

June 18, 1999

FOR: The Commissioners

FROM: William D. Travers /s/
Executive Director for Operations

SUBJECT: FINAL RULE: "CERTIFICATION RENEWAL AND AMENDMENT PROCESSES," 10 CFR PART 76

PURPOSE: To obtain the Commission's approval to publish a final rule.

CATEGORY: This paper covers a policy question requiring Commission consideration.

BACKGROUND: In the Staff Requirements Memorandum issued August 21, 1998 (Attachment 1), in response to SECY-98-172, the Commission approved publication of the proposed rule for public comment.

The proposed rule was published on September 15, 1998 (63 FR 49301), for a 60-day comment period. The Commission received one comment letter that was submitted by the United States Enrichment Corporation (the Corporation), which leases and operates the gaseous diffusion plants. The Corporation supported the proposed rule and had two specific comments. These comments are addressed in the statement of considerations to the final rule.

This final rule will amend the regulations that apply to the Paducah and Portsmouth gaseous diffusion plants. The Nuclear Regulatory Commission assumed regulatory jurisdiction over these plants on March 3, 1997. When implementing the initial certification and amendment processes specified in the current regulations, the staff identified several areas for improving these processes so that they would be more effective and efficient.

This final rule will: (1) modify the process for certificate renewals; (2) establish a process for a certificate amendment comparable to the process currently used to amend a fuel cycle license; (3) revise the appeal process for amendments; (4) eliminate the "significant" designation for amendments; (5) simplify the criteria for persons who are eligible to file petitions for review of amendment actions; (6) remove references to the initial applications because the initial certificates have been issued; and (7) lengthen the time periods associated with filing petitions for review. Overall, these changes will improve NRC's handling of certificate amendments and clarify the appeal process for members of the public.

The Commission should be aware that the initial decision on a certificate amendment application can be appealed directly to the Commission under the current regulations. This final rule would delegate the responsibility for the initial decision on a certificate amendment application to the branch chief. The branch chief's decision could be appealed to the office director. The director's decision, in turn, could be appealed to the Commission.

CONTACT: John Telford, NMSS/IMNS
(301) 415-6229

COORDINATION: The Office of the General Counsel has no legal objection to this final rule. The Office of the Chief Financial Officer has reviewed this Commission Paper for resource implications and has no objections. The Office of the Chief Information Officer has reviewed the final rule for information technology and information management implications and concurs in it.

RESOURCES Resources to complete and implement this final rule are included in the current budget.

RECOMMENDATIONS: That the Commission:

1. Approve the "Notice of Final Rulemaking" (Attachment 2) for publication.
2. Certify that, if promulgated, this final rule will not have a significant impact on a substantial number of small entities, to satisfy requirements of the Regulatory Flexibility Act, 5 U.S.C. 605(b).

Note:

- a. This final rule will become effective 30 days after the date of publication in the Federal Register.
- b. The Chief Counsel for Advocacy of the Small Business Administration will be informed of the certification regarding no economic impact on small entities and the reasons for it, as required by the Regulatory Flexibility Act.
- c. The "Regulatory Analysis" is contained in the "Notice of Final Rulemaking."
- d. The Office of Public Affairs will issue a press release (Attachment 3).
- e. The appropriate Congressional committees will be informed (Attachment 4).
- f. Office of Management and Budget clearance is not required, because this final rule affects fewer than ten respondents.
- g. The staff has determined that this is not a "major" rule as defined in the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. 804(2), and has confirmed this determination with the Office of Management and Budget. The appropriate Congressional and General Accounting Office contacts will be informed (Attachment 5).

William D. Travers
Executive Director for Operations

Attachments:

1. SRM on SECY-98-172, issued August 21, 1998
2. Federal Register Notice
3. Press Release
4. Congressional Letters
5. SBREFA Letters

Table of Contents

- SRM on SECY-98-172, issued August 21, 1998
 - Changes to the Federal Register Notice
 - Change to the Congressional Letter
 - Changes to the Press Release
 - 10 CFR Part 76, RIN: 3150-AF85, Certification Renewal and Amendment Processes
 - Background
 - Comments on the Proposed Rule
 - The Final Rule
 - Compatibility of Agreement State Regulations
 - Plain Language
 - Voluntary Consensus Standards
 - Environmental Impact: Categorical Exclusion
 - Paperwork Reduction Act Statement
 - Regulatory Analysis
 - Impacts on the Corporation
 - Benefit
 - Preferred Option
 - Regulatory Flexibility Certification
 - Backfit Analysis
 - Small Business Regulatory Enforcement Fairness Act
 - List of Subjects in 10 CFR Part 76
 - PART 76--CERTIFICATION OF GASEOUS DIFFUSION PLANTS
- NRC Changes Regulations for Renewing or Amending USEC Certificates(DRAFT)
- Letters

SRM on SECY-98-172, issued August 21, 1998

August 21, 1998

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-98-172 - PROPOSED RULE: "CERTIFICATION RENEWAL AND AMENDMENT PROCESSES," 10 CFR PART 76

The Commission has approved publication of the notice of proposed rulemaking for public comment subject to the changes provided in the attachment. The attachment also contains changes which should be included in the letter to Congress and the press release.

