E. Cunningham, Acting Director, Division of Fuel Cycle and Material Safety; and Stephen H. Hanauer, Technical Advisor to the Executive Director for Operations.

PURPOSE OF THE BILL

The purpose of this bill is to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1977 in the amount of \$274,300,000 for salaries and expenses.

AUTHORIZATION REQUEST

The Nuclear Regulatory Commission's authorization request for fiscal year 1977, as submitted to the Congress on January 26, 1976, called for authorization of \$249,430,000 for salaries and expenses.

As shown in the table which follows, the Joint Committee has recommended authorization for fiscal year 1977 of \$274,300,000 which is an increase of \$24,870,000 above that requested by the Nuclear Regulatory Commission.

With respect to appropriations, the Joint Committee estimates that NRC's fiscal year 1977 activities will call for new appropriations of \$274,300,000, the same as the amount recommended by the Joint Committee for authorization. The following table summarizes the NRC's request for authorization under its major programs and the Joint Committee's action thereon:

AUTHORIZATION OF SALARIES AND EXPENSES

[In thousands of dollars]

Program	NRC authorization request	Committee recommendations	Change
Nuclear reactor regulation.....	38,885	39,590	+705
Standards development.....	11,425	11,725	+300
Inspection and enforcement.....	26,290	27,900	+1,610
Nuclear materials safety and safeguards.....	17,950	18,510	+560
Nuclear regulatory research.....	122,390	143,292	+20,902
Program technical support.....	10,180	10,505	+325
Program direction and administration.....	22,310	22,778	+468
Total obligations, direct program.....	249,430	274,300	+24,870
Reimbursable program.....	100	100	0
Total obligations.....	249,530	275,300	+24,870
Reimbursements received from other Federal agencies.....	-100	-100	0
Total authorization.....	249,430	274,300	+24,870

COMMITTEE COMMENTS

INTRODUCTION AND OVERVIEW

The Nuclear Regulatory Commission (hereinafter NRC or the Commission) was established by the Energy Reorganization Act of 1974

as the independent Federal agency charged with the responsibility for regulating the uses of nuclear energy. In performing its licensing and related regulatory functions, the Commission is guided by the relevant provisions of the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954, as amended, section 1 of which declares it to be the policy of the United States that "the development, use and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare . . ." This means that NRC's regulation must be in the overall public interest, including public health and safety, the environment, and relevant social, economic, and common defense and security factors.

Since the new Commission came into being on January 19, 1975, much has been accomplished. According to NRC, the transition work needed to bring the new agency to full effectiveness has, for the most part, been completed. A new Office of Nuclear Materials Safety and Safeguards has been established and a restructured Nuclear Regulatory Research program has been undertaken by the Commission in compliance with the requirements of the Energy Reorganization Act of 1974.

Nevertheless, the committee's hearings also disclosed a number of regulatory challenges now facing the Commission. These challenges call for decisive and aggressive regulatory action by the Commission.

Nuclear Materials Safeguards

Perhaps the principal challenge facing the Commission in the safeguards field is the need to accurately predict the changing risk of loss or diversion of nuclear materials and to measure the adequacy of the safeguards measures at both existing and planned facilities against this changing target. In that regard, Commission witnesses testified before the committee that existing safeguards measures at present facilities which they consider fully adequate given the present risk of loss or diversion, might well be insufficient when measured against future risk predictions which the Commission is now making. The Commission must ensure not only that future facilities provide adequate safeguards protection but also that existing facilities keep pace with any changes in the risk of loss or diversion of nuclear materials. NRC did assure the committee, however, that the existing regulatory framework is adequate to provide for the public safety and security.

Waste Disposal Regulation

On January 12, 1976, the Comptroller General issued a report to the Congress on the need for improvements in the land disposal of radioactive wastes. The NRC testified during the committee's hearings that it agreed with the recommendations made in the General Accounting Office report and that it was in the process of implementing those recommendations. Although NRC testified that the potential hazard to the public from the deficiencies in this program were minimal, the committee believes that the mere existence of such deficiencies can have a substantial detrimental effect on public confidence in the regulation of nuclear energy. Accordingly, the committee expects that NRC will continue an aggressive program to correct these deficiencies.

Testimony before the committee indicated that at least some of the deficiencies in the waste disposal area had occurred at facilities covered

by cooperative agreements between NRC and a State pursuant to section 274 of the Atomic Energy Act of 1954, as amended.

NRC testified that in the case of Agreement States, the Commission's past practice has been to turn full responsibility for the day-to-day supervision of the facilities over to the State and to review the State's regulatory program on a yearly basis. Nevertheless, William Anders, Chairman of the Commission, testified that the deficiencies discovered in the waste disposal area demonstrated a need to re-examine the operation of the entire Agreement States Program.

During the committee's hearings, NRC made a commitment to re-evaluate the Agreement States Program and to undertake whatever additional supervisory and enforcement measures are needed for NRC to assure that the regulatory programs operated by an Agreement State are compatible at all times with the Federal regulation of nuclear energy. The committee expects the Commission to fulfill this commitment expeditiously and to report on the progress of this evaluation and on the additional supervisory responsibilities under section 274 of the Atomic Energy Act of 1954, as amended. In that regard, the Commission shall also determine whether additional legislation is needed in this area and shall advise the committee of its determination.

Fuel Cycle Facility Licensing

The Commission faces a significant challenge to develop a sound licensing program for fuel cycle facilities such as fuel reprocessing plants which will assure adequate protection to the public health and safety, the environment, and the common defense and security, and which will assure that unnecessary delays in the licensing of these facilities do not prevent the facilities from becoming available when needed to complete the nuclear fuel cycle.

Nuclear Powerplant Licensing

The paramount challenge facing the Commission in the licensing of nuclear facilities remains the need to assure that these facilities will be constructed and operated in a manner which will adequately protect the public health and safety, the common defense and security, and the environment. Consistent with that requirement, there is the further need to improve the efficiency of the licensing process as much as possible. To this end, the Commission should continue to pursue the approval of standardized designs for nuclear steam supply systems and for the balance of the powerplant's design.

The testimony before the committee also demonstrated that there is considerable room to engage in cooperative efforts with the State agencies involved in approving features of nuclear powerplants other than those affecting radiological health and safety. An encouraging step in this direction is NRC's announcement on April 6, 1976, that a joint hearing will be held by the Commission and the Maryland Public Service Commission to consider those aspects of the proposed Douglas Point Nuclear Generating Station which require permits from both agencies. The committee believes that NRC should actively pursue other similar arrangements, particularly with those States having comprehensive powerplant siting laws. Similar cooperative efforts also should be undertaken with other Federal agencies having responsibility for approving, for other than radiological purposes, various

aspects of nuclear facilities. The committee also notes that the Commission submitted to the Congress on January 19, 1976, the Nuclear Energy Center Site Survey required by the Energy Reorganization Act of 1974. The committee expects that any recommendations which NRC has regarding the use of such centers will be forwarded to the Congress.

Materials Licensing

There exists a need to improve both the efficiency and effectiveness of the Commission's management of the licensing of users of radioactive materials. In terms of efficiency, the NRC budget analysis for fiscal year 1977 notes that a large backlog has developed in fiscal year 1976 in the Commission's environmental and safety reviews of applications for materials licenses. In terms of effectiveness, the Comptroller General issued a report to the Congress on February 11, 1976, which discusses the need for management improvements in NRC's program for licensing and inspecting materials users. The Commission should give prompt attention to the recommendations contained in that report in order to ensure that the public health and safety is adequately protected and the risk of radiation exposure in excess of permissible limits is kept as low as reasonably possible.

CONCLUSION

In view of the continued importance of providing a sound regulatory program to control the uses of nuclear energy and in light of these significant challenges which NRC now faces, the committee believes that NRC should receive the resources it needs to get the job done. Accordingly, the Joint Committee has recommended an increase in the level of authorization to that which NRC requested from the Office of Management and Budget.

