

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

December 22, 1993

NRC INFORMATION NOTICE 93-100: REPORTING REQUIREMENTS FOR BANKRUPTCY

Addressees

All U.S. Nuclear Regulatory Commission licensees.

Purpose

NRC is issuing this information notice to alert addressees to the failure of some licensees to notify NRC when they filed for bankruptcy. It is expected that recipients will review the information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems. However, suggestions contained in this information notice are not new NRC requirements; therefore, no specific action nor written response is required.

Description of Circumstances

On August 6, 1993, management at an NRC-licensed hospital announced that it had filed for bankruptcy and would be discontinuing operations at the close of business that day. The announcement came to the attention of NRC regional staff who contacted the hospital. Two NRC inspectors traveled to the facility to observe the disposition of licensed material. All radioactive material was transferred to another NRC-licensed hospital, except for radioactive waste stored at the hospital for decay. A former supervisor agreed to return to the hospital at the appropriate time to properly dispose of the waste. NRC staff coordinated with the court-appointed trustee before the hospital's license was terminated.

Regulations in 10 CFR 30.34(h), 40.41(f), 50.54(cc), 70.32(a)(9), and 72.44(b)(6) require each licensee to notify the appropriate NRC Regional Administrator, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of Title 11 (Bankruptcy) of the United States Code. In the incident described above, the radioactive material was controlled, but there have been cases where unlicensed trustees and creditors have taken possession of items without knowing that they contained radioactive material or being aware of the safety and regulatory requirements associated with the material. These parties typically requested assistance after they discovered that they possessed radioactive material. To date, no serious injuries have resulted from these incidents. Licensees who failed to notify NRC claimed that they were unaware of the requirement or overlooked the requirement because of other demands created by the bankruptcy.

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Notice

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REF-11C (SEE INFORMATION
NOTICES)

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Discussion:

The purpose of the bankruptcy notification requirement is to allow NRC to verify the safe disposition of radioactive material possessed by the bankrupt licensee. Trustees or creditors taking possession of radioactive material can create a substantial safety hazard if the material is handled without the proper safety precautions, or transferred to unauthorized recipients. NRC regulations require each licensee to notify NRC of a petition for bankruptcy filed by or against (1) the licensee, (2) an entity controlling the licensee or listing the licensee/license as property of an estate, or (3) an affiliate of the licensee. The terms "affiliate" and "entity" are defined in 11 U.S.C. 101(2) and 101(14), respectively. The notification must indicate the bankruptcy court in which the petition is filed, and the date of the filing.

In addition to the potential safety hazards, failure to notify NRC and maintain control of licensed material could lead to enforcement actions at a time when a licensee is already experiencing financial difficulty. Licensees may wish to share this information notice with financial or legal staff in their organization.

This information notice requires no specific action nor written response. If you have any questions about the information in this notice, please contact the technical contact listed below, or the appropriate regional office.



Carl J. Paperiello, Director
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Technical contact: Kevin M. Ramsey, NMSS
(301) 504-2534

Attachments:

1. List of Recently Issued NMSS Information Notices
2. List of Recently Issued NRC Information Notices

LIST OF RECENTLY ISSUED
NMSS INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
93-80	Implementation of the Revised 10 CFR Part 20	10/08/93	All byproduct, source, and special nuclear material licensees.
93-77	Human Errors that Result in Inadvertent Transfers of Special Nuclear Material at Fuel Cycle Facilities	10/04/93	All nuclear fuel cycle licensees.
93-69	Radiography Events at Operating Power Reactors	09/02/93	All holders of OLs or CPs for nuclear power reactors and all radiography licensees.
93-60	Reporting Fuel Cycle and Materials Events to the NRC Operations Center	08/04/93	All fuel cycle and materials licensees.
93-50	Extended Storage of Sealed Sources	07/08/93	All licensees authorized to possess sealed sources.
93-36	Notifications, Reports, and Records of Misadministrations	05/07/93	All U.S. Nuclear Regulatory Commission medical licensees.
93-31	Training of Nurses Responsible for the Care of Patients with Brachytherapy Implants	04/13/93	All U.S. Nuclear Regulatory Commission medical licensees.
93-30	NRC Requirements for Evaluation of Wipe Test Results; Calibration of Count Rate Survey Instruments	04/12/93	All U.S. Nuclear Regulatory Commission medical licensees.
93-19	Slab Hopper Bulging	03/17/93	All nuclear fuel cycle licensees.
93-18	Portable Moisture-Density Gauge User Responsibilities during Field Operations	03/10/93	All U.S. Nuclear Regulatory Commission licensees that possess moisture-density gauges.

LIST OF RECENTLY ISSUED
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Information Notice No.	Subject	Date of Issuance	Issued to
91-29, Supp. 2	Potential Deficiencies Found During Electrical Distribution System Functional Inspections	12/22/93	All holders of OLs or CPs for nuclear power reactors.
93-99	Undervoltage Relay and Thermal Overload Setpoint Problems	12/21/93	All holders of OLs and CPs for nuclear power reactors.
93-98	Motor Brakes on Valve Actuator Motors	12/20/93	All holders of OLs and CPs for nuclear power reactors.
93-97	Failures of Yokes Installed on Walworth Gate and Globe Valves	12/17/93	All holders of OLs or CPs for nuclear power reactors.
93-96	Improper Reset Causes Emergency Diesel Generator Failures	12/14/93	All holders of OLs or CPs for nuclear power reactors.
93-95	Storm-Related Loss of Offsite Power Events due to Salt Buildup on Switchyard Insulators	12/13/93	All holders of OLs or CPs for nuclear power reactors located close to a large body of salt water.
93-94	Unauthorized Forced Entry into the Protected Area at Three Mile Island Unit 1 on February 7, 1993	12/09/93	All holders of OLs or CPs for nuclear power reactors.
93-93	Inadequate Control of Reactor Coolant System Conditions During Shutdown	12/08/93	All holders of OLs or CPs for nuclear power reactors.
93-92	Plant Improvements to Mitigate Common Dependencies in Component Cooling Water Systems	12/07/93	All holders of OLs or CPs for nuclear power reactors.

OL = Operating License
 CP = Construction Permit

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Tech Editor*
 EKraus
 12/9/93

* - See previous concurrence

OFC	IMOB*	IMOB*	IMOB*	DRSS/NRR*	FCSS*	LLWM*
NAME	KRamsey/11	GPangburn	FCombs	FCongel	RBurnett	JGreeves
DATE	11/23/93	11/23/93	11/24/93	11/30/93	12/2/93	12/6/93

OFC	IMNS*	IMNS*
NAME	WBrach	CPaperiello
DATE	12/10/93	12/13/93

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DOC NAME: 93-100.IN

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DATE	12-16-1993	12-13-1993				

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