(EDO) (SECY Suspense: 9/18/98)

Attachment:

As stated

cc: Chairman Jackson
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS

Changes to the Federal Register Notice

1. On page 1, line 10, place 'significant' in quotations marks.

2. On page 3, line 1, replace '(GAPs)' with '(GDPs).' In line 15, place 'significant' in quotation marks.
3. On page 5, paragraph 2, line 6, insert 'current distinction between' before 'significant.' On line 7, replace 'designation' with 'and not significant proposed activities.'
4. On page 8, last paragraph, line 2, insert 'redundant' before 'phrase.'

Change to the Congressional Letter

At the end of the second paragraph, add the following sentence. "The public's opportunity to follow each licensing action remains the same because licensing documents are placed in the Commission's Public Document Room, and the public continues to have an opportunity to file a petition for review."

Changes to the Press Release

1. On page 1, item (1), line 3, delete the comma after 'if' and move 'if' to after 'example.' In line 4, delete the comma.
2. On page 1, item (2), last line, insert 'directly' after 'appealed.'
3. On page 2, insert a new item (3): "Eliminate the current distinction between "significant" and "not significant" amendments." Renumber the remaining items.
4. On page 2, new item (4), line 2, delete 'and.' In line 3, after 'decisions' add a comma followed by 'and increase the Commission's review time from 60 to 90 days.'

10 CFR Part 76, RIN: 3150-AF85, Certification Renewal and Amendment Processes

[7590-01-P]

NUCLEAR REGULATORY COMMISSION
10 CFR Part 76
RIN: 3150-AF85
Certification Renewal and Amendment Processes

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is amending the regulations governing the gaseous diffusion plants to modify the certification renewal and amendment processes. The amendments are intended to improve these processes so that they are more effective and efficient. The final rule modifies the process for certificate renewals, establishes a process for certificate amendments comparable to the process currently used to amend a fuel cycle license, revises the appeal process for amendments, eliminates the "significant" designation for amendments, simplifies the criteria for persons who are eligible to file a petition for review of an amendment action, removes references to the initial application because the initial certificates have been issued, and lengthens the time periods associated with filing a petition for review.

EFFECTIVE DATE: (30 days from the date of publication in the Federal Register).

FOR FURTHER INFORMATION CONTACT: Mr. John L. Telford, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301) 415-6229, e-mail JLT@nrc.gov.

SUPPLEMENTARY INFORMATION:

BACKGROUND

The regulations establishing NRC's requirements for the Paducah and Portsmouth gaseous diffusion plants (GDPs) were published on September 23, 1994 (59 FR 48960). Subsequently, the Atomic Energy Act (AEA) of 1954 was modified to increase the period for certificate renewals from 1 year to up to 5 years. The regulations implementing this modification to the AEA were published on February 12, 1997 (62 FR 6670). On March 3, 1997, the GDP's came under NRC's oversight. Since 1997, the NRC has implemented the initial certification and numerous certificate amendments. As a result, the NRC staff identified several areas where changes would improve the effectiveness and efficiency of the certificate renewal and amendment processes.

On September 15, 1998 (63 FR 49301), the NRC published a proposed rule that presented amendments to 10 CFR Part 76 intended to make the certification renewal and amendment processes more effective and efficient.

COMMENTS ON THE PROPOSED RULE

The Commission received one letter commenting on the proposed rule. A copy of the letter is available for public inspection and copying for a fee at the Commission's Public Document Room, located at 2120 L Street, NW (Lower Level), Washington, D.C. This letter came from the United States Enrichment Corporation (the Corporation), which leases and operates the GDPs. The Corporation supported the proposed rule, but had two specific comments.

Comment 1: "The proposed wording states that a certificate amendment will be effective when issued by the NRC staff. Immediate implementation upon issuance of the amendment may be possible in some cases; however, in most cases some implementation time will be required. USEC anticipates that in submitting amendment requests, it will continue the current practice of requesting that site implementation occur within a certain period of time (e.g., 30 days) or after completion of certain activities (e.g., equipment installation, testing) after the staff's issuance of the amendment. USEC assumes that the NRC, in granting an immediately effective certificate amendment, will continue to provide the requisite flexibility and time for effective

implementation."

Response: The Commission agrees with the comment. When granting an amendment, the NRC staff intends to allow an appropriate implementation period (e.g., 30 days). To clarify this intent further, the regulatory text has been modified to make an amendment effective on a date specified by the NRC staff.

