

FINAL SUPPORTING STATEMENT
FOR
BANKRUPTCY FILING; NOTIFICATION REQUIREMENTS

10 CFR 50.54(cc)

DESCRIPTION OF THE INFORMATION COLLECTION

Under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.54(cc), licensees are required to notify the appropriate U.S. Nuclear Regulatory Commission (NRC) regional office immediately in writing in the event of the commencement of a bankruptcy proceeding involving the licensee, indicating the bankruptcy court in which the petition was filed and the date of the filing. There is no action required of a licensee unless and until a bankruptcy petition is filed.

A. JUSTIFICATION

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

A licensee who is experiencing severe economic hardship may or may not be capable of carrying out licensed activities in a manner which protects public health and safety. In particular, a licensee involved in bankruptcy proceedings may have problems affecting payment for proper handling of licensed radioactive material and for decontamination and decommissioning of the licensed facility in a safe manner. Improper materials handling or decontamination activities can lead to the spread of contamination throughout a licensee's facility and to the potential for dispersion of contaminated material offsite. Financial difficulties can also result in problems affecting the licensee's waste disposal activities.

Instances have occurred in which non-power licensees filed for bankruptcy and the NRC has not been aware that this has happened. NRC inspectors have found belatedly that a licensee has vacated property and abandoned licensed material or that a licensee has been unable to decontaminate its facility and properly dispose of the waste. The NRC is to be notified of these situations promptly so that it can take necessary actions to assure that the health and safety of the public is protected.

1. Agency Use of Information

Notification to NRC in cases of bankruptcy would alert the NRC so that it may deal with potential hazards to public health and safety posed by a licensee that does not have the resources to properly secure the licensed material or to clean up possible contamination. The information provided by the required notification would be used by the regional inspection and licensing staff, in consultation with headquarters legal and program staff, to initiate a determination of the need for prompt NRC response or regulatory action. NRC actions may include Orders to modify or amend a license or other necessary action and could include limitations on licensed activity which would only permit the storage of licensed material. The NRC has taken these actions in the past in similar circumstances. In addition, prompt notification to NRC would allow it to take timely and appropriate action in a bankruptcy proceeding to seek to have available assets of the licensee applied to

cover costs of site cleanup before funds are disbursed and become unavailable for cleanup.

3. Reduction of Burden Through Information Technology

There are no legal obstacles to reducing the burden associated with this information collection. The NRC encourages respondents to use information technology when it would be beneficial to them. NRC issued a regulation on October 10, 2003, (68 *Federal Register* (FR) 58791), consistent with the Government Paperwork Elimination Act, which allows its licensees, vendors, applicants, and members of the public the option to make submissions electronically via CD-ROM, e-mail, special Web-based interface, or other means. It is estimated that approximately 50% of the potential responses will be filed electronically.

4. Effort to Identify Duplication and Use Similar Information

No sources of similar information are available. There is no duplication of requirements. NRC has in place an ongoing program to examine all information collections with the goal of eliminating all duplication and/or unnecessary information collections.

5. Effort to Reduce Small Business Burden

All affected licensees are owners of operating commercial nuclear power reactors or universities operating research and test reactors. No notifications are expected to be received from universities.

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

Information is required to be collected only following the filing of a petition for bankruptcy which is not expected to occur more than one time during the license period of a licensee. If the requested information were not collected at this time, NRC might not be aware of a licensee's significant financial problems. Without this information, NRC may not be aware of potential public health and safety problems and not able to act in a timely manner to protect public health and safety.

7. Circumstances which Justify Variation from OMB Guidelines

The subject regulation varies from the Office of Management and Budget guidelines by requiring that licensees submit the notification in less than 30 days from the date of filing of the petition in bankruptcy. The requirement to provide notification promptly following the filing of the petition is a reasonable measure to ensure that NRC is made aware of the bankruptcy so as to take effective action to protect public health and safety. Allowing a period of 30 or more days to elapse might preclude NRC from becoming aware of the licensee's distressed financial circumstances in time to prevent the development or aggravation of a potential hazard to the public. Moreover, the United States Code contains requirements regarding notification of creditors of bankruptcy. This regulation requires one additional notification. Notifying NRC promptly after the filing of the petition would

in fact be less of a burden on the bankrupt licensee than a separate notification later in the proceedings since these notifications are accomplished by forwarding to NRC a copy of the petition.

8. Consultations Outside the NRC

Opportunity for public comment on the information collection requirements for this clearance package was published in the Federal Register on May 14, 2013 (78 FR 28244). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality of Information

Confidential and proprietary information is protected in accordance with NRC regulations at 10 CFR 9.17(a) and 10 CFR 2.390(b).

11. Justification for Sensitive Questions

This regulation does not request sensitive information.

12. Estimated Industry Burden and Burden Hour Cost

There is no burden expected during the clearance period because no bankruptcy notifications are anticipated during the next three years. However, if a notice was submitted, the licensee would need approximately 1 hour each to notify the NRC.

13. Estimate of Other Additional Costs

The NRC has determined that the quantity of records to be maintained is roughly proportional to the recordkeeping burden and, therefore, can be used to calculate approximate records storage costs. Based on the number of pages maintained for a typical clearance, the records storage cost has been determined to be equal to 0.0004 times the recordkeeping burden cost. Because the recordkeeping burden is estimated to be 0 hours, the storage cost for this clearance is \$00.00.

14. Estimated Annualized Cost to the Federal Government

No cost is expected because no bankruptcy notifications are anticipated at this time.

15. Reasons for Changes in Burden or Cost

There is no change in burden. However, there has been an increase in the fee per hour from \$257/hour to \$274/hour.

16. Publication for Statistical Use

The collected information is not used for statistical purpose.

17. Reason for Not Displaying the Expiration Date

The requirement is contained in a regulation. Amending the CFR 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.