Attachment #4.

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 50 and 140

RIN 3150-AF79

Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is proposing to amend its regulations to allow nuclear reactor licensees to reduce onsite and offsite liability coverage during permanent shutdown of the reactors if they meet specified reactor configurations. This proposed amendment would reduce the level of insurance coverage commensurate with the risk reduction after the appropriate spent fuel cooling period following permanent shutdown of the reactor.

DATES: The comment period expires January 13, 1998. Comments received after this date will be considered if it is practical to do so, but the Commission is able to assure consideration only for comments received on or before this date.

ADDRESSES: Send comments by mail or addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Attention: Rulemakings and Adjudications Staff.

Hand-deliver comments to: 11555 Rockville Pike, Rockville, Maryland, between 7:30 am and 4:15 pm on Federal workdays.

You may also provide comments via the NRC's interactive rulemaking web site through the NRC home page (http://www.nrc.gov). This site provides the availability to upload comments as files (any format), if your web browser supports that function. For information about the interactive rulemaking site, contact Ms. Carol Gallagher, (301) 415-6215; e-mail CAG@nrc.gov.

Certain documents related to this rulemaking, including comments received and the environmental assessment and finding of no significant impact, may be examined at the NRC Public Document Room, 2120 L Street NW., (Lower Level), Washington, DC. These same documents also may be viewed and downloaded electronically via the interactive rulemaking website established by NRC for this rulemaking.

FOR FURTHER INFORMATION CONTACT: George Mencinsky, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone: (301) 415-6206, e-mail GJM@nrc.gov.; Stephen Lewis, Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone: (301) 415-1684, e-mail SHL@nrc.gov.; Ira Dinitz, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone: (301) 415-1289, e-mail IPD1@nrc.gov.

SUPPLEMENTARY INFORMATION:

Background

The current regulations governing insurance coverage for nuclear power reactors are contained in 10 CFR 50.54(w) and 10 CFR 140.11. These regulations do not take into consideration the reduced risk associated with permanently shutdown plants. The exemption process allows reduced insurance coverage for these plants.

Consideration of whether financial protection coverage should be reduced for permanently shutdown plants must take into account the preservation of the solvency of the organization responsible for maintaining and decommissioning these facilities in the unlikely event of a nuclear incident. In addition, consideration would be given to timely payment for valid damage claims by members of the public and minimization of the likelihood that Federal Government indemnity would be exercised for satisfaction of claims for damages.

The regulations in 10 CFR 140.11 require that the licensees of facilities designed to produce substantial amounts of electricity, a rated capacity of 100,000 kWe or more, must have and maintain a primary insurance coverage of $200 million from private sources to protect against offsite liability. In addition, licensees must maintain secondary financial protection in the form of private liability insurance available under an industry retrospective rating plan. The current maximum obligation for secondary financial protection for a licensee in this plan is $75.5 million with respect to any nuclear incident. Thus, the total financial protection for offsite liability for any incident would be the primary layer of $200 million, plus the secondary layer of $75.5 million multiplied by the number of licensed power reactors with a rated capacity of 100,000 kWe or higher.

Under 10 CFR 50.54(w), power reactor licensees must obtain insurance coverage from private sources to provide protection against onsite damage in the event of an accident. These monies would allow the licensee to stabilize and decontaminate the reactor and reactor station site in the event of an accident. The minimum amount of insurance coverage is the lesser of $1.06 billion or the maximum amount of insurance generally available from private sources.

This proposed rule is part of the NRC effort to eliminate unnecessary regulatory burdens for power reactor facilities that are permanently shutdown and in the process of decommissioning. This would complement other amendments for decommissioning, such as the final rule that was published in the Federal Register (61 FR 39278) on July 29, 1996, which clarified the procedures leading to permanent shutdown and, eventually, to the termination of an operating license for nuclear power reactors.

This proposed rule would also address a petition for rulemaking (PRM-50-57) submitted by the North Carolina Public Staff Utilities Commission. The petition requested reduction or, preferably, elimination of the $1.06 billion of insurance for onsite reactor stabilization and accident decontamination that is required by 10 CFR 50.54(w) when all nuclear fuel has been removed from the site. The petitioner also requested that the offsite primary and secondary liability coverages required under 10 CFR 140.11(a)(4) be reduced or, preferably, eliminated for shutdown reactors when no nuclear fuel is on the reactor site.

