OFFICIAL USE ONLY
SENSITIVE INTERNAL INFORMATION
LIMITED TO THE NRC UNLESS THE
COMMISSION DETERMINES OTHERWISE



February 12, 2025 <u>SECY-25-0010</u>

FOR: The Commissioners

FROM: Mirela Gavrilas, PhD

Executive Director for Operations

SUBJECT: PROPOSED AGREEMENT BETWEEN THE STATE OF CONNECTICUT

AND THE COMMISSION PURSUANT TO SECTION 274 OF THE

ATOMIC ENERGY ACT OF 1954, AS AMENDED

PURPOSE:

To request Commission approval to publish the proposed Agreement with the State of Connecticut (State or Connecticut) and a summary of the draft U.S. Nuclear Regulatory Commission (NRC) staff assessment of the State's regulatory program in the *Federal Register* (FR) for public comment.

BACKGROUND:

Section 274b of the Atomic Energy Act of 1954, as amended (AEA or the Act), authorizes the Commission to enter into an Agreement with the Governor of a State providing for the discontinuance of the regulatory authority of the Commission with respect to certain materials. In 1981, the Commission adopted the policy statement entitled, "Criteria for Guidance of States and NRC in Discontinuance of NRC Regulatory Authority and Assumption Thereof by States Through Agreement" (46 FR 7540; January 23, 1981). The policy statement was amended on July 16, 1981 (46 FR 36969), and on July 21, 1983 (48 FR 33376). The Office of Nuclear Material Safety and Safeguards (NMSS) subsequently adopted Procedure State Agreement (SA) SA-700, "Processing an Agreement," as an internal procedure for applying the policy

CONTACT: Duncan White, NMSS/MSST

301-415-2598

Huda Akhavannik, NMSS/MSST

301-415-5253

Enclosure 3 transmitted herewith contains Official Use Only – Sensitive Internal Information. When separated from Enclosure 3 this transmittal document is decontrolled.

OFFICIAL USE ONLY
SENSITIVE INTERNAL INFORMATION
LIMITED TO THE NRC UNLESS THE
COMMISSION DETERMINES OTHERWISE

statement to the processing of a new Agreement. The criteria and approaches in these documents form the basis for the staff's evaluation of the State's request.

DISCUSSION:

By letter dated October 31, 2024, Connecticut Governor Ned Lamont requested that the Commission enter into an Agreement with the State under Section 274b of the Act (Agencywide Documents Access and Management System (ADAMS) Accession No. ML24306A079). The Governor requested that the Commission discontinue its regulatory authority and allow Connecticut to assume regulatory authority for byproduct material (AEA §§ 11e.(1), 11e.(3), and 11e.(4)), source material, and special nuclear material not sufficient to form a critical mass. In the same letter, Governor Lamont certified that the State has a program for the control of radiation hazards that is adequate to protect public health and safety with respect to the materials covered by the proposed Agreement. The Governor further certified that the State wishes to assume the regulatory responsibility for those materials.

Pending the Commission's approval, as required by Section 274e of the Act, the NRC staff will publish the proposed Agreement for comment in the FR once each week for four consecutive weeks. The *Federal Register* Notice (FRN) (Enclosure 1) will also include a summary of the staff's draft assessment of the proposed Connecticut regulatory program. Consistent with the process used for past Agreements, the NRC staff plans to publish the proposed Agreement in the FR for public comment, in parallel with the Commission's review of the staff's draft assessment (Enclosure 2). Following the public comment period and the resolution of public comments, the NRC staff will recommend whether the Commission should approve the proposed Agreement. The NRC staff will include an updated schedule, along with an analysis of the public comments, as part of its final notation vote paper to the Commission. If approved by the Commission, the final Agreement will be published in the FR within 30 days after signature by the Chairman and the Governor of Connecticut. The State requested an effective date for the Agreement of October 1, 2025. Additionally, the State has requested a signing ceremony.

The NRC staff's draft assessment of the State's program covers seven subjects: (1) objectives, (2) radiation protection standards, (3) prior evaluation of uses of radioactive material, (4) inspection, (5) enforcement, (6) personnel, and (7) administration. Based on its draft assessment, the NRC staff found Connecticut's application to be of high quality and concludes that the State's regulatory program is compatible with the NRC's regulatory program and is, therefore, adequate to protect public health and safety. If the proposed Agreement is approved, the NRC would transfer 104 specific licenses to the State's jurisdiction.

Tribal Outreach Activities

The NRC staff has conducted outreach activities with the State- and Federally- recognized Tribes located within the State of Connecticut. These outreach activities were done for the major milestones of the process using their preferred methods of communication. For example, the NRC staff communicated through emails, letters, and telephone conversations, to notify the

¹ The most updated version of the relevant Connecticut statues can be found within Section 4.1 of Connecticut's application at ML24311A018 (package) and is also available on Connecticut's General Assembly website at https://www.cga.ct.gov/. The draft assessment discusses several relevant State statutes.

Tribes of Connecticut's letter of intent², draft³ and final⁴ applications, and availability of draft regulations for public comment⁵. Additionally, on February 16, 2022, the NRC staff offered the two Federally-recognized Tribes, the Mohegan Tribe of Indians (ML22047A178) and the Mashantucket (Western) Pequot Tribal Nation (ML22047A178), the opportunity for consultation on Connecticut's request to become an Agreement State, in accordance with the NRC's Tribal Policy Statement.⁶ The NRC staff has not received any comments from the Tribes and will continue to keep them informed throughout the process. Specifically, the NRC staff will notify the Tribes when the FRN of the public comment period is published for the proposed Agreement and again after the final Agreement is published.

