

NOTATION VOTE

RESPONSE SHEET

TO: John C. Hoyle, Secretary

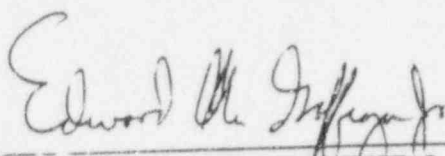
FROM: COMMISSIONER MCGAFFIGAN

SUBJECT: SECY-97-041 - PROPOSED AMENDMENTS TO 10 CFR
PARTS 30, 40, 50, 70, AND 72--SELF-GUARANTEE
OF DECOMMISSIONING FUNDING BY NON-PROFIT AND
NON-BOND ISSUING LICENSES

Approved ☒ (minor edits) Disapproved _____ Abstain _____

Not Participating _____ Request Discussion _____

COMMENTS:



SIGNATURE

3/12/97

DATE

Release Vote ☒

Withhold Vote ☐

Entered on "AS" Yes ☒ No _____

NRC PROPOSES TO ALLOW MORE LICENSEES
TO USE SELF-GUARANTEE FOR DECOMMISSIONING FUNDING

The Nuclear Regulatory Commission is considering amending its regulations to allow additional licensees who meet stringent financial criteria to themselves guarantee adequate funds for decommissioning.

Since 1993, NRC regulations have permitted financially strong for-profit corporate licensees with bond ratings of A or better to make use of a procedure called "self-guarantee" to ensure that adequate funds will be available for decommissioning.

Other methods--available to all licensees--include a surety bond or letter of credit, prepayment, insurance, or external sinking fund.

Under a self-guarantee, the licensee gives the Commission a written commitment that the licensee will fund and carry out the required decommissioning activities. Licensees who use this option must pass an annual financial test and report promptly to the NRC any deterioration in financial condition.

The proposed amendments would extend the option of using a self-guarantee to non-profit licensees, such as universities and hospitals, and to for-profit licensees who do not issue bonds. They would have to meet the following financial criteria:

--For colleges and universities, either (1) a bond rating of A or better; or (2) for institutions that do not issue bonds, an unrestricted endowment of at least \$50 million or at least 30

comments or upload files (comments). If the user contacts FedWorld using FTP, all files can be accessed and downloaded but uploads are not allowed; all the user will see is a list of files without descriptions (normal Gopher look). An index file is available listing and describing all files within a subdirectory. There is a 15-minute time limit for FTP access.

Although FedWorld also can be accessed through the World Wide Web, like FTP that mode only provides access for downloading files and does not display the NRC Rules Menu.

For more information on NRC bulletin boards call Mr. Arthur Davis, Systems Integration and Development Branch, NRC, Washington, DC 20555, telephone (301) 415-5780; e-mail AXD3@nrc.gov.

Finding of No Significant Environmental Impact: Availability

The proposed amendments would allow qualified non-profit and non-bond-issuing licensees the option of using self-guarantee as a mechanism for financial assurance for decommissioning. For-profit corporate licensees that issue bonds are already allowed to use self-guarantee. Other licensees may currently elect to use a variety of financial assurance mechanisms, such as surety bonds, letters of credit, and escrow accounts to comply with decommissioning regulations. The proposed action is intended to offer non-profit and non-bond issuing-nuclear materials licensees and non-power reactor licensees greater flexibility by allowing an additional mechanism for licensees that meet the financial criteria for use of self-guarantee.

if they meet the regulatory criteria



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

April 1, 1997

MEMORANDUM TO:

L. Joseph Callan
Executive Director for Operations

FROM:

John C. Hoyie
John C. Hoyie, Secretary

SUBJECT:

STAFF REQUIREMENTS - SECY-97-041 - PROPOSED
AMENDMENTS TO 10 CFR PARTS 30, 40, 50, 70,
AND 72 -- SELF-GUARANTEE OF DECOMMISSIONING
FUNDING BY NON-PROFIT AND NON-BOND ISSUING
LICENSEES

The Commission has approved publication of the Notice of Proposed Rulemaking in the Federal Register subject to the comments and editorial changes noted below.
(EDO) (SECY Suspense: 5/2/97)

The staff should provide additional explanation in the rule as to the intent in making it a Division II level of compatibility and specifically address whether Agreement States, by being more restrictive, would not have to develop a rule allowing self-guarantee.

The staff should ensure that all regulations that will require amendments to encompass this rule have been identified. The staff should also ensure that the regulatory guidance needed to encompass this rule is identified and modified before the rule is finalized.

The following editorial comments should be incorporated prior to publication:

1. In the public announcement, page 1, line 3, delete 'themselves' and replace it with 'self-.'
2. In the public announcement, page 1, line 6, insert '(other than electric utilities)' after 'licensees.'

SECY NOTE:

THIS SRM, SECY-97-041, AND THE COMMISSION VOTING RECORD CONTAINING THE VOTE SHEETS OF ALL COMMISSIONERS WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

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3. In the public announcement, page 1, line 9, delete the extra 's' at the end of licensees.
4. In the Federal Register notice, page 15, last paragraph, line 4, insert 'if they meet the regulatory criteria' after 'self-guarantee.'

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