HJR

59

FISCAL NOTE

STATE OF ALASKA
1996 LEGISL[illegible] SESSION

BILL NO. CS HJR 59 (RES)

Dept. Affected: Legislature
BRU: All

Title: Requesting US EPA to issue NPDES permit for Cook Inlet Oil & Gas operations

Sponsor: Rep. Green

Components:

Requestor: House Resources

Serial #

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services	00	00	00	00	00	00
Travel	00	00	00	00	00	00
Contractual	00	00	00	00	00	00
Supplies	00	00	00	00	00	00
Equipment	00	00	00	00	00	00
Land & Structures	00	00	00	00	00	00
Grants, Claims	00	00	00	00	00	00
Miscellaneous	00	00	00	00	00	00
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL	00	00	00	00	00	00
REVENUE	00	00	00	00	00	00

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	00	00	00	00	00	00
Federal Fund	00	00	00	00	00	00
Other	00	00	00	00	00	00
TOTAL	00	00	00	00	00	00

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by: Jeffrey Logan
House Resources Committee

Date: 21-FEB-96
Phone: 465-6587
Phone:

PAGE _____ OF _____

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 59(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES GREEN, Rokeberg

A RESOLUTION

Respectfully requesting the Environmental Protection Agency to issue a final National Pollutant Discharge Elimination System permit for Cook Inlet oil and gas operations that omits the incremental permittee monitoring and reporting obligations identified in the Agency's draft permit and, consistent with the philosophy of the Agency's 1996 National Water Program Agenda, allows the permittees to operate under pollutant discharge monitoring and reporting requirements that are not more rigorous than those requirements of the Cook Inlet National Pollutant Discharge Elimination System permit in place.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, under the federal Clean Water Act, the principal mechanism for regulating and limiting pollutant discharge into water of the United States is the National Pollutant Discharge Elimination System (NPDES) permit program; and

WHEREAS, under the monitoring and reporting requirements imposed as part of an NPDES permit, the unit having responsibility for the Clean Water Act, the Environmental

Protection Agency, may require one or more parties who are responsible for pollutant discharge to install and use equipment to monitor the discharge, develop and maintain records and reports, and provide information to it as may be required under the Agency permit; and

WHEREAS the Environmental Protection Agency has determined in its 1996 National Water Program Agenda to reduce permittee monitoring and reporting requirements, with the objective of diminishing monitoring and reporting obligations imposed on permittees by about 25 percent; and

WHEREAS, the oil and gas industry has operated successfully in Cook Inlet for 30 years, coexisting throughout these decades with one of the state's most productive salmon fisheries; the industry operates in maturing fields that are at, or very close to becoming, uneconomic to produce; and

WHEREAS the Environmental Protection Agency has issued a draft general NPDES permit for Cook Inlet oil and gas operations; and

WHEREAS, despite the reduced monitoring and reporting initiative announced in its 1996 National Water Program Agenda, the draft permit for Cook Inlet operations proposes a substantial increase in the monitoring and reporting requirements to be imposed by the two agencies on the permittees; and

WHEREAS public comment on the proposed NPDES permit overwhelmingly endorses the Cook Inlet oil and gas industry permittees' ability to continue to operate under requirements of the permit in place, and supports eliminating provisions in the draft permit imposing an obligation on the permittees to increase monitoring and reporting requirements; and

WHEREAS the Alaska Department of Environmental Conservation supports many of the permittees' recommendations to reduce excessive monitoring and reporting requirements; and

WHEREAS recent scientific studies evaluating the quality of the water and other resources of Cook Inlet determined that there has been no adverse environmental impact in the inlet from the three decades of oil and gas operations; and

WHEREAS the Cook Inlet oil and gas industry's history of successful coexistence with a productive fishery combined with the results of these recent studies together demonstrate that the Agency's draft NPDES permit requiring the permittees to incur substantial additional

expense associated with the increased monitoring and reporting requirements identified in the draft NPDES permit is unwarranted, nor is the increased effort supported by public testimony;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Environmental Protection Agency to issue a final National Pollutant Discharge Elimination System permit for Cook Inlet oil and gas operations that

(1) omits the incremental permittee monitoring and reporting obligations identified in the draft permit; and

(2) consistent with the philosophy of the Agency's 1996 National Water Program Agenda, allows the permittees either to operate under pollutant discharge monitoring and reporting requirements that are consistent with the Agency's national objective of diminishing monitoring and reporting obligations generally to be imposed on permittees, or to operate under pollutant discharge monitoring and reporting requirements that are not more rigorous than those requirements of the Cook Inlet NPDES permit in place.

