

U. S. NUCLEAR REGULATORY COMMISSION

Agency Information Collection Activities: Proposed Collection: Comment request

AGENCY: U. S. Nuclear Regulatory Commission (NRC)

ACTION: Notice of pending NRC action to submit an information collection request to OMB and solicitation of public comment.

SUMMARY: The NRC is preparing a submittal to OMB for review of continued approval of information collections under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Information pertaining to the requirement to be submitted:

1. The title of the information collection: 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements"
2. Current OMB approval number: 3150-0039
3. How often the collection is required: As necessary in order for NRC to meet its responsibilities called for in Sections 170 and 193 of the Atomic Energy Act of 1954, as amended (the Act)

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4. Who is required or asked to report: Licensees authorized to operate reactor facilities in accordance with 10 CFR Part 50 and licensees authorized to construct and operate a uranium enrichment facility in accordance with 10 CFR Parts 40 and 70
5. The number of annual respondents: Approximately 192
6. The number of hours needed annually to complete the requirement or request: 865
7. Abstract: 10 CFR Part 140 of the NRC's regulations specified information required to be submitted by licensees to enable the NRC to assess (a) the financial protection required of licensees and for the indemnification and limitation of liability of certain licensees and other persons pursuant to Section 170 of the Atomic Energy Act of 1954, as amended, and (b) the liability insurance required of uranium enrichment facility licensees pursuant to Section 193 of the Atomic Energy Act of 1954, as amended.

Submit, by (insert date 60 days after publication in the Federal Register), comments that address the following questions:

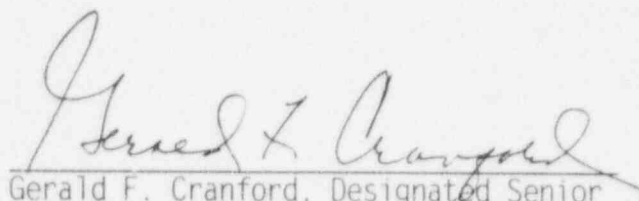
1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility?
2. Is the burden estimate accurate?
3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?
4. How can the burden of the information collection be minimized, including the use of automated collection techniques or other forms of information technology?

A copy of the draft supporting statement may be viewed free of charge at the NRC Public Document Room, 2120 L Street NW, (lower level), Washington, DC. Members of the public who are in the Washington, DC, area can access this document via modem on the Public Document Room Bulletin Board (NRC's Advanced Copy Document Library), NRC subsystem at FedWorld, 703-321-3339. Members of the public who are located outside of the Washington, DC, area can dial FedWorld, 1-800-303-9672, or use the FedWorld Internet address: [fedworld.gov](http://fedworld.gov) (Telnet). The document will be available on the bulletin board for 30 days after the signature date of this notice. If assistance is needed in accessing the document, please contact the FedWorld help desk at 703-487-4608. Additional assistance in locating the document is available from the NRC Public Document Room, nationally at 1-800-397-4209, or within the Washington, DC, area at 202-634-3273.

Comments and questions about the information collection requirements may be directed to the NRC Clearance Officer, Brenda Jo. Shelton, U.S. Nuclear Regulatory Commission, T-6 F33, Washington, DC, 20555-0001, by telephone at (301) 415-7233, or by Internet electronic mail at BJS1@NRC.GOV.

Dated at Rockville, Maryland, this 16th day of December, 1996.

For the Nuclear Regulatory Commission.

A handwritten signature in dark ink, appearing to read "Gerald F. Cranford", is written over a horizontal line.

Gerald F. Cranford, Designated Senior  
Official for Information Resources  
Management

SUPPORTING STATEMENT  
FOR  
10 CFR PART 140

"Financial Protection Requirements  
and Indemnity Agreements"

(OMB Clearance No. 3150-0039)

EXTENSION/REVISION

DESCRIPTION OF THE INFORMATION COLLECTION

The regulations in 10 CFR Part 140 provide appropriate procedures and requirements for determining the financial protection required of licensees and for the indemnification and limitation of liability of certain licensees and other persons pursuant to Section 170 of the Atomic Energy Act of 1954, as amended (the Act), and the liability insurance required of uranium enrichment facility licensees pursuant to Section 193 of the Act.

