

OVERVIEW *of the* **Office of Project Management & Permitting**



The Office of Project Management and Permitting (OPMP) supports private industry, regulators, and the general public by implementing one-stop shop, multi-agency permit coordination to secure consistent, defensible, transparent, and timely permit decisions. This model is unique to Alaska and offers a level of assurance to companies investing in Alaska that permit reviews are robust and transparent.

“User pay, user benefit” model

- Permit reviews coordinated by OPMP’s large project team are paid for by prospective developers under voluntary agreements and require no general fund appropriations.
- Prospective developers securing OPMP services continue to increase, rising by 52% between FY2012 and the end of FY2015.

Federal agency engagement

- OPMP plays a key role in coordinating multi-agency review of federal actions, land plans, and proposed regulations and policies to protect state interests.
- Continued state participation in federal planning and rulemaking is essential. Recent federal decisions demonstrate how the State’s future economic opportunities and interests could be limited by federal action.
- OPMP serves as the primary point of contact to the federal agencies for Outer Continental Shelf (OCS) and Arctic plan reviews. The Chukchi and Beaufort Sea resources are estimated at 25 billion barrels of oil and 120 trillion cubic feet of natural gas, constituting a vast portion of Alaska's resource base and future revenue potential.

Digital mapping support

- OPMP supports DNR’s leadership role in state-federal efforts to improve geospatial mapping in Alaska; this program will enhance public safety, emergency response, resource development, environmental monitoring, commerce, and land-use planning in Alaska.

STRUCTURE & FUNCTIONS *of the* Office of Project Management & Permitting



The Office of Project Management & Permitting (OPMP) coordinates multi-agency regulatory reviews and authorizations, collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
15	928.9	0.0	269.1	6,583.2	7,781.2

Large Projects Coordination – Offers multi-agency permit coordination for large resource development projects.

Compensatory Mitigation Program – Works with the U.S. Army Corps of Engineers to develop a statewide wetlands compensatory mitigation program that would offer state lands, or projects on state lands, to offset impacts as required by the Clean Water Act.

Coordinated Review of Federal Plans and Activities – Coordinates state review of federal OCS/Arctic plans, and other federal actions, to protect future state revenues, public land use and access.

Land Acquisition & Natural Resource Damage Assessment Programs
Enables acquisition of lands through grant programs and assessment of resource damage from spills or other hazardous releases.

Alaska Geospatial Council – Implements ongoing improvements to the Alaska base map to provide guidance for resource management and economic development, as well as emergency disaster preparedness and recovery.

Coastal Impact Assistance Program – Administered the federal CIAP program in Alaska to ensure 100% of the state-directed funds are spent on projects that benefit Alaska's natural coastal environment. Program sunset on December 31, 2016.

PCNs	UGF	Total
8	492.8	6,630.0
1	200.0	200.0
2	236.1	236.1
1	0.0	269.1
1	0.0	150.0
2	0.0	296.0

Overview of the Office of Project Management & Permitting's Large Project Coordination



Critical Function: Provides multi-agency state, federal and local permit coordination to advocate for and implement consistent, defensible, transparent and timely permit decisions on large resource development projects (e.g., mining, oil and gas, transportation and clean energy).

Economic impact without the section's services: Resource development project timelines could be stalled indefinitely and project economics adversely impacted, resulting in the loss of millions of dollars in revenue and economic growth.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
8	492.8	0.0	0.0	6,137.2	6,630.0

Description: Large resource development projects are complex in nature. This section is essential to:

- Ensure projects receive timely, coordinated review, permitting, and monitoring for development, transportation, and other specialized projects.
- Generate revenue and recover state expenditures via signed agreements with project proponents.
- Establish and maintain Reimbursable Service Agreements (RSAs) with state agencies to ensure they have the necessary fiscal resources to participate effectively in the coordinated review of projects. Roughly 80 percent of the state expenditures recovered by DNR via signed agreements are distributed to other state agencies.

Unrestricted general funds support the collection of third-party funds and all other OPMP functions, including budget management, administrative actions, program development, and public engagement and community outreach.

Overview of the Office of Project Management & Permitting's Compensatory Mitigation Program



Critical Function: Collaborating with the U.S. Army Corps of Engineers in the development of a revenue-generating statewide compensatory mitigation program that would offer private industry the opportunity to mitigate unavoidable project impacts, per the requirement of the Corps' Clean Water Act 404 authorization.

