



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 16, 1998

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

SUBJECT: RULEMAKING FOR 10 CFR PARTS 50 AND 70, CRITICALITY
ACCIDENT REQUIREMENTS

In response to the staff requirements memorandum (SRM) dated August 19, 1997, the staff published in the Federal Register on December 3, 1997 (62 FR 63825), a direct final rule, and a parallel proposed rule (62 FR 63911). The rule change would adopt a new Section 50.68 which would allow licensees of light-water nuclear power reactors to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used to grant specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). The statement of considerations for the direct final rule and the proposed rule stated that if significant adverse comments were received on the direct final rule, the Commission would withdraw the direct final rule and would address the comments in a subsequent final rule. Significant adverse comments were received from the public, and on February 25, 1998, the NRC published a notice withdrawing the direct final rule and revoking the regulatory text [63 FR 9402]. Since the direct final rule had an effective date of February 17, 1998, it was necessary for the February 25, 1998, notice to revoke the regulatory text which became effective on February 17, 1998, as well as to withdraw the direct final rule. With the withdrawal and revocation, the proposed rule is the only regulatory proposal remaining. The staff has revised the proposed rule to address public comments and to make several editorial clarifications. The staff's analysis of and response to the public comments to the proposed rule are stated in the proposed Federal Register notice. Minor clarifications have been made in the final rule in response to the public comments.

In accordance with the rulemaking authority delegated to the EDO, I am requesting that the EDO sign this final rule and propose to forward it to the Office of the Federal Register for publication, unless otherwise directed by the Commission.

The Office of the General Counsel has no legal objection to this paper. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections. The Office of the Chief Information Officer has reviewed this paper for information technology and management implications and concurs in it.

Enclosures:

1. SRM dtd August 19, 1997
2. Federal Register notice + disk
3. Approval for Publication
4. Congressional Letters
5. Daily Staff Note
6. SBREFA

HL 6

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*See previous concurrence

DOCUMENT NAME: O:\JAMGOCHI\COMMEMO3.WPD

OFC	*DRPM:PGEB		*DRPM:PGEB		*TECH ED		*DRPM:PGEB	
NAME	MJamgochian:ayw		RAuluck		RSanders		TEssig	
DATE	09/21/98		09/23/98		09/25/98		09/23/98	
OFC	*DSSA:NRR		*AD:DRPM		*D:NMSS		*OGC	
NAME	GHolahan		JRoe		CPaperiello		STreby	
DATE	07/15/98		09/28/98		09/21/98		10/06/98	
OFC	*CFO		*CIO		*D:NRR		*OE	
NAME	JFunches		BShelton		SCollins		JLiebrerman	
DATE	09/21/98		09/21/98		10/07/98		09/21/98	

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DATE	09/21/98	09/23/98	<i>9/23/98</i>	09/23/98

OFC	*DSSA:NRR	AD:DRPM	*D:NMSS	<i>no legal objection changes noted</i>
NAME	GHolahan	<i>JRoe</i>	CPaperiello	<i>JGray S. Theby</i>
DATE	<i>07/15/98</i>	<i>9/23/98</i>	09/21/98	<i>10/6/98</i>

OFC	*CFO	*CIO	<i>D:NRR</i>	DEDE
NAME	JFunches	BShelton	<i>SCollins</i>	HThompson
DATE	09/21/98	09/21/98	<i>10/7/98</i>	<i>1/1</i>

OFC	*OE	OEDO
NAME	JLieberman	LJCallan
DATE	09/21/98	<i>1/98</i>

*subject to
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DATE	9/12/98	1/98		

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CONTACT:

Mike Jamgochian, DRPM/PGEB/NRR
 (301) 415-3224

*See previous concurrence

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OFC	<input checked="" type="checkbox"/> DSSA:NRR	<input checked="" type="checkbox"/> AD:DRPM	*D:NMSS	OGC
NAME	CHolahan	JRoe	<i>Papullo</i> MKnapp	JGray
DATE	07/15/98	07/20/98	08/20/98	/ /
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NAME	JFunches	BShelton	SCollins	HThompson
DATE	08/20/98	08/20/98	/ /	/ /
OFC	OE	OEDO		
NAME	JLieberman	LJCallan		
DATE	/ /98	/ /98		

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MEMORANDUM TO: Chairman Jackson
 Commissioner Diaz
 Commissioner McGaffigan

FROM: L. Joseph Callan
 Executive Director for Operations

SUBJECT: RULEMAKING FOR 10 CFR PARTS 50 AND 70, CRITICALITY
 ACCIDENT REQUIREMENTS

In response to the SRM dated August 19, 1997, the staff published in the Federal Register on December 3, 1997 (62 FR 63825), a direct final rule with opportunity to comment. The rule change would allow light-water nuclear power reactor licensees to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used to grant specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). Significant adverse comments were received from the public, and as a consequence, the staff withdrew the rule. This rulemaking is a reissuance of the rule with the comments addressed. Minor clarifications have been made in the final rule as a result of the public comments.