A. JUSTIFICATION

1. Need for and Practical Utility of the Collection of Information

Section 140.6(a) requires that licensees submit a report to the NRC in the event of bodily injury or property damage arising out of the possession or use of radioactive material. This information assists NRC in assessing the extent of any damages which may have occurred or are expected to occur so that appropriate action may be taken to initiate the remedies provided by the Price-Anderson Act.

Section 140.7(b) pertains to a situation where a reactor manufacturer (licensee) builds a number of small research reactors (rated at 3 1/3 megawatts or less) and operates them at its site prior to delivery to a buyer. Each such reactor is indemnified under the Price-Anderson system, and because of such indemnification, the manufacturer is liable to pay a fee for each reactor operated. Rather than be billed for each reactor separately, the licensee is required to estimate the maximum number of reactors operating at any one time, and the fee is based on this estimate. If experience shows that more or less than this estimated maximum have operated, the licensee will inform the NRC so that the fee can be adjusted.

Section 140.13 requires that each holder of a construction permit under Part 50 and each holder of a Part 70 license must maintain \$1 million in financial protection prior to issuance of a Part 50 operating license and submit evidence of fulfilling this requirement, as required by Section 170 of the Act.

Section 140.13a requires that each holder of a Part 70 license to possess and use plutonium at a plutonium processing and fuel fabrication plant must maintain \$200 million of financial protection

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and submit evidence of fulfilling this requirement, as required by Section 170 of the Act.

Section 140.13b requires proof of liability insurance to be filed with the Commission, pursuant to 140.15, before issuance of a license for a uranium enrichment facility, as required by Section 193 of the Act.

Sections 140.15(a)(1) and (2) require those licensees who choose to maintain financial protection in the form of liability insurance required pursuant to Section 170(b) of the Act to submit proof to the NRC of their financial protection (copies of new policies and copies of endorsements, i.e., amendments to the policies). All liability policies are with the nuclear insurance pools, American Nuclear Insurers (ANI) and Mutual Atomic Energy Liability Underwriters (MAELU).

Sections 140.15(b)(1) and (2) require proof of financial protection for those licensees who choose to maintain financial protection in the form of the licensees' own resources pursuant to Section 170(b) of the Act to be submitted to NRC. Respondents to these requirements must annually submit certified financial statements for the previous three years, and if a statement is older than 90 days, an uncertified statement prepared within the 90-day period. NRC reviews this information to determine whether the licensee has adequate financial protection.

Section 140.15(c) requires any licensee to file with the NRC such additional proof of financial protection or other financial information as the NRC determines to be necessary to determine whether financial protection is being maintained pursuant to 10 CFR 140.

Section 140.15(e) requires licensees to promptly notify the NRC of any material change in financial protection or in other financial information so that NRC can reevaluate these changes.

Sections 140.17(a) and (b) require that licensees submit to NRC proof that insurers are legally authorized to issue liability policies and that at least 30 days prior to the termination of such policies, licensees shall inform the NRC of renewal of such policies pursuant to Section 170(b) of the Act, or shall file other proof of financial protection. With this information, NRC judges the legality and reliability of licensee liability policies.

Section 140.20(c) specifies that licensees who indicate that they will not be paying retrospective premium assessments, immediately submit their financial statements to NRC. Retrospective premiums are required pursuant to Section 170(b) of the Act. As required, subsequent submission of financial statements by such licensees may be requested by NRC. These statements are necessary to determine whether the NRC will be required to pay, on behalf of a licensee, any unpaid retrospective premiums. The Act authorizes the NRC to levy liens to obtain payment from the licensee.

Section 140.21 requires licensees to submit to NRC copies of any one of several financial devices to guarantee a licensee's payment of a retrospective premium assessment as required pursuant to Section 170(b) of the Act. This evidence is required to be submitted at the issuance of the license and annually, on the date on which the indemnity agreement is effective. Copies of these financial devices provide NRC with the assurance that licensees maintain adequate financial protection.