The proposed rule does not address the financial protection requirements for

Independent Spent Fuel Storage Installations (ISFSIs). This subject will be addressed after efforts dealing with technical and licensing issues for ISFSIs are resolved in areas of safeguards requirements, emergency planning, and potential fuel storage handling activities.

Discussion

Several different configurations for permanently shutdown reactors are being established that encompass anticipated spent fuel characteristics and storage modes during the period between permanent shutdown and termination of the license. They are as follows:

Reactor Configuration 1: the reactor is defueled, permanently shutdown, and spent fuel in the spent fuel pool is susceptible to a zircaloy cladding fire if the spent fuel pool is drained accidentally. This configuration encompasses the period from immediately after the core is offloaded to just before the decay heat of the hottest assemblies is low enough that no rapid zircaloy oxidation will take place, and the fuel cladding will remain intact with no gap release if water in the spent fuel pool is lost.

Reactor Configuration 2: The reactor is defueled, permanently shutdown, and spent fuel is in the spent fuel pool but is not susceptible to a zircaloy cladding fire or gap release caused by an incipient fuel cladding failure in the event the spent fuel pool is drained accidentally. In this configuration, the spent fuel can be stored long-term in the spent fuel pool without the possibility of initiating a zircaloy fire or significant fuel cladding failure. In addition, the site may contain a radioactive inventory of liquid radwaste, activated reactor components, and contaminated structural materials. The radioactive inventory during this configuration may change depending on the licensee's proposed shutdown activities and schedule.

Reactor Configuration 3: The reactor is permanently shutdown and no spent fuel is in the reactor or the spent fuel pool. All spent fuel has been removed to an offsite or onsite dry storage independent spent fuel storage installation (ISFSI) or to a DOE high-level repository. The remaining radioactive inventory depends on the decommissioning status and may include liquid radwaste, activated reactor components, and contaminated structural materials.

Reactor Configuration 4: Same as reactor configuration 3, except the reactor site has no significant mobile sources of radioactivity such as contaminated liquids (less than 1000 gallons).

There are potential onsite and offsite radiological consequences that could be associated with the onsite storage of the spent fuel in the spent fuel pool for some time after permanent shutdown. In Reactor Configuration 1, in the event of a complete loss of spent fuel pool coolant inventory such as from a beyond-design-basis earthquake scenario, there is a potential for overheating the fuel by decay heat. This sequence could result in a zircaloy cladding fire that may have significant onsite and offsite consequences.

To prevent fuel rod cladding failure leading to a zircaloy-cladding fire if all spent fuel pool water is lost, the rod cladding temperature must not exceed 565°C. The rod cladding temperature is an important factor that must be considered in modifying the financial protection requirements for permanently shutdown reactors.

In Reactor Configuration 2, the spent fuel has decay heat sufficiently low that the cladding will remain intact even if all spent fuel pool water is lost. However, if there are significant sources of radioactive material stored onsite, it would be appropriate to maintain an adequate level of onsite insurance coverage. Although the offsite consequences are negligible in the Reactor Configuration 2 , because the spent fuel pool is operational and an inventory of radioactive materials exists onsite, an appropriate level of offsite financial protection is required to account for the potential for significant judgments or settlements from litigation that might be instituted and to protect the Federal government from indemnity claims.

In Reactor Configuration 3, when spent fuel is no longer stored in the spent fuel pool, the potential for a radiological incident is primarily in mobile sources of radioactivity onsite at permanently shutdown nuclear reactors. The offsite cleanup costs were found to be negligible for Reactor Configuration 3, but as was noted in Reactor Configuration 2, an appropriate level of offsite financial protection is still required to account for the potential for significant judgments or settlements from litigation that might be instituted and also to protect the Federal government from indemnity claims. Because the level of risk has decreased vis-a-vis the Reactor Configuration 2 by having no spent fuel in the spent fuel pool, the level of offsite financial protection required is being reduced by taking into account only the mobile radioactive inventory onsite.

