

The national grain industry association commented that, "In today's highly competitive business environment, it is important that all service providers seek new ways to meet customer needs in the most cost-effective way possible. We are not surprised to learn that GIPSA has determined that private contractors can, in some cases, perform inspection services more effectively or, at least, at less cost than traditional service providers. For example, GIPSA reports that the use of private contractors has proven effective when using contract samplers at remote service points. Also, as GIPSA notes, the use of private contractors can increase the flexibility of GIPSA and State cooperators to meet customer needs during periods of peak demand." An official agency also commented that using contractors would help lower the cost of providing official services.

The animal welfare organization indicated several concerns about any type of inspection services which the Government is considering contracting out. The organization stated that it is imperative that "All contractors, subcontractors, and employees of either must be properly trained and free of any financial or other business interest in any of the 'commodities' they inspect." They went on to state that "Citizens expect that the law and its regulations will be enforced objectively, and the inspectors will be licensed using criteria which is designed to select only experienced and qualified men and women." We do note that all official inspection personnel, whether employed by GIPSA, a cooperator, or a contractor, will be held to the same standards of fitness; i.e., they must be fully trained, tested according to established GIPSA procedures, free of any conflicts of interest, and licensed/authorized by GIPSA to inspect graded commodities.

On the basis of these comments and other available information, GIPSA has decided to amend the regulations to allow GIPSA and cooperators to contract for service work and to license individual contractors and those employed by contractors.

Final Action

To provide for more responsive, cost-effective inspection services under the Act of 1946, GIPSA is revising:

1. Section 868.1(b)(13) to expand the definition of contractor to provide for cooperators to use contractors for specified services.

2. Section 868.80(a)(1) to add provisions for licensing individual

contractors and employees of contractors.

List of Subjects in 7 CFR Part 868

Administrative practice and procedure, Agricultural commodities.

For reasons set forth in the preamble, 7 CFR part 868 is amended as follows:

PART 868—GENERAL REGULATIONS AND STANDARDS FOR CERTAIN AGRICULTURAL COMMODITIES

1. The authority citation for Part 868 continues to read as follows:

Authority: Secs. 202–208, 60 Stat. 1087, as amended (7 U.S.C. 1621 *et seq.*).

2. Section 868.1(b)(13) is revised to read as follows:

§ 868.1 Meaning of terms.

* * * * *

(b) * * *

(13) *Contractor.* Any person who enters into a contract with the Service or with a cooperator to perform specified inspection services.

* * * * *

3. Section 868.80(a)(1) is revised to read as follows:

§ 868.80 Who may be licensed.

(a) *Inspectors.* * * *

(1) Is employed by a cooperator, is a contractor, or is employed by a contractor.

* * * * *

Dated: May 21, 1998.

James R. Baker,

Administrator, Grain Inspection, Packers and Stockyards Administration.

[FR Doc. 98–14054 Filed 5–29–98; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 989

[FV98–989–1 FIR]

Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for 1997–98 Crop Natural (Sun-Dried) Seedless and Zante Currant Raisins

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: The Department of Agriculture (Department) is adopting, as a final rule, without change, the provisions of an interim final rule which established final volume regulation percentages for 1997–98 crop Natural (sun-dried) Seedless (Naturals)

and Zante Currant (Zantes) raisins covered under the Federal marketing order for California raisins. The order regulates the handling of raisins produced from grapes grown in California and is administered locally by the Raisin Administrative Committee (Committee). The volume regulation percentages are 66 percent free and 34 percent reserve for Naturals and 44 percent free and 56 percent reserve for Zantes. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through various programs authorized under the order. The volume regulation percentages are intended to help stabilize raisin supplies and prices and strengthen market conditions.

EFFECTIVE DATE: July 1, 1998.

FOR FURTHER INFORMATION CONTACT:

Maureen T. Pello, Marketing Specialist, California Marketing Field Office, Fruit and Vegetable Programs, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721; telephone: (209) 487–5901, Fax: (209) 487–5906; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, room 2525-S, P.O. Box 96456, Washington, DC 20090–6456; telephone: (202) 720–2491, or Fax: (202) 205–6632. Small businesses may request information on compliance with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, P.O. Box 96456, room 2525-S, Washington, DC 20090–6456; telephone (202) 720–2491; Fax: (202) 205–6632.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 989 (7 CFR part 989), both as amended, regulating the handling of raisins produced from grapes grown in California, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the "Act."