Comment 2: "These paragraphs [76.45(d) & (e)] specify requirements for obtaining the Director's review of the staff's determination and the Commission's review of a Director's decision on an amendment application. These paragraphs state that if the Director or Commission does not issue a decision or otherwise act after receiving a petition for review, the determination on the amendment application remains in effect. However, the ability of the Corporation to implement an effective amendment should a petition be received is unclear. Therefore, USEC requests that the proposed wording in 76.45(d) and 76.45(e) be clarified to indicate that, should a petition on an effective amendment be received, implementation of the amendment at the gaseous diffusion plants may continue, unless and until the Director modifies or sets aside the findings, conclusions, conditions or terms in the staff's amendment determination or the Commission modifies or sets aside the findings, conclusions, conditions or terms in the Director's amendment review decision. Should either the staff's decision or the Director's decision be modified or set aside, upon NRC notification, the Corporation would take the required actions with respect to implementation of the effective amendment. USEC's comments in this regard could be addressed with the addition of the following language to 76.45(d) and (e):

The pendency of a petition [for review] under this subsection shall not delay the effective date of the amendment as issued by the staff under 76.45(c) above."

Response: The language of 76.45(d) and (e) does not need to be revised. If a petition for review is pending, the Commission believes that the Corporation may implement an effective certificate amendment because of the statements in 76.45(c), (d), and (e). In particular, if a petition for review is pending, it would not delay the effective date of the certificate amendment. The Corporation may continue implementation of an effective certificate amendment unless and until it is modified or set aside by either the Director or the Commission.

THE FINAL RULE

This final rule makes the following changes:

Currently, 76.37 specifies that the Director of the Office of Nuclear Material Safety and Safeguards (the Director) shall publish a Federal Register notice of receipt of an application for renewal. This final rule replaces "shall" with "may, at his or her discretion," and inserts "for renewal" after the first occurrence of the word "application" in paragraphs (a), (b), and (c). Replacing "shall" with "may, at his or her discretion," allows the Director to determine if a Federal Register notice is warranted for an application for renewal on a case-by-case basis. There are two reasons for this action. First, if the application does not address any new safety issues or there have not been any major changes to the facility or its operating procedures that would substantially increase the risk associated with the facility, the Director may decide that a Federal Register notice is not necessary. This flexibility allows the NRC to focus its resources on safety issues that have significant potential risk. Second, there is no requirement in the AEA to notice an application for certificate renewal. Furthermore, similar actions for 10 CFR Parts 30, 40, and 70 facilities are not noticed. Adding "for renewal" clarifies that the application is specifically for renewal.

In 76.39, the phrase "for renewal" is being inserted after each occurrence of the word "application." This clarifies that the application being discussed in 76.39 is specifically for renewal.

Section 76.45(a) is being changed to remove the responsibility for making the initial decision on an amendment application from the Director. This change allows the decision to grant or deny an amendment application to be delegated to the branch chief. This action contributes to a more efficient use of NRC resources and is comparable to the process used for facilities regulated by the Commission under 10 CFR Parts 30, 40, and 70.

Section 76.45(b) is being deleted. The first sentence currently requires that the Director determine whether the proposed activities are "significant" and, if so, follow the procedures specified in 76.37 and 76.39. This sentence is being deleted because the procedures specified in 76.37 to be followed by the Director will be discretionary, and the procedures specified in 76.39 are currently discretionary. Accordingly, it would not be logical to compel the Director to follow either of them. This action eliminates the current distinction between "significant" and not significant proposed activities. This action also provides a more flexible and efficient regulatory process. However, the public's opportunity to follow each amendment remains the same because certification documents are placed in the Commission's Public Document Room, and the public will have an opportunity to file a petition for review of an amendment as described in revised 76.45(d). In addition, the last sentence in 76.45(b) is being deleted because decisions on certificate amendment applications will be delegated to the branch chief. This delegation is comparable to the process currently used for 10 CFR Parts 30, 40, and 70 facilities.

The current 76.45(c) is being redesignated as paragraph (b) because the current paragraph (b) is being deleted.

In a new 76.45(c), the first sentence provides that a certificate amendment will be effective on a date specified by the NRC staff. This allows the NRC staff to handle issues that need to be addressed quickly to avoid an unnecessary operational upset of a GDP, ensure adequate protection of public health and safety from radiological hazards, and/or provide for the common defense and security. The second sentence of 76.45(c) provides that the NRC staff may, at its discretion, publish a notice of its decision on an amendment application in the Federal Register. The NRC staff will take this action when publication of a notice is warranted on a case-by-case basis. If the application does not address any new safety issues or there have not been any major changes to the facility or its operating procedures that would substantially increase the risk associated with the facility, the NRC staff may decide that a Federal Register notice is not necessary. This flexibility allows the NRC to devote its resources to safety issues that have significant potential risk. The AEA does not require that a certificate amendment application be noticed. Furthermore, the Commission does not notice similar actions for 10 CFR Parts 30, 40, and 70 facilities.

Currently, a decision on an amendment application may be appealed by filing a request for the Commission's review. A new 76.45(d), concerning the NRC staff's determination on an amendment application, establishes procedures for the Corporation, or any person whose interests may be affected, to file a petition for the Director's review. Because the initial determination on a certificate amendment application may be delegated to the branch chief, it is logical for the Director to be the first level of review. This process contributes to a more efficient use of agency resources because an appeal issue may be resolved by the Director and not require the Commission's review.

