



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

January 8, 2004

Ms. Shirley Bianchi
Supervisor District Two
Board of Supervisors
San Luis Obispo County
County Government Center, Room 370
San Luis Obispo, California 93408-2040

Dear Ms. Bianchi:

Thank you for your letter of December 8 and for the opportunity provided to meet with you and the other County Supervisors on December 1. I found the discussions useful in understanding your constituents' concerns and look forward to continued communications with you and the other Supervisors.

In your letter you requested clarification of one matter that we discussed. You state your understanding that the U.S. Nuclear Regulatory Commission (NRC) sets minimum safety standards for facilities such as the Diablo Canyon Power Plant and its proposed Independent Spent Fuel Storage Installation (ISFSI). You also mentioned your understanding that San Luis Obispo County could establish more stringent safety standards than the NRC.

In general, under the terms of the Atomic Energy Act of 1954, as amended, the NRC has sole authority for the regulation of facilities such as Diablo Canyon and its proposed ISFSI with respect to any matters related to radiological health and safety and common defense and security. This would include any such matters related to the construction, operation, and continuing inspection of Diablo Canyon and the proposed ISFSI. Although I said "in general" at the start of this paragraph, the NRC is not aware of any reason why the NRC's health and safety and common defense and security regulations would not apply to Diablo Canyon and the proposed ISFSI. The NRC's health and safety and common defense and security regulations specifically developed for spent fuel storage outside reactor storage basins are principally described in detail in 10 CFR Part 72, a part of the NRC's regulations. These regulations cover both wet and dry storage systems for site-specific ISFSIs that can be located either at reactor sites or away from them.

This means that the County cannot set any standards different from the NRC's with respect to radiological health and safety and the common defense and security. I apologize if I said anything that left you with a different impression.

Sincerely,

/RA/

Thomas P. Gwynn
Deputy Regional Administrator

bcc:
BMallett
PGwynn
AHowell
ECollins
KSmith
NJensen, OGC
SLewis, OGC
RHall, NMSS

ADAMS: Yes No Initials: __TPG__
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