

DRAFT SUPPORTING STATEMENT
FOR
PROPERTY DAMAGE/ACCIDENT RECOVERY INSURANCE

10 CFR 50.54(w)(3)
AND 10 CFR 50.54(w)(4)(i) & (ii)

DESCRIPTION OF THE INFORMATION COLLECTION

Section 10 CFR 50.54(w) requires that each electric utility licensee under 10 CFR Part 50 for a production or utilization facility shall take steps to obtain onsite property damage insurance available at reasonable costs and on reasonable terms from private sources or to demonstrate that it possesses an equivalent amount of protection. Proceeds from such insurance will be used, in the event of an accident, to stabilize and decontaminate the reactor to prevent a situation that could threaten public health and safety. Under 50.54(w)(3), lead reactor licensees (approximately 53) are required to report annually on the amount and sources of this required insurance. Under 50.54(w)(4)(i) and (ii), a licensee suffering an accident is required to submit a cleanup plan outlining the steps and costs needed to complete decontamination and cleanup and to allow release of the remaining insurance proceeds for non-cleanup purposes.

Section 50.54(w)(4)(i) establishes a threshold of \$100 million before a cleanup plan would be required. Section 50.54(w)(4)(ii) requires licensees to inform the Director of the Office of Nuclear Reactor Regulation in writing when the reactor is and can be maintained in a safe and stable condition so as to prevent any significant risk to public health and safety. Within 30 days after the licensee informs the Director that the reactor is in this condition, or at such earlier time as the licensee may elect or the Director may for good cause direct, the licensee shall prepare and submit a cleanup plan for the Director's approval. The cleanup plan must identify and contain an estimate of the cost of each cleanup operation that will be required to decontaminate the reactor sufficiently to permit the licensee either to resume operation of the reactor or to apply to the NRC for authority to decommission the reactor and to surrender the license voluntarily.

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

Licensees of commercial nuclear power plants are required to submit proof annually that they carry onsite property damage/accident recovery insurance available from private sources. A licensee suffering an accident is also required to submit a cleanup plan within 30 days after the reactor is stabilized. This cleanup plan also explicitly includes costs of performing each cleanup operation. This information is required to demonstrate that licensees are complying with NRC's

requirement to carry adequate accident recovery insurance and, in the event of a reactor accident, to provide the NRC with sufficient information to monitor cleanup and to allow insurance proceeds to be released from the decontamination priority and to be used for non-cleanup purposes.

2. Agency Use of Information

The information submitted by licensees is used by the NRC staff to ensure that licensees are complying with the requirements to maintain appropriate levels of onsite property damage/accident recovery insurance and to use the proceeds from this insurance for decontamination and cleanup after an accident before any other purpose.

3. Reduction of Burden Through Information Technology

There is no legal obstacle to the use of information technology. Moreover, NRC encourages its use.

4. Effort to Identify Duplication and Use Similar Information

The Information Requirements Control Automated System (IRCAS) was searched for duplication, and none was found. There is no source for the required information other than NRC licensees.

5. Effort to Reduce Small Business Burden

This information collection requirement only affects power reactor licensees and thus does not affect small businesses.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

Annual reporting of coverage is considered the least frequent reporting interval which will still give reasonable assurance of insurance coverage in order to protect the health and safety of the public in case of an accident.

7. Circumstances which Justify Variation from OMB Guidelines

As stated above, 10 CFR 50.54(w)(4)(ii) requires licensees to provide written notification when the reactor is and can be maintained in a safe and stable condition. This notification could occur in less than 30 days of the event, at which time licensees are expected to provide the required notification. This notification is necessary to provide the NRC with information to monitor cleanup and to begin allowing the release of insurance proceeds from the decontamination priority and also used for non-cleanup purposes.

8. Consultations Outside the NRC

Notice of opportunity for public comment on this information collection has been published in the Federal Register.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

The NRC does not anticipate the receipt of confidential information. However, if confidential information is submitted, it would be protected in accordance with 10 CFR 2.790.

11. Justification for Sensitive Questions

These regulations do not request sensitive information.

12. Estimated Industry Burden and Burden Hour Cost

Average reporting burden to each licensee for the annual report is a letter to NRC of usually no more than one paragraph indicating both the amount of onsite property damage insurance being carried by the licensee and the insurer(s) from whom the insurance was obtained. Time to complete this is estimated to be no greater than 4 hours per licensee per site. No significant variation in burden among licensees is expected. There are currently 53 licensees who are lead operators of single or multiple unit sites affected by the reporting requirements. (This includes 42 lead licensees of operating plants and 11 licensees of plants that are shutdown but who continue to maintain insurance.) Thus, the current annual burden is no more than 212 hours (53 X 4 hours). The estimated industry cost is, therefore, \$33,072 (\$156 x 212). Because an accident requiring a licensee to submit notification and a cleanup plan is unlikely, no burden for this requirement is projected. It is estimated that a licensee required to prepare and submit notification and a cleanup plan after an accident* could face a burden of 2,000 hours at a cost of \$312,000 (2,000 hours x \$156).

13. Estimate of Other Additional Costs

None.

* If there is such an accident of the severity that is specified in Section 50.54(w)(4).

14. Estimated Annualized Cost to the Federal Government

Total staff review time per year for the annual report is 15 minutes/licensee x 53 licensees = 13.3 staff hours. At a cost of \$156 per hour, the total dollar cost to the Federal government is expected to be \$2,067 (13.3 hours x \$156). The cleanup plan required to be submitted by a licensee suffering an accident is expected to require approximately 1,000 staff hours, or \$156,000 per review (1,000 hours x \$156). However, it is unlikely that there will be an accident of the severity addressed in 50.54(w). Thus, the NRC estimates no burden for this potential reporting requirement. This cost is fully recovered by fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and/or 171.

15. Reasons for Changes in Burden or Cost

The burden is slightly reduced because there are only 53 licensees affected by the information collection requirements, versus the 55 in the previous clearance.

16. Publication for Statistical Use

The collected information is not used for statistical purposes.

17. Reason for Not Displaying the Expiration Date

The requirement is contained in a regulation. Amending the Code of Federal Regulations to display information that, in an annual publication, could become obsolete would be unduly burdensome and too difficult to keep current.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.