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Attachments:

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- ~~4. Press Release~~
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cc w/attachs: SECY, OGC, OCA, OIP, CFO, CIO DOCUMENT NAME: O:\JAMGOCHICOMMEMO3.WPD DIST: See Next page

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OFC	*DSSA:NRR		AD:DRPM		see at the request of NRR		OGC
NAME	GHolahan		JRoe		W.M. Minapp C.P.		JGray
DATE	07/15/98		7/29/98		8/10/98		/ /
OFC	CFO		CIO		D:NRR		DEDE
NAME	JF Arches		Shelton		SCollins		HThompson
DATE	8/12/98		8/12/98		/ /		/ /
OFC	EDO						
NAME	LJCallan						
DATE	/ /						

OE
 J. LIEBERMAN

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CONTACT: Mike Jamgochian, DRPM/PGEB/NRR, (301) 415-3224
 MEMORANDUM TO CHAIRMAN JACKSON AND COMMISSIONERS

MEMORANDUM TO: Chairman Jackson
 Commissioner Diaz
 Commissioner McGaffigan

FROM: L. Joseph Callan
 Executive Director for Operations

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Enclosures:

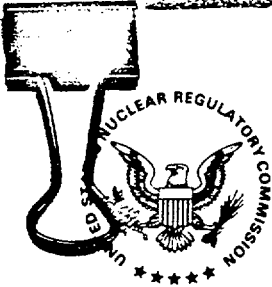
1. SRM dtd August 19, 1997
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CC: SECY, OGC, OCA, OIP, CFO, CIO DOCUMENT NAME: O:\JAMGOCHI\COMMEMO3.WPD DIST: See Next page

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NAME	GHolahan	JRoe	MKnapp	JGray
DATE	7/15/98	/ /	/ /	/ /
OFC	CFO	CIO	D:NRR	DEDE
NAME	JFunches	BShelton	SCollins	HThompson
DATE	/ /	/ /	/ /	/ /
OFC	EDO			
NAME	LJCallan			
DATE	/ /			

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CONTACT:
 Mike Jamgochian, DRPM/PGEB/NRR, (301) 415-3224
 MEMORANDUM TO CHAIRMAN JACKSON AND COMMISSIONERS



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 29, 1998

→ PGR
MTC
① Raj
② Mike

MEMORANDUM TO: Jack W. Roe, Acting Director
Division of Reactor Program Management
Office of Nuclear Reactor Regulation

FROM: *Valeria H. Wilson*
Valeria H. Wilson, Director
Division of Administrative Services
Office of Administration

SUBJECT: OFFICE CONCURRENCE ON A FINAL RULE ENTITLED
"CRITICALITY ACCIDENT REQUIREMENTS"

The Office of Administration (ADM) concurs, subject to the comments provided, on the final rule that amends 10 CFR Parts 50 and 70 concerning criticality monitoring systems. We have attached a marked copy of the package that presents our comments.

Please have your staff remove all comparative text markings before the final rule is submitted for the EDO's signature.

In addition to the standard notification letters to the Congressional oversight committees, please note that the letters necessary to notify the Speaker of the House, the President of the Senate, and the General Accounting Office of this final agency action as required by the Small Business Regulatory Enforcement Fairness Act must be included in the Congressional letter package when the final rule is submitted for publication.

If you have any questions concerning this matter, please have a member of your staff contact David L. Meyer, Chief, Rules and Directives Branch, at 415-7162 (DLM1) or Michael T. Lesar, ADM, at 415-7163 (MTL).

Attachment: As stated



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001
August 11, 1998

MEMORANDUM TO: Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

FROM: Carl J. Paperiello, Director
Office of Nuclear Material Safety
and Safeguards

SUBJECT: CONCURRENCE ON FINAL RULEMAKING ON CRITICALITY
ACCIDENT REQUIREMENTS

NMSS concurs in the final rule to:

- (1) Allow licensees to operate light-water nuclear power reactors without criticality monitors in the fresh fuel storage area, under conditions specified in a new 10 CFR 50.58, without first seeking an exemption from the requirements of 10 CFR 70.24(a).
- (2) Delete existing 70.24(d), which invites a request for an exemption from §70.24(a).

We note that the change in the final rule in response to industry comments [Comment 2 in your draft FRN] on the proposed §50.58(b)(3) allows unspecified administrative controls for fuel that may be more reactive than BWR fuel to be a basis for not analyzing k-effective corresponding to optimum moderation. This makes the rule weaker in prevention of accidental criticality than may be necessary to accommodate industry's concern about BWRs. A suggestion for your consideration is to add instead:

This evaluation need not be performed by BWR licensees complying with the recommendations of GE Service Information Letter SIL-152, "Criticality Margins for Storage of New Fuel," dated March 31, 1976.

Actions recommended in SIL 152 reportedly include fire protection nozzles that can only emit a solid stream and not a fog. NMSS would consider such nozzles as engineered or design features, rather than administrative controls.

CONTACT: Barry Mendelsohn, NMSS/FCSS
(301) 415-7262

From: Elizabeth Hayden
To: Michael Jamgochian
Date: 7/30/98 3:13pm
Subject: RULEMAKING ON CRITICALITY ACCIDENT REQUIREMENTS

Thank you for a copy of the package circulated by Jack Roe, dated 7/20, on final rulemaking on criticality accident requirements. same subject. The Office of Public Affairs recommends removal of the draft press release at Enclosure 4. This rulemaking does not appear to be an action that is of sufficient public interest to warrant a press release.

For future rulemakings, OPA would be pleased to look at the packages to determine whether a press release is necessary. If one is necessary, our office will draft one (in consultation with the appropriate program office staff) during while the package moves through the concurrence process. It is not the responsibility of the program office to draft press releases--this is OPA's job and we're prepared to do the writing.

