violation but requested further mitigation of the civil penalty, asserting that imposition of the civil penalty would hurt Industrial Marine financially.

III

After consideration of the Licensee's response and the statements of fact, explanation, and argument for mitigation contained therein, the NRC staff has determined, as set forth in the Appendix to this Order, that the violation occurred as stated and that the penalty proposed for the violation designated in the Notice should be imposed.

IV

In view of the foregoing and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205, it is hereby ordered that:

The Licensee pay a civil penalty in the amount of $1,500 within 30 days of the date of this Order, by check, draft, money order, or electronic transfer, payable to the Treasurer of the United States and mailed to Mr. James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852–2738.

V

The Licensee may request a hearing within 30 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission Washington, D.C. 20555, and include a statement of good cause for the extension. A request for a hearing should be clearly marked as a ''Request for an Enforcement Hearing'' and shall be addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission Washington, D.C. 20555, with a copy to the Commission's Document Control Desk, Washington, D.C. 20555. Copies also shall be sent to the Assistant General Counsel for Hearings and Enforcement at the same address and to the Regional Administrator, NRC Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011.

If a hearing is requested, the Commission will issue an Order designating the time and place of the hearing. If the Licensee fails to request a hearing within 30 days of the date of this Order (or if written approval of an extension of time in which to request a hearing has not been granted), the provisions of this Order shall be effective without further proceedings. If payment has not been made by that time, the matter may be referred to the Attorney General for collection.

In the event the Licensee requests a hearing as provided above, the issues to be considered at such hearing shall be:

Whether on the basis of the violation admitted by the Licensee, this Order should be sustained.

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland this 31st day of July 1996.

Joseph R. Gray,

*Acting Director, Office of Enforcement.*

Appendix

Evaluation and Conclusion

On June 6, 1996, a Notice of Violation and Proposed Imposition of Civil Penalty (Notice) was issued for a violation identified during an NRC inspection and investigation. Industrial Marine Testing Laboratories, Inc. (Industrial Marine or Licensee) responded to the Notice on July 1, 1996. The licensee admitted the violation but requested mitigation on grounds that the imposition of the civil penalty would hurt the company financially. The NRC's evaluation and conclusion regarding the licensee's requests are as follows:

*Summary of Licensee's Request for Mitigation*

In its July 1, 1996, ''Answer to a Notice of Violation,'' the Licensee stated that it is a very small business and that although the NRC has already taken that into consideration, the imposition of the proposed civil penalty in the amount of $1,500 would hurt the company financially. The Licensee did not want to imply that the NRC was being unfair in arriving at the amount, but noted that it was financial duress that helped to create the problem.

*NRC Evaluation of Licensee's Request for Mitigation*

The base civil penalty for the uncontested Severity Level III violation is $5,000. However, considering the circumstances, including the fact that Industrial Marine is a small business, the NRC exercised discretion and reduced the civil penalty to $1,500. The reduced civil penalty is roughly equivalent to the fees the Licensee would have paid to remain in compliance.

In cases such as this, an NRC enforcement action is used as a deterrent to emphasize the importance of compliance with requirements. In this regard, further reduction of the penalty would do little to emphasize the importance of compliance with the involved requirements.

However, NRC's Enforcement Policy also provides, ''... it is not the NRC's intention that the economic impact of a civil penalty be so severe that it puts a licensee out of business (orders, rather than civil penalties, are used when the intent is to suspend or terminate licensed activities) or adversely affects a licensee's ability to safely conduct licensed activities.''

Therefore, to balance these considerations and to be responsive to the potential financial hardship to the licensee, rather than mitigating the civil penalty the licensee should be permitted to pay it in monthly installments.

*NRC Conclusion*

The NRC has concluded that the violation occurred as stated and that Industrial Marine did not provide an adequate basis for further reduction of the civil penalty. Consequently, the proposed civil penalty in the amount of $1,500 should be imposed. However, to be responsive to the potential for further financial hardship, the NRC should permit Industrial Marine to pay the civil penalty in monthly installments.

