

PAPERWORK REDUCTION ACT SUBMISSION

Please read the instructions before completing this form. For additional forms or assistance in completing this form, contact your agency's Paperwork Clearance Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street NW, Washington, DC 20503

1. Agency/Subagency originating request U.S. Nuclear Regulatory Commission		2. OMB control number <input checked="" type="checkbox"/> a. 3150 - 0011 <input type="checkbox"/> b. None	
3. Type of information collection (check one) <input type="checkbox"/> a. New collection <input checked="" type="checkbox"/> b. Revision of a currently approved collection <input type="checkbox"/> c. Extension of a currently approved collection <input type="checkbox"/> d. Reinstatement, without change , of a previously approved collection for which approval has expired <input type="checkbox"/> e. Reinstatement, with change , of a previously approved collection for which approval has expired <input type="checkbox"/> f. Existing collection in use without an OMB control number		4. Type of review requested (check one) <input checked="" type="checkbox"/> a. Regular submission <input type="checkbox"/> c. Delegated <input type="checkbox"/> b. Emergency - Approval requested by (date): 5. Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> a. Yes <input checked="" type="checkbox"/> b. No	
7. Title 10 CFR Part 50, Domestic Licensing of Production and Utilization Facilities		6. Requested expiration date <input checked="" type="checkbox"/> a. Three years from approval date <input checked="" type="checkbox"/> b. Other (Specify): 07/31/97	
8. Agency form number(s) (if applicable) Not Applicable			
9. Keywords Nuclear power plants and reactors, Reporting and recordkeeping requirements			
10. Abstract The proposed rule would establish self-guarantee as an additional voluntary mechanism for financial assurance by non-profit and non-bond issuing licensees if certain reporting and recordkeeping criteria are met.			
11. Affected public (Mark primary with "P" and all others that apply with "X") <input type="checkbox"/> a. Individuals or households <input checked="" type="checkbox"/> b. Business or other for-profit <input checked="" type="checkbox"/> c. Not-for-profit institutions <input type="checkbox"/> d. Farms <input type="checkbox"/> e. Federal Government <input type="checkbox"/> f. State, Local, or Tribal Government		12. Obligation to respond (Mark primary with "P" and all others that apply with "X") <input checked="" type="checkbox"/> a. Voluntary <input type="checkbox"/> b. Required to obtain or retain benefits <input type="checkbox"/> c. Mandatory	
13. Annual reporting and recordkeeping hour burden a. Number of respondents 165 b. Total annual responses 9,836 1. Percentage of these responses collected electronically 0 % c. Total annual hours requested 6,336,079 d. Current OMB inventory 6,336,079 e. Difference 0 f. Explanation of difference 1. Program change 2. Adjustment		14. Annual reporting and recordkeeping cost burden (in thousands of dollars) a. Total annualized capital/startup costs 0 b. Total annual costs (O&M) 0 c. Total annualized cost requested 0 d. Current OMB inventory 0 e. Difference 0 f. Explanation of difference 1. Program change 2. Adjustment	
15. Purpose of information collection (Mark primary with "P" and all others that apply with "X") <input type="checkbox"/> a. Application for benefits <input type="checkbox"/> b. Program evaluation <input type="checkbox"/> c. General purpose statistics <input type="checkbox"/> d. Audit <input type="checkbox"/> e. Program planning or management <input type="checkbox"/> f. Research <input checked="" type="checkbox"/> g. Regulatory or compliance		16. Frequency of recordkeeping or reporting (Check all that apply) <input checked="" type="checkbox"/> a. Recordkeeping <input checked="" type="checkbox"/> c. Reporting <input type="checkbox"/> b. Third-party disclosure <input checked="" type="checkbox"/> 1. On occasion <input type="checkbox"/> 2. Weekly <input type="checkbox"/> 3. Monthly <input type="checkbox"/> 4. Quarterly <input type="checkbox"/> 5. Semi-annually <input type="checkbox"/> 6. Annually <input checked="" type="checkbox"/> 7. Biennially <input checked="" type="checkbox"/> 8. Other (describe) One time	
17. Statistical methods Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact (person who can best answer questions regarding the content of this submission) Name: Clark Prichard Phone: 301-415-6203	

19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal agency, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

NOTE: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8(b)(3), appear at the end of the instructions. *The certification is to be made with reference to those regulatory provisions as set forth in the instructions.*

The following is a summary of the topics regarding the proposed collection of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected (see note in Item 19 of the instructions).
 - (i) It uses effective and efficient statistical survey methodology; and
 - (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in Item 18 of the Supporting Statement.

