

Nuclear Regulatory Commission

§ 8.4

Report, the Joint Committee on Atomic Energy made explicit mention of the fact that the private insurance to be provided for reactor operators included coverage for damage in Canada and Mexico and, at another point, noted the Committee's hope that the insurance contract in its final form would cover the same scope as the bill.¹⁰

(i) It is my opinion that since the language of the Act draws no distinction between damage received in the United States and that received abroad, none can properly be drawn. To read the Act as imposing such a limitation in the absence of statutory direction and in the light of an avowed Congressional intention to encourage the development of the atomic energy industry would be unwarranted. The confusing sentence cited in the Report must, therefore, be read consistently with the language of the Act in the manner suggested above, i.e., as recognizing Congressional inability to limit foreign liability, or must be ignored as

reason for the conclusion that there is coverage reached in the Forum study is the fact that Price-Anderson provides indemnity for "any legal liability." Arthur Murphy, Director of the study, in a recent article, has stated that the confusing sentence in the Report is " * * * inconsistent with the flat coverage of any legal liability by the indemnity." Murphy, *Liability for Atomic Accidents and Insurance, in Law and Administration in Nuclear Energy 75 (1959)*. In the testimony before the Joint Committee last year, Professor Samuel D. Estep, one of three authors of the comprehensive study of Atoms and the Law apparently relying upon the legislative history, stated that the problem of a reactor accident in the United States causing damage in a foreign country was unclear, presumably since he considered the phrase "any legal liability" directed at a different problem. Hearings before the Joint Committee on Atomic Energy, *Indemnity and Reactor Safety, 86th Cong., 1st Sess., p. 77 (1959)*; Stason Estep, and Pierce, *Atoms and the Law, 577 (1959)*. Professor Estep stated that there "surely ought to be" coverage and suggested a clarifying amendment. His statement that the phrase "any legal liability" covers only the question of time restrictions for claims seems to me erroneous since the language used, "any legal liability," seems intentionally broad. Additionally, should this very narrow reading be given to admittedly broad statutory language, the Congressional purpose would be frustrated.

¹⁰Report, p. 11.

inconsistent with the broad coverage of the statutory language.

[25 FR 4075, May 7, 1960]

§ 8.3 [Reserved]

§ 8.4 Interpretation by the General Counsel: AEC jurisdiction over nuclear facilities and materials under the Atomic Energy Act.

(a) By virtue of the Atomic Energy Act of 1954, as amended,¹¹ the individual States may not, in the absence of an agreement with the Atomic Energy Commission, regulate the materials described in the Act from the standpoint of radiological health and safety. Even States which have entered into agreements with the AEC lack authority to regulate the facilities described in the Act, including nuclear power plants and the discharge of effluents from such facilities, from the standpoint of radiological health and safety.

(b) The Atomic Energy Act of 1954 sets out a pattern for licensing and regulation of certain nuclear materials and facilities on the basis of the common defense and security and radiological health and safety. The regulatory pattern requires, in general, that the construction and operation of production facilities (nuclear reactors used for production and separation of plutonium or uranium-233 or fuel reprocessing plants) and utilization facilities (nuclear reactors used for production of power, medical therapy, research, and testing) and the possession and use of byproduct material (radioisotopes), source material (thorium and uranium ores), and special nuclear material (enriched uranium and plutonium, used as fuel in nuclear reactors), be licensed and regulated by the Commission.¹² In carrying out its statutory responsibilities for the protection of the public health and safety

¹¹Pub. L. 83-703, 68 Stat. 919.

¹²The terms "byproduct material," "source material," and "special nuclear material" are defined in the Atomic Energy Act, sections 11e, 11z, and 11aa, respectively. The terms "production facility" and "utilization facility" are defined in sections 11v and 11cc of the Act, respectively.

from radiation hazards and for the promotion of the common defense and security, the AEC has promulgated regulations which establish requirements for the issuance of licenses (Parts 30-36, 40, 50, 70, 71, and 100 of this chapter) and specify standards for radiation protection (part 20 of this chapter).

(c) The Atomic Energy Act of 1954 had the effect of preempting to the Federal Government the field of regulation of nuclear facilities and byproduct, source, and special nuclear material. Whatever doubts may have existed as to that preemption were settled by the passage of the Federal-State amendment to the Atomic Energy Act of 1954 in 1959.¹³

(d) Prior to 1954, all nuclear facilities and the special nuclear material produced by or used in them were owned by the AEC.¹⁴ This Federal monopoly of atomic energy activities was due in large part to the use of atomic energy materials and facilities in our national weapons program, and the large capital investment required for their development. The Atomic Energy Act of 1954 permitted private ownership of nuclear facilities for the first time, but only under a comprehensive, pervasive system of Federal regulation and licensing. That Act recognized no State responsibility or authority over such facilities and materials except the States' traditional regulatory authority over generation, sale, and transmission of electric power produced through the use of nuclear facilities.¹⁵ As interest grew in the private construction of facilities and the use of atomic energy materials, and the numbers of persons qualified in the field increased, questions arose as to the role State authorities should play with regard to the public health and safety aspects of such activities. Several bills were introduced with respect to Federal-State cooperation in 1956 and 1957.¹⁶ An AEC proposed bill which would have authorized concurrent radiation safety standards to be enforced by the States was forwarded to the

Joint Committee on Atomic Energy in 1957, but was never reported out. Finally, in 1959, legislation was enacted whose purpose was to promote an orderly regulatory pattern between the Federal and State governments with respect to regulation of byproduct, source, and special nuclear material, while avoiding dual regulation (see section 274a). That legislation added section 274, the so-called Federal-State amendment, to the Atomic Energy Act.

