

hearing held would take place before the issuance of any amendment.

A request for a for a hearing and a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Ms. Lillian M. Cuoco, Esquire, Senior Nuclear Counsel, Northeast Utilities Service Company, P. O. Box 270, Hartford, CT 06141-0270, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

Pursuant to the Commission's regulations, 10 CFR 2.1107, the Commission hereby provides notice that this is a proceeding on an application for a license amendment falling within the scope of section 134 of the Nuclear Waste Policy Act of 1982 (NWPAct), 42 U.S.C. 10154. Under section 134 of the NWPAct, the Commission, at the request of any party to the proceeding, must use hybrid hearing procedures with respect to "any matter which the Commission determines to be in controversy among the parties."

The hybrid procedures in section 134 provide for oral argument on matters in controversy, preceded by discovery under the Commission's rules and the designation, following argument of only those factual issues that involve a genuine and substantial dispute, together with any remaining questions of law, to be resolved in an adjudicatory hearing. Actual adjudicatory hearings are to be held on only those issues found to meet the criteria of section 134 and set for hearing after oral argument.

The Commission's rules implementing section 134 of the NWPAct are found in 10 CFR part 2, subpart K, "Hybrid Hearing Procedures for Expansion of Spent Fuel Storage Capacity at Civilian Nuclear Power Reactors" (published at 50 FR 41662 dated October 15, 1985). Under those rules, any party to the proceeding may invoke the hybrid hearing procedures by

filing with the presiding officer a written request for oral argument under 10 CFR 2.1109. To be timely, the request must be filed within ten (10) days of an order granting a request for hearing or petition to intervene. The presiding officer must grant a timely request for oral argument. The presiding officer may grant an untimely request for oral argument only upon a showing of good cause by the requesting party for the failure to file on time and after providing the other parties an opportunity to respond to the untimely request. If the presiding officer grants a request for oral argument, any hearing held on the application must be conducted in accordance with the hybrid hearing procedures. In essence, those procedures limit the time available for discovery and require that an oral argument be held to determine whether any contentions must be resolved in an adjudicatory hearing. If no party to the proceeding timely requests oral argument, and if all untimely requests for oral argument are denied, then the usual procedures in 10 CFR part 2, subpart G apply.

For further details with respect to this action, see the application for amendment dated March 19, 1999, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document rooms located at the Learning Resources Center, Three Rivers Community-Technical College, 574 New London Turnpike, Norwich, Connecticut, and the Waterford Library, ATTN: Vince Juliano, 49 Rope Ferry Road, Waterford, Connecticut.

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland, this 27th day of August, 1999.

James W. Clifford,

Chief, Section 2, Project Directorate I, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 99-23157 Filed 9-3-99; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-423]

Northeast Nuclear Energy Company (NNECO), et al., Millstone Nuclear Power Station, Unit No. 3; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-

49, issued to Northeast Nuclear Energy Company, et al. (the licensee), for operation of the Millstone Nuclear Power Station, Unit No. 3 (MP3) located in New London County, Connecticut.

Environmental Assessment

Identification of the Proposed Action

The proposed action is in response to the licensee's application dated March 19, 1999, requesting an amendment to the operating license for MP3 to support the rerack of its spent fuel pool to maintain the capability to fully offload the core from the reactor as the unit approaches the end of its operating license. To achieve this goal, the licensee plans to install two types of additional higher density spent fuel racks into the spent fuel pool. Existing spent fuel racks will remain in the pool in their current configuration, but are reanalyzed to only accept fuel lower in reactivity than they are presently licensed to accept. The proposed additional racks will have a closer assembly to assembly spacing to increase fuel storage capacity. The number of fuel assemblies that can be stored in the spent fuel pool would be increased from 756 assemblies to 1,860 assemblies (an increase of 1,104).

The Need for the Proposed Action

An increase in spent fuel storage capacity is needed to maintain the capability for a full core off-load. Loss of full core off-load capability will occur as a result of refueling outage 6 (RFO 6), that started on May 1, 1999. The licensee plans to install an additional 15 high density storage racks (with the capacity to store 1,104 fuel assemblies) following RFO 6 (14 will be installed between RFO 6 and RFO 7, with the last one to be installed later if it is necessary), while keeping the existing racks in place. The additional capacity will ensure the capability for a full core off-load as the unit approaches the end of its operating license (November 25, 2025).

Environmental Impacts of the Proposed Action

Radioactive Waste Treatment

MP3 uses waste treatment systems designed to collect and process gaseous, liquid, and solid waste that might contain radioactive material. These radioactive waste treatment systems were evaluated in the Final Environmental Statement (FES) dated December 1984. The proposed spent fuel pool expansion will not involve any change in the radioactive waste treatment systems described in the FES.

