



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

EXECUTIVE DIRECTIVE
No. 2005 — 5

TO: Department Directors and Autonomous Agency Heads

FROM: Governor Jennifer M. Granholm

DATE: May 26, 2005

SUBJECT: **Temporary Moratorium on Bottled Water Permits and Approvals**

Great debate has been brewing in our state for a number of years over how best to protect Michigan's water for present and future generations. This debate evokes great passion as all Michigan citizens feel some sort of attachment to the water that literally defines our state's two peninsulas. With over 11,000 inland lakes, 36,000 miles of stream, 3,000 miles of shoreline, and over 20 percent of the world's fresh water, water is in great supply in Michigan. However, abundance is not a license to be reckless, foolish, or wasteful. We must be good stewards of our water, and protect it long into the future.

The debate over proper stewardship of Michigan's water resources reached a critical point a few months ago when the city of Ewart and Nestle Waters North America entered into an agreement providing for the sale of water from the city's system to Nestle for bottling. Due to the great public concern about this agreement, a few weeks ago I asked the Department of Environmental Quality to further investigate the agreement for bottling of municipal water and report back to me.

The Department of Environmental Quality reports that the State of Michigan lacks adequate tools to evaluate effectively proposals for the bottling of water and to monitor bottled water operations. While the Department of Environmental Quality indicates that Part 327 of the Natural Resources and Environmental Protection Act explicitly declares that "a diversion of water out of the basin of the Great Lakes may impair or destroy the Great Lakes" and that "the state has a duty as trustee to manage its waters effectively for the use and enjoyment of present and future residents and for the protection of the environment," the Department of Environmental Quality also indicates that current Michigan law lacks clarity regarding the regulation of water withdrawals and water bottling.

Despite on-going debate over whether or not bottled water for sale represents a diversion of Great Lakes water and continuing concerns over the appropriateness and adequacy of existing laws to regulate the withdrawal, bottling, and use of water, the Michigan legislature has failed to seriously debate and act on this issue. Based upon this

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and the recommendations of the Department of Environmental Quality, I have determined that the imposition of a moratorium on the permitting or approval of new or increased bottled water plants, processors, or operations is the appropriate course of action for state government.

Accordingly, consistent with the authority vested in the Governor under the Michigan Constitution of 1963 and Michigan law, including the authority of the Governor to supervise principal departments and to take care that the laws be faithfully executed, I direct:

1. Until further notice, state departments and agencies, including the Department of Environmental Quality, shall exercise administrative discretion to refrain from issuing any permit or approval for a bottled water processor unless the applicant certifies that the delivery or sale of all bottled water production will be limited to the Great Lakes Basin. This temporary moratorium is intended to afford the Michigan legislature an opportunity to debate and enact a comprehensive water withdrawal law and legislation addressing the issue of what constitutes a diversion of Great Lakes water.

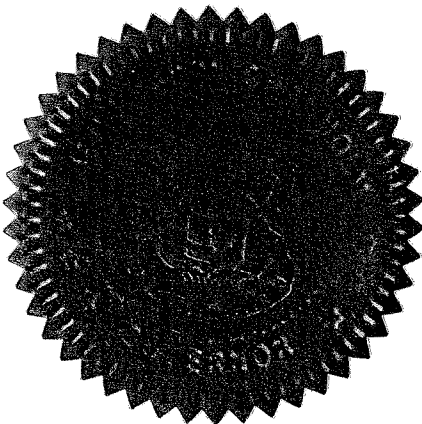
2. This Directive applies prospectively only and does not apply to existing bottled water operations or those facilities with permits pending before the Department of Environmental Quality.

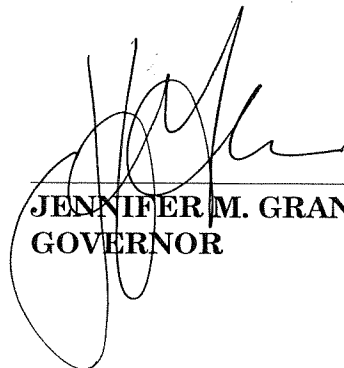
3. With regard to the pending permit relating to the agreement between the city of Ewart and Nestle Waters North America, the Department of Environmental has indicated that it will be requiring that any water bottled under the agreement only be delivered or sold within the Great Lakes Basin and that an accounting system will be required to ensure compliance. Departments and agencies shall proceed accordingly.

4. This Directive shall be implemented consistent with state and federal law.

Given the likelihood that new water bottling operations will be proposed in the future, state government must be equipped with the legal tools and informed policies that will enable Michigan to make principled determinations concerning the impact and consequences of future water bottling proposals.

This Directive is effective immediately.





JENNIFER M. GRANHOLM
GOVERNOR