Washington, DC 20555. Telephone (301) 415–6606.

SUPPLEMENTARY INFORMATION: On June 7, 1996, Power Resources, Inc. (PRI) submitted an application for a license to construct and operate a new in situ uranium mine. The proposed facility will be located at PRI's Gas Hills properties in Fremont and Natrona Counties, Wyoming, about 85 miles west of Casper, and will include an ion exchange facility and associated wellfields.

At the proposed Gas Hills facility, PRI intends to leach uranium directly underground from ore bearing sands by injecting mining solutions into the ore rich formations and processing them to remove the uranium. The uranium will be loaded onto ion exchange resins, which will be transported to PRI's Highland in situ leach mine and processing plant approximately 60 miles east of Casper, for processing into yellowcake. Because the proposed Gas Hills facility is to be operated as a satellite to PRI's Highland facility, PRI has requested that the Gas Hills facility be authorized to operate by amending the existing Highland license.

Citing the recent upturn in the uranium market and the increased demand for yellowcake, PRI indicated it desires to have the proposed Gas Hills satellite facility in production during calendar year 1998. NRC staff expects to begin work on the application in the September/October 1996 time frame, and depending on the completeness of the application, anticipates having the review complete and the license issued in late 1997.

The NRC hereby provides notice of an opportunity for a hearing on the license amendment under the provisions of 10 CFR Part 2, Subpart L, ''Informal Hearing Procedures for Adjudications in Materials and Operator Licensing Proceedings.'' Pursuant to § 2.1205(a), any person whose interest may be affected by this proceeding may file a request for a hearing. In accordance with § 2.1205(c), a request for hearing must be filed within 30 days of the publication of this notice in the Federal Register. The request for a hearing must be filed with the Office of the Secretary, either:

(1) By delivery to the Docketing and Service Branch of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852; or

(2) By mail or telegram addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch.

In accordance with 10 CFR 2.1205(e), each request for a hearing must also be served, by delivering it personally or by mail, to:

(1) The applicant, Power Resources, Inc., Suite 230, 800 Werner Court, Casper, Wyoming, 82601; and

(2) The NRC staff, by delivery to the Executive Director for Operations, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852 or by mail addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

In addition to meeting other applicable requirements of 10 CFR Part 2 of the NRC's regulations, a request for a hearing filed by a person other than an applicant must describe in detail:

(1) The interest of the requestor in the proceeding;

(2) How that interest may be affected by the results of the proceeding, including the reasons why the requestor should be permitted a hearing, with particular reference to the factors set out in § 2.1205(g);

(3) The requestor's areas of concern about the licensing activity that is the subject matter of the proceeding; and

(4) The circumstances establishing that the request for a hearing is timely in accordance with § 2.1205(c).

The request must also set forth the specific aspect or aspects of the subject matter of the proceeding as to which petitioner wishes a hearing.

Dated at Rockville, Maryland, this 14th day of August 1996.

Charlotte Abrams,

Acting Chief, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 96–21286 Filed 8–20–96; 8:45 am]

BILLING CODE 7590–01–P

[Docket No. 150–00032–EA; General License EA 95–101; ASLBP No. 96–719–04–EA]

Atomic Safety and Licensing Board; Testco, Inc.; Order Imposing Civil Monetary Penalty; Notice of Hearing

August 15, 1996.

Notice is hereby given that, by Prehearing Conference Order dated August 15, 1996, the Atomic Safety and Licensing Board for this proceeding has granted the July 20, 1996 request of TESTCO, Inc., submitted by its president Mr. James L. Shelton, for a hearing in the above-entitled proceeding. The Licensing Board also consolidated this proceeding with the James L. Shelton proceeding, Docket No. IA 95–055.