CONCLUSION:

Throughout its process to become an Agreement State, Connecticut consistently engaged with NRC staff to develop their program and submitted high quality application material. The NRC staff concludes that, as documented in its draft assessment, the State program will satisfy the criteria in the Commission's policy statement, and therefore, will meet the requirements of Section 274 of the Act. The NRC staff also concludes that the proposed State program to regulate Agreement materials, as comprised of statutes, regulations, and procedures, will be compatible with the NRC's regulatory program on the effective date of the Agreement and will adequately protect public health and safety.

RECOMMENDATION:

The staff recommends that the Commission:

- 1. Approve the publication of the enclosed FR notice, which includes the proposed Agreement between the State and the NRC pursuant to Section 274 of the Act, once each week for four consecutive weeks, as required by the Act.
- 2. Review the draft NRC staff assessment of the State's regulatory program, in parallel with the publication of the proposed Agreement in the FR.

COMMITMENT:

Listed below are the staff's commitments:

- a. Provide an updated schedule, additional Tribal outreach activities, an analysis of public comments, and the staff's recommendation regarding whether the Agreement should be approved in a notation vote paper to the Commission.
- b. Place the NRC Staff Draft Assessment (summarized in the FRN) in ADAMS at http://www.nrc.gov/NRC/ADAMS/index.html.

² On April 26, 2021, the NRC staff informed five State-and Federally recognized Tribes that the NRC received the State of Connecticut's letter of intent to enter into an Agreement with the NRC (ML21096A308) (package).

³ On April 8, 2024, the NRC staff notified six State and Federally recognized Tribes that the State of Connecticut has submitted its draft application for Agreement to the NRC (ML25013A276).

On January 15, 2025, the NRC staff notified nine State and Federally recognized Tribes that the State of Connecticut has submitted its final application for Agreement to the NRC (<u>ML25015A100</u>).

On December 13, 2023, the NRC staff notified six State and Federally recognized Tribes that the State of Connecticut's draft regulations are available for public comment (<u>ML25013A202</u>) (package).

⁶ Tribal Policy Statement, 82 Fed. Reg. 2402 (Jan. 9, 2017) (ML17011A243).

- c. Dispatch letters to the appropriate Congressional Committees and the Connecticut Congressional Delegation informing them that the Commission is considering entering into an Agreement with the State.
- d. Issue a press release.
- e. Dispatch a state and tribal communication letter to all states and a letter to each of the following Federal Agencies listed in NMSS Procedure SA-700: Occupational Safety and Health Administration, Department of Energy, Council on Environmental Quality, Food and Drug Administration, Environmental Protection Agency, and Department of Homeland Security.
- f. Coordinate with the State of Connecticut in the event the final Agreement is approved by the Commission to ensure an efficient transition of byproduct, source, and special nuclear material licensees in the State of Connecticut, within legal requirements.

The staff requests that the Commission provide a staff requirements memorandum, including any changes to the FRN of the proposed Agreement with the State of Connecticut and summary of the draft NRC staff assessment of the State's regulatory program, by March 3, 2025, so that the agency can finalize and issue the Agreement by September 30, 2025.⁷

RESOURCE:

Resources for this activity are included the FY 2025 Congressional Budget Justification. Resource estimates are provided in Enclosure 3, "FY 2025 and 2026 Resources," which is not publicly available.

As explained above, Connecticut requested the agreement be effective October 1, 2025. The staff seeks to finalize and issue and the Agreement by September 30, 2025, to not only be responsive to Connecticut's request but also to facilitate an efficient transition of licenses to the State with respect to fees. Consistent with 10 CFR 171.16(d), table 2, footnote 2 and 10 CFR 171.17(b), if licenses are not transferred to Connecticut jurisdiction *prior to* October 1 (the start of the FY), licensees would be assessed at least half of the applicable NRC annual fee for that FY. These same licensees would also be subject to applicable Connecticut fees once the agreement is effective. To avoid duplicate fees for affected licensees, the staff seeks to finalize the agreement by September 30, 2025, before the start of the next FY.

COORDINATION:

This paper has been coordinated with the Office of the General Counsel, which has no legal objection. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objection.

Mirela Gavrilas, PhD Executive Director for Operations

Enclosures:

- 1. Draft FRN Including the Summary of the Draft Staff Assessment and the Proposed Agreement
- 2. Draft NRC Staff Assessment of the Proposed CT Agreement Program
- 3. FY 2025 and 2026 Resources (Non-public)

SUBJECT: PROPOSED AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE COMMISSION PURSUANT TO SECTION 274 OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED DATED: February 12, 2025

ADAMS Accession No.: PKG ML24327A237

OFFICE	NMSS/MSST	NMSS/MSST	NMSS/MSST	NMSS/MSST	R-I/DRS
NAME	HAkhavannik	DWhite	AGiantelli	DSilberfeld	AKock
DATE	11/25/24	11/26/24	11/26/24	11/27/24	1/14/25
OFFICE	Tech Editor	OGC	OCFO	NMSS:D	EDO
NAME	THerrera	JScro	JStanley	JLubinski	MGavrilas
DATE	1/16/25	1/13/25	1/13/25	1/24/25	2/12/25

OFFICIAL RECORD COPY