

PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

January 4, 2000

Mr. Thomas W. Ortziger, Director
Illinois Department of Nuclear Safety
1035 Outer Park Drive
Springfield, IL 62704

Dear Mr. ^{Tom} Ortziger:

I am writing to respond to your letter of October 19, 1999, in which you expressed disappointment in the Commission decision not to include funds for reimbursement for certain work by Agreement States at NRC formerly licensed sites. The Commission has recently decided to develop a proposal to address your concerns for submission to OMB and Congress.

Under Office of Management and Budget (OMB) Circular No. A-87 (May 4, 1995) and applicable NRC requirements, it is impermissible to allow payment for work completed prior to the award of a grant or cooperative agreement absent specific Congressional authorization. As a result, we will seek Congressional approval to provide funds to Agreement States for their work on NRC formerly licensed sites that was incurred before the establishment of the grant program previously approved by the Commission. We will take this step in the context of our FY2001 budget request.

I appreciate the actions taken by the Illinois Department of Nuclear Safety to address the formerly licensed sites within the State promptly. I hope that we are successful in persuading Congress to allow the NRC to address the issue you raise.

Sincerely,

Richard A. Meserve

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