Gaseous Radioactive Wastes

Gaseous releases from the fuel storage area are combined with other plant exhausts. Normally, the contribution from the fuel storage area is negligible compared to the other releases and no significant increases are expected as a result of the expanded storage capacity.

Solid Radioactive Wastes

No significant increase in the volume of solid radioactive waste is expected from operating with the expanded storage capacity. The necessity for pool filtration resin replacement is determined primarily by the requirements for water clarity, and the resin is normally changed about once a year. During reracking operations, a small amount of additional resins may be generated by the pool cleanup system on a one-time basis.

Personnel Doses

During normal operations, personnel working in the fuel storage area are exposed to radiation from the spent fuel pool. Radiological conditions are dominated by the most recent batch of discharged spent fuel. The radioactive inventory of the older fuel is insignificant compared to that from the recent offload. Analysis shows that the rerack will not significantly change radiological conditions. Therefore, the rack expansion project falls within the existing design basis of MP3's Spent Fuel Pool.

All of the operations involved in reracking will utilize detailed procedures prepared with full consideration of ALARA [as low as is reasonably achievable] principles. Similar operations have been performed in a number of facilities in the past, and there is every reason to believe that reracking can be safely and efficiently accomplished at MP3, with low radiation exposure to personnel. Total dose for the reracking operation is estimated to be between 2 and 5 person-rem. While individual task efforts and doses may differ from those estimated, the total is believed to be a reasonable estimate for planning purposes. Divers will be used where necessary, and the estimated person-rem burden includes an estimate for their possible dose. The existing radiation protection program at MP3 is adequate for the reracking operations. Where there is a potential for significant airborne activity, continuous air monitors will be in operation. Personnel will wear protective clothing as required and, if necessary, respiratory protective equipment. Activities will be governed by a Radiation Work Permit, and

personnel monitoring equipment will be issued to each individual. As a minimum, this will include thermoluminescent dosimeters (TLDs) and self-reading dosimeters. Additional personnel monitoring equipment (i.e., extremity TLDs or multiple TLDs) may be utilized as required. Work, personnel traffic, and the movement of equipment will be monitored and controlled to minimize contamination and to assure that dose is maintained ALARA.

On the basis of its review of the licensee's proposal, the NRC staff concludes that the MP3 spent fuel pool reracking operation can be performed in a manner that will ensure that doses to workers will be maintained ALARA. The estimated dose of 2 to 5 person-rem to perform the proposed spent fuel pool reracking operation is a small fraction of the annual collective dose accrued at MP3.

Accident Considerations

The licensee has evaluated the consequences of an accidental drop of a fuel assembly in the spent fuel pool and the consequences of an accidental drop of a fuel pool gate onto racks. The results show that such accidents will not distort the racks sufficiently to impair their functionality. The analysis indicates no radiological consequences from these postulated accidents. The consequences of a design basis seismic event have been evaluated and found acceptable. The proposed additional racks and existing racks have been analyzed in their new configuration and found safe and impact-free during seismic motion, save for the baseplate-to-baseplate impacts of the proposed additional racks that are shown to cause no damage to the racks' cells or Boral (used for criticality control). The structural capability of the pool walls and basemat will not be exceeded under the loads. Thus, the consequences of a seismic event are not significantly increased. The criticality consequences of a misloading/drop of a fuel assembly during fuel movement have been evaluated. The minimum subcriticality margin, k_{eff} less than or equal to 0.95, will continue to be maintained because of the proposed pool water soluble boron related requirements. The consequences of an accidental drop of a rack module into the pool during placement have been evaluated. The analysis confirmed that very limited damage to the liner could occur. Expected damage from this accident is repairable. Any small seepage occurring is well within makeup capability, and is mitigated by emergency operating procedures. The consequences of a spent fuel cask drop into the pool have

not been considered in this submittal since the licensee is not currently licensed to move a fuel cask into the MP3 cask pit area.

Radiological concerns due to fuel damage are not an issue, since the fuel handling design basis accident considers the worst case condition of a falling assembly (a fuel assembly falling onto another fuel assembly). This design basis accident remains unchanged. Fuel assembly damage subsequent to a fuel assembly drop is primarily influenced by the weight and design of the fuel assembly, the drop height (determines the kinetic energy upon impact), and the orientation of the falling assembly. Since none of these parameters are changed under the proposed modification, the results of the previously analyzed and NRC-accepted design basis accident bound the radiological consequences of accidents analyzed for the spent fuel pool rerack.

In summary, the proposed action will not increase the probability or consequences of accidents, no changes are being made to radioactive waste treatment systems or in the types of any radioactive effluents that may be released offsite, and the proposed action will not result in a significant increase in occupational or offsite radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not involve any historic sites. The proposed action does not affect nonradiological plant effluents and has no other nonradiological environmental impacts. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the Commission concludes that there are no significant environmental impacts associated with this action.