A new 76.45(e), concerning the Director's decision, establishes procedures for either the Corporation, or any person whose interests may be affected and who filed a petition for review or filed a response to a petition for review under 76.45(d), to file a petition for the Commission's review. Because the initial review of an NRC staff determination on an amendment application is rendered by the Director, it is logical for the Commission to be the final level of review.

In revised 76.62(c), the phrase, "who submitted written comments in response to the Federal Register notice on the application or compliance plan under 76.37, or provided oral comments at any meeting held on the application or compliance plan conducted under 76.39," is removed. This action eliminates restrictions that limit those entities who may file a petition requesting review of the Director's decision regarding issuance of a certificate and/or approval of a compliance plan. Eliminating these restrictions is consistent with the Commission's practice for 10 CFR Parts 30, 40, and 70 facilities. Further, if a Federal Register notice is not issued for a certificate renewal, a notice of the Director's decision will provide the first published opportunity for a person whose interest may be affected to be aware of the action.

The number of days specified in 76.62(c) is being increased from 15 to 30 days. This provides more time for the Corporation or other members of the public whose interests may be affected to file a petition for review on a certificate renewal action. Because the time period for a certificate renewal was recently extended from annually to up to 5 years, the need to act within 15 days because of the time constraint formerly associated with annual renewals is removed.

The sentence, "Unless the Commission grants the petition for review or otherwise acts within 60 days after the publication of the Federal Register notice, the Director's initial decision on the certificate application or compliance plan becomes effective and final," is being revised to read: "If the Commission does not issue a decision or take other appropriate action within 90 days after the publication of the Federal Register notice, the Director's decision remains in effect." This change clarifies that the Director's decision is effective upon issuance and, if a petition for review is filed, eliminates a potential 60-day suspension of the effectiveness of the Director's decision. The Director's decision remains in effect unless it is changed by the Commission. This procedure is also more consistent with the process for license renewals pursuant to 10 CFR Parts 30, 40, and 70. In addition, to accommodate the increased time for both filing a petition for review and responding to a petition, the time provided for the Commission to act is being increased from 60 to 90 days following publication of the Federal Register notice.

The changes made in 76.62(c) are also being made in 76.64(d) for the same reasons.

In the introductory text of 76.91, reference to 76.35(d) is being changed to 76.35(f) to correct a typographical error.

In addition, Part 76 is being modified to remove references to the initial certification application or initial certification decision that are no longer relevant because the initial certificates have been issued. In 76.33(a)(1), (b), (c), (d), and (e), and 76.35, references to "initial" are being removed. Section 76.9(c) is being removed as no longer relevant because the condition of effectiveness at the time of the initial certification application has been satisfied. Phrases in 76.21(a), 76.36(a), 76.60(e)(2), and 76.91(n) concerning initial certification are being removed. References in 76.7(e)(1), 76.60(c)(2), 76.60(d)(2), and 76.60(e)(1) to the NMSS Director's decision on the initial certificate are also being removed.

Section 76.33 is being amended to correct a printing error in the regulatory text. In

76.33(a)(2), the redundant phrase "the names, addresses, and citizenship of its principal office," is being removed.

COMPATIBILITY OF AGREEMENT STATE REGULATIONS

Under the "Policy Statement on Adequacy and Compatibility of Agreement State Programs" that was approved by the Commission on June 30, 1997, and published in the Federal Register on September 3, 1997 (62 FR 46517), Part 76 is classified as compatibility Category "NRC". The NRC program elements in this category are those that relate directly to areas of regulation reserved to the NRC by the AEA or provisions of Title 10 of the Code of Federal Regulations.

PLAIN LANGUAGE

The Presidential Memorandum dated June 1, 1998, entitled, "Plain Language in Government Writing," directed that the government's writing be in plain language. This memorandum was published June 10, 1998 (63 FR 31883). In complying with this directive, editorial changes have been made in the final revisions to improve the organization and readability of the existing language of the paragraphs being revised. These types of changes are not discussed further in this notice.

VOLUNTARY CONSENSUS STANDARDS

The National Technology Transfer and Advancement Act of 1995, Pub. L. 104-113, requires that agencies use technical standards that are developed or adopted by voluntary consensus standard bodies unless the use of such a standard is inconsistent with applicable law or otherwise impractical. In this final rule, the NRC is amending the regulations governing the gaseous diffusion plants to modify the process used to renew or amend a certificate of compliance. The amended regulations are procedural and apply to a specific entity. Therefore, this action does not establish a technical standard of generally applicable requirements.

ENVIRONMENTAL IMPACT: CATEGORICAL EXCLUSION

The NRC has determined that this regulation is the type of action described as a categorical exclusion in 10 CFR 51.22(c)(2). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this final rule.

PAPERWORK REDUCTION ACT STATEMENT

The information collection requirements contained in this final rule of limited applicability affect fewer than ten respondents. Therefore, Office of Management and Budget approval is not required pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.).

