

Alaska Oil and Gas Association



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ALASKA OIL AND GAS ASSOCIATION STATEMENT ON SENATE BILL NO. 27, AUTHORIZING STATE REGULATION OF DREDGE & FILL ACTIVITIES

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Good Evening. For the record, my name is Kara Moriarty and I am the Executive Director of the Alaska Oil and Gas Association, commonly referred to as "AOGA". On behalf of the 16 members of AOGA, who account for the majority of oil and gas exploration, development, production, transportation and refining of oil and gas onshore and offshore in Alaska, I appreciate the opportunity to testify on Senate Bill No. 27 which authorizes the State to evaluate and seek primacy for the permitting of dredge and fill activities under Section 404 of the Clean Water Act.

AOGA applauds the Governor's efforts to streamline permitting processes this session with the introduction of bills like this and SB 26, authorizing general permitting and reforming procedures relating to the disposal and exchange of state land. We appreciate the Administration's intent to encourage responsible development of Alaska's resources by simplifying the process. As we go through this process of assuming primacy, we will want to be careful to ensure that the assumption of Section 404 primacy tangibly streamlines the permitting process in Alaska and does not instead result in a duplicative or more cumbersome process, which we know is not the Administration's intent.

To date, only two states, Michigan and New Jersey, have assumed Section 404 primacy. This is in contrast to the forty-five states that have assumed primacy of the point source discharge program under Section 402, including Alaska which finished its phased implementation of the Alaska Pollutant Discharge Elimination System this past year. AOGA was proud to participate in that process which has resulted in a more efficient permitting process under Section 402. State primacy of dredge and fill permitting, however, may pose administrative and financial barriers unique to Section 404 assumption.

Some of the initial differences may include a lack of federal funding and the uncertainty surrounding development and projects near waters and wetlands that may or may not be subject to state assumption, which we will not know until the State is allowed to start this process.

The requirement that states assume the entire dredge and fill program all at once can result in a complex, lengthy and expensive process with no certainty that EPA will approve the request. And while a majority of the nation's wetlands are in Alaska, many of these may be non-assumable by the State under the Clean Water Act's geographical limitations and would remain subject to federal jurisdiction and duplicative Corps permitting. For this reason, we applaud the administration's spoken objective to also pursue shared general permitting responsibility with the Corps in these non-assumable waters by development of a State Programmatic General Permit.

AOGA is cognizant that many of these concerns will be examined more thoroughly by the administration after passage of this bill. If the bill is passed, we look forward to working in tandem with the administration and other stakeholders to ensure that Section 404 assumption will be effective both for the state and industry, and is achievable in Alaska without unduly burdening state resources.