Alternatives to the Proposed Action

Shipping Fuel to a Permanent Federal Fuel Storage/Disposal Facility

Shipment of spent fuel to a high-level radioactive storage facility is an alternative to increasing the onsite spent fuel storage capacity. However, the U.S. Department of Energy's (DOE's) high-level radioactive waste repository is not expected to begin receiving spent fuel until approximately 2010, at the earliest. In October 1996, the Administration did commit DOE to begin storing waste at a centralized location by January 31, 1998. However, no location has been identified and an interim federal storage

facility has yet to be identified in advance of a decision on a permanent repository. Therefore, shipping spent fuel to the DOE repository is not considered an alternative to increased onsite spent fuel storage capacity at this time.

Shipping Fuel to a Reprocessing Facility

Reprocessing of spent fuel from the MP3 is not a viable alternative since there are no operating commercial reprocessing facilities in the United States. Therefore, spent fuel would have to be shipped to an overseas facility for reprocessing. However, this approach has never been used and it would require approval by the Department of State as well as other entities. Additionally, the cost of spent fuel reprocessing is not offset by the salvage value of the residual uranium; reprocessing represents an added cost.

Shipping Fuel to Another Utility, Site, or the Millstone Units 1 or 2 Spent Fuel Pool for Storage

The shipment of fuel to another utility or transferring MP3 spent fuel to the Millstone Units 1 or 2 spent fuel pool for storage could provide short-term relief from the storage problem at MP3. The Nuclear Waste Policy Act of 1982 and 10 CFR part 53, however, clearly place the responsibility for the interim storage of spent fuel with each owner or operator of a nuclear plant. The Millstone Units 1 and 2 spent fuel pools have been designed with the capacity to accommodate each of those units and, therefore, transferring spent fuel from MP3 to either of these pools would create fuel storage capacity problems with those units. The shipment of fuel to another site or transferring it to Millstone Units 1 or 2 is not an acceptable alternative because of increased fuel handling risks and additional occupational radiation exposure, as well as the fact that no additional storage capacity would be created.

Alternative Creation of Additional Storage Capacity

Alternative technologies that would create additional storage capacity include rod consolidation, dry cask storage, modular vault dry storage, and constructing a new pool. Rod consolidation involves disassembling the spent fuel assemblies and storing the fuel rods from two or more assemblies in a stainless steel canister that can be stored in the spent fuel racks. Industry experience with rod consolidation is currently limited, primarily due to concerns for potential gap activity release due to rod breakage, the

potential for increased fuel cladding corrosion due to some of the protective oxide layer being scraped off, and because the prolonged consolidation activity could interfere with ongoing plant operations. Dry cask storage is a method of transferring spent fuel, after storage in the pool for several years, to high capacity casks with passive heat dissipation features. After loading, the casks are stored outdoors on a seismically qualified concrete pad. Concerns for dry cask storage include the potential for fuel or cask handling accidents, potential fuel clad rupture due to high temperatures, the need for special security provisions, and high costs. Vault storage consists of storing spent fuel in shielded stainless steel cylinders in a horizontal configuration in a reinforced concrete vault. The concrete vault provides missile and earthquake protection and radiation shielding. Due to large space requirements, a vault secured area for MP3 would likely have to be located outside the secured perimeter of the plant site. Concerns for vault dry storage include security, land consumption, eventual decommissioning of the new vault, the potential for fuel or clad rupture due to high temperatures, and high cost. The alternative of constructing and licensing a new fuel pool is not practical for MP3 because such an effort would require many years (i.e., 10 years) to complete and would be the most expensive alternative.

The alternative technologies that could create additional storage capacity involve additional fuel handling with attendant opportunity for a fuel handling accident, involve higher cumulative dose to workers effecting the fuel transfers, require additional security measures, are significantly more expensive, and would not result in a significant improvement in environmental impacts compared to the proposed reracking modifications.

Reduction of Spent Fuel Generation

Generally, improved usage of the fuel and/or operation at a reduced power level would be an alternative that would decrease the amount of fuel being stored in the pool and thus increase the amount of time before full core off-load capacity is lost. With extended burnup of fuel assemblies, the fuel cycle would be extended and fewer offloads would be necessary. This is not an alternative for resolving the loss of full-core offload capability that occurred as a result of MP3 refueling outage that began on May 1, 1999, because the spent fuel transferred to the pool for storage during this outage eliminated the licensee's ability to conduct a full core offload.

Operating the plant at a reduced power level would not make effective use of available resources, and would cause unnecessary economic hardship on the licensee and its customers. Therefore, reducing the amount of spent fuel generated by increasing burnup further or reducing power is not considered a practical alternative.