Economic impact without the section's services: Mitigation opportunities are limited or unavailable, project economics could be adversely impacted, resulting in the loss of millions of dollars from potential state revenue generated by project development and an established state managed compensatory mitigation program.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	200.0	0.0	0.0	0.0	200.0

Description: In FY17, the Legislature appropriated \$200.0 thousand in unrestricted general funds for OPMP to develop the statewide Compensatory Mitigation Program. The mitigation program, once established, will generate revenue by selling mitigation credits to the development industry and will offer additional opportunities for projects to purchase mitigation credits at a negotiated cost.

OPMP is working to establish a statewide DNR-sponsored In-Lieu Fee Program (ILFP) and will submit a revised ILFP instrument to the U.S. Army Corps of Engineers near the end of the first quarter of 2017. The instrument will serve as the guidance document that once approved by the USACE allows DNR to administer and manage state lands as a mitigation option to offset project impacts. The instrument will serve as the state's application to run a wetlands mitigation program once approved by the Corps.

Developing the State's ILFP requires significant outreach. OPMP engages in robust outreach efforts within the mitigation community including mitigation bank sponsors, Native corporations, municipalities, state, local and federal agencies and other interested parties.

Overview of the Office of Project Management & Permitting's Coordinated Review of Federal Plans and Activities



Critical Function: Monitor federal actions, facilitates federal/state/local coordination and consultation, directs an efficient and reliable multi-agency review process, and is accountable for developing a unified state position in federal comments.

Economic impact without the section's services: Loss of millions of dollars in revenue generation and economic growth from not realizing the full potential of responsible resource development.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	236.1	0.0	0.0	0.0	236.1

Description: OPMP serves as the primary point of contact to the federal agencies, representing and guarding the State's interests as they relate to Outer Continental Shelf (OCS) and Arctic plan reviews. The Chukchi and Beaufort Sea resources are estimated to contain 25 billion barrels of oil and 120 trillion cubic feet of natural gas, which is a vast portion of Alaska's resources and future revenue potential. Restrictive federal land management regulations, practices and policies heightened the need for the state's focus and participation to guard Alaska-specific opportunities and interests.

The Outer Continental Shelf Lands Act is one of the primary federal laws dictating federal offshore development in Alaska. Under Memorandum of Understanding between the Governor, State of Alaska and the Bureau of Ocean Energy Management, OPMP is responsible for leading collaboration and guidance of state input and review of BOEM's federal project-specific and programmatic plans.

The Alaska National Interest Lands Conservation Act (ANILCA) applies to over 100 million acres of federal conservation lands in the state and includes key provisions that accommodate Alaska's unique context, including subsistence and access needs, the state's lack of infrastructure and its reliance on a resource based economy. ANILCA issues cross-cut the mandates and responsibilities of individual state agencies, such as, the ability to pursue essential public or private regional transportation or utility infrastructure promised through Title XI of ANILCA. It is critical OPMP maintains advocacy of ANILCA's Title XI access process to limit impacts on large development projects and the state's ability to use and manage adjacent state lands and waters. The ANILCA program funding was eliminated from OPMP's operating budget in FY16. OPMP continues to offer ANILCA statewide coordination on a limited basis, coordinating only federal land management plans that have been identified as priority and can be coordinated given OPMP's limited available resources due to past operating budget reductions.

Overview of the Office of Project Management & Permitting's Land Acquisition & Natural Resource Damage Assessment Programs



Critical Function: Ensures restoration of injured natural resources damaged by oil spills or releases of hazardous substances into the natural environment; provides program oversight and regulatory compliance for complex federal land acquisition programs.

Economic impact without the section's services: Without Natural Resource Damage Assessment Trustee representation, the State risks loss of future potential economic benefits from the full recovery of the natural and social environment, including recreation and tourism. Without federal land acquisition grant program regulatory oversight and compliance, the state risks federal grant eligibility and monetary implications.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	0.0	0.0	269.1	0.0	269.1

Description: Serves as the department's Trustee in the Natural Resource Damage Assessment (NRDA) and Restoration Program; and facilitates regulatory oversight and compliance in the implementation of federal land acquisition grants.

