



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

Enclosure 5

MAY 28 1985

MEMORANDUM FOR: Robert B. Minogue, Director
Office of Nuclear Regulatory Research

FROM: John G. Davis, Director
Office of Nuclear Material Safety and Safeguards

SUBJECT: RULEMAKING TO REQUIRE NOTIFICATION OF BANKRUPTCY

There have been cases in which materials licensees filed for bankruptcy, presenting problems with regard to payment of costs for decontamination and decommissioning as well as for securing of licensed radioactive material.

It is important that NRC be notified of cases of bankruptcy filing by licensees for two reasons. First, the agency must be alerted so that it may take any necessary action to deal with potential hazards to the public health and safety that may be posed by a licensee that does not have the resources to properly secure the licensed material or to clean up possible contamination. Second, it is essential that we be promptly notified in order that the agency may have the opportunity to move appropriately in the bankruptcy court to have any available assets of the licensee applied first to cover costs of cleaning up the site, before funds are disbursed to other creditors and become unavailable.

The agency currently has two rulemaking endeavors underway dealing with the related matter of financial responsibility: a proposed rule on decontamination and decommissioning, and an advance notice of proposed rulemaking concerning financial assurance for cleanup following accidental releases.

It may be possible to add a "notification of bankruptcy" requirement in one of those two efforts, or it may be better to proceed in a separate rulemaking.

We request that you undertake an appropriate rulemaking to add a requirement that licensees provide prompt notification to the Commission of the filing of a petition in bankruptcy.

John G. Davis
John G. Davis, Director
Office of Nuclear Material
Safety and Safeguards

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USER OFFICE COOREDINATION

TASK CONTROL Office of Nuclear Regulatory Research		U.S. NUCLEAR REGULATORY COMMISSION TASK NUMBER CE-502-1	
REQUESTER Frank Cardile		ORGANIZATION CEBRIDET/RES	
BRANCH CHIEF Keith Steyer		FIN 	
		DECISION UNIT/PLANNED ACCOMP NO 2516	
TASK TITLE (100 Characters (Include CFR Cl. R. G. No., and Rev. No.)) Proposed Rule Amendments Requiring Licensees to Notify NRC of Cases of Bankruptcy Filing			
TASK SCOPE (500 Characters) Proposed amendments would require Part 30, 40, 61, 70 and 72 licensees to notify the NRC in the event that the licensee files for bankruptcy so that the NRC is alerted to a licensee's severe financial conditions which could affect his ability to handle licensed radioactive material in a manner which protects public health and safety.			
TASK ACTION (Check one)			
☒ INITIATE NEW TASK		☐ SCHEDULE OUT OF HOLD	
		☐ SCHEDULE AFTER PUBLIC COMMENT PERIOD	
FED APPROVALS			
TASK LEADER Frank Cardile		TECHNICAL EDITING SECTION LEADER 	
DATE 10/2/85		DATE 	
BRANCH CHIEF Keith Steyer		DEPUTY DIVISION DIRECTOR [Signature]	
DATE 10/3/85		DATE 10/3/85	
USER OFFICE APPROVALS (New Task Initiation Only)			
OFFICE/DIVISION:	APPROVAL	DATE	COGNIZANT INDIVIDUAL
ICR/STAFF APPROVALS			
RECR:			
RECR:	Richard EC	10/21/85	R. O'Connell
RECR:			
RECR:			
OTHER (Specify):			

COMMENTS

This task is being initiated in response to a memo from J. G. Davis, NMSS, to R. B. Minogue, RES, requesting that RES undertake appropriate rulemaking to require licensees to provide prompt notification to the Commission of the filing of a petition in bankruptcy.

