

discuss: (1) Plans for the National Literacy Summit to be held in February; and (2) NIFL's Equipped for the Future standards guide. Records are kept of all Board proceedings and are available for public inspection at the National Institute for Literacy, 1775 I Street, NW, Suite 730, Washington, DC 20006 from 8:30 am to 5 p.m.

Dated: December 22, 1999.

Andrew J. Hartman,

Director, National Institute for Literacy.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-295 and 50-304]

In the Matter of Commonwealth Edison Company (Zion Nuclear Power Station, Units 1 and 2); Exemption

I

Commonwealth Edison Company (ComEd or the licensee) is the holder of Facility Operating License Nos. DPR-39 and DPR-48, which authorize the licensee to possess the Zion Nuclear Power Station (ZNPS). The license states, among other things, that the facility is subject to all the rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (the Commission or NRC) now or hereafter in effect. The facility consists of two pressurized-water reactors located at the ComEd site on the west shore of Lake Michigan about 40 miles north of Chicago, Illinois, in the extreme eastern portion of the city of Zion, Illinois (Lake County). The facility is permanently shut down and defueled, and the licensee is no longer authorized to operate or place fuel in the reactor.

II

Section 50.54(w) of 10 CFR Part 50 requires power reactor licensees to maintain onsite property damage insurance coverage in the amount of \$1.06 billion or whatever amount of insurance is generally available from private sources, whichever is less. Section 140.11(a)(4) of 10 CFR Part 140 requires a reactor with a rated capacity of 100,000 electrical kilowatts or more to maintain liability insurance of \$200 million and to participate in a secondary insurance pool.

NRC may grant exemptions from the requirements of 10 CFR Part 50 of the regulations, which pursuant to 10 CFR 50.12(a), (1) are authorized by law, will not present an undue risk to public health and safety, and are consistent

with the common defense and security, and (2) present special circumstances. Special circumstances exist when (1) application of the regulation in the particular circumstance would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule (10 CFR 50.12(a)(2)(ii)), or (2) compliance would result in undue hardship or costs that are significantly in excess of those incurred by others similarly situated. The underlying purpose of Section 50.54(w) is to provide sufficient property damage insurance coverage to ensure funding for onsite post-accident recovery stabilization and decontamination costs in the unlikely event of an accident at a nuclear power plant.

Also, the NRC may grant exemptions from the requirements of 10 CFR Part 140 of the regulations, which pursuant to 10 CFR 140.8, are authorized by law and are otherwise in the public interest. The underlying purpose of Section 140.11 is to provide sufficient liability insurance to ensure funding for claims resulting from a nuclear incident or a precautionary evacuation.

III

On October 22, 1999, ComEd requested an exemption from the financial protection requirement limits of 10 CFR 50.54(w) and 10 CFR 140.11(a)(4). ComEd requested that the amount of insurance coverage it must maintain be reduced to \$50 million for onsite property damage and \$100 million for offsite financial protection and to withdraw from participation in the secondary liability insurance pool. The licensee stated that special circumstances exist because of the permanently shutdown and defueled condition of ZNPS.

The financial protection limits of 10 CFR 50.54(w) and 10 CFR 140.11 were established to require a licensee to maintain sufficient insurance to cover the costs of a nuclear accident at an operating reactor. Those costs were derived from the consequences of a release of radioactive material from the reactor. In a permanently shutdown and defueled reactor facility, the reactor will never again be operated, thus eliminating the possibility of accidents involving the reactor. The Defueled Safety Analysis Report (DSAR) analyzed the remaining design basis accidents that are relevant at ZNPS in its defueled condition. These are: a loss of spent fuel inventory and cooling; a fuel handling accident in the fuel building; and a radioactive waste handling accident. The staff evaluated these accidents in the safety evaluation supporting the

ZNPS exemption from offsite emergency planning requirements dated August 31, 1999. In its analysis, the staff determined that the radiological consequences of the design basis accidents cannot exceed the Environmental Protection Agency (EPA) early-phase Protective Action Guidelines (PAGs) of 1.0 rem.

The ZNPS was shut down in February 1997. The decay heat from the spent fuel stored in the spent fuel pool decreases over time. In this regard, the staff has determined that as of June 1999, air cooling of the fuel would be sufficient to maintain the integrity of the fuel cladding, and a complete loss of water from the ZNPS spent fuel pool (SFP) would not result in an offsite release of fission products exceeding the EPA early-phase PAGs.

In SECY 96-256, "Changes to the Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors, 10 CFR 50.54(w) and 10 CFR 140.11," dated December 17, 1996, the staff estimated the onsite cleanup costs of accidents considered to be the most costly at a permanently defueled site with spent fuel stored in the SFP. The staff found that the onsite recovery costs for a fuel-handling accident could range up to \$24 million. The estimated onsite cleanup costs to recover from the rupture of a large liquid radwaste storage tank could range up to \$50 million. The proposed insurance coverage levels in SECY 96-256 were calculated on a per-reactor basis and each reactor at a multi-unit site would be treated as having its own SFP. Although ZNPS is a two-reactor site, there is only one SFP. Therefore, the licensee's proposed level of \$50 million for onsite property insurance is sufficient to cover these estimated cleanup costs.

The offsite cleanup costs of the accident scenarios previously discussed are estimated to be negligible in SECY 96-256. However, a licensee's liability for offsite costs may be significant as a result of lawsuits alleging damages from offsite releases. Experience at Three Mile Island Unit 2 showed that significant judgments against a licensee are possible despite negligible dose consequences from an offsite release. An appropriate level of financial liability coverage is needed to account for potential judgments and settlements and to protect the Federal Government from indemnity claims. The licensee's proposed level of \$100 million in primary offsite liability coverage is sufficient for this purpose.

