



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

April 26, 2000

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CHAIRMAN

The Honorable M. J. "Mike" Foster, Jr.
Governor of Louisiana
Baton Rouge, Louisiana 70804-9004

Dear Governor Foster:

Thank you for your letter of March 22, 2000, informing the Commission of your decision to terminate an inspection Agreement between the U.S. Nuclear Regulatory Commission (NRC) and the State of Louisiana pursuant to Section 274i. of the Atomic Energy Act of 1954, as amended. This Agreement, effective May 1, 1967, permitted the State to perform inspections or other functions in Federal waters adjacent to Louisiana on behalf of the NRC. As you requested, staff is taking action to terminate the Section 274i. Agreement effective April 26, 2000, 30 days from receipt of your letter.

We appreciate the assistance your staff in the Department of Environmental Quality has provided to NRC during the duration of the Section 274i. Agreement. Termination of the Agreement does not in any way affect Louisiana's Agreement State status under Section 274b. We look forward to continuing to work with your staff in our cooperative program under the Section 274b. Agreement.

For your information, I have enclosed a pre-publication copy of the Federal Register notice announcing the termination. NRC plans to issue a conforming amendment to its reciprocity regulations at 10 CFR 150.20(d) which will remove the specific reference to the Commission's inspection agreement with Louisiana. As part of this rulemaking or in a separate communication, the NRC will provide guidance to Louisiana licensees regarding the impacts that the termination of this agreement will have on the notification and fee requirements for activities conducted in offshore waters adjacent to Louisiana. NRC staff is coordinating with your staff in the Department of Environmental Quality regarding this notification of licensees. NRC's staff contact for this matter is Paul H. Lohaus, Director, Office of State and Tribal Programs. Mr. Lohaus can be reached at (301) 415-3340 or e-mail at PHL@NRC.GOV.

Sincerely,

Edward McGaffigan, Jr.
Acting Chairman

Enclosure: As stated

cc: J. Dale Givens, Secretary,
Louisiana Department of Environmental Quality

Chris Roberie, Administrator
Surveillance Division
Louisiana Department of Environmental Quality

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Nuclear Regulatory Commission

Termination of Agreement Between the U.S. Nuclear Regulatory Commission
and the State of Louisiana Pursuant to Section 274i of the
Atomic Energy Act of 1954, as Amended

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of Termination of Section 274i Agreement.

SUMMARY: Notice is hereby given that effective April 26, 2000, the section 274i agreement between the State of Louisiana and the U.S. Nuclear Regulatory Commission (NRC or Commission) is terminated, in response to the March 22, 2000 request from Louisiana Governor M. J. "Mike" Foster.

EFFECTIVE DATE: April 26, 2000.

FOR FURTHER INFORMATION: Contact Kevin Hsueh, Office of State and Tribal Programs, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, by telephone 301-415-2598 or by Internet electronic mail at KPH@NRC.GOV.

SUPPLEMENTARY INFORMATION:

BACKGROUND

In 1967, the State of Louisiana and the United States Atomic Energy Commission (now the U.S. Nuclear Regulatory Commission) entered into an agreement for the discontinuance of the Commission's regulatory responsibilities over the use and possession of certain types of radioactive material in Louisiana. This agreement was noticed in the Federal Register on

May 3, 1967 (32 FR 6806). The State of Louisiana, in turn, assumed authority over these regulatory activities formerly exercised by the Commission. The Commission entered into this agreement with the State of Louisiana pursuant to section 274b of the Atomic Energy Act of 1954, as amended. This agreement for the discontinuance of the Commission's authority became effective May 1, 1967 and, at the same time, established Louisiana as an Agreement State. Additionally, on May 3, 1967 (32 FR 6807), the Commission published in the Federal Register a notice of an agreement between the State of Louisiana and the Commission which permitted the State to perform inspections or other functions in offshore waters adjacent to Louisiana on behalf of the Commission. This inspection agreement, entered into pursuant to section 274i of the Act, did not expand the State's regulatory authority but rather specifically authorized the State to conduct inspection activities and other functions on the Commission's behalf.