In the Reactor Configuration 4, with no significant amount of mobile sources of radioactivity such as contaminated liquids onsite, there is no need to maintain the same level of insurance coverage for onsite or offsite financial protection as in Reactor Configuration 3. The basis for the transition from Reactor Configuration 3 to Reactor Configuration 4 is the point at which there is less than 1000 gallons of liquid radwaste stored onsite. A limiting value of 1000 gallons has been considered because it constitutes approximately a factor of 500 reduction in volume from the large volume tank used as the basis for the Reactor Configuration 3 limiting event.

In Reactor Configuration 4, if the licensee has cleaned the site to unrestricted release levels and is awaiting a confirmatory survey for terminating the license, the necessary level of onsite insurance coverage at this stage would be less than when 1000 gallons of liquid radwaste were stored onsite. Under these circumstances, the onsite coverage could be further reduced or eliminated to account for negligible onsite consequences. However, for offsite financial protection requirements, although the offsite consequences are negligible, some level of public liability financial protection must be maintained as long as there remains in effect a nuclear reactor license issued pursuant to 10 CFR part 50 under the authority of Section 103 or 104 of the Atomic Energy Act (42 U.S.C. 2133, 2134). See Section 170a of that Act (42 U.S.C. 2210a). Section 170 is commonly referred to as the "Price-Anderson Act."

Proposed Regulatory Action

The proposed amendments would adjust the onsite insurance coverage requirements and the offsite financial protection requirements for permanently shutdown reactors based on limiting the spent fuel cladding temperatures for accidents involving loss of spent fuel pool water and the amount of onsite radioactive inventory such as liquid radwaste in post shutdown modes. The insurance amounts are based on the estimated cost of recovery from limiting hypothetical events for specific reactor configurations.

The proposed amendments would also address "rated capacity" in 10 CFR 140.11 as used in Section 170a of the Atomic Energy Act to indicate that a permanently shutdown nuclear reactor has a "rated capacity" of zero.

The proposed financial protection requirements are as follows.

Reactor Configuration 1—Fuel in spent fuel pool not sufficiently cool.

—The requirements for onsite insurance coverage and offsite financial protection remain as presently specified in 10 CFR 50.54(w) and 10 CFR 140.11, respectively.

Reactor Configuration 2—Fuel could tolerate a complete loss of water in the spent fuel pool.

—The onsite insurance coverage requirements is $50 million. The amount of $50 million is to recover from a postulated accident in the spent fuel pool.

—The offsite financial protection requirement is $100 million, based on the potential for significant judgments or settlements resulting from litigation despite negligible offsite consequences.

Reactor Configuration 3—No fuel in spent fuel pool, risk dependent on radioactive inventory at plant site in decommissioning status.

—The onsite insurance coverage requirement is $50 million. The amount of $50 million is the estimated amount needed to recover from a postulated onsite event of a rupture of a large slightly contaminated liquid storage tank.

—The offsite financial protection requirement is $50 million, based on the potential for significant judgments or settlements resulting from litigation that might still be instituted despite negligible offsite consequences; however the liability risk is considered less than in Reactor Configuration 2.

Reactor Configuration 4—No fuel in the spent fuel pool and no significant source of mobile radioactive material.

—The onsite insurance coverage requirements is either $25 million or is eliminated. The amount of $25 million is based on the possibility of having to clean up onsite contamination from an accidental rupture of a less-than-1000-gallon contaminated liquid storage tank during shutdown activities. Elimination of onsite insurance coverage would be warranted when a licensee is awaiting a confirmatory survey for license termination.

—The offsite financial protection requirement is $25 million, based on the potential for claims arising from asserted offsite consequences. This would minimize the possibility that Federal Government indemnification would be required. As noted above, the Atomic Energy Act does not allow a 10 CFR part 50 licensee to drop this coverage entirely, only to reduce it.

Discussion

This proposed rule would allow power reactor licensees to reduce their onsite insurance coverage and offsite financial protection requirements during permanent shutdown without resorting to the exemption process. The level of financial protection would be determined for permanently shutdown reactors at a level that coincides with their actual configuration stage.

During Reactor Configuration 1, licensees would be required to maintain onsite insurance coverage and offsite financial protection at the levels currently required by 10 CFR 50.54(w) and 10 CFR 140.11, respectively. This is because the radiological consequences during this stage of permanent shutdown approximate the magnitude of a severe core damage accident.