Signature of Senior Official or designee

Clarence E. Lewis

Date

5/19/97

OMB Supporting Statement for Proposed Rule,
10 CFR PARTS 30, 40, 50, 70 and 72, Self-Guarantee of
Decommissioning Funding by Non-Profit and Non-Bond Issuing
Licensees (3150-0017, -0020, -0011, -0009, -and -0132)

Description of the Information Collection

Licensees subject to 10 CFR Parts 30, 40, 50, 70, and 72, whose operations involve use of substantial amounts of nuclear materials, must provide financial assurance for decommissioning funding. Licensees who are non-profit entities, particularly colleges and universities and hospitals, and licensees that do not issue bonds (henceforth, "non-bond issuing firms") are currently precluded from self-guarantee, even though they may possess the requisite financial strength, because of the terms of the financial tests currently authorized for use to demonstrate qualification for self-guarantee. This proposed rulemaking would amend regulations relating to financial assurance requirements to include a financial test for self-guarantee designed for use by non-profit and non-bond issuing licensees.

A. JUSTIFICATION

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

The information collection requirements of the amended 10 CFR Parts 30, 40, 50, 70, and 72 are identified below.

30.35 (f)(2), 40.36 (e)(2), 50.75 (e)(2), 70.25 (f)(2), and 72.30 (c)(2)

Presently, under 30.35, 40.36, 50.75, 70.25, and 72.30, licensees that are non-profit or non-bond issuing entities must submit to the NRC written demonstrations of financial assurance for the costs of decommissioning facilities licensed for the possession of source, special nuclear, or byproduct materials. These facilities can include non-power reactors and facilities for the independent storage of spent nuclear fuel. Financial assurance may be provided in the form of financial mechanisms, such as the letter of credit or surety bond, that require the payment of fees to third party providers; in the form of financial mechanisms, such as fully-funded trust funds, in which money is set aside in advance to pay the costs of decommissioning; in the form of statements of intent; or in the form of parent company guarantees or self-guarantees. Non-profit or non-bond issuing licensees, however, are not able to use a self-guarantee to demonstrate financial assurance for decommissioning because the existing test to demonstrate the

capability to self-guarantee was designed for firms that are for-profit or that issue bonds.

The Commission is proposing to add a new financial mechanism, the self-guarantee for non-profit licensees and non-bond issuing licensees, to the list of alternatives currently approved for use by licensees. In order to qualify to demonstrate financial assurance for decommissioning by means of a self-guarantee, non-profit licensees and non-bond issuing licensees will be required to report on certain financial or other attributes. Alternatively, non-profit and non-bond issuing licensees can continue to make use of the other financial assurance mechanisms allowed under the current rule, although these alternatives are usually more expensive to obtain than self-guarantees.

Currently, licensees are required to submit either a decommissioning funding plan or a certificate that financial assurance for decommissioning has been provided using one of the approved financial mechanisms. The decommissioning funding plan or certification must be accompanied by a copy of the financial instrument. All of the current non-profit and non-bond issuing licensees have submitted such decommissioning funding plans or certificates. In order to qualify for use of the self-guarantee, they will be required to submit revised decommissioning funding plans or certificates containing demonstrations that they satisfy the requirements to self-guarantee.

Appendix D.I. and E.I. to Part 30 allow an applicant or licensee to provide reasonable assurance of the availability of funds for decommissioning based on furnishing its own guarantee that funds will be available for decommissioning costs and on a demonstration that the company passes the financial test of Section II of this appendix. The terms of the self-guarantee are in Section III of this appendix. This appendix establishes criteria for passing the financial test for the self-guarantee and establishes the terms for a self-guarantee.

D.II.B.(1) and E.II.C.(1) require that the licensee's independent certified public accountant must have compared the data used by the company in the financial test, which is required to be derived from the independently audited year end financial statement based on United States generally accepted accounting practices for the latest fiscal year, with the amounts in such financial statement. In connection with that procedure, the licensee shall inform NRC within 90 days of any matters that may cause the auditor to believe that the data specified in the financial test should be adjusted and that the company no longer passes the test.

D.II.B.(3) and E.II.C(3) require that if the licensee no longer meets the requirements of paragraph II. A of this appendix, the licensee must send notice to the NRC of intent to establish alternate financial assurance as specified in NRC regulations. The notice must be sent by certified mail, return receipt requested, within 90 days after the end of the fiscal year for which the year end financial data show that the licensee no longer meets the financial test requirements. The licensee must provide alternate financial assurance within 120 days after the end of such fiscal year.

D.III.A. and E.III.A. require that the guarantee shall remain in force unless the licensee sends notice of cancellation by certified mail, return receipt requested, to the NRC. Cancellation may not occur until an alternate financial assurance mechanism is in place.

D.III.B. and E.III.B. require that the licensee shall provide alternative financial assurance as specified in the regulations within 90 days following receipt by the NRC of a notice of cancellation of the guarantee.