The NRC has received a letter from Louisiana Governor M. J. "Mike" Foster, Jr., dated March 22, 2000 requesting termination of the section 274i agreement, effective 30 days from receipt of the letter. The request was filed in accordance with section 6 of the inspection agreement, which states

"Sixth: This Agreement shall become effective on May 1, 1967, and shall remain in effect so long as the 274 b. Agreement remains in effect unless sooner terminated by either party on 30 days' prior written notice."

Governor Foster noted that difficulties arranging transportation and a lack of both financial and personnel resources have made it burdensome to conduct field activities for the NRC. The State has concluded that the section 274i inspection agreement is no longer needed and should be terminated.

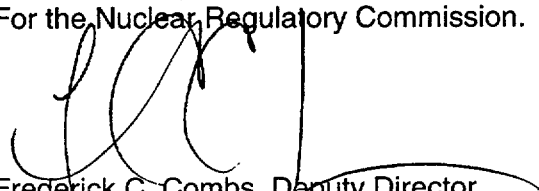
DISCUSSION

Effective April 26, 2000, the inspection agreement entered into by the State of Louisiana and the Commission has been terminated. On that date, the NRC, not the State, will conduct inspections of NRC-licensed activities in offshore waters adjacent to Louisiana. In addition, NRC plans to issue a conforming amendment to its reciprocity regulations at 10 CFR 150.20(d) which will remove the specific reference to the Commission's inspection agreement with Louisiana. As part of the rulemaking or in a separate communication, the NRC will provide guidance to Louisiana licensees regarding the impacts that the termination of this agreement will have on the notification and fee requirements for activities conducted in offshore waters.

Termination of the section 274i inspection agreement, however, does not in any way affect the existing agreement between the Commission and the State of Louisiana entered into pursuant to section 274b of the Act. Accordingly, termination of the inspection agreement does not affect Louisiana's status as an Agreement State.

Dated at Rockville, Maryland, this 26 day of April, 2000.

For the Nuclear Regulatory Commission.



Frederick C. Combs, Deputy Director,
Office of State and Tribal Programs.



M. J. "MIKE" FOSTER, JR.
GOVERNOR

March 22, 2000

State of Louisiana

OFFICE OF THE GOVERNOR

Baton Rouge

70804-9004

POST OFFICE BOX 94004
(225) 342-7015

Chairman Richard Meserve
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: Part 274i. of the Atomic Energy Act of 1954

Dear Mr. Meserve:

The state of Louisiana and the United States Atomic Energy Commission entered into an agreement that discontinued certain aspects of the commission's regulatory responsibility and authority within the state. This agreement became effective May 1, 1967, pursuant to Section 274 of the Atomic Energy Act of 1954 as amended (the Act), and is referred to as the "274b. Agreement", which established Louisiana as an Agreement State. At the same time, the state and the commission also entered into an agreement pursuant to Section 274i. of the Act, which permitted the state to perform inspections or other functions in federal waters adjacent to Louisiana on behalf of the commission (now the Nuclear Regulatory Commission).

Since the agreement was executed, the state has conducted some routine inspections, and investigations of incidents in offshore waters. It should be noted, however, that these activities have not been conducted by the state in recent years. Difficulties with arranging transportation and a lack of both financial and personnel resources have made it burdensome to conduct field activities for the U. S. Nuclear Regulatory Commission in offshore waters. This has led us to conclude that the 274i. Agreement is no longer needed and should be terminated effective 30 days from receipt of this letter.

Louisiana's 274b. Agreement with the U.S. Nuclear Regulatory Commission has, and continues to be, a mutually beneficial arrangement. Termination of the 274i. Agreement does not in any way affect our Agreement State status. We look forward to maintaining our current relationship of cooperation and assistance.

Sincerely,



M.J. "Mike" Foster, Jr.

jw

c: J. Dale Givens, secretary, LA Department of Environmental Quality
Chris Roberie, administrator, Surveillance Division, LA Department of
Environmental Quality