(5) * * *

(vi) * * * As a condition of approval as a bird quarantine facility, the facility must comply with the requirements set forth in this section within 18 months from the date of notification, *except that,* for applicants selected for consideration for approval of bird quarantine facilities in Miami, Florida, as a result of the announcement published in the **Federal Register** on April 18, 1984 (49 FR 15244–15245) who have not already complied with the requirements set forth in the section, the facility must comply with such requirements within 9 months from [*date of publication of a final rule*]. * * *

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Done at Washington, D.C., this 13th day of June 1986.

J.K. Atwell,

Deputy Administrator, Veterinary Service.

[FR Doc. 86–13953 Filed 6–19–86; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

10 CFR Parts 30, 40, 50, 61, 70, and 72

Bankruptcy Filing; Notification Requirements

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The Nuclear Regulatory Commission is proposing to amend its regulations by requiring a licensee to notify the appropriate Regional Administrator of the NRC in the event that the licensee is involved in bankruptcy proceedings. The proposed rule is necessary because a licensee's severe financial conditions could affect its ability to handle licensed radioactive material and the NRC must be notified so that appropriate measures to protect the public health and safety can be taken.

DATE: Comment period expires July 21, 1986. Comments received after this date will be considered if it is practical to do so but assurance of consideration is given only for comments received on or before this date.

ADDRESSES: Submit written comments to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Services Branch. Copies of comments received may be examined in the Commission's Public Document Room at 1717 H Street NW., Washington, D.C.

FOR FURTHER INFORMATION CONTACT: Frank Cardile, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 443–7815.

SUPPLEMENTARY INFORMATION:

Background

Current NRC regulations contain requirements for issuing licenses and the terms and conditions of those licenses concerning design of facilities and use of material. A licensee who is experiencing severe economic hardship 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 can have problems affecting payment for the proper handling of licensed radioactive material and for the decontamination and decommissioning of the licensed facility in a safe manner. Improper materials handling or decontamination activities can result in the spread of contamination throughout a licensee's facility and the potential for dispersion of contaminated material offsite. Financial difficulties also can result in problems affecting the licensee's waste disposal activities.

Instances have occurred in which 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 has been unable to decontaminate its facility and properly dispose of the waste. Sometimes a significant amount of time elapsed before the NRC learned of the bankruptcy. During this time the property may have changed hands or been abandoned, perhaps leaving licensed material unprotected and leaving radioactive contamination on the site. The passage of time permits the possible spread of contamination beyond the original area of confinement and makes more difficult the government's tasks of minimizing the potential risk to public health and safety and making the party responsible for the presence of the material, the licensee, perform cleanup operations. In some cases, NRC inspectors have found significant amounts of radioactive contamination present at licensee sites and the potential for dispersal of the contaminated material offsite. Because of the potential risk to public health and safety if the facilities were left in their as-found condition, it was necessary for the NRC or the State government to take protective and remedial action and to expend substantial amounts of public funds for cleanup of the facilities because funds of the bankrupt licensee were no longer available. The NRC should be notified of these situations promptly, before they become more serious, so that it can take necessary actions to assure that the health and safety of the public is protected.

There is no current regulation requiring licensees to notify the NRC in cases of bankruptcy filings. Therefore, the NRC may not be aware of a significant financial problem for a particular licensee and thus also not be aware of potential public health and safety problems.

Discussion

Under the proposed regulations, each licensee would be required to notify the appropriate regional office of the NRC, in writing, in the event of the commencement of a bankruptcy proceeding involving the licensee. According to the United States Code, a bankruptcy case is commenced by filing a petition with a court by or against a person for the purpose of judging that person bankrupt. The licensee would be required to notify the NRC or any petition (voluntary or involuntary) filed under Title 11 [Bankruptcy] of the United States Code involving the licensee. A filing under any chapter of the Bankruptcy Code could result in potential consequences regarding the licensee's ability to handle licensed material.

Notifying the NRC in cases of bankruptcy would alert the Commission so that it may deal with potential hazards to the public health and safety posed by a licensee that does not have the resources to properly secure the licensed material or clean up possible contamination. 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 of the Commission 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.

A licensee would not be affected by these amendments unless and until a bankruptcy petition is filed. The proposed rule prescribes the specific action that a licensee would be required to follow at that time. This action includes notifying the NRC within a certain time period by supplying the information specified.

The proposed amendments apply to all licenses covered by 10 CFR Parts 30,

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