CC: Jack Roe, Joe Gilliland

From: Shelly Shortt
To: WND2.WNP5.MTJ1
Date: 8/7/98 9:15am
Subject: OCFO CONCURRENCE -- CRITICALITY ACCIDENT REQUIREMENTS

Hi Mike.

The Office of the Chief Financial Officer has reviewed the final rule concerning rulemaking for 10 CFR parts 50 and 70, Criticality Accident Requirements for resource implciations and has no objections.

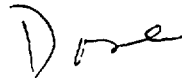
Via this e-mail I am providing OCFO concurrence with the following revision to the third paragraph of your letter to the Commission:

"The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections."

Please give me a call on 415-6032 if you would like to discuss.

Thanks.
Shelly Baggett, OCFO

CC: CFD, MDD, WND1.WNP1.SMH, WND2.WNP4.RVV, MLG1, JRE,...



From: David Nelson
To: Michael Jamgochian
Date: 8/11/98 8:48am
Subject: Rulemaking on Criticality Accident Reqs

OE has no comments to the proposed final rulemaking described in Mr. Roe's memo of July 20, 1998.

Dave Nelson
OE

CC: James Lieberman, Mark Satorius, Richard Borchard...



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

July 27, 1998

MEMORANDUM TO: Michael T. Jamgochian
Generic Issues and Environmental Projects Branch
Division of Reactor Program Management
Office of Nuclear Reactor Regulation

FROM: Brenda J. Shelton, Chief *Brenda J. Shelton*
Records Management Branch
Information Management Division
Office of the Chief Information Officer

SUBJECT: OFFICE REVIEW AND CONCURRENCE ON FINAL
RULEMAKING ON "CRITICALITY ACCIDENT REQUIREMENTS,"
10 CFR 50 AND 70

The Office of the Chief Information Officer has reviewed the subject final rulemaking and concurs in it. Should you require additional information, please contact Doris J. Curseen at 415-5876 or e-mail DJF3.

cc: R. Ingram, NRR

ENCLOSURE 1

SRM DTD AUGUST 19, 1997



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

August 19, 1997

Cys: Callan
Thadani
Thompson
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Blaha
Paperiello, NMSS
Knapp, RES
Lieberman, OE
Bajwa, S - NRR

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

FROM:

John C. Hoyle, Secretary

SUBJECT:

STAFF REQUIREMENTS - SECY-97-155 - STAFF'S
ACTION REGARDING EXEMPTIONS FROM 10 CFR 70.24
FOR COMMERCIAL NUCLEAR POWER PLANTS

The Commission has approved the staff's proposed actions for processing 10 CFR 70.24 exemptions and for addressing facilities which do not meet the requirements of 10 CFR 70.24 but which have not yet requested an exemption. The Commission has approved the staff's proposed actions for processing previous enforcement actions.

The Commission has also approved rulemaking to alleviate the 10 CFR 70.24 exemption problem. The staff should proceed with direct final rulemaking on this matter and inform the Commission of the milestones and completion dates for this rulemaking.
(EDED (RES) (SECY Suspense: 9/26/97) 9700237
(9/19/97)

The staff should issue appropriate generic communications regarding compliance and enforcement for the interim period until the rule can be appropriately corrected.
(EDCS (NRR) (SECY Suspense: 10/10/97) 9700236

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG

SECY NOTE: THIS SRM AND SECY-97-155 ARE ENFORCEMENT RELATED AND WILL BE LIMITED TO NRC UNLESS THE COMMISSION DETERMINES OTHERWISE.

ENCLOSURE 2

**FEDERAL REGISTER NOTICE
FINAL RULE**

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 50 and 70

RIN: 3150-AF87

Criticality Accident Requirements

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is amending its regulations to give licensees of light-water nuclear power reactors greater flexibility in meeting the requirement that licensees authorized to possess more than a small amount of special nuclear material (SNM) maintain a criticality monitoring system in each area in which the material is handled, used, or stored. This action is taken as a result of the experience gained in processing and evaluating a number of exemption requests from such licensees and NRC's safety assessments in response to these requests that concluded that the likelihood of criticality was negligible.

EFFECTIVE DATE: The final rule is effective on... [30 days after publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Michael T. Jamgochian, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: (301) 415-3224; e-mail: mtj1@nrc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

The U.S. Nuclear Regulatory Commission (NRC) is amending its regulations to give persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) through (c) of 10 CFR 70.24 in handling and storage areas for SNM, or electing to comply with certain requirements that are set forth in a new Section 50.68 in 10 CFR Part 50. The requirements in Section 50.68 are generally the requirements that the NRC has used to grant specific exemptions from the requirements of 10 CFR 70.24. In addition, the NRC is deleting the current text of Section 70.24(d) concerning the granting of specific exemptions from Section 70.24 because it is redundant to 10 CFR 70.14(a). Section 70.24(d) is rewritten to provide that the requirements in paragraphs (a) through (c) of 10 CFR 70.24 do not apply to holders of a construction permit or operating license for a nuclear power reactor issued under 10 CFR Part 50, or combined licenses issued under 10 CFR Part 52, if the holders comply with the requirements of 10 CFR 50.68(b).