D.III.D. and E.III.D. require that the applicant or licensee must provide to the Commission a written guarantee (a written commitment by a corporate officer) which states that the licensee will fund and carry out the required decommissioning activities or, upon issuance of an order by the Commission, the licensee will set up and fund a trust in the amount of the current cost estimates for decommissioning.

E.III.E. If the licensee's most recent bond issuance ceases to be rated as "A" or above by S&P or Moodys, the licensee shall provide written notice to NRC within 20 days after publication of the change by the rating agency.

2. Agency Use of Information.

The NRC will use the submitted information to determine if the non-profit and non-bond issuing licensees qualify to use self-guarantee as a demonstration of financial assurance for decommissioning. Use of self-guarantee is entirely optional by licensees; a licensee may use an already approved type of financial assurance mechanism. However, licensees that qualify to use self-guarantee will be able to reduce their costs of complying with NRC financial assurance regulations. NRC will use the information collected to evaluate the financial strength of the licensee so as to ensure that decommissioning funding obligations will be met by licensees that use self-guarantee. The financial test and reporting requirements contained in this proposed rule are necessary

parts of the proposed self-guarantee because under a self-guarantee, a licensee must have the continuing financial viability to meet the costs of decommissioning. NRC must be able to monitor financial viability.

3. Reduction of Burden Through Information Technology.

No responses are expected to be filed electronically. Licensees must submit original signed copies.

4. Effort to Identify Duplication and Use Similar Information.

The Information Requirements Control Automated System (IRCAS) was searched and no duplication was found. There is no similar information available to the NRC.

5. Effort to Reduce Small Business Burden.

This proposed rulemaking does not affect small businesses.

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

If the NRC does not receive information on the initial or continued qualification of a licensee to make use of self-guarantee to demonstrate financial assurance for decommissioning, a potential health and safety problem could result for the public as a result of the licensee's failure to provide the necessary funds for decommissioning when required to do so. However, use of self-guarantee by licensees is entirely voluntary. The proposed rule would offer self-guarantee as a cost-saving option to licensees.

7. Circumstances which Justify Variation from OMB Guidelines.

Appendix D., III. C. and Appendix E., III. C. require that these provisions be maintained until the license is terminated.

As long as a licensee uses self-guarantee, these provisions must be in place to assure adequate funding for decommissioning. License termination, or a decision by the licensee to use another financial assurance mechanism would be reasons to no longer retain the records.

8. Consultations Outside the NRC.

The proposed rule will be published in the Federal Register for comment. Comments from the NRC Agreement States were sought and received on the plan for this rulemaking.

9. Payment or Gift to Respondents.

Not applicable.

10. Confidentiality of Information.

None.

11. Justification for Sensitive Questions.

There is no reporting requirement regarding sensitive issues.

12. Estimate of Burden and Burden Hour Cost.

It is estimated that Part 30 and Part 50 licensees will use the self-guarantee provisions in this proposed rule in the short term. However, Part 40, 70 and 72 licensees may use self-guarantee in future years. The burden of qualifying to use self-guarantee is estimated to be the same regardless of whether the user is a Part 30, 40, 50, 70, or 72 licensee.

Non-bond issuing licensees that qualify for use of the self-guarantee will be required by Section 30.35 to forward to NRC all reports covering the latest fiscal year filed by the licensee with the Securities and Exchange Commission pursuant to the requirements of section 13 of the Securities and Exchange Act of 1934 (See attached burden table).

13. Estimate of Other Additional Costs.

None.

14. Estimated Annualized Cost to the Federal Government.

It is estimated that two hours of NRC staff time would be required to review and analyze each one-time self-guarantee submission, which includes financial test information and the written guarantee statement required by proposed Appendix D, III., D. and Appendix E, III., D. No contractor time should be needed. Thus, total one-time NRC staff effort is estimated to be about 84 hours for initial submissions (42 submissions X 2 hours).

In addition, it is estimated that one hour of NRC staff time would be required to review and analyze each annual submission of financial data by non-bond issuing licensees. Thus, 42 hours of NRC staff time will be required annually.

At an hourly rate of \$125, this results in a burden to the NRC of \$5,250. For the initial submissions, 2 hours of staff time would be required for review or a total of 84 hours. at \$125 per hour, this would be a cost of \$10,500.

Finally, some staff time would be required for occasional one-time submissions, such as requirements for the licensee to notify NRC upon cancellation, an auditor's opinion that data used in the financial test should be adjusted, or a bond rating change. The actual instances which this might occur are expected to be rare, and not a significant impact on NRC staff time. Thus, no cost is allotted.

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

15. Reason for Change in Burden or Cost.

Total costs of self-guarantee are substantially smaller than costs of most alternative financial mechanisms that can be used to demonstrate financial assurance for decommissioning. The proposed rule would substantially reduce total costs of compliance to licensees.

16. Publication for Statistical Use.

None.