The Department is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the order provisions now in effect, final free and reserve percentages may be established for raisins acquired by handlers during the crop year. This rule establishes final free and reserve percentages for Natural and Zante raisins for the 1997–98 crop year, which began August 1, 1997, and ends July 31, 1998. This rule will not

preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with the Secretary a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing, the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule continues in effect the provisions of an interim final rule which established final volume regulation percentages for 1997-98 crop

Natural and Zante raisins covered under the order. The volume regulation percentages are 66 percent free and 34 percent reserve for Naturals and 44 percent free and 56 percent reserve for Zantes. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through various programs authorized under the order. For example, reserve raisins may be sold by the Committee to handlers for free use or to replace part of the free tonnage raisins they exported; used in diversion programs; carried over as a hedge against a short crop the following year; or disposed of in other outlets not competitive with those for free tonnage raisins, such as government purchase, distilleries, or animal feed. The volume regulation percentages are intended to help stabilize raisin supplies and prices and strengthen market conditions. Final percentages were recommended by the Committee at a meeting on February 12, 1998.

Section 989.54 of the order prescribes the procedures and time frames to be followed in establishing volume

regulation. This includes methodology used to calculate percentages. Pursuant to § 989.54(a) of the order, the Committee met on August 14, 1997, to review shipment and inventory data, and other matters relating to the supplies of raisins of all varietal types. The Committee computed a trade demand for each varietal type for which a free tonnage percentage might be recommended. Trade demand is a computed formula specified in the order and, for each varietal type, is equal to 90 percent of the prior year's shipments of free tonnage and reserve tonnage raisins sold for free use into all market outlets, adjusted by subtracting the carryin on August 1 of the current crop year and by adding the desirable carryout at the end of that crop year. As specified in § 989.154, the desirable carryout for each varietal type is equal to the shipments of free tonnage raisins of the prior crop year during the months of August and September. In accordance with these provisions, the Committee computed and announced 1997-98 trade demands for Naturals and Zantes at 252,398 and 2,058 tons, respectively, as shown below.

COMPUTED TRADE DEMANDS

[Natural condition tons]

	Naturals	Zantes
Prior year's shipments	314,013	3,277
Multiplied by 90 percent	0.90	0.90
Equals adjusted base	282,612	2,949
Minus carryin inventory	92,769	1,679
Plus desirable carryout	62,555	788
Equals computed trade demand	252,398	2,058

As required under § 989.54(b) of the order, the Committee met on October 2, 1997, and announced a preliminary crop estimate of 353,583 tons for Naturals. With the crop estimate much higher than the trade demand of 252,398 tons, the Committee determined that volume regulation was warranted. The Committee announced preliminary free and reserve percentages for Naturals which released 65 percent of the computed trade demand since the field price had not yet been established. The preliminary percentages were 46 percent free and 54 percent reserve. The Committee authorized its staff to modify the preliminary percentages to release 85 percent of the trade demand when the field price was established. The field price was established on October 17, 1997, and the preliminary percentages were thus modified to 61 percent free and 39 percent reserve. As discussed later in this rule, the 353,583 ton crop

estimate was subsequently revised to 381,484 tons, the largest crop since 1993-94. The production of Naturals has exceeded market needs during the current crop year, as in most seasons. Volume regulation in such a large crop year should help stabilize prices and improve market conditions.

Also at its October 2, 1997, meeting, the Committee announced a preliminary crop estimate for Zantes at 4,812 tons. This compared to the trade demand of 2,058 tons. It was determined that a Zante reserve pool was warranted because estimated production exceeded the trade demand by a significant amount. The Committee computed preliminary percentages for Zantes at 36 percent free and 64 percent reserve which would have released 85 percent of the computed trade demand. However, as authorized under § 989.54(c), the Committee modified the computed preliminary percentages and

established interim percentages to release slightly less than the full trade demand (98.8 percent) at 42.5 percent free and 57.5 percent reserve. Volume regulation for Zantes should also help stabilize prices and improve market conditions.

Also at that meeting, the Committee computed and announced preliminary crop estimates for Dipped Seedless, Oleate and Related Seedless, Golden Seedless, Sultana, Muscat, Monukka, and Other Seedless raisins. The Committee computed preliminary volume regulation percentages for these varieties, but determined that such regulation was only warranted for Naturals and Zantes. It determined that the supplies of the other varietal types would be less than or close enough to the computed trade demands for each of these varietal types. As in past seasons, the Committee submitted its marketing policy to the Department for review.