I. NUCLEAR REACTOR REGULATION

A. NRC request

The NRC requested authorization of \$38,885,000 for salaries and expenses associated with its nuclear reactor regulation program for fiscal year 1977. This represents an increase of \$4,635,000 above the estimate for fiscal year 1976 and would provide for an additional 8 personnel positions. The objectives of the nuclear reactor regulation program include the issuance of nuclear reactor licenses with adequate safeguards and environmental considerations; the minimization of licensing time for new reactors; and the continuation of progress towards the licensing of standard plants.

B. Committee action

Nuclear reactor regulation can well be regarded as the focal point of the Nuclear Regulatory Commission's activities directed towards assuring adequate protection of the public health and safety against the consequences of potential accidents in civilian nuclear powerplants. As discussed in subsequent sections of this report, significant contributions toward achieving this protection are made by other elements within the Commission charged with the development of standards for plant design, radiation protection, materials handling,

and environmental consideration; the conduct of reactor safety research; and, the inspection and enforcement of the terms of the license during construction and operation of the facility. The technical information concerning the design and operation of the proposed reactor facility submitted by the applicant for license is referred to the Office of Nuclear Reactor Regulation and it is here that the detailed analysis is performed to assure that all technical requirements are met.

The reactor regulation program continues to strive toward minimizing the time required for the conduct of safety reviews consistent with maintaining the necessary high quality of review and the conduct of an orderly and hopefully more predictable licensing process. The duplication of previously licensed facilities; standardization in reactor and balance-of-plant designs; and specificity in defining licensing requirements all aid in bringing about reductions in the average licensing time experienced at both the construction permit stage and the operating license stage of review.

The Joint Committee notes that the NRC requested of OMB \$39,590,000 for fiscal year 1977 for the conduct of the nuclear reactor regulation program. This amount envisioned the employment of 649 personnel in the program. These numbers were reduced by the OMB to \$38,885,000 and 613 respectively. The committee recommends restoration of the budget to \$39,590,000—the full amount required by NRC.

NRC witnesses testified that the addition of 36 positions which would be possible under the increase in funding recommended by the committee, would permit strengthening of the nuclear reactor regulation program and further progress in reducing the average time for licensing reviews.

II. STANDARDS DEVELOPMENT

A. NRC request

The NRC requested authorization of \$11,425,000 for fiscal year 1977 for its standards development program. The fiscal year 1977 request represents a \$1,280,000 increase over the estimated obligations for fiscal year 1976, and would provide for an additional 18 personnel positions.

The standards development program is aimed at developing the standards which NRC needs to regulate nuclear facilities and commercial uses of nuclear materials. These standards pertain to safety, materials and plant protection (safeguards), environmental protection, and radiation protection.

B. Committee action

The NRC's standards development program performs an important support function for the NRC program offices responsible for the regulation of nuclear facilities. It develops regulations, regulatory guides and technical reports applicable to the expanding field of nuclear technology. The acceptability of design of proposed nuclear components, systems, operating plans and procedures can then be judged by comparison to the standard or guide in a quantitative or near-quantitative manner.

The development of standards is in general an inherently slow process, probably more so in the case of nuclear standards than for other engineering applications. There is a continuing dialog with and participation by representatives of industry in the formulation of

standards through task forces, committees, and working groups. Before adoption into regulatory practice proposed standards are promulgated by public notice for study and comment by other agencies of government, industry, and the public at large. The standards resulting from this process codify sound practice and provide a mechanism for promulgating solutions to recurring problems.

In view of the many areas in which standards are needed, but not yet developed, the NRC and the national standards committees have assigned priorities so that their simultaneous efforts will be directed toward those areas in which standards are most needed. From the regulatory point of view the goal is production of standards which will contribute to the stabilization of the regulatory process and permit more efficient utilization of the safety reviewers' time. From industry's point of view the existence of an approved regulatory standard for a component or procedure provides a clearer understanding of requirements for design, fabrication, and operation coupled with improved predictability in the licensing review process. The development and implementation of standards and codes contributes significantly to the achievement of safe, reliable and economic nuclear powerplants.

In view of the importance of nuclear standards development, the Joint Committee recommends an increase in budget authority for this program in fiscal year 1977 to \$11,725,000—the full amount requested in the NRC submission to the OMB. The increase recommended amounts to only \$300,000, but would provide for the addition of 17 positions for acceleration of this important work.

III. INSPECTION AND ENFORCEMENT

A. NRC request

The NRC requested authorization of \$26,290,000 for fiscal year 1977 for the salaries and expenses related to the inspection and enforcement program. This represents a 23 percent increase, or \$4,875,000, above the estimated obligations for fiscal year 1976. An additional 94 personnel positions would be created by the additional authorization requested by NRC for inspection and enforcement.

B. Committee action

The funds being requested for this activity will be utilized in assuring through field inspection and investigation, that nuclear facilities and materials are used in a safe manner in accordance with the licenses and permits issued by the Nuclear Regulatory Commission.

Staffing increases in fiscal year 1977 will occur primarily in two program areas—reactor safety inspections and safeguards inspections. The increase in reactor inspectors is necessitated by the substantial growth in workload due to the projected increased number of reactors with construction permits (from 95 in fiscal year 1976 to 114 in fiscal year 1977) and operating licenses (from 64 in fiscal year 1976 to 75 in fiscal year 1977). The increase in safeguards inspectors also reflects a buildup in workload, plus a need to develop additional safeguards inspection standards and guides.

NRC estimates that in fiscal year 1976 it will carry out 4,210 inspections, make 60 incident investigations, and take 2,090 enforcement

actions in all of its programs. Based on the budget submitted to the Congress, these are projected to grow in fiscal year 1977 to 4,610 inspections, 70 incident investigations, and 2,340 enforcement actions.

The Joint Committee notes with approval that NRC has been experimenting with a number of novel approaches designed to improve the effectiveness of its inspection program. Notable among these are the resident inspector program and the vendor inspection program. Since NRC cannot and need not duplicate all of the inspections made internally by the utilities, reactor manufacturers and other groups, it should seek the best methods for assuring itself that its inspections provide the maximum amount of information for determining that the activities of the licensees are being carried out in full compliance with license conditions.

The Joint Committee recommends that the funds for this program be increased by \$1,610,000, which will result in an authorization of \$27,900,000—the level of funding requested of OMB by the NRC. This would permit NRC a total of 185 new personnel positions for this program, rather than the 94 allowed by the OMB. The additional personnel recommended by the Committee should result in significant improvements in both the frequency and thoroughness of the inspections made by NRC in the coming fiscal year.

IV. NUCLEAR MATERIALS SAFETY AND SAFEGUARDS

A. NRC request

The NRC requested authorization of \$17,950,000 for fiscal year 1977 salaries and expenses for the nuclear materials safety and safeguards program. This request represents a 37 percent, or \$4,875,000 increase over estimated fiscal year 1976 obligations and would provide for an additional 77 personnel positions.

B. Committee action

The funds being requested under this activity are to be utilized by NRC for ensuring public health and safety in the licensing and regulation for all nonreactor nuclear materials and facilities licensed under the Atomic Energy Act. This responsibility includes providing adequate measures to prevent sabotage of nuclear facilities and the theft or diversion of significant quantities of nuclear materials.

Nuclear Safeguards

Considerable concern has been expressed over the past several years with respect to the potential hazards to the public which could result through the sabotage of nuclear facilities or the unauthorized use of nuclear materials. This concern has been significantly intensified by a major increase in terrorist activity worldwide. In response to this concern, and in accordance with the Energy Reorganization Act of 1974, the NRC has substantially expanded the regulatory effort being devoted to safeguards.

It is obviously difficult to determine in a quantitative way what constitutes an adequate safeguards posture. The Joint Committee certainly expects NRC to take all reasonable steps to reduce the risks to a very low level. On the other hand, the Joint Committee believes that NRC should be very judicious about imposing undue regulatory bur-

dens on the nuclear industry in the safeguards area. In each instance, the incremental benefits to be gained in implementing additional safeguards should be carefully weighed against the costs required to put them into place. It is particularly important that the risks involved here be kept in some perspective with respect to the risks associated with potential criminal activities in non-nuclear areas—such as the poisoning of water supplies or the sabotage of chemical plants.