The TESTCO proceeding concerns the Order Imposing Civil Monetary Penalty of $5000, issued by the NRC Staff on March 14, 1996 (61 Fed. Reg. 14583, April 2, 1996). The parties to the proceeding are TESTCO, Inc. and the NRC Staff. The issues to be considered at the hearing are (a) whether the Licensee was in violation of the Commission's requirements as set forth in the Notice of Violation dated October 31, 1995; and (b) whether, on the basis of such violation, the Order Imposing Civil Monetary Penalty should be sustained.

For further information, see the Order Imposing Civil Monetary Penalty, cited above. Other materials concerning this proceeding (as well as the consolidated James L. Shelton proceeding) are on file at the Commission's Public Document Room, 2120 L St. NW., Washington DC 20555, and at the Commission's Region II office, 101 Marietta Street, NW., Suite 2900, Atlanta, Georgia 30323–0199.

During the course of this proceeding, the Licensing Board will conduct one or more prehearing conferences and, as necessary, evidentiary hearing sessions (all consolidated with those in the James L. Shelton proceeding). The time and place of these sessions will be announced in later Licensing Board Orders. Except to the extent that prehearing conferences may be held through telephone conference calls, members of the public will be invited to attend these sessions.

Dated: Rockville, Maryland August 15, 1996.

For the Atomic Safety and Licensing Board.

Charles Bechhoefer,

Chairman, Administrative Judge.

[FR Doc. 96–21279 Filed 8–20–96; 8:45 am]

BILLING CODE 7590–01–P

[Docket No. 50–390]

Tennessee Valley Authority, Watts Bar Nuclear Plant Unit 1; Issuance of Director's Decision Under 10 CFR 2.206

Notice is hereby given that the Director, Office of Nuclear Reactor Regulation, has taken action with regard to a Petition for action under 10 CFR 2.206 received from Ms. Jane A. Fleming (Petitioner), dated January 25, 1996, with regard to the Watts Bar Nuclear Plant Unit 1 (Watts Bar).

The Petitioner requested the Chairman of the U.S. Nuclear Regulatory Commission (NRC) implement a full and impartial review

of the entire licensing process for the Watts Bar Nuclear Plant, operated by the Tennessee Valley Authority (TVA or Licensee), examining both the implementation of the review procedures used by the NRC staff and the validity of the information presented by TVA. The Petitioner requested that the Chairman suspend or revoke the low-power operating license for Watts Bar until such a review is satisfactorily completed and the issues in dispute are resolved.

The Director of the Office of Nuclear Reactor Regulation has determined to deny the Petition. The reasons for this decision are explained in the enclosed ''Director Decision Pursuant to 10 CFR 2.206,'' (DD–96–11) the complete text of which follows this notice and is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, D.C., and at the Local Public Document Room for the Watts Bar Nuclear Plant Unit 1, located at Chattanooga-Hamilton County Library, 1001 Broad Street, Chattanooga, Tennessee 37402.

A copy of this Decision has been filed with the Secretary of the Commission for the Commission's review in accordance with 10 CFR 2.206(c) of the Commission's regulations. As provided by this regulation, this Decision will constitute the final action of the Commission 25 days after the date of issuance unless the Commission, on its own motion, institutes review of the Decision within that time.

Dated at Rockville, Maryland, this 15th day of August 1996.

For the Nuclear Regulatory Commission.

William T. Russell,

Director, Office of Nuclear Reactor Regulation.

Director's Decision Under 10 CFR 2.206

I. Introduction

By a letter dated January 25, 1996, to NRC Chairman Jackson, Ms. Jane Fleming (Petitioner) requested that the U.S. Nuclear Regulatory Commission (NRC) take action with regard to the Watts Bar Nuclear Plant, Unit 1 (Watts Bar), operated by the Tennessee Valley Authority (TVA or Licensee). Specifically, Petitioner requested that a full and impartial review of the entire Watts Bar licensing process be conducted, examining the review procedures used by NRC and the validity of the information presented by TVA, and that the low-power license for Watts Bar be suspended or revoked until such review is completed and the issues in dispute are resolved. Petitioner also suggested that, if the Chairman did not choose to initiate her own review, the letter be considered under § 2.206 of Title 10 of the Code of Federal Regulations (10 CFR 2.206). Petitioner supplemented the January 25, 1996, letter with another letter dated January 30, 1996, to Chairman Jackson.