The No-Action Alternative

As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the exemption would result in no change in current environmental impacts. The environmental impacts of the proposed exemption and this alternative are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement Related to the Operation of Millstone Nuclear Power Station, Unit No. 3," dated December 1984 (NUREG-1064).

Agencies and Persons Contacted

In accordance with its stated policy, on June 21, 1999, the staff consulted with the Connecticut State official, Mr. Gary McCahill of the Department of Environmental Protection, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated March 19, 1999, which is available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document rooms located at the Learning Resources Center, Three Rivers Community-Technical College, 574 New London Turnpike, Norwich, Connecticut, and the Waterford Library, ATTN: Vince Juliano, 49 Rope Ferry Road, Waterford, Connecticut.

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland, this 27th day of August, 1999.

James W. Clifford,

Chief, Section 2, Project Directorate I, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 99-23158 Filed 9-3-99; 8:45 am]

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OFFICE OF MANAGEMENT AND BUDGET

Budget Analysis Branch; Sequestration Update Report

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

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: Jason Orlando, Budget Analysis Branch—202/395-7436.

Dated: August 27, 1999.

Stephen A. Weigler,

Associate Director for Administration.

[FR Doc. 99-22857 Filed 9-3-99; 8:45 am]

BILLING CODE 3110-01-P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request;

[Extension Rule 15c2-7; SEC File No. 270-420; OMB Control No. 3235-0479]

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

• Rule 15c2-7 Identification of Quotations

Rule 15c2-7 enumerates the requirements with which all brokers

and dealers must comply when submitting a quotation for a security (other than a municipal security) to an inter-dealer quotation system. The purpose of Rule 15c2-7 is to ensure that an inter-dealer quotation system clearly reveals where two or more quotations in different names for a particular security represent a single quotation or where one broker-dealer appears as a correspondent of another. This is accomplished by requiring broker-dealers and inter-dealers and inter-dealer quotation systems to disclose with each published quotation the information required pursuant to the rule. The rule permits users of an inter-dealer quotation system to determine the identity of dealers making an inter-dealer market for a security—a fact which may be extremely pertinent in evaluating its marketability.

It is estimated that there are 8,500 brokers and dealers. Industry personnel estimate that approximately 900 notices are filed pursuant to Rule 15c3-7 annually. Based on industry estimates that respondents complying with Rule 15c2-7 spend 30 seconds to add notice of an arrangement and 1 minute to delete notice of an arrangement, and assuming that one-half of the notices given are to add an arrangement and the other half are to delete an arrangement, the staff estimates that, on an annual basis, respondents spend a total of 11.25 hours to comply with Rule 15c2-7 (900×45 seconds=40,500 seconds/60=675 minutes/60=11.25 hours). The Commission staff estimates that the average labor cost associated with this activity is \$35 per hour. Therefore, the total labor cost of compliance for all brokers-dealer respondents is approximately \$394 (11.25 multiplied by \$35).

Written comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimates of the burden of the proposed collection of information, (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and

Exchange Commission, 450 5th Street, N.W., Washington, DC 20549.

Dated: August 25, 1999.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-23113 Filed 9-3-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23983; File No. 812-11610]

Allmerica Financial Life Insurance and Annuity Company, et al.

August 30, 1999.

AGENCY: Securities and Exchange Commission (the "Commission" or "SEC").

ACTION: Notice of Application for an order under Section 6(c) of the Investment Company Act of 1940 (the "1940 Act") granting exemptions from the provisions of Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the 1940 Act and Rule 22c-1 thereunder to permit the recapture of credits applied to contributions made under certain deferred variable annuity contracts.

Summary of Application: Applicants seek an order under Section 6(c) of the 1940 Act to the extent necessary to permit, under specified circumstances, the recapture of credits of up to 5% of contributions made under deferred variable annuity contracts and certificates (the "Contracts"), that Allmerica will issue through the Separate accounts, as well as other contracts that Allmerica may issue in the future through the Separate Accounts or any other future Separate Account of Allmerica ("Other Separate Account") to support variable annuity contracts and certificates that are substantially similar in all material respects to the Contracts (the "Future Contracts"). Applicants also request that the order being sought extend to any other National Association of Securities Dealers, Inc. ("NASD") member broker-dealer controlling or controlled by, or under common control with, Allmerica, whether existing or created in the future, that serves as a distributor or principal underwriter for the Contracts or Future Contracts offered through the Separate Accounts or any Other Separate Account ("Allmerica Broker-Dealer(s)").

Applicants: Almerica Financial Life Insurance and Annuity Company ("Allmerica"), Separate Account VA-K of Allmerica, Separate Account VA-P of Allmerica, Separate Account KG of