Nuclear Materials

Funds being requested under this overall program are also needed for NRC to carry out its responsibilities for (a) the licensing of non-reactor nuclear fuel facilities—such as reprocessing plants, (b) the licensing of radioactive materials used for medical, industrial and other purposes, (c) the licensing of containers for the shipment of spent fuel and other radioactive materials, and (d) the administration of the program for cooperation with Agreement States.

As a part of this program, NRC has been conducting and is planning to initiate further studies of fuel cycle problems to assure that adequate protection of the public health and safety is provided without placing unnecessary requirements on this regulated industry. For example, in January 1976, NRC submitted to the Congress its Nuclear Energy Center Site Survey, which concluded that such centers might offer certain public benefits, but there was no compelling need for them. A security agency study, which is examining the possible need for direct Federal involvement, is nearing completion. NRC is planning to conduct further studies in areas such as waste management, uranium enrichment, uranium mill tailings, and reprocessing and fuel storage.

In view of the fact that the number of fuel cycle facilities and strategic materials in use is projected to increase substantially as nuclear power grows, it is essential that NRC carry out studies such as these to assure that the comprehensive regulatory system necessary to handle the increased workload is in place when it is needed in the 1980's and beyond. Maximum use should be made of previous studies on these subjects—of which there are many—and care should be taken to closely coordinate NRC efforts with ERDA and other agencies with responsibilities in these areas.

Plutonium Recycle

NRC intends to devote considerable attention over the coming year to the issue of whether or not the widescale use of mixed oxide fuel in light water reactors should be authorized. The Joint Committee commends the Commission for its decision to accelerate its review of this matter to the maximum extent consistent with a sound evaluation of this complex subject. As the Joint Committee indicated in its authorization report last year, "the Commission's decision in this matter is essential for industry and Government planning and action to take the steps necessary in providing the needed facilities to help in meeting the Nation's future energy requirements."

C. Committee recommendations

NRC testified that it had substantially underestimated in its fiscal year 1976 budget request the workload which has developed in the nuclear materials safety and safeguards program in fiscal year 1976.

As a result, a large backlog in materials safety and safeguards reviews has developed and less progress has been made toward developing NRC's regulatory approach in the safeguards area than was anticipated. In order to ensure that NRC has sufficient resources to keep pace with the expanding workload in this important program, the Joint Committee recommends that the funds for this program be increased by \$560,000, which will result in an authorization of \$18,510,000—the level of funding requested of OMB by the NRC. This would permit NRC a total of 107 new positions for this program rather than the 77 allowed by the OMB.

V. NUCLEAR REGULATORY RESEARCH

A. NRC request

The NRC requested authorization of \$122,390,000 for fiscal year 1977 for the nuclear regulatory research program, which is 11 percent or \$11,750,000, above the estimated fiscal year 1976 obligations. The request provides for an additional 29 personnel positions for the nuclear regulatory research program.

B. Committee action

The NRC's regulatory research program provides the agency with an independent capability to verify information developed by applicants for licenses or cited by them in support of their application for a license. The nature of the work performed under this program is that of confirmatory assessment research and is not intended to be duplicative of work performed by others. In particular it should not include work which is properly the responsibility of the reactor or systems developer.

The Joint Committee is encouraged by NRC's report that non-nuclear experiments are currently underway in the Loss of Fluid Test Reactor (LOFT). Data to be derived from these tests are expected to provide important experimental information on the coupled nuclear and thermal-hydraulic effects occurring during a postulated loss of coolant accident in a light water reactor.

The Joint Committee notes that foreign countries are contributing both funds and technical manpower to the LOFT experimental program, which provides strong evidence of their interest in the important safety information to be derived therefrom.

The nuclear regulatory research program is made up of three principal areas of research—nuclear reactor safety; fuel cycle and environmental protection; and safeguards. The Administration request of \$122,390,000 for fiscal year 1977 would, with respect to the previous year, allow a doubling of effort in the safeguards area but little more than a cost of living increase in the areas of reactor safety and fuel cycle and environmental protection.

The Joint Committee recommends an increase of \$20,902,000 for the nuclear regulatory research program for fiscal year 1977 to \$143,292,000—the full amount requested in the NRC submission to OMB. This would permit NRC a total of 37 new positions for this program rather than the 29 allowed by OMB. The additional funds provided by this recommendation should be utilized in the area of reactor safety in work primarily directed toward accelerating research effort on generic items which have been identified by NRC and its advisors.

VI. PROGRAM TECHNICAL SUPPORT AND PROGRAM DIRECTION AND ADMINISTRATION

A. NRC request

The NRC requested authorization of \$10,180,000 for fiscal year 1977 salaries and expenses for Program Technical Support, which is an increase of \$35,000 over the estimated fiscal year 1976 obligations. The NRC request would result in a reduction of 19 personnel positions from the fiscal year 1976 estimate.

The NRC also requested authorization of \$22,310,000 for fiscal year 1977 salaries and expenses for Program Direction and Administration. This NRC request represents a 9 percent increase, or \$1,775,000, over the fiscal year 1976 estimate for salaries and expenses, and provides for an additional 33 personnel positions.

B. Committee action

These two budget categories provide salaries and other costs for NRC staff engaged in support of the Commission's policy and executive direction functions; for NRC staff engaged in a variety of administrative and general management functions; for staff responsible for NRC legal services; for boards to conduct and review adjudicatory licensing hearings and for the support of committees which provide advice to NRC.

As with the other elements of the NRC budget, the Joint Committee recommends the restoration of all the funds deleted from these two programs by the OMB. The Program Technical Support effort should be increased by \$325,000 to a level of \$10,505,000—resulting in a reduction of five personnel positions for this function rather than the reduction of 19 positions contemplated by the OMB. The Program Direction and Administration effort should be increased by \$468,000 to a level of \$22,778,000—resulting in the addition of 58 personnel positions for this function rather than the 33 positions allowed by the OMB. The increased funding levels should permit these support functions to be carried out in a more effective manner.

The Joint Committee again urges that NRC closely examine all of its operations to assure the maximum utilization and productivity of its personnel. The staffing level for the nuclear regulatory operation has increased very substantially over the past few years, and the fiscal year 1977 budget recommended by the Joint Committee reflects a further increase of 461 positions over the fiscal year 1976 level of 2,289 positions. It is thus incumbent upon NRC to take aggressive actions to provide for the most judicious use of its resources.

The Nuclear Regulatory Commission has been in operation now for over a year. During that period, a major effort has been devoted to establishing new organizational arrangements and bringing in additional top quality technical and management personnel. NRC has also been faced with a number of very difficult challenges during its initial year.

From an overall viewpoint, NRC has responded well to these challenges, and the events over the past year have reconfirmed the basic soundness of the comprehensive regulatory system established by the Congress through the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. It is indeed timely for NRC to carefully examine its operations and to assure itself that the con-

siderable resources provided by the Congress are being utilized with the maximum efficiency.

In this regard, the Joint Committee understands that NRC's headquarters are now housed in some 11 separate buildings—located in Bethesda, Rockville, Germantown, and Silver Spring, Maryland; and the District of Columbia. This dispersal of personnel is obviously resulting in substantial inefficiencies in the NRC operation. The Joint Committee strongly recommends that those in the Administration responsible for providing office space for Federal agencies take action to correct this problem—preferably by finding a single suitable location in the Washington metropolitan area for NRC.

COMPARATIVE COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the Joint Committee has prepared a 5-year projection of NRC's estimated costs. The committee's estimate of the net costs to be incurred in carrying out the NRC authorization bill as reported by the committee reflects the NRC's estimates adjusted by the committee to include the committee's recommended increases. The estimate for fiscal year 1977 is \$259.5 million, a \$23.5 million increase in costs above the NRC's estimate.