The Commission referred the letters to me for treatment as a Petition pursuant to 10 CFR 2.206 of the Commission's regulations.

The Petitioner asserted that the NRC staff was not fully aware of TVA's license commitments and adherence to these commitments when it issued a low-power license to TVA on November 9, 1995. Specifically, Petitioner asserted that a letter from Stewart D. Ebneter, Regional Administrator, NRC Region II, to Oliver Kingsley, TVA, dated January 12, 1996, stated that there were open issues regarding the radiation monitoring system for Watts Bar when TVA requested an operating license. Petitioner asserted that this raised a question about the conclusion drawn by the NRC staff in Supplement 16 to the Watts Bar Safety Evaluation Report (SSER 16)[1] issued in September 1995 that the system meets the acceptance criteria of the Standard Review Plan[2] and is, therefore, acceptable. Petitioner also asserted that the NRC staff, in its licensing review, was not aware of the criteria applicable to the licensing of Watts Bar. The specific bases for these assertions involved the design, installation and testing of the radiation monitors at Watts Bar. The Petitioner also briefly refers to concerns associated with microbiologically induced corrosion (MIC) and security, as well as a concern that the large number of deviations described in the SER supplements documenting the NRC licensing review of Watts Bar presents questions about the current state of TVA's compliance with NRC requirements. In her January 30th letter, Petitioner listed the deviations from SSERs 15,[3] 16, and 18.[4] These deviations are associated with radiation monitors, other instruments, and fire protection.

On the basis of these assertions, Petitioner sought a full review of the entire Watts Bar licensing process, and suspension or revocation of the Watts Bar license until the review is completed.

By letter dated February 7, 1996, I acknowledged receipt of the Petition, and denied Petitioner's request for immediate suspension or revocation of the low-power license. By letter dated March 7, 1996, the NRC staff informed Petitioner that the full-power license for Watts Bar was issued on February 7, 1996. The full-power license superseded the low-power license which Petitioner requested be suspended or revoked. However, the NRC staff indicated that it would continue its review of the Petition and would take whatever action would be appropriate, including suspension or revocation of the full-power license, if warranted. The NRC staff also advised Petitioner that the information previously provided with respect to the issues on MIC and security was insufficient to permit evaluation and that additional information would be needed to enable these matters to be considered pursuant to 10 CFR 2.206. Petitioner has not provided any additional information on these issues so these issues will not be further considered herein.[5]

By letter dated April 3, 1996, the NRC staff informed Petitioner that the NRC did not intend to hold an informal public hearing regarding this Petition.

By letter dated March 7, 1996, the NRC staff requested that TVA respond to the NRC, addressing points raised in the Petition. TVA responded by letter dated April 8, 1996.

I have completed my evaluation of the Petition. As explained below, Petitioner has failed to provide a basis to warrant a review of the Watts Bar licensing process and has failed to raise any safety concerns that would warrant suspension or revocation of the operating license for Watts Bar. Thus, Petitioner's request is denied.

II. Background

On September 27, 1976, TVA submitted an application for an operating license for Watts Bar, including a Final Safety Analysis Report (FSAR) which described the design,

[1] Supplement 16, Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant, Units 1 and 2 (Docket Nos. 50–390 and 50–391), September 1995. NUREG–0847.

[2] Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants, LWR Edition, July 1981. NUREG–0800 (formerly issued as NUREG–75/087).

[3] Supplement 15, Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant, Units 1 and 2 (Docket Nos. 50–390 and 50–391), June 1995. NUREG–0847.

[4] Supplement 18, Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant, Units 1 and 2 (Docket Nos. 50–390 and 50–391), October 1995. NUREG–0847.

