



**MICHIGAN
CHAMBER
OF
COMMERCE**

MEMORANDUM

To: Members of the House Great Lakes and Environment Committee and
Members of the House Appropriations Subcommittee on Environmental Quality

From: Doug Roberts, Jr., Director of Environmental and Energy Policy

Subject: Governor Granholm Plan on Wetlands

Date: 3/17/09

The purpose of this memo is to inform you that the Michigan Chamber of Commerce **supports** Governor Granholm's proposal to return the wetlands program to the Federal Government as outlined in the Executive Recommendations for the FY '10 budget. We urge your support of this proposal.

DEQ Budget:

In November of 2008, the DEQ called together a stakeholder meeting to present proposals to raise fees to support the department. The DEQ recommended raising seven fees to generate \$12.5 million in new revenue. After the stakeholder meeting, the Governor and the DEQ reevaluated the proposals and, instead of raising fees, chose to find programs that could be eliminated. The Executive Recommendation for the FY '10 budget recommends elimination of several programs including the state's wetlands programs. The Michigan Chamber supports the tough decisions that the Governor and the DEQ Director have made to try and make long-term reforms to the DEQ.

EPA Review of State Program:

The EPA has recently completed a review of the Michigan's wetlands program. A summary of the review is posted in the Federal Register dated July 31, 2008. According to the review, the EPA has said the state program has several deficiencies. The EPA has given the state 36 months to take corrective action. The EPA began its review of the state program because stakeholders cited "serious" deficiencies in the state program.

Chamber View on Wetlands Program:

The state wetlands program has been an area of great frustration for the regulated community. The inconsistent application of the law, both from the permitting side and the enforcement side, has had a negative impact on the state's business climate. Returning the wetlands program to the federal government will make Michigan more like 48 other states. All other Great Lakes states have the wetlands program administered by the Federal Government. Sending the program to the Federal Government should help to improve consistency throughout the state and eliminate the need for duplicative permits that exist in certain areas of the state where both the Army Corps and the DEQ currently claim jurisdiction.

The Michigan Chamber applauds Governor Granholm for her leadership on this issue. We would also like to thank Representatives Stamas and Pearce for introducing bills to implement the Governor's recommendation. We urge the House Great Lakes and Environment Committee to take prompt action on either House Bill 4153 or 4542. If you have any questions, please feel free to contact me at (517) 371-2100.