The amount authorized for the salaries and expenses of NRC is for "no year" appropriations, but the unobligated balance in any year will be used to reduce the request for new obligational authority in the succeeding year. Also NRC's salaries and expenses will be authorized annually. While it is contemplated that most programs will continue beyond fiscal year 1977, the number of programs to continue and their future level of funding are contingent upon many decisions which have not yet been made. Therefore, the committee has no information upon which to predict any future level of salaries and expenses different from those projected by the NRC. The Commission's estimate of future years' net costs adjusted to reflect a \$1 million carryover to fiscal year 1978 due to the committee's fiscal year 1977 action is as follows:

Fiscal years:	Net costs	Millions
1978	-----	\$241
1979	-----	250
1980	-----	255
1981	-----	260

SECTION-BY-SECTION ANALYSIS

Section 101 authorizes appropriations 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, as amended, in the amount of \$274,300,000 for fiscal year 1977.

Section 102 authorizes NRC to receive, hold and use monies received by the Commission for cooperative nuclear safety research programs and to use them as appropriate to pay for salaries and expenses associated with these programs. The section also provides that such monies will remain available until expended, notwithstanding the provisions of section 3617 of the Revised Statutes.

Section 103 provides authorization for the transfer of amounts from the Commission's Salaries and Expenses appropriation to other agencies of the Government for the performance of the work for which the Commission's appropriation is made.

Section 104(a) amends Public Law 94-79 to provide for authorization for monies received by the Commission for cooperative nuclear safety research programs to be used as salaries and expenses associated with these programs and for them to remain available until expended notwithstanding the provisions of section 3617 of the Revised Statutes. This amendment gives the Commission the same authority for fiscal year 1976 as that provided by section 102 of the bill for fiscal year 1977.

Section 104(b) amends Public Law 94-79 by authorizing "no year" funding for fiscal year 1976. A substantial portion of the Commission's funding is used to finance research and other contractual support. Authorization for "no year" appropriations would provide the time needed by NRC to define the scope, scheduling and dollar impact of its research activities, and thereby conduct its research effort in a planned and efficient manner. This "no year" funding authorization is consistent with the past practice of the Atomic Energy Commission and with the authorization of appropriations for fiscal year 1977 contained in section 101 of the bill.

CHANGES IN EXISTING LAW

In accordance with clause (3) of rule XII of the Rules of the House of Representatives, changes in existing law recommended by the bill accompanying this report are shown as follows (deleted matter is shown enclosed in black brackets and new matter is printed in italic; and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 94-79

AN ACT To authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes.

* * * * *

Sec. 101. There is authorized 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: \$222,935,000 for fiscal year 1976 and \$52,750,000 for the period from July 1, 1976 through September 30, 1976 and shall remain available until expended.

Sec. 102. Monies received by the Commission for the Cooperative Nuclear Research Program may be retained and used for salaries and expenses associated with that program, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

No oversight findings and recommendations pursuant to clause 2(1) (3) (A.), rule XI, under the authority of rule X, clause 2(b) (1)

of the Rules of the House of Representatives are included, inasmuch as the Joint Committee is not subject to rule X, clause 2(b) (1), and no relevant oversight findings in addition to those reflected in the body of this report have been prepared by the Joint Committee since the convening of the 94th Congress.

ESTIMATE AND COMPARISON, CONGRESSIONAL BUDGET OFFICE

Pursuant to clause 2(1) (3) (C) of rule XI of the Rules of the House of Representatives, the following report has been submitted to the Joint Committee by the Congressional Budget Office:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 30, 1976.

HON. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 12387 and S. 3107 (identical), Nuclear Regulatory Commission Authorization Bill, Fiscal Year 1977.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Alice M. Rivlin,
Director.

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

April 30, 1976.

1. Bill Number: H.R. 12387 and S. 3107 (identical).
2. Bill Title: Nuclear Regulatory Commission Authorization Bill, Fiscal Year 1977.
3. Purpose of Bill: The purpose of this Bill is to authorize appropriations to the Nuclear Regulatory Commission in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, and Section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes. The bill provides authorization and is subject to appropriations action.
4. Cost Estimate: The bill has no budget effects for fiscal year 1976 or the transition quarter. Only the authorization included in this bill is considered, and no judgment is made about the authorization this bill implies for future fiscal periods. The overall budget effect follows:

	BUDGET EFFECTS				
	[In millions of dollars]				
	Fiscal year—				
	1977	1978	1979	1980	1981
Authorization levels.....	274.3				
Costs.....	186.5	87.6			

5. Basis for Estimate: All Nuclear Regulatory Commission funding is for its "salaries and expenses" account. All the funding authorized in this bill is assumed to be obligated in FY 1977. A spend-out pattern of 68 percent in the first year and 32 percent in the second year is assumed. This relatively slow pay-out distribution for a "salaries and expenses" account is based on historical experience and is due to the inclusion of funding for contracts in this account.

6. Estimate Comparison: None.

7. Previous CBO Estimate: None.

8. Estimate Prepared By: William F. Hederman (225-5275).

9. Estimate Approved By:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

OVERSIGHT FINDINGS AND RECOMMENDATIONS, COMMITTEE ON
GOVERNMENT OPERATIONS

No findings or recommendations on oversight activity pursuant to clause 2(b)(2), rule X, and clause 2(1)(3)(D), rule XI, of the Rules of the House of Representatives have been submitted by the Committee on Government Operations for inclusion in this report.

EFFECT OF LEGISLATION ON INFLATION

In accordance with rule XI, clause 2(1)(4) of the Rules of the House of Representatives, this legislation is assessed to have a minimal inflationary effect on prices and costs in the operation of the national economy. NRC's total estimated budget outlays for fiscal year 1977 would increase by \$59.5 million, from \$200.0 million in fiscal year 1976 to \$259.5 million in fiscal year 1977. The latter amount represents about .07 percent of estimated total Federal fiscal year 1977 outlays. It appears, therefore, that the increased NRC outlays would have a minimal inflationary effect.

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AUTHORIZING APPROPRIATIONS FOR
THE NUCLEAR REGULATORY
COMMISSION FOR FISCAL
YEAR 1977

REPORT

BY THE

JOINT COMMITTEE ON ATOMIC ENERGY

[To accompany S. 3107]



MAY 3, 1976.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

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(III)

**AUTHORIZING APPROPRIATIONS FOR THE NUCLEAR
REGULATORY COMMISSION FOR FISCAL YEAR 1977**

MAY 3, 1976.—Ordered to be printed

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

REPORT

[To accompany S. 3107]

The Joint Committee on Atomic Energy, having considered S. 3107 a bill to authorize appropriations to the Nuclear Regulatory Commission for fiscal year 1977 in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes, hereby reports favorably thereon and recommends that the bill do pass.

COMMITTEE AMENDMENTS

The Joint Committee on Atomic Energy recommends the following amendments to S. 3107.

1. On page 1, line 8 delete the figure "\$249,430,000" in section 101 and substitute therefor the figure "\$274,300,000".
2. On page 2, line 6 add the following sentence to section 102: "Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts."
3. On page 2, line 12 insert the following:

AMENDMENTS TO PRIOR YEAR ACT

SEC. 104. (a) Title I of Public Law 94-79 is amended by adding section 102 to read as follows: 'Moneys received by the Commission for the Cooperative Nuclear Research Program may be retained and used for salaries and expenses associated with that program, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts.'

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(b) Section 101 of Public Law 94-79 is amended by adding the phrase, 'and shall remain available until expended' after the word 'September 30, 1976'.

SUMMARY OF COMMITTEE AMENDMENTS

The amendments to S. 3107 recommended by the Joint Committee on Atomic Energy are discussed in detail in the appropriate sections of this report. The following is a summary of the amendments to the bill.

Amendment 1 adds \$24,870,000 to the authorization of appropriations to the Nuclear Regulatory Commission.

Amendment 2 includes language in the bill to permit the obligation of funds received by the Commission for the cooperative nuclear safety research programs only to the extent provided in appropriation acts.