The NRDA activities require approximately \$249,000 in federal receipt authority to participate as DNR's Trustee in the restoration of natural and social resources injured as a result of oil spills or hazardous substance releases. The process is driven by law, science, economics, and public input, and is administered by federal, state, and tribal trustee agencies tasked with identifying injuries. The goal is to fully restore public resources, which is accomplished through rigorous scientific studies necessary to evaluate the magnitude of injuries, and ensures an objective assessment. Funding for this work comes from the Department of Environmental Conservation, the Responsible Party and the U.S. Coast Guard.

The two federal land acquisition grant programs in which Alaska participates require approximately \$20,000 in federal receipt authority to implement and ensure regulatory compliance necessary to meet program perpetuity requirements and evaluate incoming projects to determine project viability. The Forest Legacy Program protects environmentally important forest lands threatened with conversion to non-forest use, but allows lands to continue to be used for forest activities, such as timber harvesting, hunting and fishing, recreation and other traditional uses. This program is funded by the U.S. Forest Service. The National Coastal Wetland Program acquires lands for long-term conservation benefits to fish, wildlife and recreation. Conservation of coastal wetland ecosystems benefits wildlife and enhances flood protections and water quality while providing economic and recreational opportunities for the public. This program is funded by a U.S. Fish & Wildlife Service grant.

Overview of the Office of Project Management & Permitting's Alaska Geospatial Council



Critical Function: Spearheads DNR's role as chair of the Alaska Geospatial Council (formerly the Statewide Digital Mapping Initiative), a Governor-endorsed, multi-agency effort that implements ongoing improvements to the Alaska base map providing guidance for resource management and economic development, as well as emergency disaster preparedness and recovery.

Economic impact without the section's services: Alaska would continue to suffer from incomplete digital mapping – increased cost and reduction of effective resource monitoring, disaster planning and public safety. State departments will be required to develop partial datasets on a case by case basis, resulting in tremendous inefficiencies in redundant effort and expenditures.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	0.0	0.0	0.0	150.0	150.0

Description: Remote sensing and mapping technologies enable DNR and other state agencies to responsibly develop, manage and conserve Alaska's vast state lands. The base maps agencies rely on include statewide elevation, satellite imagery, administrative boundaries, transportation and hydrography networks. Efficient development of these maps reduces costs and prevents duplicative agency effort.

Accurate geospatial data is foundational to infrastructure development, resource and economic development, the preservation of life (disaster response, mitigation and recovery) and the advancement of physical science. Aviation safety, energy development, resource assessments, flood plain management, and a long list of other mission critical government services rely upon responsible geospatial data. Remarkably, modern mapping information does not exist over the majority of Alaska, where significant resource, safety and national security interests intersect. Alaska lacks a complete, statewide digital elevation dataset of any kind.

Using a capital budget appropriation, DNR spearheads the Alaska Geospatial Council coordinating mapping efforts and geospatial planning to leverage state resources in the most cost-effective manner. The council develops a statewide framework for geospatial data necessary for environmental monitoring and protection, sustainable economic development, public safety, and effective emergency response available statewide.

Overview of the Office of Project Management & Permitting's Coastal Impact Assistance Program



Critical Function: Administer funds allocated to Alaska through the federal Coastal Impact Assistance Program (CIAP) to ensure that all funds are spent on projects that enhance Alaska's natural coastal environment.

Economic impact without the section's services: Suspension of federal grants, resulting in the loss of \$1.5 million, potentially having to repay unallowable costs, and preventing future service to impacted coastal communities.

FY2017 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	0.0	0.0	0.0	296.0	296.0

Description: Since FY2010, the State of Alaska has received \$51.6 million through the Coastal Impact Assistance Program, which provides federal grant funds derived from offshore lease revenues for conservation, protection or restoration of coastal areas, and other authorized uses. Five state agencies, 50 local communities, 22 non-profits, and several University of Alaska programs have participated in CIAP projects.

The CIAP program officially sunset on December 31, 2016 and all funding and positions have terminated. The CIAP program successfully completed more than 80 projects over the life of the program, using nearly \$51.6 million of federal grant money. In FY2017 the CIAP program expenditures totaled approximately \$1.5 million (the remainder of the federally allocated \$51.6 million), making for a successful and efficient closeout of the CIAP program.

OPMP administered each CIAP project in Alaska to ensure compliance with grant requirements and that all federal funds are expended. This includes tracking federal guidelines, ensuring that project goals and objectives are met, correcting problems, amending grants, vetting expenditures, and submitting required progress reports to the U.S. Fish & Wildlife Service.