The Committee met on February 12, 1998, and revised its crop estimates for both Naturals and Zantes as follows: for Naturals, the estimate was increased from 353,583 to 381,484 tons; and for Zantes, the estimate was increased from 4,812 to 4,955 tons. The Committee also announced interim percentages for Naturals at 65.75 percent free and 34.25

percent reserve. Regarding Zantes, the Committee modified its trade demand figure from 2,058 to 2,200 tons at an earlier meeting in November 1997. At its February meeting, the Committee revised its interim percentages for Zantes to 43.75 percent free and 56.25 percent reserve. As required under § 989.54(d) of the order, the Committee

also recommended to the Secretary at its February meeting final free and reserve percentages which, when applied to the final production estimate of a varietal type, will tend to release the full trade demand for any varietal type. The Committee's calculations to arrive at final percentages for Naturals and Zantes are shown in the table below.

FINAL VOLUME REGULATION PERCENTAGES
[Tonnage as natural condition weight]

	Naturals	Zantes
Trade demand	252,398	2,200
Divided by crop estimate	381,384	4,955
Equals free percentage	66	44
100 minus free percentage equals reserve percentage	34	56

In addition, the Department's "Guidelines for Fruit, Vegetable, and Speciality Crop Marketing Orders" (Guidelines) specify that 110 percent of recent years' sales should be made available to primary markets each season for marketing orders utilizing reserve pool authority. This goal was met for Naturals and Zantes by the establishment of final percentages which released 100 percent of the trade demand and the offers of additional reserve raisins for sale to handlers under the "10 plus 10 offers." As specified in § 989.54(g), the 10 plus 10 offers are two offers of reserve pool raisins which are made available to handlers during each season. Handlers may sell their 10 plus 10 raisins to any market. For each such offer, a quantity of reserve raisins equal to 10 percent of the prior year's shipments is made available for free use.

For Naturals, the first 10 plus 10 offer was made available in December 1997 and about 31,000 tons of raisins were purchased by handlers. The second 10 plus 10 offer was made available to handlers in May 1998 at which time about another 31,000 tons of reserve Naturals were offered for sale to handlers. Adding the 62,000 tons of 10 plus 10 raisins to the 252,398 ton trade demand figure, plus 92,769 tons of 1996-97 carryin inventory equates to about 407,170 tons natural condition raisins or 381,750 tons packed raisins made available for free use, or to the primary market. This is 130 percent of the quantity of Naturals shipped in 1997 (314,013 natural condition tons or 294,406 packed tons).

For Zantes, both Zante 10 plus 10 offers were made available simultaneously in November 1997 and 656 tons of raisins were purchased by handlers. Adding the 656 tons of 10 plus 10 raisins to the 2,200 ton trade demand figure, plus 1,679 tons of 1996-

97 carryin inventory equates to 4,535 tons natural condition raisins or about 3,970 tons packed raisins made available for free use, or to the primary market. This is 138 percent of the quantity of Zantes shipped in 1997 (3,277 natural condition tons or 2,868 packed tons).

In addition to the 10 plus 10 offers, § 989.67(j) of the order provides authority for sales of reserve raisins to handlers under certain conditions such as a national emergency, crop failure, change in economic or marketing conditions, or if free tonnage shipments in the current crop year exceed shipments of a comparable period of the prior crop year. Such reserve raisins may be sold by handlers to any market. These additional offers of reserve raisins would thus make even more raisins available to primary markets which is consistent with the Department's Guidelines.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 20 handlers of California raisins who are subject to regulation under the order and approximately 4,500 raisin producers in the regulated area. Small agricultural

service firms have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than \$5,000,000, and small agricultural producers are defined as those having annual receipts of less than \$500,000. No more than 7 handlers, and a majority of producers, of California raisins may be classified as small entities. Thirteen of the 20 handlers subject to regulation have annual sales estimated to be at least \$5,000,000, and the remaining 7 handlers have sales less than \$5,000,000, excluding receipts from any other sources.

Pursuant to § 989.54(d) of the order, this rule continues in effect the provisions of an interim final rule which established final volume regulation percentages for 1997-98 crop Natural and Zante raisins. The volume regulation percentages are 66 percent free and 34 percent reserve for Naturals and 44 percent free and 56 percent reserve for Zantes. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through certain programs authorized under the order. The volume regulation percentages are intended to help stabilize raisin supplies and prices and strengthen market conditions.

Many years of marketing experience led to the development of the current volume regulation procedures. These procedures have helped the industry address its marketing problems by keeping supplies in balance with domestic and export market needs, and strengthening market conditions. The current volume regulation procedures fully supply the domestic and export markets, provide for market expansion, and help prevent oversupplies in the domestic market.

In discussing the possibility of volume regulation for the 1997-98 crop

year, the Committee considered the following factors:

	Naturals*	Zantes*
Estimated tonnage held by producers, handlers, and for the account of the Committee at the beginning of the crop year	92,769	1,679
Estimated tonnage of standard raisins which will be produced in 1997-98	381,484	4,955
Trade demand for raisins in free tonnage outlets for 1997-98	252,398	2,200
Estimated desirable carryout at the end of the 1997-98 crop year for free tonnage	58,875	545

*Natural condition tons.