The NRC completes its review of this information within approximately one month after its receipt.

2. Agency Use of Information

As stated specifically above, NRC uses the information required by 10 CFR Part 140 to assess (a) the financial protection required of licensees and for the indemnification and limitation of liability of certain licensees and other persons pursuant to Section 170 of the Act and (b) the liability insurance required of uranium enrichment facility licensees pursuant to Section 193 of the Act.

3. Reduction of Burden Through Information Technology

There is no legal obstacle to the use of information technology. Moreover, NRC encourages its use; however, at the current time, no responses are submitted electronically.

4. Effort to Identify Duplication and Use Similar Information

There is no source for the required information other than licensees and the nuclear insurance pools. The Information Requirements Control Automated System (IRCAS) has been searched. There is no duplication with other collections of information.

5. Effort to Reduce Small Business Burden

Small business is not affected by 10 CFR 140 information collection requirements.

6. Consequences to Federal Program or Policy Activities if the Collection is Not Conducted or is Conducted Less Frequently

Not collecting this information or collecting it at less frequent intervals would be deleterious to NRC's mission to protect public health and safety.

7. Circumstances Which Justify Variation from OMB Guidelines

This information collection does not vary from OMB guidelines.

8. Consultations Outside the NRC

NRC has published a Federal Register Notice requesting public comment on the information collection.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

NRC provides no pledge of confidentiality of this information collection.

11. Justification for Sensitive Questions

Part 140 information collections do not involve sensitive or private information.

12. Estimated Industry Burden and Burden Hour Cost

Section 140.6(a)

Section 140.6(a) applies to about 140 licensees maintaining an indemnity agreement. There is no schedule for imposing the requirements specified in Part 140 since the information is only submitted when an accident occurs.

To date, five reports have been submitted by licensees under this section covering damages alleged to have occurred as a result of NRC-licensed activities. The reports are 3 to 5 pages in length. Approximately 8 to 15 hours of effort are needed to prepare these reports. No reports are anticipated during this clearance period.

Section 140.7(b)

There are no licensees under Section 140.7(b) to which this information collection requirement currently applies. The maximum number of licensees to which the requirement could apply has not and almost certainly will not exceed nine. As described above, an indication of the maximum number of reactors operating at any one time is the only requirement imposed under 140.7(b). Its purpose is to reduce the number of times a licensee is required to notify the NRC when a small reactor needs to be indemnified and, thus, when a fee is due. The report is due as required by the number of reactors being manufactured at one time. No more than three copies are submitted and are used by NRC's Office of Administration for establishing fees.

This paragraph has rarely been applied and no further use is foreseen. If used, less than four hours per report is estimated to be required.

Because only an estimate of number of reactors operating at one time is required, which would be readily available to the licensee, the only cost involved would be for preparing the report itself.

#### Sections 140.13 and 13a

Section 140.13 applies to about 13 licensees presently, while Section 140.13a applies to four.

Requirements for submitting this information are not placed on the licensees but on the insurance pools providing insurance coverage. Costs are minimal.

#### Section 140.13b

Three applications are expected during this clearance period from applicants for uranium enrichment facilities.

Two hours are required for evaluating these records and the costs for submitting these records are minimal, consisting of the clerical time and duplicating cost associated with copying the policies and endorsements.

#### Sections 140.15(a)(1) and (2)

Sections 140.15(a)(1) and (2) apply to about 91 licensees.

Two hours are required for evaluating these records and the costs for submitting these records are minimal, consisting of the clerical time and duplicating cost associated with copying the policies and endorsements.

#### Sections 140.15(b)(1) and (2)

Sections 140.15(b)(1) and (2) do not currently apply to any licensees.

The required information would be available as part of a firm's standard financial information system and would thus impose no costs other than nominal duplicating and clerical costs. The under-90-day statement would require no more than 8 or 16 staff hours of a professional accountant's time.