Amendment 3 amends Public Law 94-79 to authorize "no year" appropriations to the Nuclear Regulatory Commission for fiscal year 1976 and amends Public Law 94-79 by adding a new section 102 which permits the Commission subject to the same conditions included in amendment 2 above, to retain and use funds received by the Commission for the cooperative nuclear research programs during fiscal year 1976.

BACKGROUND

On January 26, 1976, the Nuclear Regulatory Commission forwarded to the Congress proposed legislation authorizing appropriations to the Commission for fiscal years 1977 and 1978. On March 9, 1976, Chairman John O. Pastore, for himself and Mr. Baker, introduced the proposed legislation for fiscal year 1977 by request as S. 3107, and Vice Chairman Melvin Price introduced an identical bill by request as H.R. 12387. Both bills were referred to the Joint Committee.

On April 29, 1976, the Joint Committee met in open session to consider the proposed NRC authorization for fiscal year 1977. The committee voted by unanimous vote of the members present to amend H.R. 12387 and S. 3107, to report the bills, as amended, and to approve this report.

HEARINGS

The Joint Committee began consideration of the proposed legislation authorizing appropriations to the Nuclear Regulatory Commission for fiscal year 1977 with a public hearing before the Subcommittee on Legislation on January 29, 1976. At this hearing, the Honorable William A. Anders, Chairman of the NRC, reviewed the overall budget request. Subsequent public hearings occurred on February 17 and March 19. In the course of these hearings, the NRC's programs for nuclear reactor regulation, regulatory research, nuclear materials safety and safeguards, standard development, and inspection and enforcement were the subjects considered.

During the public hearings on NRC's authorization request, the following witnesses from the Nuclear Regulatory Commission appeared

before the committee to present testimony or to assist in the development of the record: William A. Anders, Chairman; Richard T. Kennedy, Commissioner; Lee V. Gossick, Executive Director for Operations; Benard C. Rusche, Director, Office of Nuclear Reactor Regulation; Dr. Herbert J. C. Kouts, Director, Office of Nuclear Regulatory Research; Kenneth R. Chapman, Director, Office of Nuclear Material Safety and Safeguards; Robert B. Minogue, Director, Office of Standards Development; John G. Davis, Acting Director, Office of Inspection and Enforcement; Robert J. Friedman, Controller; Carl H. Builder, Director, Division of Safeguards; Richard E. Cunningham, Acting Director, Division of Fuel Cycle and Material Safety; and Stephen H. Hanauer, Technical Advisor to the Executive Director for Operations.

PURPOSE OF THE BILL

The purpose of this bill is to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1977 in the amount of \$274,300,000 for salaries and expenses.

AUTHORIZATION REQUEST

The Nuclear Regulatory Commission's authorization request for fiscal year 1977, as submitted to the Congress on January 26, 1976, called for authorization of \$249,430,000 for salaries and expenses.

As shown in the table which follows, the Joint Committee has recommended authorization for fiscal year 1977 of \$274,300,000 which is an increase of \$24,870,000 above that requested by the Nuclear Regulatory Commission.

With respect to appropriations, the Joint Committee estimates that NRC's fiscal year 1977 activities will call for new appropriations of \$274,300,000, the same as the amount recommended by the Joint Committee for authorization. The following table summarizes the NRC's request for authorization under its major programs and the Joint Committee's action thereon:

AUTHORIZATION OF SALARIES AND EXPENSES

[In thousands of dollars]

Program	NRC authorization request	Committee recommendations	Change
Nuclear reactor regulation.....	38,885	39,590	+705
Standards development.....	11,425	11,725	+300
Inspection and enforcement.....	26,290	27,900	+1,610
Nuclear material safety and safeguards.....	17,950	18,510	+560
Nuclear regulatory research.....	122,390	143,292	+20,902
Program technical support.....	10,180	10,505	+325
Program direction and administration.....	22,310	22,778	+468
Total obligations, direct program.....	249,430	274,300	+24,870
Reimbursable program.....	100	100	0
Total obligations.....	249,530	275,300	+24,870
Reimbursement received from other Federal agencies.....	-100	-100	0
Total authorization.....	249,430	274,300	+24,870

COMMITTEE COMMENTS

INTRODUCTION AND OVERVIEW

The Nuclear Regulatory Commission (hereinafter NRC or the Commission) was established by the Energy Reorganization Act of 1974 as the independent Federal agency charged with the responsibility for regulating the uses of nuclear energy. In performing its licensing and related regulatory functions, the Commission is guided by the relevant provisions of the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954, as amended, section 1 of which declares it to be the policy of the United States that "the development, use and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare . . ." This means that NRC's regulation must be in the overall public interest, including public health and safety, the environment, and relevant social, economic, and common defense and security factors.

Since the new Commission came into being on January 19, 1975, much has been accomplished. According to NRC, the transition work needed to bring the new agency to full effectiveness has, for the most part, been completed. A new Office of Nuclear Materials Safety and Safeguards has been established and a restructured Nuclear Regulatory Research program has been undertaken by the Commission in compliance with the requirements of the Energy Reorganization Act of 1974.

Nevertheless, the committee's hearings also disclosed a number of regulatory challenges now facing the Commission. These challenges call for decisive and aggressive regulatory action by the Commission.

Nuclear Materials Safeguards

Perhaps the principal challenge facing the Commission in the safeguards field is the need to accurately predict the changing risk of loss or diversion of nuclear materials and to measure the adequacy of the safeguards measures at both existing and planned facilities against this changing target. In that regard, Commission witnesses testified before the committee that existing safeguards measures at present facilities which they consider fully adequate given the present risk of loss or diversion, might well be insufficient when measured against future risk predictions which the Commission is now making. The Commission must ensure not only that future facilities provide adequate safeguards protection but also that existing facilities keep pace with any changes in the risk of loss or diversion of nuclear materials. NRC did assure the committee, however, that the existing regulatory framework is adequate to provide for the public safety and security.

Waste Disposal Regulation

On January 12, 1976, the Comptroller General issued a report to the Congress on the need for improvements in the land disposal of radioactive wastes. The NRC testified during the committee's hearings that it agreed with the recommendations made in the General Accounting Office report and that it was in the process of implementing those recommendations. Although NRC testified that the potential hazard to the public from the deficiencies in this program were minimal, the committee believes that the mere existence of such deficiencies

can have a substantial detrimental effect on public confidence in the regulation of nuclear energy. Accordingly, the committee expects that NRC will continue an aggressive program to correct these deficiencies.

Testimony before the committee indicated that at least some of the deficiencies in the waste disposal area had occurred at facilities covered by cooperative agreements between NRC and a State pursuant to section 274 of the Atomic Energy Act of 1954, as amended.

NRC testified that in the case of Agreement States, the Commission's past practice has been to turn full responsibility for the day-to-day supervision of the facilities over to the State and to review the State's regulatory program on a yearly basis. Nevertheless, William Anders, Chairman of the Commission, testified that the deficiencies discovered in the waste disposal area demonstrated a need to reexamine the operation of the entire Agreement States Program.

During the committee's hearings, NRC made a commitment to reevaluate the Agreement States Program and to undertake whatever additional supervisory and enforcement measures are needed for NRC to assure that the regulatory programs operated by an Agreement State are compatible at all times with the Federal regulation of nuclear energy. The committee expects the Commission to fulfill this commitment expeditiously and to report on the progress of this evaluation and on the additional supervisory responsibilities under section 274 of the Atomic Energy Act of 1954, as amended. In that regard, the Commission shall also determine whether additional legislation is needed in this area and shall advise the committee of its determination.

Fuel Cycle Facility Licensing

The Commission faces a significant challenge to develop a sound licensing program for fuel cycle facilities such as fuel reprocessing plants which will assure adequate protection to the public health and safety, the environment, and the common defense and security, and which will assure that unnecessary delays in the licensing of these facilities do not prevent the facilities from becoming available when needed to complete the nuclear fuel cycle.