After allowing the spent fuel to cool down to the point that the maximum spent fuel cladding temperature will not exceed 565°C in the event of a loss of water in the spent fuel pool (Reactor Configuration 2), power reactor licensees would be allowed under 10 CFR 50.54(w) to reduce their onsite insurance coverage from $1.06 billion to $50 million. The reason for this reduction in insurance coverage is that the rapid clad oxidation event of Reactor Configuration 1 is not possible. Insurance coverage requirements for Reactor Configuration 2 are based on the fact that there is a possibility for a fuel handling accident in the spent fuel pool, and significant amounts of mobile radioactive sources remain onsite that have a potential for release during this period. The $50 million coverage would be adequate to clean up the site in the event of a fuel handling accident, an accidental release of cooling water from the spent fuel pool, or a rupture of a large slightly contaminated liquid storage tank.

The proposed insurance coverage requirement for Reactor Configuration 2 does not take into account the reduction in radioactive decay of the spent fuel assemblies with the passage of time during that period. The insurance coverage requirements are based on the conservative assumption of a fuel handling accident shortly after the transition to Reactor Configuration 2. Adjusting insurance requirements during Reactor Configuration 2 based on the decay level of the spent fuel would be burdensome from a regulatory standpoint, as opposed to selecting a bounding figure to encompass any unexpected events concerning the spent fuel pool.

In Reactor Configuration 2, the offsite financial protection requirements set forth in 10 CFR 140.11 would be reduced from $200 million to $100 million for the primary liability coverage, and the licensee would be allowed to withdraw from the secondary liability coverage under Price-Anderson.

In Reactor Configuration 3, when all the spent fuel has been removed to an onsite or offsite dry storage ISFSI or to a DOE high-level repository and the onsite radioactive inventory is greater than 1000 gallons, the onsite insurance coverage requirements would be $50 million under the proposed 10 CFR 50.54(w). This amount is based on the fact that there are still mobile radioactive sources onsite that have the potential to contaminate the site. The maximum cleanup costs associated with Reactor Configuration 3 are estimated at approximately $50 million. The conservative limiting event is the rupture of a large contaminated liquid storage tank that causes soil contamination and the potential to contaminate groundwater. The offsite financial protection requirements under the proposed Section 140.11 would be reduced from $100 million to $50 million, and the licensee would not be required to maintain secondary liability coverage under the Price-Anderson Act for Reactor Configuration 3. With no spent fuel in the spent fuel pool, the risks of offsite contamination have been reduced considerably for this configuration.

In Reactor Configuration 4, there are no significant mobile sources of radioactivity, such as liquid contaminants, onsite. Thus, the potential for onsite and offsite radiological impacts is limited. In this situation, onsite insurance coverage requirements either would be $25 million or would be completely eliminated under the proposed 10 CFR 50.54(w). The amount in each case would be based on information provided by the licensee and evaluated by the staff for the particular circumstances of the shutdown reactor. The $25 million onsite insurance coverage would be required if liquid radwaste remained stored onsite, usually 1,000 gallons or less of radwaste, that may be susceptible to an accidental spill and the consequent need for cleanup of the contaminated site. Elimination of required onsite insurance coverage would be based on the licensee's submittal of its terminal radiation survey to the NRC stating that the site has been cleaned to unrestricted release levels and is awaiting a confirmatory survey for termination of the license. In either case, the onsite and offsite consequences would be negligible.

In Reactor Configuration 4, the required offsite financial protection would be reduced to $25 million to account for the continuing potential for claims based on asserted offsite consequences. A minimum of $25 million in coverage would minimize the possibility that Federal Government indemnification would be required and would be consistent with the requirements of Section 170 of the Atomic Energy Act that power reactor licensees maintain some level of public liability financial protection. The licensee would not be required to maintain secondary liability coverage under Price-Anderson for Reactor Configuration 4.