[5] In her Petition, Petitioner noted that she had requested that the NRC's Office of Inspector General (IG) act as a vehicle regarding certain security issues. In late 1995, prior to submitting her Petition, Petitioner assisted the IG in pursuing security concerns. The IG forwarded information regarding the concerns to the NRC staff. The NRC staff evaluated the concerns in accordance with Management Directive 8.8, ''Management of Allegations'' and concluded that no NRC action was warranted.

construction, testing and operation of the plant. The NRC staff conducted an extensive review of TVA's application. The results of the review were documented in a Safety Evaluation Report [6] (SER). TVA subsequently submitted 90 amendments to the FSAR which the NRC staff reviewed. The NRC staff thereafter issued 20 supplements to the SER documenting the results of this review. In addition, the staff inspected various aspects of the design, construction, and testing of Watts Bar, and documented the results in inspection reports. On November 9, 1995, the NRC staff issued a low-power operating license for Watts Bar Unit 1, which allowed TVA to load fuel and operate the plant up to a maximum power level of 5 percent. On January 30, 1996, the NRC staff, and TVA attended the NRC Commission meeting to discuss TVA's readiness to operate Watts Bar Unit 1 up to rated power. The Commission subsequently authorized the NRC staff to issue a full-power operating license for Watts Bar Unit 1. The full-power license was issued on February 7, 1996.

Toward the end of the Watts Bar licensing review and before the submittal of the Petition, the NRC staff had extensive contact with Petitioner concerning various issues associated with Watts Bar. By letters dated July 27, August 22, and December 20, 1995, Petitioner raised issues associated with Watts Bar, including public participation in the Watts Bar licensing process and decommissioning cost associated with Watts Bar. By letters dated August 17 and September 5, 1995, the NRC staff responded to various issues raised by her. In addition, the NRC staff conducted frequent conference calls with Petitioner to gain a better understanding of the issues of concern to her, and to explain the results of the NRC staff's ongoing assessment of these concerns.

III. Discussion

A. Open Inspection Issues

Petitioner refers to a letter from Stewart D. Ebneter, Regional Administrator, NRC Region II to TVA dated November 3, 1995. Specifically, Petitioner cites the following language from that letter:

> The problems and schedules resulted in System 90 [the radiation monitoring system] being the last of the major systems to be completed and turned over to the operating staff and there were several issues still open when TVA submitted the letter to NRC requesting the operating license.

Petitioner contends that the fact that Mr. Ebneter acknowledges open issues associated with the radiation monitoring system brings into question the conclusion by the NRC staff in SSER 16 that, ''the process and effluent radiological monitoring and sampling system for Watts Bar Unit 1 complies with 10 CFR 20.1302 and General Design Criteria (GDC) 60, 63, and 64.''

The NRC staff's evaluation of the process and effluent radiological monitoring and sampling system is described in Section 11.5 of SSER 16. The conclusion in SSER 16 addresses the system as described by TVA in the FSAR. The adequacy of implementation is reviewed by NRC inspectors, and the results are documented in inspection reports. This is generally an effort for which the NRC regional office has responsibility. As implementation proceeds, it is not uncommon for inspectors to identify open issues associated with implementation that must be addressed by a licensee. For example, there was an issue regarding training of TVA personnel on the operation of the radiation monitoring system at Watts Bar. This issue was identified as an open issue during an inspection in November 1995. TVA agreed to complete the training prior to initial criticality. The training was subsequently conducted, and the open issue was closed by the NRC in January 1996. Thus, the open issues referred to in Mr. Ebneter's letter dated November 3, 1995, are part of the normal NRC licensing process, and do not raise questions about the conclusions in SSER 16.

In January 1996, the NRC conducted a special inspection of the radiation monitors at Watts Bar (see NRC Inspection Report 50–390/96–01). The inspection focused on the technical issues raised by Petitioner. The inspection concluded that selected effluent monitors and post accident radiation monitors at Watts Bar had been calibrated and installed in accordance with the TVA's commitments, and the installation met NRC requirements.