[FR Doc. 96–20213 Filed 8–8–96; 8:45 am]

BILLING CODE 7590–01–P

**[Docket No. 50–390]**

## Watts Bar Nuclear Plant, Unit 1; Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License Nos. NFP–90, issued to the Tennessee Valley Authority (TVA or the licensee) for operation of the Watts Bar Nuclear Plant (WBN), Unit 1 located in Rhea County, Tennessee.

The proposed amendment would change Technical Specification (TS) 3.6.12 to allow a one-time extension of the three month surveillance requirement (SR) for the ice condenser lower inlet doors to coincide with the plant mid-cycle outage. Specifically, this proposed amendment would add notes to SRs 3.6.12.3, 3.6.12.4, and 3.6.12.5 and their respective bases to state, ''The 3-month performance due September 9, 1996, (per SR 3.0.2) may be extended until October 21, 1996.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a

margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

(1) Operation of the facility in accordance with the proposed amendment would not involve a significant increase in the probability or consequences of an accident previously evaluated.

The four previous performances of SR 3.6.12.3 and 3.6.12.4 have all been successful. The most recent performance of SR 3.6.12.5 on May 17, 1996, was successful. However, because a previous performance of SR 3.6.12.5 on May 13, 1996, had identified several doors which did not pass portions of the surveillance, the results of the May 13, 1996, performance were reviewed in detail.

Conduct of the May 13, 1996, surveillance yielded initial ''as-found'' test results which indicate that 15 of the 48 lower inlet doors did not meet the 40 degrees open position opening torque 13 by an average of 2.8 percent, one by 13 percent and one by 23 percent). This has been evaluated by TVA and Westinghouse as to the potential effect on current design basis analysis. The review also addressed three doors which exceeded the overall friction criteria by 0.3 percent. The evaluation consisted of a review of the Subcompartment analysis, Long-Term LOCA [loss-of-coolant accident] Containment analysis, Long-Term MSLB [main steamline break] Containment analysis, Maximum Reverse Differential Pressure analysis, and Deck Bypass. The result of these analyses, indicates that the ''as-found'' deviations in ice condenser inlet door opening performance are still bounded by the current licensing design basis containment related accident analysis. In addition, since the ''as-left'' conditions were within the TS requirements and a subsequent performance on May 17, 1996, did not identify any deficiencies, justification exists to allow extension of the 3-month surveillance for the ice condenser lower inlet doors until the plant mid-cycle outage scheduled for October 1996.

Other considerations to support this justification for surveillance extension, are the initial ice mass relative to TS requirements in the WBN ice condenser, and the probability of core damaging small break LOCAs requiring Ice Condenser function during the extension period.

In a supplemental letter dated April 15, 1996, regarding WBN's Ice Bed and Flow Channel inspection Surveillance Frequencies amendment request, TVA documented the initial ice loading for the WBN unit ice condenser was 2,877,685 lbs. This value is 473,885 lbs more (about 20 percent) than the currently approved TS value of 2,403,800 lbs provided for an 18-month surveillance interval, and 752,685 lbs greater (about 31 percent) than the safety analysis value of 2,125,000 lbs. For the LBLOCA [larege break loss-of-coolant accident] the doors would have been expected to open as designed, considering that all surveillances since fuel load have indicated that all doors passed the (SR) 3.6.12.4 test requiring an opening torque of 675 inch lbs.

For the small break LOCA, door opening torque at the 40 degrees open position becomes important to avoid steam maldistribution effects. As stated previously, one surveillance had two doors that did not meet the torque criteria for the mid position by 13 percent and 23 percent, respectively (one of two bay 3 doors and one of two bay 5 doors). Several doors also exceeded the criteria by an average of only 2.8 percent. Neglecting these minor exceedances, and conservatively assuming both bay 3 and both bay 5 doors did not open, only 162 ice baskets representing 240,442 lbs of ice would have been unavailable during the event. This is considerably less than the excess margin of ice above the TS requirement for the more challenging large break LOCA. This margin would allow for the failure of 8 doors associated with 4 additional bays. In addition, total blockage would not be likely since the steam/air mixture would reach the impacted bays from adjacent bays or via the operational doors in the two bays of interest. Therefore, it is concluded that the exceedances observed were not significant for the small break LOCA.

