40, 50, 61, 70, and 72. This includes byproduct, source, and special nuclear material licensees, as well as production and utilization facility, low-level waste disposal facility, and independent spent fuel storage installation licensees.

**Environmental Impact**

*Categorical Exclusion*

The NRC has determined that this proposed regulation is the type of action described in categorical exclusion 10 CFR 51.22(c)(3)(iii). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this proposed regulation.

**Paperwork Reduction Act Statement**

This proposed rule amends information collection requirements that are subject to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). This rule has been submitted to the Office of Management and Budget for review and approval of the paperwork requirements.

**Regulatory Analysis**

The Commission has prepared a draft regulatory analysis on this proposed regulation. The analysis examines the costs and benefits of the alternatives considered by the Commission. The draft analysis is available for inspection in the NRC Public Document Room, 1717 H Street NW, Washington, DC. Single copies of the analysis may be obtained from Frank Cardile, U.S. Nuclear Regulatory Commission, Washington, DC, 20555, telephone (301) 443-7815.

The Commission requests public comment on the draft regulatory analysis. Comments on the draft analysis may be submitted to the NRC as indicated under the **ADDRESSES** heading.

**Regulatory Flexibility Certification**

In accordance with the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), the Commission hereby certifies that this rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. This proposed rule would amend 10 CFR Parts 30, 40, 50, 61, 70, and 72 to require that licensees notify the appropriate NRC Regional Office in the event of the commencement of a bankruptcy proceeding involving the licensee so that NRC is aware of this significant financial problem and can take necessary actions assuring that the health and safety of the public is protected. Because no action is required of a licensee by these amendments unless and until a bankruptcy petition is filed, there is no impact from this rule unless bankruptcy filing occurs. Even in the event of bankruptcy, the impact of this rule on licensees is small since the United States Code contains requirements regarding notification of creditors of bankruptcy. This rule would require one additional notification. In addition, the required action consists only of a notification by mail to the NRC, an action representing less than one-half person-hour of effort. The net overall cost to the industry is negligible.

**Backfit Analysis**

*Backfit Analysis Factors*

10 CFR 50.109 (50 FR 38097) requires that an analysis be performed for backfits which the Commission seeks to impose on power reactor licensees. The proposed amendment requiring notification of bankruptcy has been analyzed based on the factors listed in 10 CFR 50.109(c) as follows:

(1) The objective of the proposed amendment is for NRC to have means in place so that it would be alerted and would have the opportunity to take necessary action to deal with potential hazards to the public health and safety that may occur at a facility where a licensee is involved in bankruptcy proceedings. Although the likelihood of utility bankruptcy is small and in most instances NRC would be aware of it occurring, there is a potential that NRC may not be aware of a particular bankruptcy situation involving a licensee.

(2) The proposed amendment would require a licensee to notify the appropriate regional office of the NRC, in writing, in the event of the commencement of a bankruptcy proceeding involving the licensee. A licensee would not be affected by these amendments unless and until a bankruptcy petition is filed.

(3) The proposed amendments will improve NRC's inspection and enforcement capabilities in dealing promptly with the potential radiological consequences of a licensee's severe financial problems thus providing a benefit in protection of the public health and safety. In addition, although the level of risk to the public is small, NRC's timely involvement can result in some potential reduction in the risk of radiation exposure by reducing the likelihood that improper radioactive waste handling or decontamination will occur at a facility where a licensee is involved in bankruptcy proceedings.

(4) In a manner similar to that described in (3) above, although it would be small, the proposed amendment can result in some reduction in risk of radiological exposure of facility employees by reducing the potential for spread of contamination in the facility and resultant occupational exposure.

(5) The proposed amendment imposes requirements for administrative procedure action only, hence there is no equipment installation cost, no facility downtime cost, and no cost of construction delay. As indicated in (2), there is no action required of a licensee unless and until a bankruptcy petition is filed and hence there is no continuing cost associated with the backfit. Even in the event of bankruptcy the cost impact of this rule is negligible because the action required, namely a notice listing the location and date of the bankruptcy filing mailed to the NRC regional office, is minimal. As noted in (3) and (4) above, timely involvement of NRC in the situation can minimize potential for spread of contamination in the facility and therefore also minimize added cleanup costs which could then occur. This reduction in cost can be substantial compared to the small cost associated with the notification, resulting in net savings.

(6) The proposed amendment is administrative and hence has no safety impact of changing plant or operational complexity.

(7) With regard to the resource burden on the NRC, no NRC activity is necessary unless and until a licensee submits a notification to the NRC. If a notice were submitted, the amount of time spent on actually reading and docketing of the notification would be minimal. By alerting NRC to the situation, this rule would put NRC in a better reactive mode and thereby could reduce NRC staff time involved in activities such as necessary enforcement actions and meetings with a concerned public regarding a contaminated facility. This reduction in staff time could be significantly greater than that spent in reading and docketing the notification, thus resulting in a net reduction in staff resources.

(8) The proposed amendment would apply to all power reactor licensees independent of facility type, design, and age.

(9) When the proposed amendment is made effective, it would be a final action.

*Backfit Analysis Determination*

Based on the analysis of the factors as presented above the Commission has determined that this proposed rule does not meet the backfitting requirements of 10 CFR 50.109(a)(3) namely that there be a substantial increase in overall protection of public health and safety. However, the proposed rule is not

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