



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 9, 2001

H.R. 723

A Bill to amend the Atomic Energy Act of 1954 to remove an exemption from civil penalties for nuclear safety violations by nonprofit institutions

*As ordered reported by the House Committee on Energy and Commerce on
February 28, 2001*

H.R. 723 would amend the Atomic Energy Act of 1954 to repeal the exemption from civil penalties for nuclear safety violations that currently applies to nonprofit institutions operating laboratories for the Department of Energy (DOE). Under the bill, nonprofit institutions that are operating DOE laboratories would be subject to penalties no greater than the amount that they are paid by DOE that is in excess of their reimbursable cost (this amount is known as the discretionary fee). Because enactment of H.R. 723 could result in an increase in governmental receipts if additional penalties are collected, pay-as-you-go procedures would apply. However, CBO estimates that any change in receipts would not be significant. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Currently, several nonprofit institutions (primarily universities) are exempt from paying civil penalties, assessed under the Price Anderson Act, for nuclear safety violations at DOE laboratories. According to DOE's Office of Enforcement and Investigation, over the last four years, nonprofit contractors have been assessed \$1.8 million in penalties. All of those penalties have been waived, in accordance with current law. Under H.R. 723, any future penalties imposed on these institutions would be paid to the Treasury. Based on penalties that have been assessed in the past, CBO expects that such revenues would be less than \$500,000 per year.

The CBO staff contact for this estimate is Lisa Cash Driskill. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.