

September 26, 2004

The Honorable Arnold Schwarzenegger
Governor of California
Sacramento, California 95814

Dear Governor Schwarzenegger:

On September 1, 1962, the State of California entered into an Agreement with the U.S. Nuclear Regulatory Commission (NRC). Under this Agreement, the NRC relinquished its authority to regulate certain Atomic Energy Act (Act) materials, pursuant to Section 274 of the Act, and the State of California, as an Agreement State, assumed that authority. Under Section 274j. of the Act, NRC has an oversight responsibility to review Agreement State Programs periodically for adequacy and compatibility with the national program. This review is conducted under NRC's Integrated Materials Performance Evaluation Program (IMPEP).

In accordance with these oversight responsibilities, on April 26-30, 2004, the NRC staff conducted an IMPEP review of the California Agreement State Program that is administered by the Radiologic Health Branch (RHB) within California's Department of Health Services. On July 28, 2004, the NRC's Management Review Board (MRB) met to consider the proposed IMPEP report on the California Agreement State Program. The MRB found the California program adequate, but in need of improvement and not compatible with NRC's program. Because of the significance of the findings, the MRB determined that the California program should undergo a period of heightened oversight. Heightened oversight is an increased monitoring process used by NRC to follow the progress of improvement needed in an Agreement State Program.

The IMPEP review noted that the underlying root causes of the identified weaknesses are lack of adequate resources for the program. The Commission appreciates the commitment senior Department of Health Services' management expressed during the MRB meeting and their efforts to address the identified weaknesses necessary to operate an adequate and compatible program.

I want to assure you that the Commission supports the objectives of the California Agreement State Program. The NRC will continue to work closely with the RHB and the Department of Health Services. Your continued support for the program will help ensure that the necessary resources to achieve a fully satisfactory program are available. I would be pleased to discuss this matter with you or your staff in further detail if you desire.

Sincerely,

/RA/

Nils J. Diaz