Nuclear Powerplant Licensing

The paramount challenge facing the Commission in the licensing of nuclear facilities remains the need to assure that these facilities will be constructed and operated in a manner which will adequately protect the public health and safety, the common defense and security, and the environment. Consistent with that requirement, there is the further need to improve the efficiency of the licensing process as much as possible. To this end, the Commission should continue to pursue the approval of standardized designs for nuclear steam supply systems and for the balance of the powerplant's design.

The testimony before the committee also demonstrated that there is considerable room to engage in cooperative efforts with the State agencies involved in approving features of nuclear powerplants other than those affecting radiological health and safety. An encouraging step in this direction is NRC's announcement on April 6, 1976, that a joint hearing will be held by the Commission and the Maryland Public Service Commission to consider those aspects of the proposed Douglas Point Nuclear Generating Station which require permits from both agencies. The committee believes that NRC should actively pursue

other similar arrangements, particularly with those States having comprehensive powerplant siting laws. Similar cooperative efforts also should be undertaken with other Federal agencies having responsibility for approving various aspects of nuclear powerplants. The committee also notes that the Commission submitted to the Congress on January 19, 1976, the Nuclear Energy Center Site Survey required by the Energy Reorganization Act of 1974. The committee expects that any recommendations which NRC has regarding the use of such centers will be forwarded to the Congress.

Materials Licensing

There exists a need to improve both the efficiency and effectiveness of the Commission's management of the licensing of users of radioactive materials. In terms of efficiency, the NRC budget analysis for fiscal year 1977 notes that a large backlog has developed in fiscal year 1976 in the Commission's environmental and safety reviews of applications for materials licenses. In terms of effectiveness, the Comptroller General issued a report to the Congress on February 11, 1976, which discusses the need for management improvements in NRC's program for licensing and inspecting materials users. The Commission should give prompt attention to the recommendations contained in that report in order to ensure that the public health and safety is adequately protected and the risk of radiation exposure in excess of permissible limits is kept as low as reasonably possible.

CONCLUSION

In view of the continued importance of providing a sound regulatory program to control the uses of nuclear energy and in light of these significant challenges which NRC now faces, the committee believes that NRC should receive the resources it needs to get the job done. Accordingly, the Joint Committee has recommended an increase in the level of authorization to that which NRC requested from the Office of Management and Budget.

I. NUCLEAR REACTOR REGULATION

A. NRC request

The NRC requested authorization of \$38,885,000 for salaries and expenses associated with its nuclear reactor regulation program for fiscal year 1977. This represents an increase of \$4,635,000 above the estimate for fiscal year 1976 and would provide for an additional 8 personnel positions. The objectives of the nuclear reactor regulation program include the issuance of nuclear reactor licenses with adequate safeguards and environmental considerations; the minimization of licensing time for new reactors; and the continuation of progress towards the licensing of standard plants.

B. Committee action

Nuclear reactor regulation can well be regarded as the focal point of the Nuclear Regulatory Commission's activities directed towards assuring adequate protection of the public health and safety against the consequences of potential accidents in civilian nuclear powerplants. As discussed in subsequent sections of this report, significant

contributions toward achieving this protection are made by other elements within the Commission charged with the development of standards for plant design, radiation protection, materials handling, and environmental consideration; the conduct of reactor safety research; and, the inspection and enforcement of the terms of the license during construction and operation of the facility. The technical information concerning the design and operation of the proposed reactor facility submitted by the applicant for license is referred to the Office of Nuclear Reactor Regulation and it is here that the detailed analysis is performed to assure that all technical requirements are met.

The reactor regulation program continues to strive toward minimizing the time required for the conduct of safety reviews consistent with maintaining the necessary high quality of review and the conduct of an orderly and hopefully more predictable licensing process. The duplication of previously licensed facilities; standardization in reactor and balance-of-plant designs; and specificity in defining licensing requirements all aid in bringing about reductions in the average licensing time experienced at both the construction permit stage and the operating license stage of review.

The Joint Committee notes that the NRC requested of OMB \$39,590,000 for fiscal year 1977 for the conduct of the nuclear reactor regulation program. This amount envisioned the employment of 649 personnel in the program. These numbers were reduced by the OMB to \$38,885,000 and 613 respectively. The committee recommends restoration of the budget to \$39,590,000—the full amount requested by NRC.

NRC witnesses testified that the addition of 36 positions which would be possible under the increase in funding recommended by the committee, would permit strengthening of the nuclear reactor regulation program and further progress in reducing the average time for licensing reviews.

II. STANDARDS DEVELOPMENT

A. NRC request

The NRC requested authorization of \$11,425,000 for fiscal year 1977 for its standards development program. The fiscal year 1977 request represents a \$1,280,000 increase over the estimated obligations for fiscal year 1976, and would provide for an additional 18 personnel positions.

The standards development program is aimed at developing the standards which NRC needs to regulate nuclear facilities and commercial uses of nuclear materials. These standards pertain to safety, materials and plant protection (safeguards), environmental protection, and radiation protection.

B. Committee action

The NRC's standards development program performs an important support function for the NRC program offices responsible for the regulation of nuclear facilities. It develops regulations, regulatory guides and technical reports applicable to the expanding field of nuclear technology. The acceptability of design of proposed nuclear components, systems, operating plans and procedures can then be judged by comparison to the standard or guide in a quantitative or near-quantitative manner.

The development of standards is in general an inherently slow process, probably more so in the case of nuclear standards than for other engineering applications. There is a continuing dialog with and participation by representatives of industry in the formulation of standards through task forces, committees, and working groups. Before adoption into regulatory practice proposed standards are promulgated by public notice for study and comment by other agencies of government, industry, and the public at large. The standards resulting from this process codify sound practice and provide a mechanism for promulgating solutions to recurring problems.

In view of the many areas in which standards are needed, but not yet developed, the NRC and the national standards committees have assigned priorities so that their simultaneous efforts will be directed toward those areas in which standards are most needed. From the regulatory point of view the goal is production of standards which will contribute to the stabilization of the regulatory process and permit more efficient utilization of the safety reviewers' time. From industry's point of view the existence of an approved regulatory standard for a component or procedure provides a clearer understanding of requirements for design, fabrication, and operation coupled with improved predictability in the licensing review process. The development and implementation of standards and codes contributes significantly to the achievement of safe, reliable and economic nuclear powerplants.

In view of the importance of nuclear standards development, the Joint Committee recommends an increase in budget authority for this program in fiscal year 1977 to \$11,725,000—the full amount requested in the NRC submission to the OMB. The increase recommended amounts to only \$300,000, but would provide for the addition of 17 positions for acceleration of this important work.

III. INSPECTION AND ENFORCEMENT

A. NRC request

The NRC requested authorization of \$26,290,000 for fiscal year 1977 for the salaries and expenses related to the inspection and enforcement program. This represents a 23 percent increase, or \$4,875,000, above the estimated obligations for fiscal year 1976. An additional 94 personnel positions would be created by the additional authorization requested by NRC for inspection and enforcement.

B. Committee action

The funds being requested for this activity will be utilized in assuring through field inspection and investigation, that nuclear facilities and materials are used in a safe manner in accordance with the licenses and permits issued by the Nuclear Regulatory Commission.

Staffing increases in fiscal year 1977 will occur primarily in two program areas—reactor safety inspections and safeguards inspections. The increase in reactor inspectors is necessitated by the substantial growth in workload due to the projected increased number of reactors with construction permits (from 95 in fiscal year 1976 to 114 in fiscal year 1977) and operating licenses (from 64 in fiscal year 1976 to 75 in fiscal year 1977). The increase in safeguards inspectors also reflects

a buildup in workload, plus a need to develop additional safeguards inspection standards and guides.

NRC estimates that in fiscal year 1976 it will carry out 4,210 inspections, make 60 incident investigations, and take 2,090 enforcement actions in all of its programs. Based on the budget submitted to the Congress, these are projected to grow in fiscal year 1977 to 4,610 inspections, 70 incident investigations, and 2,340 enforcement actions.