II. Discussion

On December 3, 1997 (62 FR 63825), the NRC published a direct final rule in the *Federal Register* that would have provided persons licensed to construct or operate light-water nuclear power reactors with the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for SNM, or electing to comply with requirements that would be incorporated into 10 CFR Part 50 at 10 CFR 50.68. A direct final rule (62 FR 63825) and a parallel proposed rule (62 FR 63911) amending Parts 70 and 50 were published in the Federal Register on December 3, 1997. The statement of considerations for the direct final rule and the proposed rule stated that if significant adverse comments were received on the direct final rule, the NRC would withdraw the direct final rule and would address the comments in a subsequent final rule. Significant adverse comments were received from the public, and on February 25, 1998, the NRC published a notice withdrawing the direct final rule and revoking the regulatory text. Since the direct final rule had an effective date of February 17, 1998, it was necessary for the February 25, 1998 notice to revoke the regulatory text which became effective on February 17, 1998, as well as to withdraw the direct final rule. With the withdrawal and revocation, the proposed rule is the only regulatory proposal remaining. The NRC has determined to modify the proposed rule to address public comments and to make several editorial clarifications. The analysis of and response to the public comments to the proposed rule are set forth below.

III. Comments on the Proposed Rule

The NRC received comments on the December 3, 1997, proposed rule (62 FR 63911) from Commonwealth Edison, Carolina Power & Light Company, Southern Nuclear Operating Company, Nuclear Energy Institute, Northern States Power Company, Trojan Nuclear Plant, and Detroit Edison. Copies of the letters are available for public inspection and copying for a fee at the Commission's Public Document Room, located at 2120 L Street, NW. (Lower Level), Washington, DC. Many of the comment letters suggested editorial type changes, some of which have been incorporated into this final rule. The comments are classified into nine general comments and are addressed as follows:

Comment 1: The proposed rule should not prohibit licensees from applying for exemptions under the guidelines of 10 CFR 70.14 and should contain provisions to note that any existing approved exemptions remain valid.

Response: Even though the wording of paragraph (d) in the current version of 10 CFR 70.24, which provides for applying for exemptions should "good cause" exist, is being deleted, licensees are not prohibited from applying for such exemptions under the guidelines of paragraph (a) of 10 CFR 70.14, "Specific Exemptions."

The standard for issuance of exemptions under Section 70.14 is essentially the same as the "good cause" criterion in paragraph (d) of Section 70.24. Therefore, its removal from Section 70.24(d) will not change the standard for, or otherwise serve to limit the granting of, exemptions to Section 70.24.

This rulemaking does not affect the status of exemptions to the requirements of Section 70.24 that were previously granted by the NRC. A licensee currently holding an exemption to Section 70.24 may continue operation under its existing exemption (including any applicable conditions imposed as part of the granting of the exemption) and its current programs and commitments without any further action. Alternatively, a licensee currently holding exemptions to Section 70.24 may elect to comply with the new alternative provided under Section 50.68(b), but if it does so, its exemption would be inapplicable and would not serve as a basis for avoiding compliance with the criteria listed in Section 50.68(b). A licensee whose exemption was issued as part of its operating license and whose exemption contained conditions imposed as part of the granting of the exemption, need not apply for a license amendment to delete the exemption conditions as a prerequisite for complying with Section 50.68(b).

Comment 2: For many BWRs, optimum moderation calculations are not performed for the fresh fuel storage racks because administrative controls are in place to preclude these conditions. In accordance with vendor recommendations, compensatory measures have been established to preclude an optimum moderation condition in the fresh fuel storage racks. The rule should contain a provision that exempts this requirement if adequate controls have been established to preclude an optimum moderation condition.

Response: The NRC agrees and has added the following provision to 10 CFR 50.68(b)(3): "This evaluation need not be performed if administrative control and/or design features prevent such moderation, or if fresh fuel storage racks are not used."

Comment 3. The rule should eliminate the reference to General Design Criterion 63 (GDC 63) and should describe the underlying monitoring requirements.

Response: The reference to GDC 63 was initially incorporated to ensure that licensees receiving an exemption to 10 CFR 70.24 would not erroneously view the exemption as the basis for removing from the spent fuel pool area radiation monitors that were installed to meet other monitoring requirements, such as those contained in 10 CFR 20.1501 and GDC 63. This rule change does not affect these other monitoring requirements; therefore, referencing GDC 63 has been deleted.

Comment 4. Placing a limit on enrichment offers no direct safety benefit and should not be included.

Response: The NRC disagrees with the comment. The maximum allowable nominal enrichment of reactor fuel is currently limited to 5-weight percent on the basis of possible criticality concerns even in a dry environment, as well as currently approved extensions to 10 CFR 51.52 based on an environmental impact study for enrichments higher than 5-weight percent. Any future approved enrichment extension can be readily handled by modifying this criterion.

Comment 5. Replace “may not permit” with “shall prohibit the” in Criterion (1).

Response: The NRC agrees and has used the phrase suggested by the commenter.

Comment 6. Use of “pure water” and “unborated water” should be consistent.

Response: The NRC agrees. The final rule uses the term “unborated water.”

Comment 7. Criteria (2) and (3) should not be applicable if the licensee does not use the fresh fuel storage racks.

Response: The NRC agrees and has added the following provision to 10 CFR 50.68(b)(2) and (b)(3): “This evaluation need not be performed if administrative controls and/or design features prevent such moderation or if fresh fuel storage racks are not used.”

Comment 8. The meaning of “transportation” in criterion (1) is unclear.

Response: The NRC agrees and has deleted the term.

Comment 9. The phrase “maximum permissible U-235 enrichment” in Criteria (2), (3), and (4) should be replaced by the phrase “maximum fuel assembly reactivity.”