REGULATORY ANALYSIS

This final rule modifies the process for certificate renewals, establishes a process for certificate amendments comparable to the process currently used to amend a fuel cycle license, revises the appeal process for amendments, eliminates the "significant" designation for amendments, simplifies the criteria for persons who are eligible to file a petition for review of an amendment action, removes references to the initial application because the initial certificates have been issued, and lengthens the time periods associated with filing a petition for review.

Part 76 contains a process for amending a certificate and the GDP certificates have been amended several times. These actions identified several deficiencies in the 76.45 process that should be corrected. The NRC staff examined how the process could be revised and improved so that it is more effective and efficient. The amendment process for GDP certificates as modified by this final rule parallels the process currently used for 10 CFR Parts 30, 40, and 70 facilities. This final rule also removes the ambiguity associated with determining who can petition the NRC for review of an amendment application decision.

Because the statute has been amended to allow up to a 5-year certificate renewal period instead of an annual certificate renewal requirement, the lengthened certificate period has permitted consideration of improvements to the certificate renewal process. Because the annual certification time constraint has been removed, the final rule makes appropriate changes to the time for appeals and lifts restrictions on who may appeal a certification decision. As a result, the certificate renewal process more closely resembles the process for renewal of materials and fuel cycle facility licenses under 10 CFR Parts 30, 40, and 70.

A no-change option retains the deficiencies and ambiguities identified in the current certification renewal and amendment processes and precludes an improved process that is more effective and efficient.

Impacts on the Corporation

An uncomplicated certificate amendment process provides a more timely regulatory process. If the identified deficiencies and ambiguities in the amendment process are not corrected, there is a potential for expense due to plant operational delays and reduced efficiencies that may be related to amendment requests.

Clarification of who can petition the Director for review of an NRC staff determination on an amendment application and/or extension of the period for requesting a review may result in additional petitions. Similarly, lifting restrictions on who can petition for review of a certification renewal decision and lengthening the time for this type of petition may result in additional petitions. This rulemaking is not expected to have any adverse economic impacts on the Corporation.

Benefit

An uncomplicated process for certificate amendment will result in a more effective and efficient NRC review process. This, in turn, provides for more timely completion of amendment reviews. Clarification of who can petition the Director for review of a certificate amendment determination will remove undesirable ambiguities. Specifically, the final rule removes a restriction on who can petition for review by eliminating the current requirement that a petition for review may only be filed by a person who had previously provided comments. The final rule will allow anyone whose interests may be affected to file a petition for review. The extension of the time periods associated with filing a petition for review provides more time for the public to participate in the amendment process. The final rule also removes the same restrictions on who may petition for review of a certification renewal decision and extends the time period for accepting petitions for review of a certification renewal decision. The final rule also provides for NRC staff discretion in publishing the Federal Register notice of receipt of the application for Certificate renewal. This discretion permits the NRC staff to use its resources in the most effective and efficient manner.

Preferred Option

The preferred option is amending the regulations to eliminate ambiguities, reduce inefficiencies, better define the processes for certificate renewals and amendments, allow immediately effective amendments, and allow more time for public participation, while continuing to ensure adequate protection of public health and safety.

This constitutes the regulatory analysis for the final rule.

REGULATORY FLEXIBILITY CERTIFICATION

In accordance with the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Commission certifies that this final rule does not have a significant economic impact on a substantial number of small entities because it only addresses the United States Enrichment Corporation or its successor. The Corporation does not fall within the scope of the definition of "small entities" set forth in 10 CFR 2.810 or the Small Business Size Standards set out in regulations issued by the Small Business Administration at 13 CFR Part 121.

BACKFIT ANALYSIS

The NRC has determined that the backfit rule does not apply to this final rule because these amendments do not involve any provisions that would impose backfits as defined in 10 CFR 76.76. Therefore, a backfit analysis is not required for this final rule.

SMALL BUSINESS REGULATORY ENFORCEMENT FAIRNESS ACT

In accordance with the Small Business Regulatory Enforcement Fairness Act of 1996, the NRC has determined that this action is not a major rule and has verified this determination with the Office of Information and Regulatory Affairs of OMB.

LIST OF SUBJECTS IN 10 CFR PART 76

Certification, Criminal penalties, Radiation protection, Reporting and recordkeeping requirements, Security measures, Special nuclear material, Uranium enrichment by gaseous diffusion.

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. 552 and 553; the NRC is adopting the following amendments to 10 CFR Part 76.

PART 76--CERTIFICATION OF GASEOUS DIFFUSION PLANTS

1. The authority citation for Part 76 continues to read as follows:

AUTHORITY: Secs. 161, 68 Stat. 948, as amended, secs. 1312, 1701, as amended, 106 Stat. 2932, 2951, 2952, 2953, 110 Stat. 1321-349 (42 U.S.C. 2201, 2297b-11, 2297f); secs. 201, as amended, 204, 206, 88 Stat. 1244, 1245, 1246 (42 U.S.C. 5841, 5842, 5845, 5846); sec. 234(a), 83 Stat. 444, as amended by Pub. L. 104-134, 110 Stat. 1321, 1321-349 (42 U.S.C. 2243(a)).