The staff has determined that participation in the secondary insurance pool for offsite financial protection is

not required for a permanently shutdown and defueled plant after the time that air cooling of the spent fuel is sufficient to maintain the integrity of the fuel cladding. As previously noted, the staff finds that sufficient time has elapsed to ensure the integrity of the ZNPS spent fuel cladding.

IV

The NRC staff has completed its review of the licensee's request to reduce financial protection limits to \$50 million for onsite property insurance and \$100 million for offsite liability insurance. On the basis of its review, the NRC staff finds that the spent fuel stored in the Zion Nuclear Power Station's SPF is no longer susceptible to rapid zirconium oxidation. The requested reductions are consistent with SECY 96-256. The licensee's proposed financial protection limits will provide sufficient insurance to recover from limiting hypothetical events, if they occur. Thus, the underlying purposes of the regulations will not be adversely affected by the reductions in insurance coverage.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12(a), an exemption to reduce onsite property insurance to \$50 million is authorized by law, will not present an undue risk to public health and safety, and is consistent with the common defense and security. Further, special circumstances are present, as set forth in 10 CFR 50.12(a)(2)(ii). Therefore the Commission hereby grants an exemption from the requirements of 10 CFR 50.54(w).

In addition, the Commission has determined that, pursuant to 10 CFR 140.8, an exemption to reduce primary offsite liability insurance to \$100 million, accompanied by withdrawal from the secondary insurance pool for offsite liability insurance, is authorized by law and is in the public interest. Therefore, the Commission hereby grants an exemption from the requirements of 10 CFR 140.11(a)(4).

Pursuant to 10 CFR 51.32, the Commission has determined that this exemption will not have a significant effect on the quality of the human environment (64 FR 69806).

These exemptions are effective upon issuance.

Dated at Rockville, Maryland, this 21st day of December 1999.

For the Nuclear Regulatory Commission.

Suzanne C. Black,

Acting Director, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 99-33683 Filed 12-27-99; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

Atomic Safety and Licensing Board Panel

[Docket No. 40-8027-MLA-4; ASLBP No. 99-770-09-MLA]

Sequoyah Fuels Corporation, Gore, OK Site; Decommissioning; Notice of Hearing

December 22, 1999.

This proceeding involves a proposed amendment by Sequoyah Fuels Corporation to its Source Material License No. SUB-1010, to authorize restricted decommissioning of its site near Gore, Oklahoma. The proposal under review, currently denominated as the Second Revised Site Decommissioning Plan (SRSDP), was submitted to the Nuclear Regulatory Commission on March 26, 1999 and seeks authority to decommission the facility based on restricted release pursuant to 10 CFR 20.1403.

Notice is hereby given that, by Memorandum and Order dated December 16, 1999, LBP-99-46, the Presiding Officer has granted the request for a hearing submitted by the Attorney General of the State of Oklahoma. Parties to this proceeding are the Licensee, Sequoyah Fuels Corporation; the State of Oklahoma; and the Staff of the Nuclear Regulatory Commission.

This proceeding will be conducted under the Commission's informal hearing procedures set forth in 10 CFR, Part 2, Subpart L. In response to a Notice of Opportunity for Hearing, published at 64 Fed. Reg. 31023 (June 9, 1999), the State of Oklahoma submitted a request for a hearing. On July 27, 1999, Administrative Judge Charles Bechhoefer was designated Presiding Officer, to rule on petitions for leave to intervene and/or requests for a hearing and, if necessary, to serve as the Presiding Officer to conduct an informal adjudicatory proceeding. Pursuant to 10 CFR 2.722 and 2.1209, Administrative Judge Thomas D. Murphy was appointed to assist the Presiding Officer in taking evidence and in preparing a suitable record for review. 64 FR 42154 (August 3, 1999).

During the course of this proceeding, the Presiding Officer, pursuant to 10

CFR 2.1211(a), will entertain limited appearance statements from any member of the public who is not a party to the proceeding, for the purpose of stating his or her views on the issues involved in this proceeding. Although these statements are not evidence and do not become part of the decisional record, they may assist the Presiding Officer and parties in their consideration of matters at issue in this proceeding. Limited appearance statements should be made in writing. If the Presiding Officer conducts an oral argument or in-person prehearing conference, the Presiding Officer may at his discretion hear oral statements, at a time and location yet to be determined. Written statements, and requests to make oral statements, should be submitted to the Office of the Secretary, Rulemaking and Adjudications Staff, U.S. Nuclear Regulatory Commission, Washington, DC 20555. A copy of such statement or request should also be served on the Presiding Officer, T3 F23, U.S. Nuclear Regulatory Commission, Washington, DC 20555, or CXB2@nrc.gov.

Documents related to this proceeding, issued prior to December 1, 1999, are available in print form for public inspection at the Commission's Public Document Room (PDR), 2120 L St. NW, Washington, D.C. Documents issued subsequent to November 1, 1999 are available electronically through the Agencywide Documents Access and Management System (ADAMS), with access to the public through NRC's Internet Web site (Public Electronic Reading Room Link, <<http://www.nrc.gov/NRC/ADAMS/index.html>>). The PDR and the majority of public libraries have terminals for public access to the Internet.

Rockville, Maryland, December 22, 1999.

Charles Bechhoefer,

Presiding Officer, Administrative Judge.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-237 and 50-249]

Commonwealth Edison Company; Dresden Station, Unit Nos. 2 and 3, Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the NRC) is considering issuance of an exemption from certain requirements of its regulations regarding Facility Operating Licenses Nos. DPR-19 and DPR-25 issued to the