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FEB 21 1986

MEMORANDUM FOR: James H. Sniezek, Acting Chairman
Committee to Review Generic Requirements
Office of the Executive Director
for Operations

FROM: Guy A. Arlotto, Director
Division of Engineering Technology
Office of Nuclear Regulatory Research

SUBJECT: AMENDMENTS TO 10 CFR PARTS 30, 40, 50, 61, 70, AND 72
REQUIRING NOTIFICATION OF NRC BY LICENSEES IN THE
EVENT OF BANKRUPTCY

On February 6, 1986, proposed revisions to 10 CFR 30, 40, 50, 61, 70, and 72 were distributed for Division review. At this time, a copy of the revisions was sent to J. H. Sniezek for CRGR information. These revisions would require all NRC licensees to notify the appropriate NRC regional office within a certain time period in the event of a bankruptcy proceeding involving the licensee.

We believe these revisions do not require review by the CRGR because they (1) would not impact adversely on the safety of any licensed power reactor, (2) would not result in any design or equipment changes for operating reactors, and (3) would have a negligible impact on licensee resources.

The objective of these revisions is that NRC have means in place so that it is alerted and can take 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 his licensed material or to clean up possible contamination. Cases have occurred in which licensees filed for bankruptcy and the NRC has not generally been aware that this has happened. There are presently no regulatory requirements that licensees notify the NRC when filing for bankruptcy. Hence, currently, NRC has no means by which it can be made aware of such situations.

As noted above these revisions would require licensees to notify NRC in the event of bankruptcy. There is no action required of a licensee by these revisions unless and until a bankruptcy petition is filed. Hence, there is no impact from this rule unless bankruptcy filing occurs. Even in the event of bankruptcy, the impact of this rule on licensees is small since licensees are already required by the United States Code to notify creditors of bankruptcy,

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hence this rule only consists of one additional notification. In addition, the required action consists only of a notification by mail to the NRC representing less than one person-hour of effort. The net overall cost to the industry is negligible.

In a memorandum from V. Stello, Jr., EDO, to R. B. Minogue, January 13, 1986, it was indicated that this rulemaking be completed in 3-6 months. Based on this time schedule for issuance of proposed and effective rules, we must move expeditiously in obtaining review and concurrence of these revisions.

We will proceed with preparing the necessary documentation for EDO issuance of the proposed rule based on the assumption that CRGR review is not required.

Original signed by G. A. Arlotto

Guy A. Arlotto, Director
Division of Engineering Technology
Office of Nuclear Regulatory Research

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