



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

April 30, 2008

Mr. Robert J. Lewis, Director
Division of Materials Safety and State Agreements
Office of Federal and State Materials and
Environmental Management Programs
United States Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Mr. Lewis:

On July 31, 2007, Governor Jennifer M. Granholm sent a Letter of Intent to the U.S. Nuclear Regulatory Commission (NRC), conveying Michigan's intent to pursue the enactment of an Agreement with the NRC under Section 274B of the Atomic Energy Act. The purpose of this letter is to provide you with a status report on our efforts.

In early 2007, the Michigan Department of Environmental Quality (MDEQ), along with the Michigan Department of Community Health (MDCH), established an Agreement State Advisory Committee to assist us in implementing a strategy for augmenting our Radioactive Materials Program, re consolidating the state's Radiation Control Programs within a single department, and developing legislative and rules changes necessary to pursue an Agreement. This Advisory Committee includes representatives from both large and small NRC licensees and other stakeholder groups.

We have developed proposed revisions to Part 135, Radiation Control, of the Public Health Code, 1978 PA 368, as amended. The legislation has not yet been introduced. The draft legislation had included a provision for the establishment of an interim fee system, similar to the approach taken by some other states, to help fund the program expansion necessary to take on the added regulatory responsibilities under an Agreement. Currently, however, we are evaluating other funding options that would not require an added fee on licensees.

We have also begun to rewrite our *Ionizing Radiation Rules*. We have notified the State Office of Administrative Hearings and Rules that we intend to engage in a major rules revision effort, and we have just sent the first set of proposed rules revisions to our Advisory Committee for review and comment.

Two of our Radioactive Materials Program staff have attended several recent NRC-sponsored training courses. The NRC's decision to fund such training is a tremendous boost to our efforts to provide comprehensive training to existing staff and new staff that we must hire over the next several years. Staff is also accompanying NRC inspectors during their visits to Michigan.

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Our overall strategic time line lays out a four-year period for enacting an Agreement. Governor Granholm's 2007 Letter of Intent projected the enactment of an Agreement by September 2011. However, that projection was predicated on the passage of legislative changes and the establishment of a reliable program funding mechanism. Since we have not yet achieved that goal, September 2012 may be the earliest date by which we now can hope to sign an Agreement.

Within the next six months, we hope to make significant progress on rules revisions and reach some conclusion on how to finance our Agreement State efforts. We will continue to send staff to NRC training courses and accompany NRC staff during their Michigan inspection itineraries. We also look forward to the appointment of an NRC project manager, with whom we can work closely as we move forward.

Please let me know if you have any questions about our efforts to date or plans for the future. We look forward to working with your staff as well as staff from the NRC, Region III Office, to modernize our Radiation Control Programs and enact an Agreement.

Sincerely,



Thor M. Strong, Chief
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TS:JK

cc: Mr. Nick Lyon, Senior Deputy Director, MDCH
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