In SSER 16, the NRC staff concluded that design and testing requirements for the process and effluent radiological monitoring and sampling system for Watts Bar Unit 1 complied with 10 CFR 20.1302 and GDCs 60, 63, and 64. In addition, the staff conducted numerous inspections of the radiation monitoring system at Watts Bar. Open issues were identified and resolved to the satisfaction of the NRC staff before licensing, enabling the NRC staff to conclude that the installation and testing of the radiation monitoring system at Watts Bar met NRC requirements.

B. Regulatory Requirements and Licensee Commitments

Petitioner contends that the NRC staff was not fully aware of TVA's commitments and TVA's adherence to those commitments when the NRC issued the low-power license for Watts Bar. Petitioner further asserts that the lack of understanding resulted from a lack of adherence to NRC procedures or ''misinformation'' provided by TVA, or a combination of both. Petitioner bases this assertion on NRC documents, including SSER 16. Petitioner quotes the following from SSER 16:

> On the basis of its review, the staff concludes that the process and effluent radiological monitoring and sampling system for Watts Bar Unit 1 complies with 10 CFR 20.1302 and GDCs 60, 63, and 64. The staff also concludes that the system design conforms to the guidelines of NUREG–0737...Item II.F.1...RGs 1.21 and 4.15, and applicable guidelines of RG 1.97. Thus, the system meets the acceptance criteria of SRP Section 11.5 and is, therefore, acceptable.

Petitioner contends that TVA did not implement specific guidelines in Regulatory Guide (RG) 4.15 [7] and ANSI N13.10 [8] at Watts Bar, and that there is no indication that the NRC staff approved deviations from these guidelines.

RG 4.15 describes a method acceptable to the NRC staff for designing a program to assure the quality of the results of measurements of radioactive material in the effluents and environment outside of nuclear facilities during normal operation. ANSI N13.10 is an industry standard which provides guidance for instrumentation used to continuously monitor radioactive effluents.

Petitioner also contends that RG 1.21 [9] and ANSI N13.1 [10] have not been met at Watts Bar. RG 1.21 provides methods acceptable to the NRC staff for measuring and reporting radioactivity in effluents from nuclear power plants.

[6] Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant, Units 1 and 2 (Docket Nos. 50–390 and 50–391), June 1982. NUREG–0847.

[7] Regulatory Guide 4.15, Revision 1, Quality Assurance for Radiological Monitoring Programs (Normal Operations)—Effluent Streams and the Environment, February 1979.

[8] ANSI N13.10–1974, Specification and Performance of On-Site Instrumentation for Continuously Monitoring Radioactivity in Effluents.

[9] Regulatory Guide 1.21, Revision 1, Measuring, Evaluating, and Reporting Radioactivity in Solid Wastes and Releases of Radioactive Materials in Liquid and Gaseous Effluents for Light-Water-Cooled Nuclear Power Plants, June 1974.

[10] ANSI N13.1–1969, Guide to Sampling Airborne Radioactive Materials in Nuclear Facilities.

ANSI N13.1 is an industry standard which provides guidance for sampling airborne radioactivity in nuclear facilities.

The requirements that must be met before a plant can be licensed are defined in NRC regulations, including the General Design Criteria in 10 CFR Part 50, Appendix A. General Design Criteria (GDCs) 60, 63, and 64, address the radiation monitoring systems.

Over the years, the NRC staff has prepared a number of guidance documents, such as Regulatory Guides, that describe methods which are acceptable to the staff for meeting the requirements in the regulations. However, except for a few Regulatory Guides that are specifically referenced in a regulation or referenced in or incorporated into a license, these documents do not constitute requirements. RG 4.15 contains the following statement:

> Regulatory Guides are issued to describe and make available to the public methods acceptable to the NRC staff of implementing specific parts of the Commission's regulations, to delineate techniques used by the staff in evaluating specific problems or postulated accidents, or to provide guidance to applicants. Regulatory Guides are not substitutes for regulations, and compliance with them is not required.