The Committee also considered the estimated world raisin supply and demand situation; the current prices being received and the probable level of prices to be received for raisins by producers and handlers; and the trend and level of consumer income.

The Committee's review resulted in the computation and announcement in October 1997 of volume regulation percentages for Naturals and Zantes. Naturals are the major commercial varietal type of raisin produced in California. Volume regulation has been implemented under the order for Naturals for the past several seasons. With the crop estimate of 381,484 tons, much higher than the computed trade demand of 252,398 tons, the Committee determined that volume regulation was warranted.

In comparison, Zante production is much smaller than that of Naturals. Volume regulation was last implemented for Zantes during the 1995-96 crop year. Volume regulation was warranted for Zantes this season because the crop estimate of 4,955 tons exceeded the trade demand of 2,200 tons by a significant amount.

Raisin variety grapes can be marketed as fresh grapes, crushed for use in the production of wine or juice concentrate, or dried into raisins. Annual fluctuations in the fresh grape, wine, and concentrate markets, as well as weather related factors, cause fluctuations in raisin supply. These supply fluctuations can cause producer price instability and disorderly market conditions. Volume regulation is helpful to the raisin industry because it lessens the impact of such fluctuations and contributes to orderly marketing. For example, producer returns for Naturals have remained fairly steady over the last 5 crop years although production has varied. As shown in the table below, production over the last 5 years has varied from a low of 272,063 tons in 1996-97 and to a high of 387,007 tons in 1993-94, or 42 percent. According to Committee data, total producer return per ton, which includes proceeds from both free tonnage plus reserve pool raisins, has varied from a low of \$901

in 1992-93 to a high of \$1,049 in 1996-97, or 16 percent.

NATURAL SEEDLESS PRODUCER RETURNS

Crop year	Production (natural condition tons)	Producer returns
1996-97	272,063	\$1,049
1995-96	325,911	1,007
1994-95	378,427	928
1993-94	387,007	904
1992-93	371,516	901

Free and reserve percentages are established by variety, and only in years when the supply exceeds the trade demand by a large enough margin that the Committee believes volume regulation is necessary to maintain market stability. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, the Committee recommended only two of the nine raisin varieties defined under the order for volume regulation this season.

The free and reserve percentages release the full trade demand and apply uniformly to all handlers in the industry, regardless of size. Small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983-84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. All handlers are regulated based on the quantity of raisins which they acquire from producers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact both small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The

reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied last season. Thus, this action will not impose any additional reporting or recordkeeping burdens on either small or large handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget under OMB Control No. 0581-0178. As with other, similar marketing order programs, reports and forms are periodically studied to reduce or eliminate duplicate information collection burdens by industry and public sector agencies. In addition, the Department has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Further, Committee and subcommittee meetings are widely publicized in advance and are held in a location central to the production area. The meetings are open to all industry members, including small business entities, and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion. Thus, Committee recommendations can be considered to represent the interests of small business entities in the industry.

An interim final rule concerning this action was published in the **Federal Register** on March 10, 1998. Copies of the rule were mailed by the Committee's staff to all raisin handlers. In addition, the rule was made available through the Internet by the Office of the Federal Register. That rule provided for a 60-day comment period which ended on May 11, 1998. Interested persons were also invited to submit information on the regulatory and informational impacts of this action on small businesses. No comments were received.

After consideration of all relevant material presented, including the

Committee's recommendation, and other information, it is found that finalizing the interim final rule, without change, as published in the **Federal Register** (63 FR 11585; March 10, 1998) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 989

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

Accordingly, the interim final rule amending 7 CFR part 989 which was published at 63 FR 11585 on March 10, 1998, is adopted as a final rule without change.

Dated: May 26, 1998.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

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NUCLEAR REGULATORY COMMISSION

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

RIN 3150-AF64

Self-Guarantee of Decommissioning Funding by Nonprofit and Non-Bond-Issuing Licensees

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission is amending its regulations to allow additional materials licensees and non-electric utility reactor licensees who meet certain financial criteria to self-guarantee funding for decommissioning. Certain commercial corporate licensees who issue bonds are presently allowed to self-guarantee funding if they meet stringent financial criteria. This rule allows nonprofit licensees, such as colleges, universities, and hospitals, as well as some commercial licensees who do not issue bonds, to self-guarantee funding provided they meet similarly stringent financial criteria. Allowing additional qualified licensees to use self-guarantee reduces licensee costs while providing adequate assurance that funds for decommissioning will be available when needed.