Response: The NRC agrees and has used the phrase suggested by the commenter.

IV. Section-by-Section Analysis

10 CFR Section 50.68

Paragraph (a) of Section 50.68 allows a nuclear power plant licensee (including a holder of either a construction permit or a combined operating license) the option of complying with Section 70.24(a) through (c), or complying with the requirements in paragraph (b) of Section 50.68. The corresponding provision in Section 70.24 is paragraph (d).

Paragraph (b) sets forth eight specific requirements which a licensee must comply with so long as it chooses under the provisions of Section 50.68 to avoid compliance with the requirements of Section 70.24(a) through (c).

A licensee currently holding an exemption to Section 70.24 may elect to comply with the new alternative provided under Section 50.68, but if it does so, its exemption to Section 70.24 is inapplicable to, and would not serve as a basis for avoiding compliance with the eight criteria in Section 50.68(b).

10 CFR Section 70.24

Paragraph (d)(1) of Section 70.24 allows a nuclear power plant licensee (including a holder of either a construction permit or a combined operating license) the option of complying with Section 70.24(a) through (c), or complying with the requirements in 10 CFR § 50.68. This paragraph is the corresponding provision to Section 50.68(a).

Paragraph (d)(2) clarifies that the status of exemptions to the requirements of Section 70.24 that were previously granted by the NRC continue unaffected by this rulemaking. A licensee currently holding an exemption to Section 70.24 may continue operation under its existing exemption (including any applicable conditions imposed as part of the grant of the exemption) and its current programs and commitments without any further action.

A license that seeks an exemption from the requirements of Section 70.24 must meet the criteria for an exemption under Section 70.14. The standard for issuance of exemptions

remains unchanged from the old rule, since the Commission regards the former "good cause" criterion under the previous version of Section 70.24(d) as being essentially the same as the standard for issuance of exemptions under Paragraph 70.14.

V. Metric Policy

On October 7, 1992, the Commission published its final Policy Statement on Metrication. According to that policy, after January 7, 1993, all new regulations and major amendments to existing regulations were to be presented in dual units. The new addition and amendment to the regulations contain no units.

VI. Finding of No Significant Environmental Impact

The NRC has determined under the National Environmental Policy Act of 1969, as amended, and the Commission's regulations in Subpart A of 10 CFR Part 51, that this rule, would not be a major Federal action significantly affecting the quality of the human environment; and therefore, an environmental impact statement is not required. The final rule provides an alternative to existing requirements on criticality monitoring. The alternative method contained in the final rule in the new Section 50.68 represents a codification of the criteria currently used by the NRC for granting exemptions from the criticality monitoring requirements in 10 CFR 70.24(a). These criteria provide an acceptable alternative for assuring that there are no inadvertent criticality events of special nuclear material at nuclear power reactors, which is the purpose of the criticality monitoring requirements in Section 70.24(a). Experience over 15 years has demonstrated that the alternative criteria have been effective in

preventing inadvertent criticality events, and the NRC concludes that as a matter of regulatory efficiency, there is no purpose to requiring licensees to apply for and obtain exemptions from requirements of Section 70.24(a) if they adhere to the alternative criteria in the new Section 50.68. Since the alternative contained in Section 50.68 provides an equally-effective method for preventing inadvertent criticality events in nuclear power plants, the NRC concludes that the final rule will not have any significant impact on the quality of the human environment. Therefore, an environmental impact statement has not been prepared for this regulation. This discussion constitutes the environmental assessment for this rulemaking.

VII. Paperwork Reduction Act Statement

This final rule does not contain a new or amended information collection requirement subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). Existing requirements were approved by the Office of Management and Budget, approval numbers 3150-0009 and 3150-0011.

VIII. Public Protection Notification

If an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

IX. Regulatory Analysis

The current structure of the current 10 CFR 70.24 is overly broad and places a burden on a licensee to identify those areas or operations at its facility where the requirements are unnecessary, and to request an exemption if the licensee has sufficient reason to be relieved from the requirements. This existing structure has resulted in a large number of exemption requests.

To relieve the burden on power reactor licensees of applying for, and the burden on the NRC of granting exemptions, this amendment permits power reactor facilities with nominal fuel enrichments no greater than 5-weight percent of U-235 to be excluded from the scope of 10 CFR 70.24, provided they meet specific requirements being added to 10 CFR Part 50. This amendment is a result of the experience gained in processing and evaluating a number of exemption requests from power reactor licensees and NRC's safety assessments in response to these requests which concluded that the likelihood of criticality was negligible.

The only other viable option to this amendment is for the NRC to make no changes and allow the licensees to continue requesting exemptions. If no changes are made, the licensees will continue to incur the costs of submitting exemptions and NRC will incur the costs of reviewing them. Under this rule, an easing of the burden on licensees results from not having to request exemptions. Similarly, the NRC's burden will be reduced by avoiding the need to review and evaluate these exemption requests.

This rule is not a mandatory requirement, but an easing of burden action which results in regulatory efficiency. Also, the rule does not impose any additional costs on existing licensees and has no negative impact on public health and safety, but will provide savings to future licensees, and may provide some reduction in burden to current licensees whose current

exemption includes conditions which are more restrictive than the requirements in Section 50.68. There will also be savings in resources to the NRC as well. Hence, the rule is shown to be cost beneficial.

The foregoing constitutes the regulatory analysis for this final rule.

