



April 18, 2016

TO: Members, Subcommittee on Energy and Power and Subcommittee on  
Environment and the Economy

FROM: Committee Majority Staff

RE: Hearing entitled “Fiscal Year 2017 Nuclear Regulatory Commission Budget”

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## I. INTRODUCTION

On Wednesday, April 20, 2016, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy and Power and the Subcommittee on Environment and the Economy will hold a joint hearing entitled “Fiscal Year 2017 Nuclear Regulatory Commission Budget.”

## II. WITNESSES

The four commissioners of the Nuclear Regulatory Commission (NRC) are the only witnesses:

- Stephen Burns, Chairman;
- Kristine Svinicki, Commissioner;
- William Ostendorff, Commissioner; and,
- Jeff Baran, Commissioner.

## III. BACKGROUND

The NRC is an independent agency established by Congress in the Energy Reorganization Act of 1974.<sup>1</sup> Its mission is “to license and regulate the Nation’s civilian use of byproduct, sources, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment.”<sup>2</sup>

NRC requests total budget authority of \$982.3 million<sup>3</sup> for Fiscal Year (FY) 2017, including \$12.1 million for the Office of Inspector General. Of the \$970.2 million the NRC

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<sup>1</sup> P.L. 93-438.

<sup>2</sup> Nuclear Regulatory Commission, “Mission.” Accessible at: <http://www.nrc.gov/about-nrc.html>.

<sup>3</sup> Nuclear Regulatory Commission, “*Congressional Budget Justification Fiscal Year 2017*,” Nureg-1100, Volume 32. Accessible at: <http://pbadupws.nrc.gov/docs/ML1603/ML16036A086.pdf>

requests for direct activities, \$851.2 million would be recovered in fees assessed to applicants and NRC licensees,<sup>4</sup> resulting in a net appropriation of \$119 million.

The Consolidated Appropriations Act of 2016<sup>5</sup> established four budgetary control points for NRC activities:

- *Nuclear Reactors Safety* - includes licensing, regulating, and overseeing civilian nuclear power, research and test reactors, and medical isotope facilities;
- *Nuclear Materials and Waste Safety* - includes activities associated with the production of nuclear fuel: storage, transportation, and disposal of high-level radioactive waste and spent nuclear fuel;
- *Decommissioning and Low-Level Waste* - includes the licensing and oversight of sites undergoing decommissioning, the licensing and oversight of new and operating uranium recovery facilities, and the oversight of the national low-level waste management program; and
- *Integrated University Program* – includes grants for nuclear engineering education.

Nuclear Regulatory Commission FY2017 Budget Request<sup>6</sup>

Budget Authority and Full-Time Equivalents (Dollars in Millions)						
Major Programs	FY 2016 Enacted		FY 2017 Request		Changes from FY 2016	
	\$M	FTE	\$M	FTE	\$M	FTE
Operating Reactors	589.2	2,157.2	587.5	2,103.6	(1.7)	(53.6)
New Reactors	171.3	622.9	169.9	614.6	(1.4)	(8.3)
<b>Nuclear Reactor Safety</b>	<b>\$760.4</b>	<b>2,780.1</b>	<b>\$757.4</b>	<b>2,718.2</b>	<b>\$(3.0)</b>	<b>(61.9)</b>
Fuel Facilities	44.3	172.5	41.5	157.1	(2.9)	(15.4)
Nuclear Materials Users	91.6	310.8	92.5	307.9	0.9	(2.9)
Spent Fuel Storage and Transportation	36.1	135.7	37.2	129.3	1.1	(6.5)
Decommissioning and Low-Level Waste	\$42.5	152.9	41.6	149.5	(1.0)	(3.3)
<b>Nuclear Materials and Waste Safety</b>	<b>\$214.6</b>	<b>771.9</b>	<b>\$212.8</b>	<b>743.8</b>	<b>\$(1.8)</b>	<b>(28.1)</b>
<b>Program Subtotal</b>	<b>\$975.0</b>	<b>3,552.0</b>	<b>\$970.2</b>	<b>3,462.0</b>	<b>\$(4.8)</b>	<b>(90.0)</b>
Integrated University Program	\$15.0	0.0	\$0.0	0.0	\$(15.0)	0.0
<b>Subtotal</b>	<b>\$990.0</b>	<b>3,552.0</b>	<b>\$970.2</b>	<b>3,462.0</b>	<b>\$(19.8)</b>	<b>(90.0)</b>
Inspector General	12.1	63.0	12.1	63.0	0.0	0.0
<b>Subtotal</b>	<b>\$1,002.1</b>	<b>3,615.0</b>	<b>\$982.3</b>	<b>3,525.0</b>	<b>\$(19.8)</b>	<b>(90.0)</b>
Reimbursable FTE		12.9		12.4		(0.5)
<b>Total</b>	<b>\$1,002.1</b>	<b>3,627.9</b>	<b>\$982.3</b>	<b>3,537.4</b>	<b>\$(19.8)</b>	<b>(90.5)</b>

\$M includes FTE costs as well as contract support and travel. Numbers may not add due to rounding.

The NRC requests \$5 million for activities related to the development of regulatory infrastructure for advanced nuclear reactor technologies, as part of the Obama Administration’s “Mission Innovation” initiative. NRC proposes that this funding would be included in its annual appropriation and would not derive from NRC’s fee collection.

<sup>4</sup> By law, the NRC is required to recover approximately 90 percent of its budget through fees.

<sup>5</sup> P.L. 114-113.

<sup>6</sup> NRC Congressional Budget Justification, p. x.

The Commission continues to examine long-term staffing and budgetary needs through “Project Aim 2020.”<sup>7</sup> As a part of this effort, NRC identified 29 cost-saving measures totaling reductions of \$4.5 million and 32.7 FTE that were incorporated into the budget request. 151 additional measures totaling reduced spending of \$17.9 million in contract dollars and 187.3 FTE are identified by NRC staff in its “Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities.”<sup>8</sup> The Staff recommendations are currently pending before the Commission.

#### **IV. ISSUES**

The following issues may be examined at the hearing:

- Commission budget proposal for FY 2017;
- Ongoing organizational and management initiatives;
- Rulemakings under development or pending before the Commission; and
- Legislative proposals.

#### **V. STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Andy Zach of the Committee staff at (202) 225-2927.

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<sup>7</sup> The most recent monthly update is available here: <http://www.nrc.gov/docs/ML1606/ML16068A121.pdf>

<sup>8</sup> Nuclear Regulatory Commission, “SECY-16-0009: Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities,” released February 9, 2016. Accessible at: <http://www.nrc.gov/docs/ML1602/ML16028A189.html>