The Joint Committee notes with approval that NRC has been experimenting with a number of novel approaches designed to improve the effectiveness of its inspection program. Notable among these are the resident inspector program and the vendor inspection program. Since NRC cannot and need not duplicate all of the inspections made internally by the utilities, reactor manufacturers and other groups, it should seek the best methods for assuring itself that its inspections provide the maximum amount of information for determining that the activities of the licensees are being carried out in full compliance with license conditions.

The Joint Committee recommends that the funds for this program be increased by \$1,610,000, which will result in an authorization of \$27,900,000—the level of funding requested of OMB by the NRC. This would permit NRC a total of 185 new personnel positions for this program, rather than the 94 allowed by the OMB. The additional personnel recommended by the Committee should result in significant improvements in both the frequency and thoroughness of the inspections made by NRC in the coming fiscal year.

IV. NUCLEAR MATERIALS SAFETY AND SAFEGUARDS

A. NRC request

The NRC requested authorization of \$17,950,000 for fiscal year 1977 salaries and expenses for the nuclear materials safety and safeguards program. This request represents a 37 percent, or \$4,875,000 increase over estimated fiscal year 1976 obligations and would provide for an additional 77 personnel positions.

B. Committee action

The funds being requested under this activity are to be utilized by NRC for ensuring public health and safety in the licensing and regulation for all nonreactor nuclear materials and facilities licensed under the Atomic Energy Act. This responsibility includes providing adequate measures to prevent sabotage of nuclear facilities and the theft or diversion of significant quantities of nuclear materials.

Nuclear Safeguards

Considerable concern has been expressed over the past several years with respect to the potential hazards to the public which could result through the sabotage of nuclear facilities or the unauthorized use of nuclear materials. This concern has been significantly intensified by a major increase in terrorist activity worldwide. In response to this concern, and in accordance with the Energy Reorganization Act of 1974, the NRC has substantially expanded the regulatory effort being devoted to safeguards.

It is obviously difficult to determine in a quantitative way what constitutes an adequate safeguards posture. The Joint Committee cer-

tainly expects NRC to take all reasonable steps to reduce the risks to a very low level. On the other hand, the Joint Committee believes that NRC should be very judicious about imposing undue regulatory burdens on the nuclear industry in the safeguards area. In each instance, the incremental benefits to be gained in implementing additional safeguards should be carefully weighed against the costs required to put them into place. It is particularly important that the risks involved here be kept in some perspective with respect to the risks associated with potential criminal activities in non-nuclear areas—such as the poisoning of water supplies or the sabotage of chemical plants.

Nuclear Materials

Funds being requested under this overall program are also needed for NRC to carry out its responsibilities for (a) the licensing of non-reactor nuclear fuel facilities—such as reprocessing plants, (b) the licensing of radioactive materials used for medical, industrial and other purposes, (c) the licensing of containers for shipment of spent fuel and other radioactive materials, and (d) the administration of the program for cooperation with Agreement States.

As a part of this program, NRC has been conducting and is planning to initiate further studies of fuel cycle problems to assure that adequate protection of the public health and safety is provided without placing unnecessary requirements on this regulated industry. For example, in January 1976, NRC submitted to the Congress its Nuclear Energy Center Site Survey, which concluded that such centers might offer certain public benefits, but there was no compelling need for them. A security agency study, which is examining the possible need for direct Federal involvement, is nearing completion. NRC is planning to conduct further studies in areas such as waste management, uranium enrichment, uranium mill tailings, and reprocessing and fuel storage.

In view of the fact that the number of fuel cycle facilities and strategic materials in use is projected to increase substantially as nuclear power grows, it is essential that NRC carry out studies such as these to assure that the comprehensive regulatory system necessary to handle the increased workload is in place when it is needed in the 1980's and beyond. Maximum use should be made of previous studies on these subjects—of which there are many—and care should be taken to closely coordinate NRC efforts with ERDA and other agencies with responsibilities in these areas.

Plutonium recycle

NRC intends to devote considerable attention over the coming year to the issue of whether or not the widescale use of mixed oxide fuel in light water reactors should be authorized. The Joint Committee commends the Commission for its decision to accelerate its review of this matter to the maximum extent consistent with a sound evaluation of this complex subject. As the Joint Committee indicated in its authorization report last year, "the Commission's decision in this matter is essential for industry and Government planning and action to take the steps necessary in providing the needed facilities to help in meeting the Nation's future energy requirements."

C. Committee recommendations

NRC testified that it had substantially underestimated in its fiscal year 1976 budget request the workload which has developed in the

nuclear materials safety and safeguards program in fiscal year 1976. As a result, a large backlog in materials safety and safeguards reviews has developed and less progress has been made toward developing NRC's regulatory approach in the safeguards area than was anticipated. In order to ensure that NRC has sufficient resources to keep pace with the expanding workload in this important program, the Joint Committee recommends that the funds for this program be increased by \$560,000, which will result in an authorization of \$18,510,000—the level of funding requested of OMB by the NRC. This would permit NRC a total of 107 new positions for this program rather than the 77 allowed by the OMB.

V. NUCLEAR REGULATORY RESEARCH

A. NRC request

The NRC requested authorization of \$122,390,000 for fiscal year 1977 for the nuclear regulatory research program, which is 11 percent or \$11,750,000, above the estimated fiscal year 1976 obligations. The request provides for an additional 29 personnel positions for the nuclear regulatory research program.

B. Committee action

The NRC's regulatory research program provides the agency with an independent capability to verify information developed by applicants for licenses or cited by them in support of their application for a license. The nature of the work performed under this program is that of confirmatory assessment research and is not intended to be duplicative of work performed by others. In particular it should not include work which is properly the responsibility of the reactor or systems developer.

The Joint Committee is encouraged by NRC's report that non-nuclear experiments are currently underway in the Loss of Fluid Test Reactor (LOFT). Data to be derived from these tests are expected to provide important experimental information on the coupled nuclear and thermal-hydraulic effects occurring during a postulated loss of coolant accident in a light water reactor.

The Joint Committee notes that foreign countries are contributing both funds and technical manpower to the LOFT experimental program, which provides strong evidence of their interest in the important safety information to be derived therefrom.

The nuclear regulatory research program is made up of three principal areas of research—nuclear reactor safety; fuel cycle and environmental protection; and safeguards. The Administration request of \$122,390,000 for fiscal year 1977 would, with respect to the previous year, allow a doubling of effort in the safeguards area but little more than a cost of living increase in the areas of reactor safety and fuel cycle and environmental protection.

The Joint Committee recommends an increase of \$20,902,000 for the nuclear regulatory research program for fiscal year 1977 to \$143,292,000—the full amount requested in the NRC submission to OMB. This would permit NRC a total of 37 new positions for this program rather than the 29 allowed by OMB. The additional funds provided by this recommendation should be utilized in the area of reactor safety in work primarily directed toward accelerating research effort on generic items which have been identified by NRC and its advisors.

VI. PROGRAM TECHNICAL SUPPORT AND PROGRAM DIRECTION AND ADMINISTRATION

A. NRC request

The NRC requested authorization of \$10,180,000 for fiscal year 1977 salaries and expenses for Program Technical Support, which is an increase of \$35,000 over the estimated fiscal year 1976 obligations. The NRC request would result in a reduction of 19 personnel positions from the fiscal year 1976 estimate.

The NRC also requested authorization of \$22,310,000 for fiscal year 1977 salaries and expenses for Program Direction and Administration. This NRC request represents a 9 percent increase, or \$1,775,000, over the fiscal year 1976 estimate for salaries and expenses, and provides for an additional 33 personnel positions.

B. Committee action

These two budget categories provide salaries and other costs for NRC staff engaged in support of the Commission's policy and executive direction functions; for NRC staff engaged in a variety of administrative and general management functions; for staff responsible for NRC legal services; for boards to conduct and review adjudicatory licensing hearings and for the support of committees which provide advice to NRC.

