

August 25, 2005

Ms. Patricia Bloomgren, Director
Environmental Health Division
Minnesota Department of Health
P. O. Box 64975
St. Paul, MN 55164-0975

Dear Ms. Bloomgren:

I am responding to your letter of August 5, 2005. For clarification, the U.S. Nuclear Regulatory Commission (NRC) completeness review of the State of Minnesota Agreement State application was provided to the State by letter dated October 19, 2004, and the State's response was dated December 14, 2004, and received on December 23, 2004.

I acknowledged in my June 2005 letter to you that the processing of the State's Agreement has taken longer than anticipated. I would like to reassure you that we are diligently examining the application. I also recognize your concerns relative to communications with the State on the status of our review. As you know, we have instituted biweekly conference calls to enhance communications with the State.

Your letter also discussed your actions responding to NRC staff concerns relative to Minnesota's review of the proposed independent spent fuel storage installation (ISFSI) at the Monticello Nuclear Plant, including the setting of a radiation public dose standard. I commend your coordination efforts with other Minnesota agencies to ensure that areas reserved to the Federal government were eliminated from the State's review.

During an August 1, 2005, conference call and in e-mail correspondence from August 2, 2005, through August 4, 2005, between NRC staff and the Manager of the Asbestos, Indoor Air, Lead and Radiation Section, the Manager requested that tuition be waived for State staff attending NRC sponsored courses. Also, the Manager indicated that all of the staff for the proposed Minnesota Agreement Program are fully trained and that the waiver request was an attempt to obtain financial relief from the Commission since the State is not collecting fees to support the program. Staff has considered the request and has determined that the request cannot be granted. It is not consistent with NRC policy to provide financial assistance to States seeking Agreement State status.

I would like to bring to your attention an issue identified by NRC staff relative to Minnesota's handling of potential Safeguards Information (SGI). In the course of our review, NRC staff discovered briefing paper http://www.puc.state.mn.us/docs/briefing_papers/b05-0022.pdf. The paper discusses the providing of security details for the Monticello facility to the Minnesota Public Utility Commission. The security information requested could rise to the level of SGI in

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accordance with NRC regulations and should not be discussed in a public forum. The requirements for protection and access to SGI are contained in 10 CFR Part 73.21 (a) and (c), and must be adhered to by the State, as well as NRC licensees. The NRC ensures the protection of SGI because unauthorized disclosure could adversely affect the common defense and security. I would greatly appreciate your sharing of SGI protection requirements with other Minnesota agencies.

In regards to your request for a conference call, members of my staff have confirmed a call with you for Monday, August 29, 2005, at 10:00 a.m.

If you have any questions, or would like to discuss this letter, please call me at 301-415-1705, or Mr. Paul Lohaus at 301-415-3340.

Sincerely,

/RA/

Martin J. Virgilio
Deputy Executive Director for Materials, Research,
State and Compliance Programs
Office of the Executive Director for Operations

cc: Linda Bruemmer, Manager
Section of Asbestos, Indoor Air, Lead, and Radiation

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