In addition, the industry has developed many documents, such as ANSI Standards, in which methods are described for meeting certain requirements contained in the regulations. To varying degrees, the NRC staff has endorsed these documents as providing acceptable methods for meeting the regulations. But again, adherence to these guidance documents is not mandatory.

As an applicant develops the design of a system such as the radiation monitoring system, it may chose to ''commit'' to one or more of these NRC or industry reference documents. If an applicant commits to a document, then it should satisfy the guidelines contained in the document or request authorization from the NRC staff for a ''deviation.'' The NRC staff specifically approves or denies each deviation requested.

However, an applicant may choose not to commit to a specific document, but may instead choose an alternative approach to meeting a regulatory requirement. When an applicant chooses to do this, the NRC staff must evaluate the alternative approach to determine if it meets the regulation. The design of each nuclear power plant, including commitments and alternative approaches, is described in the FSAR specific to each plant and prepared by the applicant, and submitted to the NRC for review.

The NRC staff's review of an application is guided by the Standard Review Plan (NUREG–0800). However, like Regulatory Guides, the Standard Review Plan imposes no requirements. Each section of the Standard Review Plan contains the following statement, ''Standard review plans are not substitutes for regulatory guides or the Commission's regulations and compliance with them is not required.''

As the NRC staff reviews an application, the reviewer will often use the guidelines contained in a Regulatory Guide or ANSI standard as a measure of whether the application complies with the regulations. In such cases, the reviewer will often attempt to determine whether the application satisfies the intent of the guidelines in a Regulatory Guide or ANSI standard. This does not mean that the Regulatory Guide or ANSI standard becomes a requirement or a commitment, and it does not mean that the application must meet every guideline in the standard to be found acceptable.

The radiation monitoring system at Watts Bar must comply with GDCs 60, 63, and 64. In addition, TVA has committed to Regulatory Guides 1.21, 1.68 (Revision 2),[11] and 1.97 (Revision 2)[12] which address, at least in part, the radiation monitoring system.[13] More importantly in the context of this Petition, TVA has specifically stated that it is not committed to RG 4.15.

Petitioner asserts that the statement in SSER 16 quoted above commits TVA to comply with RG 4.15. Petitioner further asserts that this assumed commitment requires that TVA also meet all of the guidelines contained in ANSI N13.10 because ANSI N13.10 is referenced in RG 4.15. Petitioner contends that, if any guideline in RG 4.15 or ANSI N13.10 is not met, TVA must submit a request for a deviation to the NRC staff for approval.

These assertions are in error for the following two reasons.

First, TVA has explicitly stated in a letter dated July 21, 1995 (referenced on page 11–1 of SSER 16), that it is not committed to RG 4.15, although TVA noted that Watts Bar ''generally agrees with and satisfies the intent of RG 4.15 * * *.'' Accordingly, the TVA application was not reviewed to assure adherence to RG 4.15. Rather, the application was reviewed to assure that regulatory requirements and guidance to which TVA did commit were satisfied. On page 11–28 of SSER 16, the NRC staff states: ''The staff finds that the radiation monitoring system for Watts Bar Unit 1 meets the intent and purpose of RG 4.15, with respect to quality assurance provisions for the system.'' This statement in SSER 16 is an acknowledgement of and agreement with TVA's statement that Watts Bar generally meets the intent of RG 4.15. However, the NRC staff did not review Watts Bar to the standards of RG 4.15, and strict adherence to RG 4.15 was not required.

Second, even if TVA were committed to RG 4.15, that would not commit TVA to ANSI N13.10 merely because it is referenced in RG 4.15. RG 4.15 specifically states:

> Guidance on principles and good practices in the monitoring process itself and guidance on activities that can effect [sic] the quality of monitoring results * * * are outside the scope of this guide. However, some references are provided to documents that do provide some guidance in these areas [43 separate references are cited in the guide]. The citation of these references does not constitute an endorsement of all of the guidance in these documents by the NRC staff. Rather, these references are provided as sources of information to aid the licensee * * *.

