January 20, 2006

Richard J. Vetter, Ph.D.
Radiation Safety Officer
Mayo Clinic Rochester
200 First Street, S.W.
Rochester, MN 55905

Dear Dr. Vetter:

SUBJECT: DECOMMISSIONING FINANCIAL ASSURANCE INSTRUMENTS AND THE UPCOMING AGREEMENT WITH THE STATE OF MINNESOTA

The State of Minnesota intends to enter into an Agreement with the U.S. Nuclear Regulatory Commission. Under the Agreement, the NRC will relinquish to the State regulatory authority for certain licenses for byproduct, source, and special nuclear materials. It is anticipated that the Agreement will become effective on or about March 31, 2006.

In accordance with NRC requirements described in 10 CFR 30.35, 40.36, and 70.25, you have provided the NRC a decommissioning financial assurance instrument. This financial instrument names the NRC as a beneficiary, grants NRC specific powers, and contains specific NRC notification provisions. As part of the transfer of regulatory authority from the NRC to the State of Minnesota, we have determined that your financial assurance instrument will need to be re-issued so that provisions currently specifying the "U.S. Nuclear Regulatory Commission" are changed to specify the "State of Minnesota."

To implement the transfer of decommissioning financial assurance instruments in the most timely and effective manner, we request that you begin to prepare, with the issuer of your current financial instrument, a modified financial instrument with the changes described above. This modified financial instrument should be executed on the effective date of the signing of the Agreement. NRC staff will notify you of the effective date of the Agreement. After you have executed the changes to your financial instrument and provided a copy to the State of Minnesota, we will cancel and return to you the financial instrument that we currently hold in our office. Please note that if you fail to execute a modified financial instrument on the effective date of the Agreement, it is likely that you will be out of compliance with State of Minnesota regulatory requirements.

Questions applicable to State of Minnesota requirements should be directed to:

George Johns
Supervisor, Radiation Control Unit
Section of Asbestos, Indoor Air, Lead, and Radiation
Division of Environmental Health
Department of Health
625 N. Robert Street
P.O. Box 64975
St. Paul, MN 55164-0975
(651) 201-4530

If you have any questions regarding this letter, please contact Cassandra Frazier, Senior Health Physicist, at (630) 829-9830, or James Lynch, Region III State Agreements Officer at (630) 829-9661.

Sincerely,

/RA by G. Shear Acting for/

Steven A. Reynolds, Director
Division of Nuclear Materials Safety

Docket No.: 030-02195
License No.: 22-00519-03

cc: George Johns, State of Minnesota

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