Sec. 76.7 also issued under Pub. L. 95-601, sec. 10, 92 Stat. 2951 (42 U.S.C. 5851). Sec. 76.22 is also issued under sec. 193(f), as amended, 104 Stat. 2835, as amended by Pub. L. 104-134, 110 Stat. 1321, 1321-349 (42 U.S.C. 2243(f)). Sec. 76.35(j) also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152).

2. In 76.7, paragraph (e)(1) is revised to read as follows:

76.7 Employee protection.

* * * * *

(e)(1) The Corporation shall prominently post the revision of NRC Form 3, "Notice to Employees," referenced in 10 CFR 19.11 (c). This form must be posted at locations sufficient to permit employees protected by this section to observe a copy on the way to or from their place of work. Premises must be posted during the term of the certificate and for 30 days following certificate termination.

* * * * *

3. In 76.9, paragraph (c) is removed.

76.9 [Amended]

4. In 76.21, paragraph (a) is revised to read as follows:

76.21 Certificate required.

(a) The Corporation or its contractors may not operate the gaseous diffusion plants at Piketon, Ohio, and Paducah, Kentucky, unless an appropriate certificate of compliance, and/or an approved compliance plan is in effect under this part. Unless authorized by the NRC under other provisions of this chapter, a person other than the Corporation or its contractors may not acquire, deliver, receive, possess, use, or transfer radioactive material at the gaseous diffusion plants at Piketon, Ohio, and Paducah, Kentucky.

* * * * *

5. Section 76.33 is revised to read as follows:

76.33 Application procedures.

(a) Filing requirements.

- (1) An application for a certificate of compliance must be tendered by filing 20 copies of the application with the Director, Office of Nuclear Material Safety and Safeguards, with copies sent to the NRC Region III Office and appropriate resident inspector, in accordance with 76.5.
 - (2) The application must include the full name, address, age (if an individual), and citizenship of the applicant. If the applicant is a corporation or other entity, the application must indicate the State where it was incorporated or organized; the location of the principal office; and the names, addresses, and citizenship of its principal officers. The applicant shall include any known information concerning the control or ownership, if any, exercised over the applicant by any alien, foreign corporation, or foreign government.
- (b) Oath or affirmation. An application for a certificate of compliance must be executed in a signed original by a duly authorized officer of the Corporation under oath or affirmation.
 - (c) Pre-filing consultation. The Corporation may confer with the Commission's staff before filing an application.
 - (d) Additional information. At any time during the review of an application, the Corporation may be required to supply additional information to the Commission's staff to enable the Commission or the Director, as appropriate, to determine whether the certificate should be issued or denied, or to determine whether a compliance plan should be approved.
 - (e) Withholdable information. If an application contains Restricted Data, National Security Information, Safeguards Information, Unclassified Controlled Nuclear Information, proprietary data, or other withholdable information, the applicant shall ensure that the withholdable information is separate from the information to be made publicly available.

6. In 76.35, the section heading and introductory paragraph are revised to read as follows:

76.35 Contents of application.

The application for a certificate of compliance must include the information identified in this section.

* * * * *

7. In 76.36, paragraph (a) is revised to read as follows:

76.36 Renewals.

(a) The Corporation shall file periodic applications for renewal, as required by 76.31.

* * * * *

8. Section 76.37 is revised to read as follows:

76.37 Federal Register notice.

The Director may, at his or her discretion, publish in the Federal Register:

- (a) A notice of the filing of an application for renewal (specifying that copies of the application, except for Restricted Data, Unclassified Controlled Nuclear Information, Classified National Security Information, Safeguards Information, Proprietary Data, or other withholdable information will be made available for public inspection in the Commission's Public Document Room at 2120 L Street, NW. (Lower Level), Washington, DC, and in the local public document room at or near the location of the plant);
- (b) A notice of opportunity for written public comment on the application for renewal; and
- (c) The date of any scheduled public meeting regarding the application for renewal.

9. In 76.39, paragraphs (a), the introductory text of (b), and paragraphs (b)(1), and (b)(4) are revised to read as follows:

76.39 Public meeting.

(a) A public meeting will be held on an application for renewal if the Director, in his or her discretion, determines that a meeting is in the public interest with respect to a decision on the application for renewal.

(b) Conduct of public meeting.

(1) The Director shall conduct any public meeting held on the application for renewal.

* * * * *

(4) Members of the public will be given an opportunity during a public meeting to make their views regarding the application for renewal known to the Director.