EFFECTIVE DATE: July 1, 1998.

FOR FURTHER INFORMATION CONTACT: Dr. Clark Prichard, Office of Nuclear

Materials Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301)415-6203, e-mail cwp@nrc.gov.

SUPPLEMENTARY INFORMATION:

Licensees subject to 10 CFR parts 30, 40, 70, and 72, whose operations involve the use of substantial amounts of nuclear materials, and those subject to 10 CFR Part 50 who are applicants for, or holders of, operating licenses for production or utilization facilities must provide financial assurance for decommissioning funding by selecting from a variety of mechanisms: surety bond or letter of credit, prepayment, insurance, an external sinking fund coupled with a surety or insurance,¹ parent company guarantee for licensees that have a qualifying corporate parent, and, for certain financially strong corporations, self-guarantee. A statement of intent regarding obtaining funds to satisfy decommissioning obligations may be used by some licensees that are governmental entities (for example, public universities whose charter provides for a direct link to the State Government).

To date, self-guarantee has not been available to nonprofit licensees such as hospitals and universities, or to for-profit licensees who do not issue bonds, because the financial test for self-guarantee uses the rating of the bonds issued by the licensee as one measure of the licensee's financial resources and ability to fund decommissioning.

The NRC is extending the use of self-guarantee, previously limited to bond-issuing industrial corporations, to additional categories of qualified licensees. By selecting appropriate financial criteria for self-guarantee, this extension can be made without jeopardizing the present high level of financial assurance that the decommissioning obligation requires. Allowing qualified nonprofit and non-bond-issuing licensees to self-guarantee will reduce the costs of complying with NRC financial assurance requirements for those who meet the specified criteria.

¹ Pursuant to 10 CFR 50.75(e)(3), an electric utility can satisfy the decommissioning funding requirements with an external sinking fund, standing alone. This rulemaking does not apply to electric utilities and does not affect the NRC's Notice of Proposed Rulemaking that addresses decommissioning funding assurance issues associated with electric utility restructuring (see Financial Assurance Requirements for Decommissioning Nuclear Power Reactors—62 FR 47588, September 10, 1997). As part of this proposed rule, the NRC is considering amending its definition of "electric utility" and clarifying the distinction between financial assurance mechanisms applicable to power reactor licensees and non-power reactor licensees.

Background

On December 29, 1993 (58 FR 68726), as corrected on January 12, 1994 (59 FR 1618), the NRC published a notice of final rulemaking that allows financially strong corporations with A or better bond ratings the option of using self-guarantee as a mechanism for complying with the regulations on financial assurance for decommissioning. Self-guarantee was added to the list of financial assurance mechanisms as a cost-saving option for licensees that are able to meet the stringent financial test.

The NRC's decision to add self-guarantee to the list of approved financial assurance mechanisms for qualified licensees came in response to a petition for rulemaking filed by General Electric and Westinghouse (PRM-30-59, Notice of receipt published September 25, 1991 (56 FR 48445)). The petition presented a case for allowing self-guarantee as a cost-saving option for corporate licensees that are able to pass a stringent financial test.

Subsequent to the December 29, 1993, final rule, the Commission initiated a study to determine whether criteria could be developed and applied by NRC for nonprofit licensees and non-bond-issuing commercial licensees to use self-guarantee while maintaining the required level of confidence regarding the availability of decommissioning funds when needed. The study, "Analysis of Potential Self-Guarantee Tests for Demonstrating Financial Assurance by Nonprofit Colleges and Universities and Hospitals and by Business Firms that Do Not Issue Bonds," NUREG/CR-6514² (June 1997), identified a variety of financial criteria that could be applied to additional categories of licensees regarding the use of self-guarantee. The financial criteria in this rule were selected by the NRC based on information in this report.

Public Comments on the Proposed Rule

The NRC published a notice of proposed rulemaking on April 30, 1997, (62 FR 23394). In response to this notice, 16 comments were received; 2 from States, 6 from colleges and universities, 3 from associations, 3 from

² Single copies are available from the NRC contact. Copies are available at current rates from the U.S. Government Printing Office, P.O. Box 37082, Washington, DC 20402-9328 (telephone (202) 512-2249); or from the National Technical Information Service by writing NTIS at 5285 Port Royal Road, Springfield, VA 22161. Copies are available for inspection or copying for a fee from the NRC Public Document Room at 2120 L Street NW., Washington, DC; the PDR's mailing address is Mail Stop LL-6, Washington, DC 20555-0001; telephone (202) 634-3273; fax (202) 634-3343.