X. Regulatory Flexibility Certification

In accordance with the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), the NRC hereby certifies that this rule, if adopted, will not have a significant economic impact on a substantial number of small entities. This rule affects only the licensees of nuclear power plants. These licensee companies that are dominant in their service areas, do not fall within the scope of the definition of "small entities" set forth in the Regulatory Flexibility Act, 5 U.S.C. 601, or the size standards adopted by the NRC (10 CFR 2.810).

XI. Backfit Analysis

The NRC has determined that this rule does not impose a backfit as defined in 10 CFR 50.109(a)(1), since it provides an alternative to existing requirements on criticality monitoring. Accordingly, the NRC has not prepared a backfit analysis for this rule.

XII. Small Business Regulatory Enforcement Fairness Act

In accordance with the Small Business Regulatory Enforcement Fairness Act of 1996, the NRC has determined that this action is not a "major rule" and has verified this determination with the Office of Information and Regulatory Affairs, Office of Management and Budget.

XIII. List of Subjects

10 CFR Part 50

Antitrust, Classified information, Criminal penalties, Fire protection, Intergovernmental relations, Nuclear power plants and reactors, Radiation protection, Reactor siting criteria, Reporting and recordkeeping requirements.

10 CFR Part 70

Criminal penalties, Hazardous materials transportation, Material control and accounting, Nuclear materials, Packaging and containers, Radiation protection, Reporting and recordkeeping requirements, Scientific equipment, Security measures, Special nuclear material.

For the reasons stated in the preamble and under the authority of the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, the National Environmental Policy Act of 1969, as amended, and 5 U.S.C. 553, the NRC is adopting the following amendments to 10 CFR Parts 50 and 70:

PART 50 DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

The authority citation for 10 CFR Part 50 continues to read as follows:

1. Authority: Secs. 102, 103, 104, 105, 161, 182, 183, 186, 189, 68 Stat. 936, 937, 938, 948, 953, 954, 955, 956, as amended, sec. 234, 83 Stat. 444, as amended (42 U.S.C. 2132, 2133, 2134, 2135, 2201, 2232, 2233, 2236, 2239, 2282); secs. 201, as amended, 202, 206, 88 Stat. 1242, as amended 1244, 1246, (42 U.S.C. 5841, 5842, 5846).

Section 50.7 also issued under Pub. L. 95 - 601, sec. 10, 92 Stat. 2951, as amended by Pub. L. 102 - 486, sec. 2902, 106 Stat. 3123, (42 U.S.C. 5851). Section 50.10 also issued under secs. 101, 185, 68 Stat. 936, 955, as amended (42 U.S.C. 2131, 2235); sec. 102, Pub. L. 91 - 190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.13, 50.54(dd), and 50.103 also issued under sec. 108, 68 Stat. 939, as amended (42 U.S.C. 2138). Sections 50.23, 50.35, 50.55, and 50.56 also issued under sec. 185, 68 Stat. 955 (42 U.S.C. 2235). Sections 50.33a, 50.55a and Appendix Q also issued under sec. 102, Pub. L. 91 - 190, 83 Stat. 853 (42 U.S.C. 4332). Sections 50.34 and 50.54 also issued under sec. 204, 88 Stat. 1245 (42 U.S.C. 5844). Sections 50.58, 50.91, and 50.92 also issued under Pub. L. 97 - 415, 96 Stat. 2073 (42 U.S.C. 2239). Section 50.78 also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Sections 50.80 and 50.81 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). Appendix F also issued under sec. 187, 68 Stat. 955 (42 U.S.C. 2237).

2. Section 50.68 is added under the center heading "Issuance, Limitations, and Conditions of Licenses and Construction Permits" to read as follows:

§ 50.68 Criticality accident requirements.

(a) Each holder of a construction permit or operating license for a nuclear power reactor issued under this part or a combined license for a nuclear power reactor issued under Part 52 of this chapter, shall comply with either 10 CFR 70.24 of this chapter or the requirements in paragraph (b) of this section.

(b) Each licensee shall comply with the following requirements in lieu of maintaining a monitoring system capable of detecting a criticality as described in 10 CFR 70.24:

(1) Plant procedures shall prohibit the handling and storage at any one time of more fuel assemblies than have been determined to be safely subcritical under the most adverse moderation conditions feasible by unborated water.

(2) The estimated ratio of neutron production to neutron absorption and leakage (k-effective) of the fresh fuel in the fresh fuel storage racks shall be calculated assuming the racks are loaded with fuel of the maximum fuel assembly reactivity and flooded with unborated water and must not exceed 0.95, at a 95 percent probability, 95 percent confidence level. This evaluation need not be performed if administrative controls and/or design features prevent such flooding or if fresh fuel storage racks are not used.

(3) If optimum moderation of fresh fuel in the fresh fuel storage racks occurs when the racks are assumed to be loaded with fuel of the maximum fuel assembly reactivity and filled with low-density hydrogenous fluid, the k-effective corresponding to this optimum moderation must not exceed 0.98, at a 95 percent probability, 95 percent confidence level. This evaluation need not be performed if administrative controls and/or design features prevent such moderation or if fresh fuel storage racks are not used.

(4) If no credit for soluble boron is taken, the k-effective of the spent fuel storage racks loaded with fuel of the maximum fuel assembly reactivity must not exceed 0.95, at a 95 percent

probability, 95 percent confidence level, if flooded with unborated water. If credit is taken for soluble boron, the k-effective of the spent fuel storage racks loaded with fuel of the maximum fuel assembly reactivity must not exceed 0.95, at a 95 percent probability, 95 percent confidence level, if flooded with borated water, and the k-effective must remain below 1.0 (subcritical), at a 95 percent probability, 95 percent confidence level, if flooded with unborated water.

