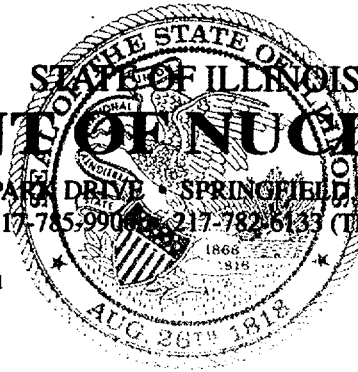


DEPARTMENT OF NUCLEAR SAFETY

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George H. Ryan
Governor

Thomas W. Ortziger
Director



October 19, 1999

The Honorable Greta Dicus
Chairman
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Dear Chairman Dicus:

Subject: Federal Funding for Previous Terminated NRC Licenses Project

The Department learned during the Agreement States meeting in Austin, Texas on September 8, 1999, that a proposed \$1,650,000.00 grant program to fund the previously terminated NRC licenses project does not include reimbursement to states for work already performed.

This action by NRC is most disturbing as we have repeatedly indicated in correspondence (June 14, 1999, April 27, 1999 and May 12, 1998 letters enclosed) that reimbursement was anticipated for our efforts on this project. We support your commitment to obtain funding for this project; however, we strongly object to any proposal that does not provide retroactive funding to states that have already taken the appropriate and immediate initiative to ensure public health and safety for problems resulting from NRC's prior actions.

NRC is sending an unmistakable and misguided message by not recognizing states for their initiative and instead penalizing them. We are not aware of any obstacles that prevent the proposed grant program from being modified to correct this situation. Illinois rightfully expects to be reimbursed fully for resolving issues related to NRC license terminations.

Illinois has always supported Congressional approval of appropriations to support NRC programs, and we would look forward to continuing this relationship. Thank you for your consideration of this matter, and I look forward to seeing you at the State Liaison Officers Meeting.

Sincerely

Thomas W. Ortziger
Director

TWO:bac
Enclosures
cc: NRC Commissioners