As with the other elements of the NRC budget, the Joint Committee recommends the restoration of all the funds deleted from these two programs by the OMB. The Program Technical Support effort should be increased by \$325,000 to a level of \$10,505,000—resulting in a reduction of five personnel positions for this function rather than the reduction of 19 positions contemplated by the OMB. The Program Direction and Administration effort should be increased by \$468,000 to a level of \$22,778,000—resulting in the addition of 58 personnel positions for this function rather than the 33 positions allowed by the OMB. The increased funding levels should permit these support functions to be carried out in a more effective manner.

The Joint Committee again urges that NRC closely examine all of its operations to assure the maximum utilization and productivity of its personnel. The staffing level for the nuclear regulatory operation has increased very substantially over the past few years, and the fiscal year 1977 budget recommended by the Joint Committee reflects a further increase of 461 positions over the fiscal year 1976 level of 2,289 positions. It is thus incumbent upon NRC to take aggressive actions to provide for the most judicious use of its resources.

The Nuclear Regulatory Commission has been in operation now for over a year. During that period, a major effort has been devoted to establishing new organizational arrangements and bringing in additional top quality technical and management personnel. NRC has also been faced with a number of very difficult challenges during its initial year.

From an overall viewpoint, NRC has responded well to these challenges, and the events over the past year have reconfirmed the basic soundness of the comprehensive regulatory system established by the Congress through the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. It is indeed timely for NRC

to carefully examine its operations and to assure itself that the considerable resources provided by the Congress are being utilized with the maximum efficiency.

In this regard, the Joint Committee understands that NRC's headquarters are now housed in some 11 separate buildings—located in Bethesda, Rockville, Germantown, and Silver Spring, Maryland; and the District of Columbia. This dispersal of personnel is obviously resulting in substantial inefficiencies in the NRC operation. The Joint Committee strongly recommends that those in the Administration responsible for providing office space for Federal agencies take action to correct this problem—preferably by finding a single suitable location in the Washington metropolitan area for NRC.

COMPARATIVE COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the Joint Committee has prepared a 5-year projection of NRC's estimated costs. The committee's estimate of the net costs to be incurred in carrying out the NRC authorization bill as reported by the committee reflects the NRC's estimates adjusted by the committee to include the committee's recommended increases. The estimate for fiscal year 1977 is \$259.5 million, a \$23.5 million increase in costs above the NRC's estimate.

The amount authorized for the salaries and expenses of NRC is for "no year" appropriations, but the unobligated balance in any year will be used to reduce the request for new obligational authority in the succeeding year. Also NRC's salaries and expenses will be authorized annually. While it is contemplated that most programs will continue beyond fiscal year 1977, the number of programs to continue and their future level of funding are contingent upon many decisions which have not yet been made. Therefore, the committee has no information upon which to predict any future level of salaries and expenses different from those projected by the NRC. The Commission's estimate of future years' net costs adjusted to reflect a \$1 million carryover to fiscal year 1978 due to the committee's fiscal year 1977 action is as follows:

Fiscal years:	Net Costs	Millions
1978	-----	\$241
1979	-----	250
1980	-----	255
1981	-----	260

SECTION-BY-SECTION ANALYSIS

Section 101 authorizes appropriations 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, as amended, in the amount of \$274,300,000 for fiscal year 1977.

Section 102 authorizes NRC to receive, hold and use monies received by the Commission for cooperative nuclear safety research programs and to use them as appropriate to pay for salaries and expenses associated with these programs. The section also provides that such monies

will remain available until expended, notwithstanding the provisions of section 3617 of the Revised Statutes.

Section 103 provides authorization for the transfer of amounts from the Commission's Salaries and Expenses appropriation to other agencies of the Government for the performance of the work for which the Commission's appropriation is made.

Section 104(a) amends Public Law 94-79 to provide for authorization for monies received by the Commission for cooperative nuclear safety research programs to be used as salaries and expenses associated with these programs and for them to remain available until expended notwithstanding the provisions of section 3617 of the Revised Statutes. This amendment gives the Commission the same authority for fiscal year 1976 as that provided by section 102 of the bill for fiscal year 1977.

Section 104(b) amends Public Law 94-78 by authorizing "no year" funding for fiscal year 1976. A substantial portion of the Commission's funding is used to finance research and other contractual support. Authorization for "no year" appropriations would provide the time needed by NRC to define the scope, scheduling and dollar impact of its research activities, and thereby conduct its research effort in a planned and efficient manner. This "no year" funding authorization is consistent with the past practice of the Atomic Energy Commission and with the authorization of appropriations for fiscal year 1977 contained in section 101 of the bill.

CHANGES IN EXISTING LAW

In accordance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law recommended by the bill accompanying this report are shown as follows (deleted matter is shown in black brackets and new matter is printed in italic; and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 94-79

AN ACT To authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes.

* * * * *

SEC. 101. There is authorized 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: \$222,935,000 for fiscal year 1976 and \$52,750,000 for the period from June 1, 1976 through September 30, 1976 and shall remain available until expended.

SEC. 102. Monies received by the Commission for the Cooperative Nuclear Research Program may be retained and used for salaries and expenses associated with that program, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation acts.

ESTIMATE AND COMPARISON, CONGRESSIONAL BUDGET OFFICE

Pursuant to Section 403 of the Congressional Budget Act of 1974, the following report has been submitted to the Joint Committee by the Congressional Budget Office:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 30, 1976.

HON. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 12387 and S. 3107 (identical), Nuclear Regulatory Commission Authorization Bill, Fiscal Year 1977.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

APRIL 30, 1976.

- (1) Bill Number: H.R. 12387 and S. 3107 (identical)
- (2) Bill Title: Nuclear Regulatory Commission Authorization Bill, Fiscal Year 1977
- (3) Purpose of Bill: The purpose of this bill is to authorize appropriations to the Nuclear Regulatory Commission in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, and Section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes. The bill provides authorization and is subject to appropriations action.
- (4) Cost Estimate: The bill has no budget effects for fiscal year 1976 or the transition quarter. Only the authorization included in this bill is considered, and no judgment is made about the authorization this bill implies for future fiscal periods. The overall budget effect follows:

	BUDGET EFFECTS				
	[In millions of dollars]				
	Fiscal year —				
	1977	1978	1979	1980	1981
Authorization levels.....	274.3				
Costs.....	186.5	87.8			

- (5) Basis for Estimate: All Nuclear Regulatory Commission funding is for its "salaries and expenses" account. All the funding authorized in this bill is assumed to be obligated in FY 1977. A spend-out pattern of 68 percent in the first year and 32 percent in the second

year is assumed. This relatively slow pay-out distribution for a "salaries and expenses" account is based on historical experience and is due to the inclusion of funding for contracts in this account.

- (6) Estimate Comparison: None.
- (7) Previous CBO Estimate: None.
- (8) Estimate Prepared by: William F. Hederman (225-5275).
- (9) Estimate Approved by: James L. Blum, Assistant Director for Budget Analysis.



S. 3107

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. There is hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended; for salaries and expenses, \$274,300,000 to remain available until expended.

SEC. 102. Moneys received by the Commission for the cooperative nuclear safety research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation Acts.

SEC. 103. Transfers of sums from salaries and expenses may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

AMENDMENTS TO PRIOR YEAR ACT

SEC. 104. (a) Title I of Public Law 94-79 is amended by adding section 102 to read as follows: "Moneys received by the Commission for the cooperative nuclear research program may be retained and used for salaries and expenses associated with that program, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriation Acts."

(b) Section 101 of Public Law 94-79 is amended by adding the phrase "and shall remain available until expended" after the words "September 30, 1976".

Speaker of the House of Representatives.

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

May 12, 1976

Dear Mr. Director:

The following bills were received at the White House on May 12th:

- | | |
|-----------|-------------|
| S. 2619 ✓ | H.R. 2776 ✓ |
| S. 2620 ✓ | H.R. 4038 ✓ |
| S. 3031 | H.R. 5227 ✓ |
| S. 3107 ✓ | H.R. 8863 ✓ |

Please let the President have reports and recommendations as to the approval of these bills 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.