In addition, "rated capacity" would be addressed in 10 CFR part 140 to indicate that permanently shutdown nuclear power plants have "zero" rated capacity. The effect of this amendment would be to allow the NRC to permit reduction of the primary liability coverage and elimination of the requirement for participation in the secondary liability coverage for nuclear power plants that had made the certifications under 10 CFR 50.82(a)(1)(i) and (ii). However, for reasons stated above, the NRC does not propose to permit this reduction and withdrawal until a reactor has entered the Reactor Configuration 2. At that point the NRC proposes that the reactor no longer be subject to the requirements to maintain primary financial protection in the "maximum amount available at reasonable cost and on reasonable terms from private sources" or to participate in the secondary financial protection public liability system under Section 170 of the Atomic Energy Act. The Commission has already approved, in response to site-specific requests, these adjustments in the primary and secondary public liability insurance regime, and this clarification in part 140, as requested by the Commission, places into the Commission's regulations a statement that a permanently shutdown nuclear power plant is no longer considered to have any "rated capacity."

The petition for rulemaking submitted by the North Carolina Public Staff Utilities Commission would be substantially granted in that the insurance requirements would be significantly reduced, as requested. However, the petition could not be fully granted because of the Price-Anderson statutory provisions that do not allow licensees who continue to hold 10 CFR part 50 licenses to drop the offsite public liability coverage entirely.

Finding of No Significant Environmental Impact: Availability

The Commission 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, if adopted, 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 proposed rule change would allow licensees to seek reductions in onsite and offsite insurance coverage following permanent shutdown if they meet specified reactor configurations because of the reduced risk associated with permanently shutdown reactors. The proposed rule change would require no changes in hardware, procedures, organization, or operation of nuclear power reactors. It would not affect the safety requirements for nuclear power reactors because of the significantly reduced risks to the public health and safety in Reactor Configurations 2, 3, and 4 and it would not affect the likelihood, magnitude, or consequences of accidents at the permanently shutdown nuclear power reactors. Although the proposed rule change would reduce the level of financial protection available to pay for environmental or other consequences that may result from accidents at permanently shutdown nuclear power reactors, the Commission considers the reduced required insurance and financial protection coverage to be fully adequate and commensurate with the reduced consequences of potential accidents at permanently shutdown nuclear reactors and that the environment will not be negatively affected. Accordingly, the Commission has determined that the proposed rulemaking would have no significant impacts on the quality of the environment.

The environmental assessment and finding of no significant impact on which this determination is based are available for inspection at the NRC Public Document Room, 2120 L Street NW. (Lower Level), Washington, DC. Single copies of the environmental assessment and the finding of no significant impact are available from George Mencinsky, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301) 415-6206.

Paperwork Reduction Act Statement

This proposed 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 3150-0011 and 3150-0039.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, an information collection unless it displays a currently valid OMB control number.

Regulatory Analysis

The Commission has prepared a draft regulatory analysis on this proposed regulation. The analysis examines the costs and benefits of the alternatives considered by the Commission. The draft analysis is available for inspection in the NRC Public Document Room, 2120 L Street NW. (Lower Level), Washington, DC. Single copies of the draft analysis may be obtained from George Mencinsky, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301) 415-6206. The Commission requests public comment on the draft regulatory analysis. Comments on the draft analysis may be submitted to the NRC as indicated under the ADDRESSES heading.

Regulatory Flexibility Certification

As required by the Regulatory Flexibility Act of 1980 (5 U.S.C. 605(b)), the Commission certifies that this rule, if adopted, will not have a significant economic impact upon a substantial number of small entities. The proposed rule only affects NRC power reactor licensees, which are not "small entities."

Backfit Analysis

The NRC has determined that the backfit rule, 10 CFR 50.109, does not apply to this proposed rule because the backfit rule is limited in scope to construction and operation of nuclear reactors. This rule would only apply to reactors that have permanently ceased operations. Therefore, a backfit analysis is not required because these amendments do not involve any provisions that would impose backfits as defined in 10 CFR 50.109(a)(1).

List of Subjects

10 CFR Part 50

Antitrust, Classified information, Criminal penalties, Fire protection, Incorporation by reference, Intergovernmental relations, Nuclear power plants and reactors, Radiation protection, Reactor siting criteria,

Reporting and recordkeeping requirements.