Petitioner identifies three technical issues as a basis for the assertion that ANSI N13.10 was not met. As described above, TVA is not required to meet ANSI N13.10. The NRC staff has reviewed the radiation monitoring system and inspected its implementation. The system satisfies NRC requirements.

Thus, RG 4.15 and ANSI N13.10, which Petitioner contends were not implemented at Watts Bar, are not commitments, and TVA was not required to implement these guidelines or to request deviations from them. TVA documented the fact that it was not committed to RG 4.15, and the NRC staff was aware of this, as is indicated by the language referred to above from SSER 16.

The NRC staff acknowledges that the language in SSER 16 that Watts Bar ''conforms'' to RG 4.15 could cause confusion. Accordingly, the NRC staff attempted to clarify in SSER 20[14] the

[11] Regulatory Guide 1.68, Revision 2, Initial Test Program for Water-Cooled Reactor Power Plants, August 1978.

[12] Regulatory Guide 1.97, Revision 2, Instrumentation for Light-Water-Cooled Nuclear Power Plants to Assess Plant Conditions During and Following an Accident, December 1980.

[13] Although Petitioner contends that TVA has not satisfied RG 1.21 and ANSI N13.1, Petitioner provides no basis for this assertion. In fact, the NRC staff has determined that Watts Bar satisfies RG 1.21. TVA has not committed to meet ANSI N13.1 and there is no requirement that it do so.

[14] Supplement 20, Safety Evaluation Report related to the operation of Watts Bar Nuclear Plant,

Continued

conclusion reached in SSER 16. In SSER 20, the NRC staff explicitly acknowledged that TVA was not committed to RG 4.15, ANSI N13.1, or ANSI N13.10. The NRC staff clarified that Watts Bar meets the intent of RG 4.15 with respect to quality assurance provisions for the radiation monitoring system. The NRC staff revised the statement in SSER 16 cited above to read:

The staff also concludes that the system design conforms to the guidelines of NUREG–0737 (TMI Action Plan II.F.1, Attachment 1 and 2), RG 1.21, and applicable guidelines of RG 1.97 (Revision 2). The staff further concludes that the system design meets the intent and purpose of RG 4.15.

As stated in SSER 20, the NRC staff has concluded that the radiation monitoring system at Watts Bar meets the ''intent and purpose'' of RG 4.15. The intent and purpose of RG 4.15 is to provide an acceptable method to comply with applicable NRC requirements. However, as discussed above, alternatives to RG 4.15 may also be found to be acceptable in meeting this intent and purpose of RG 4.15 (i.e., compliance with applicable NRC requirements). In its review of Watts Bar, the NRC staff has concluded that applicable NRC requirements have been satisfied while not necessarily conforming to all the details of RG 4.15. Thus, although the staff's conclusion in SSERs 16 and 20 could have been clearer, as explained above, TVA did not commit to RG 4.15. For these same reasons, Petitioner's assertions provide no basis to conclude that TVA provided ''misinformation'' in this area. Rather, the NRC staff properly evaluated the radiation monitoring system at Watts Bar and correctly determined that the applicable regulatory requirements were satisfied prior to licensing.

C. Deviations From Regulatory Guides

By letter dated January 30, 1996, Petitioner submitted a list of deviations from Regulatory Guides that Petitioner extracted from the Watts Bar SER and supplements. Petitioner questioned whether an overall review of the aggregate effect of the deviations had been performed for Watts Bar.

Each deviation is reviewed by the NRC staff and, if found to be acceptable, is approved in an SER. It should be noted that a deviation is an alternative. Approval of a deviation does not suggest that a lesser safety standard has been applied. The NRC staff reviews each program area described in the FSAR, and related regulatory documents to ensure that the program complies with regulatory requirements. That review includes an assessment of the impact of any deviations requested by a Licensee. Thus, the integrated impact of any requested deviations on a program is considered as part of the review of that program.