Another consideration for surveillance interval extension, is the likelihood of the need for the tested components during the period of the extension. In order to quantify the potential for a SBLOCA [small break loss-of-coolant accident] occurring during the 42 day period of time being requested for the extension of the 3-month surveillance interval, the probability of selected initiating events resulting in core damage occurring during the period was evaluated. During the 42-day period, the probability of small LOCAs resulting core damage was 1.3E–06, and the probability of small break LOCAs requiring ice condenser function was 3.3E–03. Therefore, operation of the facility in accordance with the proposed amendment (extension of the 3-month surveillance for the ice condenser lower inlet doors until the plant mid-cycle outage scheduled for October 1996), when considering the magnitude of the deviations observed in the May 13, 1996, surveillance testing, the sensitivity to the containment related analysis, and other physical/technical considerations discussed in the preceding text, would not involve a significant increase in the probability of an accident previously evaluated nor their respective consequences.

(2) Operation of the facility in accordance with the proposed amendment would not create the possibility of a new or different kind of accident from any accident previously evaluated.

The proposed extension of the surveillance interval affects only the operability confidence associated with the lower ice doors. It has no impact on systems or components, the failure of which could initiate a new design basis accident. It is concluded, therefore, that no new or different kind of accident from any accident previously evaluated is created by the proposed amendment.

(3) Operation of the facility in accordance with the proposed amendment would not involve a significant reduction in margin of safety.

The preceding text (No significant Hazards Consideration Determination questions 1 & 2) covers TVA's evaluation of test data from the May 13, 1996, surveillance. This evaluation addresses the associated LOCAs requiring the ice condenser function, and the comparison of the initial WBN ice condenser ice loading versus maximum potential loss of ice bed usage. This discussion is applicable to the review to determine if a significant reduction in margin of safety will occur with operation of the WBN facility in accordance with the proposed amendment.

This review determined that there would have been essentially no unavailability of the lower inlet doors for a LBLOCA. For the conditions found, the current TS ice mass of 2,403,800 lbs would have still been met, with the margin between TS and design basis ice mass of 2,125,000 lbs still maintained. For smaller breaks, the additional ice would more than make up for any maldistribution caused by any friction increase in the doors.

A Westinghouse evaluation of the deficiencies identified during the May 13, 1996, surveillance performance indicates that substantial margin exists for the licensing basis subcompartment analysis, Long-Term LOCA Containment Integrity analysis, Long-Term MSLB Containment Integrity analysis, Maximum Reverse Differential Pressure analysis, and concludes that the current licensing analyses remain bounding even without the immediate correction and subsequent reverification on May 17, 1996. Therefore, the proposed amendment would not result in a significant reduction in the margin of safety.

In order to quantify the potential for a SBLOCA during the period of time being requested for extension of the 3-month surveillance interval, the probability of selected initiating events which result in core damage occurring during the period was evaluated. For the probability of selected small break LOCAs resulting in core damage, the probability was 1.3E–06 and for probability of a small break LOCA was 3.3E–03. These event probabilities are small enough to conclude that the margin of safety has not been decreased by the proposed amendment.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 30-day notice period. However, should circumstances change during the notice period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license

amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the Federal Register a notice of issuance and provide for opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules Review and Directives Branch, Division of Freedom of Information and Publications Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, and should cite the publication date and page number of this Federal Register notice. Written comments may also be delivered to Room 6D22, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By September 9, 1996, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's ''Rules of Practice for Domestic Licensing Proceedings'' in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Chattanooga-Hamilton County Library, 1001 Broad Street, Chattanooga, Tennessee 37402. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or 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: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Where petitions are filed during the last 10 days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 248–5100 (in Missouri 1-(800) 342–6700). The Western Union operator should be given Datagram Identification Number N1023 and the following message addressed to Mr. Frederick J. Hebdon: petitioner's name and telephone number, date petition was mailed, plant name, and publication date and page number of this Federal Register notice. 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 General Council, Tennessee Valley Authority, ET 10H, 400 West Summit Hill Drive, Knoxville, Tennessee 37902, 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).