(5) The quantity of SNM, other than nuclear fuel stored onsite, is less than the quantity necessary for a critical mass.

(6) Radiation monitors are provided in storage and associated handling areas when fuel is present to detect excessive radiation levels and to initiate appropriate safety actions.

(7) The maximum nominal U-235 enrichment of the fresh fuel assemblies is limited to five (5.0) percent by weight.

(8) The FSAR is amended no later than the next update which Section 50.71(e) of this part, indicating that the licensee has chosen to comply with Section 50.68(b).

PART 70 DOMESTIC LICENSING OF SPECIAL NUCLEAR MATERIAL

The authority citation for 10 CFR Part 70 continues to read as follows:

1. Authority: Secs. 51, 53, 161, 182, 183, 68 Stat. 929, 930, 948, 953, 954, as amended, sec. 234, 83 Stat. 444, as amended, sec. 1701, 106 Stat. 2951, 2952, 2953 (42 U.S.C. 2071, 2073, 2201, 2232, 2233, 2282, 2297f); secs. 201, as amended, 202, 204, 206, 88 Stat. 1242, as amended, 1244, 1245, 1246, (42 U.S.C. 5841, 5842, 5845, 5846).

Sections 70.1(c) and 70.20a(b) also issued under secs. 135, 141, Pub. L. 97 - 425, 96 Stat. 2232, 2241 (42 U.S.C. 10155, 10161). Section 70.7 also issued under Pub. L. 95 - 601,

sec. 10, 92 Stat. 2951 (42 U.S.C. 5851). Section 70.21(g) also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). Section 70.31 also issued under sec. 57d, Pub. L. 93 - 377, 88 Stat. 475 (42 U.S.C. 2077). Sections 70.36 and 70.44 also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234).

Section 70.61 also issued under secs. 186, 187, 68 Stat. 955 (42 U.S.C. 2236, 2237).

Section 70.62 also issued under sec. 108, 68 Stat. 939, as amended (42 U.S.C. 2138).

2. In § 70.24, paragraph (d) is revised to read as follows:

§ 70.24 Criticality accident requirements.

* * * * *

(d)(1) The requirements in paragraphs (a) through (c) of this section do not apply to a holder of a construction permit or operating license for a nuclear power reactor issued under Part 50 of this chapter or a combined license issued under Part 52 of this chapter, if the holder complies with the requirements of paragraph (b) of 10 CFR 50.68.

(2) An exemption from Section 70.24 held by a licensee who thereafter elects to comply with requirements of paragraph (b) of 10 CFR 50.68 does not exempt that licensee from complying with any of the requirements in Section 50.68, but shall be ineffective so long as the licensee elects to comply with Section 50.68.

* * * * *

Dated at Rockville, Maryland this ___ day of _____, 1998.

For the Nuclear Regulatory Commission.

L. Joseph Callan
Executive Director for Operations

ENCLOSURE 3

APPROVAL FOR PUBLICATION

Approved For Publication

The Commission delegated to the EDO (10 CFR 1.31(c)) the authority to develop and promulgate rules as defined in the APA (5 U.S.C. 551 (4)) subject to the limitations in NRC Management Directive 9.17, "Organization and Functions, Office of the Executive Director for Operations", paragraphs 0213, 038, 039, and 0310.

The enclosed final rule, entitled "Criticality Accident Requirements," will amend 10 CFR Parts 50 and 70 to allow persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. In addition, paragraph (d) of 10 CFR 70.24 will be revised because it is redundant to 10 CFR 70.14(a).

This final rule does not constitute a significant question of policy, nor does it amend regulations contained in 10 CFR Parts 7, 8, or 9 Subpart C concerning matters of policy. I, therefore, find that this rule is within the scope of my rulemaking authority and am proceeding to issue it.

Date

L. Joseph Callan
Executive Director for Operations

ENCLOSURE 4

CONGRESSIONAL LETTERS



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Dan Schaefer, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In the near future, the U.S. Nuclear Regulatory Commission (NRC) intends to publish in the Federal Register a final rule which will amend the Commission's regulations in Parts 70 and 50 to allow persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used as the basis for granting specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Representative Ralph Hall

The Honorable Dan Schaefer, Chairman
 Subcommittee on Energy and Power
 Committee on Commerce
 United States House of Representatives
 Washington, DC 20515

Dear Mr. Chairman:

In the near future, the U.S. Nuclear Regulatory Commission (NRC) intends to publish in the Federal Register a final rule which will amend the Commission's regulations in Parts 70 and 50 to allow persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used as the basis for granting specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

Sincerely,

Dennis K. Rathbun, Director
 Office of Congressional Affairs

Enclosure:
 Federal Register Notice

cc: Representative Ralph Hall

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable James N. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands, Private
Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In the near future, the U.S. Nuclear Regulatory Commission (NRC) intends to publish in the Federal Register a final rule which will amend the Commission's regulations in Parts 70 and 50 to allow persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used as the basis for granting specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Senator Bob Graham

The Honorable James N. Inhofe, Chairman
 Subcommittee on Clean Air, Wetlands, Private
 Property and Nuclear Safety
 Committee on Environment and Public Works
 United States Senate
 Washington, DC 20510

Dear Mr. Chairman:

In the near future, the U.S. Nuclear Regulatory Commission (NRC) intends to publish in the Federal Register a final rule which will amend the Commission's regulations in Parts 70 and 50 to allow persons licensed to construct or operate light-water nuclear power reactors the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used as the basis for granting specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

Sincerely,

Dennis K. Rathbun, Director
 Office of Congressional Affairs

Enclosure:
 Federal Register Notice

cc: Senator Bob Graham

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ENCLOSURE 5
DAILY STAFF NOTE

DAILY STAFF NOTES

OFFICE OF NUCLEAR REACTOR REGULATION

Final Rule Signed by EDO

On _____, 1998, the Executive Director for Operations approved a final rule that amends 10 CFR 50 and 70.24(a), "Criticality Accident Requirements."