Accordingly, the concern raised by Petitioner regarding the overall effect of the deviations approved at Watts Bar has not raised a safety issue that would warrant suspension or revocation of the operating license for Watts Bar.

Accordingly, Petitioner has not provided a basis to warrant a review of the Watts Bar licensing process, nor has Petitioner identified a safety concern that would warrant suspension or revocation of the operating license for Watts Bar.

IV. CONCLUSION

The institution of proceedings in accordance with 10 CFR 2.206, as requested by Petitioner, is appropriate only where substantial safety issues have been raised. See Consolidated Edison Company of New York (Indian Point Units 1, 2 and 3), CLI–75–8, 2 NRC 173, 175 (1975), and *Washington Public Power System* (WPPS Nuclear Project No. 2), DD–84–7, 19 NRC 899, 923 (1984). This is the standard I have applied to the Petition. Petitioner has not raised any substantial safety concerns with regard to Watts Bar. Therefore, Petitioner's request to revoke or suspend the operating license for Watts Bar is denied.

A copy of this Decision will also be filed with the Secretary for the Commission's review as provided in 10 CFR 2.206(c) of the Commission's regulations.

As provided by this regulation, the Decision will constitute the final action of the Commission 25 days after issuance, unless the Commission, on its own motion, institutes a review of the Decision within that time.

Dated at Rockville, Maryland, this 15th day of August 1996.

For the Nuclear Regulatory Commission.

William T. Russell,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 96–21285 Filed 8–20–96; 8:45 am]

BILLING CODE 7590–01–P

OFFICE OF MANAGEMENT AND BUDGET

Budget Analysis Branch; Sequestration Update Report

AGENCY: Budget Analysis Branch, Office of Management and Budget.

ACTION: Notice of Transmittal of Sequestration Update Report to the President and Congress.

SUMMARY: Pursuant to Section 254(b) of the Balanced Budget and Emergency Control Act of 1985, as amended, the Office of Management and Budget hereby reports that it has submitted its Sequestration Update Report to the President, the Speaker of the House of Representatives, and the President of the Senate.

FOR FURTHER INFORMATION CONTACT: Anita Chellaraj, Budget Analysis Branch—202/395–3674.

Dated: August 13, 1996.

John B. Arthur,

Associate Director for Administration.

[FR Doc. 96–21135 Filed 8–20–96; 8:45 am]

BILLING CODE 3110–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22146; 34–37578; 812–10072]

Allied Capital Lending Corporation, et al.; Notice of Application

August 15, 1996.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of Application for Exemption Under the Investment Company Act of 1940 (the ''Act'') and the Securities Exchange Act of 1934 (the ''Exchange Act'').

APPLICANTS: Allied Capital Lending Corporation (''Lending''), Allied Capital Advisers, Inc. (''Advisers''), Allied Capital SBLC Corporation (''Subsidiary I''), and Allied Capital Credit Corporation (''Subsidiary II,'' and with Subsidiary I, the ''Subsidiaries'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from sections 12(d)(1), 18(a), 55(a), 60 and 61(a) of the Act, under section 57(c) of the Act for an exemption from sections 57(a) (1), (2), and (3) of the Act, and under sections 57(a)(4) and 57(i) of the Act and rule 17d–1 thereunder permitting certain joint transactions. Order also requested under section 12(h) of the Exchange Act for an exemption from section 13(a) of the Exchange Act.

SUMMARY OF APPLICATION: Applicants request an order to permit Lending to form two new subsidiaries and engage in certain joint transactions with such new subsidiaries or certain companies in which Lending or its subsidiaries have invested. The order also would permit modified asset coverage

Units 1 and 2 (Docket Nos. 50–390 and 50–391), February 1996. NUREG–0847.