* * * * *

10. Section 76.45 is revised to read as follows:

76.45 Application for amendment of certificate.

- (a) *Contents of an amendment application.* In addition to the application for certification submitted under 76.31, the Corporation may at any time apply for an amendment of the certificate to cover proposed new or modified activities. The amendment application should contain sufficient information for the NRC to make findings of compliance or acceptability for the proposed activities in the same manner as was required for the original certificate.
- (b) *Oath or affirmation.* An application for an amendment of the certificate of compliance must be executed in a signed original by the Corporation under oath or affirmation.
- (c) *Amendment application determinations.* If the NRC staff approves an application for a certificate amendment, it will be effective on a date specified by the NRC staff. If an application for a certificate amendment is not approved by the NRC staff, the Corporation will be informed in writing. The NRC staff may, at its discretion, publish notice of its determination on an amendment application in the Federal Register.
- (d) *Request for review of staff's determination on an amendment application.* The Corporation, or any person whose interest may be affected, may file a petition requesting the Director's review of an NRC staff determination on an amendment application. A petition requesting the Director's review may not exceed 30 pages and must be filed within 30 days after the date of the NRC staff's determination. Any person described in this paragraph may file a written response to a petition requesting the Director's review. This response may not exceed 30 pages and must be filed within 15 days after the filing date of the petition requesting the Director's review. The Director may adopt, modify, or set aside the findings, conclusions, conditions, or terms in the NRC staff's amendment determination by providing a written basis for the action. If the Director does not issue a decision or take other appropriate action within 60 days after receiving the petition for review, the NRC staff's determination on the amendment application remains in effect.
- (e) *Request for review of a Director's decision.* The Corporation, or any person whose interest may be affected and who filed a petition for review or filed a response to a petition for review under 76.45(d), may file a petition requesting the Commission's review of a Director's decision on an amendment application.
 - (1) A petition requesting the Commission's review may not exceed 30 pages and must be filed within 30 days after the date of the Director's decision. A petition requesting the Commission's review may be either:
 - (i) Delivered to the Rulemakings and Adjudications Staff of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852; or
 - (ii) Sent by mail or telegram to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001,

Attention: Rulemakings and Adjudications Staff.

- (2) Any person described in paragraph (e) of this section may file a written response to a petition requesting the Commission's review. This response may not exceed 30 pages and must be filed within 15 days after the filing date of the petition requesting the Commission's review.
- (3) The Commission may adopt, by order, further procedures that, in its judgment, would serve the purpose of review of the Director's decision. The Commission may adopt, modify, or set aside the findings, conclusions, conditions, or terms in the Director's amendment review decision and will state the basis of its action in writing. If the Commission does not issue a decision or take other appropriate action within 90 days after receiving the petition for review, the Director's decision, under 76.45(d), on the amendment application remains in effect.

11. In 76.60, paragraphs (c)(2), (d)(2), (e)(1), and (e)(2) are revised to read as follows:

76.60 Regulatory requirements which apply.

- * * * *
- (c) * * *
- (2) The Corporation shall post NRC Form 3 during the term of the certificate and for 30 days following certificate termination.
- (d) * * *
- (2) The Corporation shall comply with the requirements in this part or as specified in an approved plan for achieving compliance.
- (e) * * *
- (1) The Corporation shall comply with the requirements in 21.6 and 21.21.
- (2) Under 21.31, procurement documents issued by the Corporation must specify that the provisions of 10 CFR Part 21 apply.
- * * * *

12. In 76.62, paragraph (c) is revised to read as follows:

76.62 Issuance of certificate and/or approval of compliance plan.

- * * * *
- (c) The Corporation, or any person whose interest may be affected, may file a petition, not to exceed 30 pages, requesting review of the Director's decision. This petition must be filed with the Commission not later than 30 days after publication of the Federal Register notice. Any person described in this paragraph may file a response to any petition for review, not to exceed 30 pages, within 15 days after the filing of the petition. If the Commission does not issue a decision or take other appropriate action within 90 days after the publication of the Federal Register notice, the Director's decision remains in effect. The Commission may adopt, by order, further procedures that, in its judgment, would serve the purpose of review of the Director's decision.

13. In 76.64, paragraph (d) is revised to read as follows:

76.64 Denial of certificate or compliance plan.

- * * * *
- (d) The Corporation, or any person whose interest may be affected, may file a petition for review, not to exceed 30 pages, requesting review of the Director's decision. This petition for review must be filed with the Commission not later than 30 days after publication of the Federal Register notice. Any person described in this paragraph may file a response to any petition for review, not to exceed 30 pages, within 15 days after the filing of the petition for review. If the Commission does not issue a decision or take other appropriate action within 90 days after the publication of the Federal Register notice, the Director's decision remains in effect. The Commission may adopt, by order, further procedures that, in its judgment, would serve the purpose of review of the Director's decision.

14. In 76.91, the introductory paragraph and paragraph (n) are revised to read as follows:

76.91 Emergency planning.

The Corporation shall establish, maintain, and be prepared to follow a written emergency plan. The emergency plan submitted under 76.35(f) must include the following information:

- * * * *
- (n) Comment from offsite response organizations. The Corporation shall allow the offsite response organizations that are expected to respond in case of an accident 60 days to comment on the emergency plan before submitting it to NRC. The Corporation shall provide any comments received within the 60 days to the NRC with the emergency plan.
- * * * *

Dated at Rockville, Maryland, this day of 1999.