In response to the staff requirements memorandum (SRM) dated August 19, 1997, the staff published in the Federal Register on December 3, 1997 (62 FR 63825), a direct final rule, and a parallel proposed rule (62 FR 63911). The rule change would adopt a new Section 50.68 which would allow licensees of light-water nuclear power reactors to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into 10 CFR Part 50. These are generally the requirements that the staff has used to grant specific exemptions to the requirements of 10 CFR 70.24. In addition, paragraph (d) of 10 CFR 70.24 would be revised because it is redundant to 10 CFR 70.14(a). The statement of considerations for the direct final rule and the proposed rule stated that if significant adverse comments were received on the direct final rule, the Commission would withdraw the direct final rule and would address the comments in a subsequent final rule. Significant adverse comments were received from the public, and on February 25, 1998, the NRC published a notice withdrawing the direct final rule and revoking the regulatory text [63 FR 9402]. Since the direct final rule had an effective date of February 17, 1998, it was necessary for the February 25, 1998, notice to revoke the regulatory text which became effective on February 17, 1998, as well as to withdraw the direct final rule. With the withdrawal and revocation, the proposed rule is the only regulatory proposal remaining. The staff has revised the proposed rule to address public comments and to make several editorial clarifications. The staff's analysis of and response to the public comments to the proposed rule are stated in the proposed Federal Register notice. Minor clarifications have been made in the final rule in response to the public comments.

This notice informs the Commission that, in accordance with the rulemaking authority delegated to the EDO, the EDO has signed this final rule and proposes to forward it on _____ to the Office of the Federal Register for publication, unless otherwise directed by the Commission.

ENCLOSURE 6

SBREFA LETTERS



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Al Gore
President of the United
States Senate
Washington, DC 20510

Dear Mr. President:

Pursuant to Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U. S. C. 801, the Nuclear Regulatory Commission (NRC) is submitting final amendments to the Commission's rules in 10 CFR Parts 50 and 70. The NRC is amending its regulations to allow persons licensed to construct or operate a light-water nuclear power reactor to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into a new section in Part 50. In addition, paragraph (d) of 10 CFR 70.24 is being revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

We have determined that this rule is not a "major rule" as defined in 5 U. S. C. 804(2). We have confirmed this determination with the Office of Management and Budget.

Enclosed is a copy of the final rule that is being transmitted to the Office of the Federal Register for publication. This final rule will become effective when it is published in the Federal Register.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Final Rule

The Honorable Al Gore
 President of the United
 States Senate
 Washington, DC 20510

Dear Mr. President:

Pursuant to Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U. S. C. 801, the Nuclear Regulatory Commission (NRC) is submitting final amendments to the Commission's rules in 10 CFR Parts 50 and 70. The NRC is amending its regulations to allow persons licensed to construct or operate a light-water nuclear power reactor to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into a new section in Part 50. In addition, paragraph (d) of 10 CFR 70.24 is being revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

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Sincerely,

Dennis K. Rathbun, Director
 Office of Congressional Affairs

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NAME	SCollins	DKRathbun		
DATE	6/17/98	1/1		

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Newt Gingrich
Speaker of the United States
House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U. S. C. 801, the Nuclear Regulatory Commission (NRC) is submitting final amendments to the Commission's rules in 10 CFR Parts 50 and 70. The NRC is amending its regulations to allow persons licensed to construct or operate a light-water nuclear power reactor to have the option of either meeting the criticality accident requirements of paragraph (a) of 10 CFR 70.24 in handling and storage areas for special nuclear material (SNM), or electing to comply with certain requirements that would be incorporated into a new section in Part 50. In addition, paragraph (d) of 10 CFR 70.24 is being revised because it is redundant to 10 CFR 70.14(a). This rulemaking was initially published in the Federal Register on December 3, 1997 (62 FR 63825), as a direct final rule with opportunity to comment. Significant adverse comments were received from the public which caused the staff to withdraw the direct final rule. This rulemaking is a reissuance of the direct final rule with the comments addressed. Minor clarification changes have been made in the final rule as a result of the public comments.

We have determined that this rule is not a "major rule" as defined in 5 U. S. C. 804(2). We have confirmed this determination with the Office of Management and Budget.

Enclosed is a copy of the final rule that is being transmitted to the Office of the Federal Register for publication. This final rule will become effective when it is published in the Federal Register.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Final Rule

The Honorable Newt Gingrich
 Speaker of the United States
 House of Representatives
 Washington, DC 20515

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

Mr. Robert P. Murphy
General Counsel
General Accounting Office
Room 7175
441 G Street, NW.
Washington, DC 20548

Dear Mr. Murphy:

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