

NUCLEAR REGULATORY COMMISSION

[NUREG - 1600]

Change to the NRC Enforcement Policy; Base Civil Penalties for
Loss, Abandonment, or Improper Disposal of Sources

AGENCY: Nuclear Regulatory Commission

ACTION: Policy Statement.

SUMMARY: The Nuclear Regulatory Commission is amending its "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, to establish separate base civil penalty amounts for loss, abandonment, or improper disposal of sealed sources and devices containing NRC-licensed material.

DATES: This action is effective upon publication. Comments on this change to the NRC's Enforcement Policy should be submitted within 30 days of publication in the *Federal Register* and will be considered by the NRC prior to the next revision of the Enforcement Policy.

ADDRESSES: Submit written comments to: David L. Meyer, Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, Mail Stop: T6D59, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001. Hand deliver comments to:

11555 Rockville Pike, Rockville, Maryland, between 7:30 a.m. and 4:15 p.m., Federal workdays. Copies of comments received may be examined at the NRC Public Document Room, 2120 L Street, N.W. (Lower Level), Washington, D.C.

FOR FURTHER INFORMATION CONTACT: Bill Borchardt, Director, Office of Enforcement, (301) 415-2741.

SUPPLEMENTARY INFORMATION:

Background

In a separate action published in today's *Federal Register*, the NRC is amending its regulations in 10 CFR Parts 30, 31, 32, 170, and 171 governing certain industrial devices containing byproduct material that are licensed pursuant to the general license provisions of 10 CFR 31.5. Prior to the promulgation of this final rule, a proposed rule was published in the *Federal Register* at 64 FR 40295 (July 26, 1999). In the Statement of Consideration for the proposed rule (64 FR 40304), the Commission indicated that it planned to increase the civil penalty amounts specified in its Enforcement Policy for violations involving sources or devices that are lost or improperly disposed of. The stated intent was to better relate the civil penalty amount to the costs avoided by the failure to properly dispose of the source or device.

In the *Federal Register* notice, the Commission stated that it was considering three levels of base civil penalty for loss or improper disposal, with the higher tiers for sources that are relatively costly to dispose of. The three levels of base civil penalty would be \$5,500, \$15,000, and \$45,000. The three tiers would be based approximately on three times the

average cost of proper transfer or disposal of the source or device. The intent was to better relate the civil penalty amount to the costs avoided by the failure to properly dispose of the source or device.

This change to the base civil penalty structure considers both the cost of proper disposal and the relative risk to the public from sources that are lost, abandoned, or improperly disposed of. The Commission believes that a base civil penalty amount roughly equivalent to three times the cost of proper disposal will provide for sufficient deterrence and will provide an economic incentive for licensees to expend the necessary resources to assure compliance. If the civil penalty were less than the cost of proper disposal, the licensee would receive an economic benefit from an improper disposal, whether intentional or not. A civil penalty roughly equivalent to the cost of disposal may not provide a sufficient deterrent because the violation could go undetected, which would still allow an economic benefit. Additionally, the civil penalty amount should be sufficient to assure that the cost of proper disposal of sealed sources and devices does not cause licensees to purposefully violate applicable disposal requirements.

Sources and devices containing small amounts of radioactive material, such as gas chromatographs, and devices containing hydrogen-3 (tritium) can be disposed of for less than one third of the lowest base civil penalty amount under the current Enforcement Policy, which is \$5,500. It would be illogical to establish a *lower* base civil penalty amount specifically for loss, abandonment, or improper disposal. Therefore, this action establishes \$5,500 as the lowest base civil penalty amount for such violations.

The amendments to the regulations in 10 CFR Parts 30, 31, 32, 170, and 171 published elsewhere in today's *Federal Register* establish criteria for registration of devices containing material of the types and quantities listed in 10 CFR 31.5(c)(13)(i). These are devices containing at least 370 MBq (10 mCi) of cesium-137, 3.7 MBq (0.1 mCi) of strontium-90, 37

MBq (1 mCi) of cobalt-60, and 37 MBq (1 mCi) of americium-241 or any other transuranic, *i.e.*, element with atomic number greater than uranium (92). Annual registration is being required for these devices because they are considered to present a higher risk for potential exposure to the public and for loss of property (due to contamination) if the device is lost, abandoned, or improperly disposed of. Based on the higher risk, violations involving loss, abandonment, or improper disposal of sources and devices in this category have been assigned a base civil penalty amount of \$15,000.

With the exception of sources and devices containing hydrogen-3 (tritium), the highest activity sources and devices, *i.e.*, those with activities greater than 3.7×10^4 MBq (1 Curie), have an approximate average cost of disposal of \$15,000. The base civil penalty amount for loss or improper disposal of these sources and devices has been set at \$45,000, which is three times the average cost of disposal.

Base civil penalty amounts may be mitigated or escalated as provided in the existing Enforcement Policy. However, the Commission believes that, normally, a civil penalty at least in the amount of the base civil penalty is appropriate in the case of loss, abandonment, or improper disposal of a sealed source or device. This is to ensure that the associated enforcement action properly reflects the significance of such violations. This change has been implemented in Section VII.A.1(g) of the Enforcement Policy.

Scope

The base civil penalties established in this change to the Enforcement Policy apply to violations that involve loss, abandonment, or improper disposal of a sealed source or device, regardless of the use or the type of licensee.

Paperwork Reduction Act

This final change to the NRC Enforcement Policy does not contain new or amended information collection requirements subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Public Protection Notification

If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

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, Office of Management and Budget.

Accordingly, the NRC Enforcement Policy is amended to read as follows:

GENERAL STATEMENT OF POLICY AND PROCEDURE FOR NRC ENFORCEMENT ACTIONS

* * * * *

VI. ENFORCEMENT ACTIONS

* * * * *

B. Civil Penalty

* * * * *

1. Base Civil Penalty

The NRC imposes different levels of penalties for different severity level violations and different classes of licensees, contractors, and other persons. Violations that involve loss, abandonment, or improper disposal of a sealed source or device are treated separately, regardless of the use or the type of licensee. Tables 1A and 1B show the base civil penalties for various reactor, fuel cycle, and materials programs; and for loss, abandonment or improper disposal of a sealed source or device. . .

* * * * *

Table 1A--Base Civil Penalties

* * * * *

- | | |
|----|------------------------------------------------------------------------------------------------------------------------------------|
| f. | Loss, abandonment, or improper disposal of a sealed source or device, regardless of the use or type of licensee: |
| 1. | Sources or devices with a total activity greater than 3.7×10^4 MBq (1 Curie), excluding hydrogen-3 (tritium).....\$45,000 |
| 2. | Other sources or devices containing the materials and quantities listed in 10 CFR 31.5(c)(13)(i).....\$15,000 |
| 3. | Sources and devices not otherwise described above..... \$5,500 |

* * * * *

VII. Exercise of Enforcement Discretion

* * * * *

A. Escalation of Enforcement Sanctions

* * * * *

1. Civil Penalties

* * * * *

- (g) Cases Involving the loss, abandonment, or improper disposal of a sealed source or device. Notwithstanding the outcome of the normal civil penalty assessment process, these cases normally should result in a civil penalty of at least the base amount; or

Dated at Rockville, Maryland, this _____ day of _____, 2000.

For the Nuclear Regulatory Commission.

Annette Vietti-Cook,
Secretary of the Commission.