For further details with respect to this action, see the application for amendment dated July 31, 1996, 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 room located at the Chattanooga-Hamilton County Library, 1001 Broad Street, Chattanooga, Tennessee.

Dated at Rockville, Maryland, this 2nd day of August 1996.

For the Nuclear Regulatory Commission.

Ronald W. Hernan,

*Project Manager, Project Directorate II–3, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.*

[FR Doc. 96–20214 Filed 8–7–96; 8:45 am]

**BILLING CODE 7590–01–P**

## SECURITIES AND EXCHANGE COMMISSION

### Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Heritage Media Corporation, Class A Common Stock, $.01 Par Value) File No. 1–10015

Heritage Media Corporation (''Company'') has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the Securities Exchange Act of 1934 (''Act'') and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security (''Security'') from listing and registration on the American Stock Exchange, Inc. (''Amex'').

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, it has listed the Security with the New York Stock Exchange, Inc. (''NYSE''). In making the decision to withdraw the Security from listing on the Amex, the Company considered the growth of the Company's business and operations and the increase in the market value of the Company's Security.

Any interested person may, on or before August 23, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

*Secretary.*

[FR Doc. 96–20180 Filed 8–7–96; 8:45 am]

**BILLING CODE 8010–01–M**

**[Release No. 34–37509; File No. SR–CBOE–96–44]**

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Listing and Trading of Options on the Goldman Sachs Technology Composite Sub-Indexes

July 31, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. § 78s(b)(1), notice is hereby given that on July 2, 1996, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE proposes to list and trade options on six different narrow-based indexes, each of which is composed of components from the GSTI Composite Index (''GSTI Composite Index'').[1] The six sub-indexes are: the GSTI Internet Index (''Internet Index''), the GSTI Software Index (''Software Index''), the GSTI Semiconductor Index (''Semiconductor Index''), the GSTI Hardware Index (''Hardware Index''), the GSTI Services Index (''Services Index''), and the GSTI Multimedia Networking Index (''Multimedia Index'') (collectively ''GSTI Sub-Indexes''). Each of the GSTI Sub-Indexes are cash-settled, modified capitalization-weighted indexes with European-style exercise.

[1] Concurrent with this proposal, CBOE has filed for approval to list and trade options on the Goldman Sachs Technology Composite Index, a broad-based, capitalization weighted index composed of the universe of technology-related company stocks meeting certain objective criteria. *See* SR–CBOE–96–43. A list of components for the Composite Index or any of the Sub-Indexes is available at the Commission or CBOE.

The text of the proposed rule change in available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in item IV below. The CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The purpose of the proposed rule change is to permit the Exchange to list and trade cash-settled, European-style index options on six sub-indexes of the GSTI Composite Index. Each of the GSTI Sub-Indexes is modified-capitalization weighted and is composed of components of the GSTI Composite Index. Goldman, Sachs & Co. has designated a GSTI Committee (''Committee'') to oversee the selection of components for the GSTI Sub-Indexes, as discussed below.

Index Design. The Committee selects and assigns stocks to a sub-index based upon relevant qualitative criteria. Any stock in a sub-index must appear in the Composite Index. Stocks may be represented in one or more GSTI Sub-Indexes, however, not all GSTI Composite Index components necessarily will be assigned to a GSTI Sub-Index. All of the components of the index currently trade on the New York Stock Exchange (''NYSE''), the American Stock Exchange (''NYSE''), the American Stock Exchange or are National Market System securities traded on Nasdaq.

Calculation. The Index will be calculated by CBOE or a designee of Goldman Sachs on a real-time basis using last-sale prices and will be disseminated every 15 seconds by CBOE. If a component security is not currently being traded on its primary market, the most recent price at which the security traded on such market will be used in the Index calculation.

The Index is calculated on a ''modified capitalization-weighted'' method. This method is a hybrid between equal weighting (which may