(e) Section 274 (42 U.S.C. 2021) authorizes the Commission to enter into an agreement with the Governor of any State providing for the discontinuance of regulatory authority of the Commission with respect to byproduct materials, source materials, and special nuclear materials in quantities not sufficient to form a "critical mass." However, section 274c (42 U.S.C. 2021(c)) provides that the Commission shall retain authority and responsibility with respect to the regulation of:

(1) The construction and operation of production or utilization facilities (note: this includes construction and operation of nuclear power plants);

(2) The export and import of by-product, source or special nuclear material or production or utilization facilities;

(3) The disposal into the ocean of waste byproduct, source or special nuclear materials; and

(4) The disposal of such other byproduct, source or special nuclear material as the Commission determines should, because of the hazards or potential hazards thereof, not be so disposed of without a Commission license.

(f) The amendment, in providing for the discontinuance of some of the AEC's regulatory authority over source, by-product and special nuclear material in States which entered into agreements with the AEC, made clear that there should be no "dual regulation" with respect to those materials for the purpose of protection of the public health and safety from radiation hazards.

(g) Section 274b of the Atomic Energy Act (42 U.S.C. 2021(b)) states that:

During the duration of such an agreement it is recognized that the State shall have authority to regulate the materials covered by the agreement for the protection of the public health and safety from radiation hazards.

¹³Pub. L. 86-373, 73 Stat. 688.

¹⁴Atomic Energy Act of 1946, Pub. L. 79-585, 60 Stat. 755.

¹⁵Sec. 271, 42 U.S.C. 2018.

¹⁶S. 4298 and H.R. 8676, 84th Cong., second session; S. 53, 85th Cong., first session.

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§ 8.5

Section 274k (42 U.S.C. 2021(k)) states:

Nothing in this section shall be construed to affect the authority of any State or local agency to regulate activities for purposes other than protection against radiation hazards.

(h) In its comments on the bill that was enacted as section 274, the Joint Committee on Atomic Energy commented that:

It is not intended to leave any room for the exercise of dual or concurrent jurisdiction by States to control radiation hazards by regulating byproduct, source, or special nuclear materials. The intent is to have the material regulated and licensed either by the Commission, or by the State and local governments, but not by both.¹⁷

In explaining section 274k, the Joint Committee said:

As indicated elsewhere, the Commission has exclusive authority to regulate for protection against radiation hazards until such time as the State enters into an agreement with the Commission to assume such responsibility.¹⁸

(i) It seems completely clear that the Congress, in enacting section 274, intended to preempt to the Federal Government the total responsibility and authority for regulating, from the standpoint of radiological health and safety, the specified nuclear facilities and materials; that it stated that intent unequivocally; and that the enactment of section 274 effectively carried out the Congressional intent, subject to the arrangement for limited relinquishment of AEC's regulatory authority and assumption thereof by states in areas permitted, and subject to conditions imposed, by section 274.¹⁹

¹⁷ 1959 U.S. Code Congressional and Administrative News, v. 2, p. 2879.

¹⁸ Id. at pp. 2882-3.

¹⁹ As noted above, regulation of construction and operation of production or utilization facilities was one of the areas reserved to the AEC. It is clear from the legislative history of section 274 that control of "operation" of such facilities includes the regulation of the radiological effects of the discharge of effluents from the facilities. (Hearings before the Joint Committee on Atomic Energy on Federal-State Relationships in the Atomic Energy Field, 86th Cong., first session, 1959, p. 306.) AEC regulations implementing section 274 recognize that intent by defining facility operation to include the dis-

(j) Thus, under the pattern of the Atomic Energy Act, as amended by section 274, States which have not entered into a section 274 agreement with the AEC are without authority to license or regulate, from the standpoint of radiological health and safety, byproduct, source, and special nuclear material or production and utilization facilities. Even those States which have entered into a section 274 agreement with the AEC (Agreement States) lack authority to license or regulate, from the standpoint of radiological health and safety, the construction and operation of production and utilization facilities (including nuclear power plants) and other activities reserved to the AEC by section 274c. (To the extent that Agreement States have authority to regulate byproduct, source, and special nuclear material, their section 274 Agreements require them to use their best efforts to assure that their regulatory programs for protection against radiation hazards will continue to be compatible with the AEC's program for the regulation of byproduct, source and special nuclear material.)

(k) The following judicial precedents and legal authorities support the foregoing conclusions: Northern California Ass'n, Etc. v. Public Utilities Commission, 37 Cal. Rep. 432, 390 P. 2d 200 (1964); Boswell v. City of Long Beach, CCH Atomic Energy Law Reports, par. 4045 (1960); Opinion of the Attorney General of Michigan (Oct. 31, 1962); Opinion of the Attorney General of South Dakota (July 23, 1964); New York State Bar Association, Committee on Atomic Energy, State Jurisdiction to Regulate Atomic Activities (July 12, 1963). No precedents or authorities to the contrary have come to our attention.

[34 FR 7273, May 3, 1969]

§ 8.5 Interpretation by the General Counsel of § 73.55 of this chapter; illumination and physical search requirements.

(a) A request has been received to interpret 10 CFR 73.55(c)(5) and 73.55(d)(1). 10 CFR 73.55(c)(5) provides:

charge of radioactive effluents from the facility site (10 CFR 150.15).