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Alliance for Nuclear Accountability • Environmental Working Group • Friends of the Earth • National Environmental Trust • Natural Resources Defense Council • Safe Energy Communication Council • Sierra Club • Taxpayers for Common Sense • U.S. Public Interest Research Group

August 19, 2002

Secretary
Nuclear Regulatory Commission
Washington, DC 20555-0001

Attn: Adjudications and Rulemakings Staff

**Re: Comments on Proposed Rulemaking Regarding Financial Information Requirements for Applications to Renew Term of an Operating License for a Power Reactor at 10 CFR Part 50.33**

We are writing to oppose the Nuclear Regulatory Commission (NRC) proposed rule to eliminate the requirement that non-electric utility power reactor licensees submit financial qualification information when applying for a nuclear reactor license renewal.

We strenuously oppose the amendment of 10 CFR 50.33(f)(2) whereby non-electric utility generators would be eligible for a license renewal for aging nuclear reactors, for a period of up to 20 years, without financial scrutiny by the NRC or any other regulatory agency.

We are concerned that the NRC, at a time of crisis in confidence in corporate accountability, is considering the elimination of financial oversight of many nuclear power plant owners. Furthermore, aging nuclear power plants are deteriorating and may require costly repairs.

In view of the stakes involved when a reactor licensee makes a renewal application, a standardized and thorough financial review would seem only sensible and appropriate. Nuclear power plant owners need substantial finances to: maintain the safety and security requirements of nuclear power facilities, make costly capital improvements to aging reactors, add storage capacity for irradiated fuel, harden reactor and storage facilities against sabotage, meet decommissioning obligations, meet public liability obligations under the Price-Anderson Act, and achieve all of the foregoing in a post-September 11 environment. These important safety and environmental requirements underscore the need for a rigorous financial assessment of applicants for nuclear license renewal.

NRC should not proactively seek to reduce financial disclosure obligations at a time when non-utility generators are forming opaque corporate structures. A recent report shows that more than 25 nuclear power plants are today owned by limited liability companies (LLCs), which ensures that the parent company enjoys the financial benefits but few of the obligations of operating

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aging nuclear power plants in deregulated electricity markets.

Moreover, the NRC's stated purpose for proposing the rule change simply does not stand up to close scrutiny. The NRC's *Regulatory Analysis* states that the proposed rule change, "*reduces the regulatory burden on non-electric utility power reactor licensees . . . increase[es] regulatory efficiency.*" However, the same document also discloses that the estimated total cost of compliance with the existing rule is a mere $8,000 per licensee, per renewal application. If this is the extent of the "regulatory burden" that the Commission seeks to alleviate by eliminating the rule (and the *Regulatory Analysis* makes it clear that this is in fact the case) it is clear that the financial cost is minute in relation to the overall cost of operating a nuclear power facility and in relation to the additional level of financial protection that the existing rule should provide to the public.

We urge the Nuclear Regulatory Commission to drop its proposal to eliminate an important financial safeguard because of a desire to save non-utility generators $8,000 per renewal application. The American public deserves more oversight of aging, expensive nuclear reactors in their neighborhoods, not less.

Sincerely,

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cc: Senate Environment and Public Works Committee
House Energy and Commerce Committee