10 CFR Part 140

Criminal penalties, Extraordinary nuclear occurrence, Insurance, Intergovernmental relations, Nuclear materials, Nuclear power plants and reactors, Reporting and recordkeeping requirements.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and 5 U.S.C. 553, the NRC is proposing to adopt the following amendments to 10 CFR parts 50 and 140.

PART 50—DOMESTIC LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

1. The authority citation for Part 50 continues to read as follows:

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 (42 U.S.C. 5851). Sections 50.10 also issued under secs. 101, 185, 68 Stat. 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 50.80-50.81 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. In § 50.54(w), paragraph (5) is added to read as follows:

§ 50.54 Conditions of licenses.

* * * * *

(w) * * *

(5) For the specified reactor configurations during permanent shutdown, licensees shall maintain the following insurance requirements notwithstanding paragraph (w)(1):

(i) For Reactor Configuration 1: when the reactor is defueled, permanently shutdown, and the spent fuel cladding temperature in the spent fuel pool is 565°C or greater for a postulated loss of spent fuel pool cooling event, the insurance coverage must be as specified in paragraph (w)(1).

(ii) For Reactor Configuration 2: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, and the spent fuel cladding temperature in the spent fuel pool does not exceed 565°C for a postulated loss-of-spent-fuel-pool-cooling event, the minimum insurance coverage limit for each reactor must be $50 million.

(iii) For Reactor Configuration 3: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is 1,000 gallons or greater, the minimum insurance coverage for each reactor must be $50 million.

(iv) For Reactor Configuration 4: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is less than 1,000 gallons, the minimum insurance coverage for each reactor must be $25 million. For sites awaiting license termination, no insurance coverage is required if the licensee has completed its terminal radiation survey and the site is ready for the confirmatory survey for license termination.

* * * * *

PART 140—FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

1. The authority citation for Part 140 continues to read as follows:

Authority: Secs. 161, 170, 68 Stat. 948, 71 Stat. 576, as amended (42 U.S.C. 2201, 2210); secs. 201, as amended, 202, 88 Stat. 1242, as amended, 1244 (42 U.S.C. 5841, 5842).

2. In § 140.11(a), remove "and" at the end of paragraph (3), change "." at end of paragraph (4) to "; and" and add paragraph (5) to read as follows:

§ 140.11 Amounts of financial protection for certain reactors.

(a) * * *

(5) For the specified reactor configurations during permanent shutdown of nuclear power reactors (such reactors being classified as having zero electric power level rated capacity) that were covered during their operation by paragraph (a)(4):

(i) For Reactor Configuration 1: when the reactor is defueled, permanently shutdown, and the spent fuel cladding temperature in the spent fuel pool is 565°C or greater for a postulated loss of spent fuel pool cooling event, in the amount as specified in paragraph (a)(4).

(ii) For Reactor Configuration 2: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, and the spent fuel cladding temperature in the spent fuel pool does not exceed 565°C for a postulated loss-of-spent-fuel-pool-cooling event, in the amount of $100 million for each reactor.

(iii) For Reactor Configuration 3: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is 1,000 gallons or greater, in the amount of $50 million for each reactor.

(iv) For Reactor Configuration 4: when the reactor is defueled and permanently shutdown, no operating reactors are on the site, no fuel is in the spent fuel pool, and the radioactive liquid inventory onsite is less than 1,000 gallons, in the amount of $25 million for each reactor.

Dated at Rockville, Maryland, this 23rd day of October, 1997.

For the Nuclear Regulatory Commission.

John C. Hoyle,

Secretary of the Commission.

[FR Doc. 97-28679 Filed 10-29-97; 8:45 am]

BILLING CODE 7590-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 95-AWA-1]

RIN 2120-AA66

Proposed Modification of the Houston Class B Airspace Area; Texas

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes to modify the Houston, TX, (IAH) Class B airspace area. Specifically, this action proposes to reconfigure two existing subarea boundaries and create an additional subarea within the Houston Class B airspace area. The FAA is proposing this action to enhance safety, reduce the potential for midair collision, and to better manage air traffic operations into, out of, and through the Houston Class B airspace area while accommodating the concerns of airspace users.

DATES: *Comments must be received on* or before December 1, 1997.

ADDRESSES: Send comments on the proposal in triplicate to the Federal Aviation Administration, Office of the