#### Section 140.15(c)

Section 140.15(c) could apply to about 91 licensees. Nominal, if any, burden is anticipated.

#### Section 140.15(e)

Section 140.15(e) applies to all licensees with whom an indemnity agreement is executed.

Since this section has never been utilized, no respondent time can be estimated.

Sections 140.17(a) and (b)

Sections 140.17(a) and (b) potentially apply to about 109 licensees.

All liability policies are issued by the existing nuclear insurance pools. The provisions of this section would become operable only if and when a new insurance carrier enters that market and would require only nominal reproducing and clerical effort.

Section 140.20(c)

Section 140.20(c) potentially applies to 83 licensees jointly.

This reporting requirement would be used only for those firms which cannot or will not pay the assessed retrospective premium. The required information would be available as part of a firm's standard financial reporting system and would, thus, impose no costs other than nominal duplicating and clerical costs.

Section 140.21

Section 140.21 potentially applies to 83 licensees jointly.

Sections 140.21(a) through (d) would simply require a copy of the appropriate agreement between the licensee and the party providing the financial service. Cost would thus be nominal. Section 140.21(e), the annual certified financial statement, may require information in a format not normally produced by the licensee in the standardized financial reports. However, such information should be readily available from the licensee's internal records and should require no more than one day of effort by the licensee's accounting staff. No licensee who has utilized this method of guarantee (effective August 1, 1977) has indicated any difficulty or undue burden in compiling the needed information.

Summary of Industry Annual Burden

The table below summarizes the estimated annual burden on NRC licensees of preparing reports required under various sections of 10 CFR Part 140. No burden is given for reports required only after accidents.

<u>Part</u>	<u>Number of Licensees</u>	<u>Annual hours of Burden/Licensee</u>	<u>Total hours</u>
140.6(a)	140	8-16 hours when required	-
140.7(b)	None Currently	3 hours/report	-
140.13	13	1 hour*	13

140.13a	4	1 hour*	4
140.13b	1	2 hours	2
140.15(a)	91	2 hours	182
140.15(b)	None Currently	8-16 hours	-
140.15(c)	91	0	-
140.15(e)	None Currently	N.A.	-
140.17(a)&(b)	109	1 hour, when required	-
140.20(c)	83	1 hour, when required	-
140.21	83	8 hours	664
		Total Hours	865

\* Burden on Insurers

#### Summary of Annual Industry Cost

Approximately 192 reports are expected to be submitted annually to NRC. The estimated annual cost is expected to be approximately \$110,720 (865 hours x \$128/hour).

#### 13. Estimate of Other Additional Costs

None.

#### 14. Estimated Annualized Cost to the Federal Government

The annual cost for the staff to review and analyze the data, provide followup, prepare reports and clerical support and typing is \$26,664. This is based on the following:

<u>Part</u>	<u>Number of Licensees</u>	<u>Hours of NRC Effort/Licensee</u>	<u>Total Hours of NRC Review</u>
140.6(a)	140	15 (only in the event of an accident)	N.A.
140.7(b)	None Currently	1	N.A.
140.13	13	1	13
140.13a	4	1	4
140.13b	1	1	1
140.15(a)	91	1	91
140.15(b)	None Currently	4	N.A.
140.15(c)	91	0	0
140.15(e)	None Currently	2	N.A.
140.17(a)	109	1	N.A.
& (b)			
140.20(c)	83	4	N.A.
140.21	83	1	83
			192 at
			\$128/hour
			= \$24,576

This cost is fully recovered through fee assessments to NRC licensees pursuant to 10 CFR Parts 170 and/or 171.

15. Reasons for Changes in Burden or Cost

The estimated industry and Federal burden is somewhat reduced due to fewer expected respondents.

16. Publication for Statistical Use

The collected information is not published for statistical purposes.

17. Reason for Not Displaying the Expiration Date

The requirement is contained in a regulation. Amending the Code of Federal Regulations to display information that, in an annual publication, could become obsolete would be unduly burdensome and too difficult to keep current.

18. Exceptions to the Certification Statement

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.