TASK CONTROL MILESTONES

TASK CONTINUED				DESCRIPTION		INITIALS		DATE	
TASK #	DESCRIPTION	DATE		NUMBER	DESCRIPTION	INITIALS	DATE	INITIALS	DATE
		MO	DAY						
PETITION FOR RULEMAKING (EDDO OR COMMISSION ACTION)									
				90	TYPE APPROVED				
				180	INITIAL DRAFT COMPLETE				
	ACRS APPROVED			480	DIVISION REVIEW COMPLETE				
	FINAL DIVISION (AND AGREEMENT STATES) REVIEW COMPLETE			495	RESOLUTION OF COMMENTS COMPLETE (TO EDITING)				
	RESOLUTION OF COMMENTS COMPLETE			496	ACRS REVIEW COMPLETE				
	OFFICE CONCURRENCE			706	COMMENT RESOLUTION MEMO FOR DD SIGNED BY SC				
	CRGR REVIEW COMPLETE			710	CONCURRENCE BY LEAD DIVISION IN USER OFFICE				
	ACRS REVIEW COMPLETE			875	PRINTING & DISTRIBUTION AUTHORIZED BY RES DD				
	SUBMITTED TO EDO COMMISSION			1800	PRINTED & ISSUED FOR COMMENT				
	PROPOSED RULE OR NOTICE OF INTENT PUBLISHED IN FEDERAL REGISTER								
ADVANCE NOTICE OF PROPOSED RULEMAKING (EDDO OR COMMISSION ACTION)									
				1230	FORWARD GUIDE FOR DIV & ELD REVIEW (CRGR/ACRS)				
				1480	DIVISION & ELD REVIEW COMPLETE				
				1490	SUBMISSION TO CRGR				
	FINAL DIVISION (AND AGREEMENT STATES) REVIEW COMPLETE			1492	CRGR REVIEW COMPLETE (TO ACRS/WRGR CONCURRENCE) (TO EDITING)				
	RESOLUTION OF COMMENTS COMPLETE			1494	ACRS REVIEW COMPLETE				
	OFFICE CONCURRENCE			1500	RESOLUTION OF COMMENTS COMPLETE				
	CRGR REVIEW COMPLETE			2700	COMMENT RESOLUTION MEMO FOR RES DD SIGNED BY DD				
	ACRS REVIEW COMPLETE			2760	OFFICE CONCURRENCE OBTAINED				
	SUBMITTED TO EDO COMMISSION			3000	PRINTED AND ISSUED				
	PROPOSED RULE PUBLISHED IN FEDERAL REGISTER								
PROPOSED RULE (EDDO OR COMMISSION ACTION)									
			12/1/85	4080	DETERMINATION OF NEED FOR COMPLETE				
			1/3/86	4082	NOTICE OF INTENT ISSUED				
	INITIAL DRAFT COMPLETE (INFO COPY TO CRGR/ACRS)		2/1/86	4084	SCOPING SUMMARY REPORT ISSUED				
	FINAL DIVISION (AND AGREEMENT STATES) REVIEW COMPLETE		3/15/86	4100	FIRST DRAFT OF DES COMPLETE				
	RESOLUTION OF COMMENTS COMPLETE		4/15/86	4400	FINAL DIVISION REVIEW COMPLETE				
	OFFICE CONCURRENCE			4530	RESOLUTION OF COMMENTS COMPLETE (TO EDITING)				
	CRGR REVIEW COMPLETE			4550	DES PRINTED AND ISSUED				
	ACRS REVIEW COMPLETE			4680	FEDERAL REGISTER NOTICE PUBLISHED				
	SUBMITTED TO EDO COMMISSION		4/30/86						
	PROPOSED RULE PUBLISHED IN FEDERAL REGISTER		5/15/86						
EFFECTIVE RULE (EDDO OR COMMISSION ACTION)									
				4675	END OF DES COMMENT PERIOD				
	PREPARATION OF EFFECTIVE RULE COMPLETE (INFO COPY TO CRGR/ACRS)			4690	FIRST DRAFT OF PES COMPLETE				
	FINAL DIVISION (AND AGREEMENT STATES) REVIEW COMPLETE			5180	FINAL DIVISION REVIEW COMPLETE				
	RESOLUTION OF COMMENTS COMPLETE			5230	RESOLUTION OF COMMENTS COMPLETE (TO EDITING)				
	OFFICE CONCURRENCE			5240	ELD REVIEW COMPLETE				
	CRGR REVIEW COMPLETE			5280	PES PRINTED AND ISSUED				
	ACRS REVIEW COMPLETE			5500	FEDERAL REGISTER NOTICE PUBLISHED				
	SUBMITTED TO EDO COMMISSION								
	EFFECTIVE RULE PUBLISHED IN FEDERAL REGISTER								
DRAFT GUIDE (ACRS REVIEW)									
				8070	TYPE APPROVED				
	INITIAL DRAFT COMPLETE (INFO COPY TO CRGR/ACRS)			8095	INITIAL DRAFT COMPLETE				
	DIVISION REVIEW COMPLETE			8470	DIVISION REVIEW COMPLETE				
	SUBMISSION TO CRGR			8495	RESOLUTION OF COMMENTS COMPLETE (TO EDITING)				
	CRGR REVIEW COMPLETE (TO ACRS/WRGR CONCURRENCE) (TO EDITING)			8670	ELD REVIEW COMPLETE				
	ACRS REVIEW COMPLETE			8706	DIVISION DIRECTOR'S MEMO COMPLETE				
	RESOLUTION OF COMMENTS COMPLETE			7000	NUREG REPORT PRINTED AND ISSUED				
	COMMENT RESOLUTION MEMO FOR DD SIGNED BY SC								
CONTRACTOR REPORTS									
				81580	PREPARE PROG ASSUMPTION LTR OR RPPA				
				81520	LET CONTRACT				
				81640	RECEIPT OF DRAFT REPORT				
				81680	COMPLETE REVIEW OF DRAFT REPORT				