



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 21, 1999

H.R. 2531
Nuclear Regulatory Commission Authorization Act for
Fiscal Year 2000

As ordered reported by the House Committee on Commerce on September 29, 1999

SUMMARY

H.R. 2531 would authorize the appropriation of \$465 million in 2000 for the Nuclear Regulatory Commission (NRC) and \$6 million for the NRC's Office of Inspector General. Of these amounts, \$19 million would be authorized to be appropriated from the Nuclear Waste Trust Fund, with the remainder coming from the general fund of the Treasury. The bill would extend the NRC's authority to offset all of its general fund appropriations with fees and annual charges through 2004. Under current law, this authority would otherwise expire at the end of fiscal year 2000. For 2000, the NRC has received an appropriation of \$465 million, and the NRC's Office of Inspector General received an appropriation of \$5 million. Thus, enactment of H.R. 2531 would authorize the appropriation of an additional \$1 million in 2000 above the amounts already appropriated for this agency.

H.R. 2531 would establish a new criminal penalty for the sabotage of nuclear production, utilization, or waste storage facilities. Because this provision would affect direct spending and receipts, pay-as-you-go procedures would apply to the bill, but CBO estimates such effects would be less than \$500,000 a year.

By extending the NRC's authority to collect fees from utilities, H.R. 2531 would impose both an intergovernmental and private-sector mandate as defined by the Unfunded Mandates Reform Act (UMRA). That mandate would not impose costs above the threshold established in UMRA for intergovernmental mandates (\$50 million in 1996, adjusted for inflation). CBO cannot, however, determine whether the direct costs of the mandate would exceed the annual threshold for private-sector mandates (\$100 million in 1996, adjusted for inflation) because UMRA does not clearly specify how to determine the direct costs associated with extending an existing mandate that has not yet expired. Depending on how they are measured, the direct costs to the private sector could exceed the threshold.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2531 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Net NRC Spending Under Current Law						
Budget Authority ^a	20	23	0	0	0	0
Estimated Outlays	26	42	116	0	0	0
Proposed Changes						
NRC Spending						
Authorization Level	0	1	0	0	0	0
Estimated Outlays	0	1	0	0	0	0
Offsetting Collections						
Authorization Level	0	-1	0	0	0	0
Estimated Outlays	0	-1	0	0	0	0
Net NRC Spending Under H.R. 2531						
Budget Authority ^a	20	23	0	0	0	0
Estimated Outlays	26	42	116	0	0	0

a. The 1999 and 2000 levels are the net amounts appropriated for those years (gross appropriations less offsetting collections).

BASIS OF ESTIMATE

For purposes of this estimate, we assume the additional \$1 million authorized for 2000 by this bill will be provided.

The bill also would establish a new criminal penalty for the sabotage of nuclear production, utilization, or waste storage facilities. CBO estimates that enacting this provision would increase governmental receipts by less than \$500,000 a year. Criminal fines are deposited in the Crime Victims Fund and are spent in subsequent years. Thus, any resulting change in direct spending from the fund would also amount to less than \$500,000 annually.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting H.R. 2531 would result in net changes in direct spending and governmental receipts of less than \$500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The NRC currently collects annual fees from its licensees sufficient to offset its general fund appropriation. The NRC's existing authority to impose these fees expires at the end of fiscal year 2000. H.R. 2531 would extend the NRC's current authority to charge annual fees to offset all of its general fund appropriation through fiscal year 2004. The requirement to pay these fees would be both an intergovernmental and private-sector mandate as defined in UMRA.

Under current law, when the NRC's authority to collect fees to offset its general fund appropriation expires at the end of 2000, CBO estimates that the utilities would pay fees equal to about one-third of NRC's appropriation, or \$155 million in 2001. Under the extension of NRC's authority in H.R. 2531 and assuming the 2000 appropriation level is maintained through 2004, utilities would pay \$451 million in fees each year through 2004, or \$296 million more each year than they would pay under current law. Most of the annual fees would be paid by private, investor-owned nuclear utilities (less than 5 percent would be paid by nonfederal, publicly owned utilities).

CBO cannot determine whether this mandate would impose any costs as defined in UMRA because the law is unclear about how to measure costs associated with extending an existing mandate that has not yet expired. Measured against the costs that would be incurred if current law remains in place and the annual fee declines, the total cost to the private sector of extending this mandate would be \$296 million annually, beginning in fiscal year 2001. In that case, the cost of the mandate would exceed the annual threshold for the private sector as defined in UMRA. By contrast, the costs could be measured against the current level of fees. In that case, the mandate would impose no additional costs on the private sector because the fees under H.R. 2531 would not differ much from those currently in effect. In either case, CBO estimates that the total costs to state, local, and tribal governments would be below the threshold for intergovernmental mandates established in UMRA.

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