February 10, 2003

The Honorable Michael O. Leavitt Governor of Utah Salt Lake City, Utah 84114-0601

Dear Governor Leavitt:

I am responding on behalf of the U.S. Nuclear Regulatory Commission (NRC) to your letter of January 2, 2003, requesting that the NRC and the State of Utah establish an amended Agreement pursuant to Section 274b of the Atomic Energy Act, as amended (AEA). Under your proposal, Utah would assume regulatory authority over the acquisition, possession, use, transfer, and disposal of byproduct material (uranium mills and tailings) as defined in Section 11e.(2) of the AEA and associated facilities, in addition to the authority under the current amended Agreement.

As required by the AEA, the NRC staff is preparing an assessment of the compatibility of the Utah program with the NRC's program and of the adequacy of Utah's program to protect public health and safety. NRC will publish a summary of the assessment along with the proposed amendment to the Agreement in the <u>Federal Register</u> for public comment. The AEA requires that the notice be published once a week for four consecutive weeks. A press release concerning your request will also be issued at that time.

In addition, Utah's proposal to use existing groundwater protection standards in lieu of NRC's groundwater requirements in Appendix A to 10 CFR Part 40 is being evaluated by NRC staff. After the expiration of the comment period on the proposed amendment, the Commission will consider any comments received and the staff's groundwater standard evaluation, and make a final decision on your request. We will promptly inform you of our decision.

If you have any questions on this matter, please contact me.

Sincerely,

/RA/

Richard A. Meserve