For the Nuclear Regulatory Commission.

Annette L. Vietti-Cook,
Secretary of the Commission.

D R A F T

(For SECY Paper)

NRC CHANGES REGULATIONS

FOR RENEWING OR AMENDING USEC CERTIFICATES

The Nuclear Regulatory Commission is changing its regulations that govern uranium enrichment plants leased and operated by the U.S. Enrichment Corporation (USEC) at Paducah, Kentucky, and Portsmouth, Ohio.

NRC first issued regulations in 1994 to establish a process by which it would assume regulatory authority for the 43-year-old gaseous diffusion plants, which previously operated under the authority of the Department of Energy and the Atomic Energy Commission. The Energy Policy Act of 1992 directed that the Corporation operate the plants and required the NRC to certify them periodically to ensure compliance with its safety, safeguards, and security requirements.

The NRC assumed regulatory jurisdiction over the plants' operations in 1997, after issuing initial certificates of compliance. However, in implementing the certificate renewal and amendment processes, the NRC staff identified several improvements that should be made to make these processes more effective and efficient.

The amendments will:

- (1) Give NRC officials discretion as to whether to publish a Federal Register notice when an application for certificate renewal is received. Currently such publication is mandatory. Under the revisions, for example, if the renewal application does not address any new safety issues, or there have not been any major changes to the facility or its operating procedures that would substantially increase the risk, the NRC might decide that a Federal Register notice is not necessary.
- (2) Allow responsibility for granting or denying an amendment application to be delegated to the appropriate NRC branch chief, a lower level of management than is currently required. Decisions by a branch chief could be appealed to the Office Director and, if necessary, to the Commission. (Currently, decisions on amendment applications are made by the Office Director and can be appealed directly to the Commission.)
- (3) Eliminate the current distinction between "significant" and "not significant" amendments.
- (4) Make NRC staff decisions on certificate renewal requests effective either upon issuance or on a date specified by the staff, give the staff discretion as to whether to publish a Federal Register notice announcing such decisions, and increase the Commission's review time from 60 to 90 days.
- (5) Eliminate restrictions as to who may file a petition seeking review of NRC's approval or denial of a certificate of compliance or a plan for achieving compliance for a gaseous diffusion plant. The amendments also will extend the time to file a petition from 15 to 30 days after a Federal Register notice is published.

After the Commission published the proposed changes in the Federal Register for public comment last September, it received one comment letter, from the USEC. As a result, the NRC changed the proposed rule to allow for an appropriate period for USEC to implement any amendments to the certificate issued by the NRC, rather than requiring immediate implementation as stated in the proposed rule.

Further details of the amendments will be contained in a Federal Register notice to be published shortly. The amendments will be effective 30 days after publication of the Federal Register notice.

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Letters

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed is a copy of a final amendment to 10 CFR Part 76 for the information of the subcommittee. This final rule is being transmitted to the Office of the Federal Register for publication. It will become effective 30 days after the date of publication in the [Federal Register](#).

The proposed rule was published on September 15, 1998 (at 63 FR 49301) for a 60-day comment period. The Commission received one comment letter. This letter came from the United States Enrichment Corporation, which leases and operates the gaseous diffusion plants. The Corporation supported the proposed rule overall, and had only two comments. These comments are addressed in the Federal Register notice.

This final rule will amend the regulations that apply to the Paducah and Portsmouth gaseous diffusion plants. These plants came under Nuclear Regulatory Commission oversight on March 3, 1997. When implementing the initial certification and amendment processes specified in the current

regulations, the NRC staff identified several areas in these processes that needed to be improved so that they would be more effective and efficient. This final rulemaking addresses these areas and will: (1) modify the process for certificate renewals; (2) establish a process for a certificate amendment comparable to the process currently used to amend a fuel cycle license; (3) revise the appeal process for amendments; (4) eliminate the significant designation for amendments; (5) simplify the criteria for persons who are eligible to file petitions for review of amendment actions; (6) remove references to the initial applications because the initial certificates have been issued; and (7) lengthen the time periods associated with filing petitions for review.

A Regulatory Flexibility Certification is not needed for this amendment because it will have no adverse economic impact on NRC licensees, certificate holders, or the public. An abbreviated "Regulatory Analysis" is included within the Federal Register notice.

Sincerely,
Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: Federal Register notice
cc: Representative Ralph Hall

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, DC 20515
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Sincerely,
Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: Federal Register notice
cc: Representative Ralph Hall

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands, Private
Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510
Dear Mr. Chairman:

Enclosed is a copy of a final amendment to 10 CFR Part 76 for the information of the subcommittee. This final rule is being transmitted to the Office of the Federal Register for publication. It will become effective 30 days after the date of publication in the [Federal Register](#).

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proposed rule overall, and had only two comments. These comments are addressed in the Federal Register notice.

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Sincerely,
Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: Federal Register notice
cc: Senator Bob Graham