17. Reason for Not Displaying the Expiration Date.

The requirement will be contained in a regulation. Amending the Code of Federal Regulations to display information that, in an annual publication, would 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

Statistical methods are not employed in the collection of information.

Section	REPORTING BURDEN			Cost per Hr @ \$125/Materials \$131/Reactors
	No. Annual Responses	Hrs per Response	Annual Burden	
30.35(f)(2) - Revised Funding Plan	38	1	38	\$4,750
Part 30. App. D I & II.A & B(2)	1 (Included in 30.35(f)(2), 40.36(e)(2), 50.75(e)(2), 70.25(f)(2), and 72.30(c)(2))	10	10	\$1,250
II.B(1)	3	1	3	\$375
II.B(3)	NA*	1	NA	NA
III.A	NA	1	NA	NA
III.B	NA	1	NA	NA
III.D	1	1	1	\$125
Part 30. App. E I & II.A & B, C(2)	13 (Included in 30.35(f)(2), 40.36(e)(2), 50.75(e)(2), 70.25(f)(2), and 72.30(c)(2))	10	130	\$16,331
II.C(1)	39	1	39	\$4,899
II.C(2)	39	1	39	\$4,899
III.A	NA	1	NA	NA
III.B	NA	1	NA	NA
III.D	13	1	13	\$1,633
III.E	NA	1	NA	NA
TOTAL PART 30 REPORTING BURDEN & COST: 273 HRS. (\$34,262)				
Submittal of Revised Funding Plan				
40.36(e)(2)	0	1	0	0
50.75(e)(2)	4	1	4	\$524
70.25(f)(2)	0	1	0	0
72.30(c)(2)	0	1	0	0
TOTAL REPORTING BURDEN & COST: 277 HRS. (\$34,786)				

*NA indicates response is only occasional, not expected during clearance period.

	<u>RECORDKEEPING BURDEN</u>			<u>Cost per Hr @</u>
<u>Section</u>	<u>Number of</u> <u>Respondents</u>	<u>Hrs per</u> <u>Respondent</u>	<u>Annual</u> <u>Burden</u>	<u>\$125/Materials</u> <u>\$131/Reactors</u>
Part 30				
App. D. III.C	3	1	3	\$375
App. E. III.C	39	1	39	\$4,899
TOTAL PART 30 RECORDKEEPING BURDEN & COST:				
42 HRS. (\$5,274)				

U. S. NUCLEAR REGULATORY COMMISSION

Documents Containing Reporting or Recordkeeping Requirements: Office of Management and Budget (OMB) Review

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

ACTION: Notice of the OMB review of information collection and solicitation of public comment.

SUMMARY: The NRC has recently submitted to OMB for review the following proposal for the collection of information under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

1. Type of submission, new, revision, or extension: Revision
2. The title of the information collection: Proposed Rule, 10 CFR Parts 30, 40, 50, 70, and 72, Self-Guarantee of Decommissioning Funding by Non-Profit and Non-Bond Issuing Licensees.
3. The form number if applicable: Not applicable
4. How often the collection is required: Annually and one-time submittal of revised decommissioning funding plan.

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5. Who will be required or asked to report: Licensees opting to use self-guarantee.
6. An estimate of the number of responses: 42
7. The estimated number of annual respondents: 42
8. An estimate of the total number of hours needed annually to complete the requirement or request: 277 hours (6.6 hrs. per response)
9. An indication of whether Section 3507(d), Pub. L. 104-13 applies: Applicable.
10. Abstract: The proposed rule would establish self-guarantee as an additional voluntary mechanism for financial assurance by non-profit and non-bond issuing licensees if specified criteria are met.

Submit, by (insert date 30 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 submittal may be viewed free of charge at the NRC Public Document Room, 2120 L Street NW, (lower level), Washington, DC. The proposed rule indicated in "The title of the information collections" is or has been published in the Federal Register within several days of the publication date of this Federal Register Notice. Instructions for accessing the electronic OMB clearance package for the rulemaking have been appended to the electronic rulemaking. Members of the public may access the electronic OMB clearance package by following the directions for electronic access provided in the preamble to the titled rulemaking.

Comments and questions should be directed to the OMB reviewer by (insert date 30 days after publication in the Federal Register):

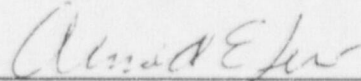
Edward Michilovich
Office of Information and Regulatory Affairs
(3150-0017, -0020, -0011, -0009, and -0132)
NEOB-10202
Office of Management and Budget
Washington, DC 20503

Comments can also be submitted by telephone at (202) 395-3084.

The NRC Clearance Officer is Brenda Jo. Shelton, (301) 415-7233.

Dated at Rockville, Maryland, this 19th day of May, 1997.

For the Nuclear Regulatory Commission.



Arnold E. Levin, Acting Designated Senior
Official for Information Resources
Management