



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

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NRC INCREASES PENALTY LIMITS AGAINST LICENSEES TO REFLECT INFLATION

The Nuclear Regulatory Commission is amending its regulations to increase the maximum monetary civil penalty it can impose on licensees for violating agency requirements. The increase, mandated by Congress, is to adjust fines for inflation. The agency's enforcement policy has been revised to reflect the new maximum penalty.

The maximum amount the agency may levy for the most severe violation is increased to \$120,000 from \$110,000 for each violation, each day. The NRC normally applies penalties of this magnitude only against power reactor licensees and gaseous diffusion plant certificate holders. Lower penalties are usually applied for less severe violations and against smaller businesses, such as radioactive material users and research reactor licensees. NRC has raised the base civil penalties to account for inflation as well.

The revision applies to violations that occur after the rule change becomes effective -- 30 days after publication of a *Federal Register* notice, expected shortly.

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, requires federal agencies to adjust their maximum monetary fines for inflation at least once every four years. The NRC's last adjustment to its maximum civil monetary penalties occurred in November 1996.

While the 1996 Act does not mandate changes to lesser civil penalty amounts, the NRC has modified its enforcement policy by increasing these penalties to maintain their proportional relationship to the maximum civil penalty. For example, the civil penalty for some fuel fabricators authorized to possess special nuclear material has been increased to \$60,000 from \$55,000 to ensure it retains its relationship as one half the maximum amount of a violation imposed on a power reactor licensee (\$120,000).

Additionally, penalties for civil fraud are amended by adjusting the maximum civil penalties under the Program Fraud Civil Remedies Act from \$5,500 to \$6,000 for each false claim or statement. These include instances in which a person knows or has reason to know the claim and statement to be false, fictitious, or fraudulent, or omitting a material fact.

NRC's enforcement policy is contained in NUREG-1600, which is available in its revised form at <http://www.nrc.gov/OE> on the agency's web site.

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