

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.

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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.

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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