COPIES of this resolution shall be sent to the Honorable Carol M. Browner, Administrator, Environmental Protection Agency; to Michele Brown, commissioner of environmental conservation; to the Honorable Don Gilman, Mayor of the Kenai Peninsula Borough; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/18/96 FURTHER:

DATE TURNED INTO OFFICE: 3-29-96

The Resources Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 59(RES)

Relating to issuance of a NPDES permit for Cook Inlet oil and gas operations.

and recommends:

[ ] be replaced with SEN CS HJR 59 (RES)

[ ] adopt previous ____ CS ____ ( )

[ ] attached amendment(s)

[ ] adopt Letter of Intent by ____ Committee

[ ] further referral to the ____ Committee

Senate Bill:
[ ] same title
[ ] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR*____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
Taylor	✓				
Pearce	✓				
CHAIR: Drew	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Legislature	2/1/96	✓	

Is for CS, also

[ ] **APPROPRIATION** -- no fiscal note

*Include fiscal notes accompanying Governor's bill

CS FOR HOUSE JOINT RESOLUTION NO. 59(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 2/28/96
Referred: Rules

Sponsor(s): REPRESENTATIVES GREEN, Rokeberg

A RESOLUTION

Respectfully requesting the Environmental Protection Agency to issue a final National Pollutant Discharge Elimination System permit for Cook Inlet oil and gas operations that omits the incremental permittee monitoring and reporting obligations identified in the Agency's draft permit and, consistent with the philosophy of the Agency's 1996 National Water Program Agenda, allows the permittees to operate under pollutant discharge monitoring and reporting requirements that are not more rigorous than those requirements of the Cook Inlet National Pollutant Discharge Elimination System permit in place.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, under the federal Clean Water Act, the principal mechanism for regulating and limiting pollutant discharge into water of the United States is the National Pollutant Discharge Elimination System (NPDES) permit program; and

WHEREAS, under the monitoring and reporting requirements imposed as part of an NPDES permit, the unit having responsibility for the Clean Water Act, the Environmental

Protection Agency, may require one or more parties who are responsible for pollutant discharge to install and use equipment to monitor the discharge, develop and maintain records and reports, and provide information to it as may be required under the Agency permit; and

WHEREAS the Environmental Protection Agency has determined in its 1996 National Water Program Agenda to reduce permittee monitoring and reporting requirements, with the objective of diminishing monitoring and reporting obligations imposed on permittees by about 25 percent; and

WHEREAS, the oil and gas industry has operated successfully in Cook Inlet for 30 years, coexisting throughout these decades with one of the state's most productive salmon fisheries; the industry operates in maturing fields that are at, or very close to becoming, uneconomic to produce; and

WHEREAS the Environmental Protection Agency, in conjunction with the Alaska Department of Environmental Conservation, has issued a draft general NPDES permit for Cook Inlet oil and gas operations; and

WHEREAS, despite the reduced monitoring and reporting initiative announced in its 1996 National Water Program Agenda, the draft permit for Cook Inlet operations proposes a substantial increase in the monitoring and reporting requirements to be imposed by the two agencies on the permittees; and

WHEREAS public comment on the proposed NPDES permit overwhelmingly endorses the Cook Inlet oil and gas industry permittees' ability to continue to operate under requirements of the permit in place, and supports eliminating provisions in the draft permit imposing an obligation on the permittees to increase monitoring and reporting requirements; and

WHEREAS recent scientific studies evaluating the quality of the water and other resources of Cook Inlet determined that there has been no adverse environmental impact in the inlet from the three decades of oil and gas operations; and

WHEREAS the Cook Inlet oil and gas industry's history of successful coexistence with a productive fishery combined with the results of these recent studies together demonstrate that the Agency's draft NPDES permit requiring the permittees to incur substantial additional expense associated with the increased monitoring and reporting requirements identified in the draft NPDES permit is unwarranted, nor is the increased effort

supported by public testimony;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Environmental Protection Agency to issue a final National Pollutant Discharge Elimination System permit for Cook Inlet oil and gas operations that

(1) omits the incremental permittee monitoring and reporting obligations identified in the draft permit; and

(2) consistent with the philosophy of the Agency's 1996 National Water Program Agenda, allows the permittees either to operate under pollutant discharge monitoring and reporting requirements that are consistent with the Agency's national objective of diminishing monitoring and reporting obligations generally to be imposed on permittees, or to operate under pollutant discharge monitoring and reporting requirements that are not more rigorous than those requirements of the Cook Inlet NPDES permit in place.

COPIES of this resolution shall be sent to the Honorable Carol M. Browner, Administrator, Environmental Protection Agency; to Michele Brown, commissioner of environmental conservation; to the Honorable Don Gilman, Mayor of the Kenai Peninsula Borough; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

DEC supports the change

Whereas DEC has supported many of these recommendations

to reduce unnecessary reporting

Alaska State Legislature

Senate Resources Committee

Official Business

State Capitol
Juneau AK 99801

MEMO

TO: Senator Pearce, Vice Chairman
Senator Frank
Senator Halford
Senator Taylor
Senator Hoffman
Senator Lincoln

FROM: Senate Resources Committee Staff

DATE: March 28, 1996

RE: Amendment to HJR 59 - NPDES Permit for Cook Inlet Oil & Gas

---

Attached is the amendment to HJR 59 adopted in concept by the committee at yesterday's hearing on HJR 59. Please let Chairman Leman know if this is not your understanding of the conceptual amendment.

Senator Leman, Mr. Verrelli of DEC and sponsor, Representative Green have each seen and approved of the amendment.

Also attached is a copy of DEC's comments on the draft NPDES Permit for Cook Inlet operators, as requested by committee members.

Alaska State Legislature

Official Business

State Capitol
Juneau AK 99801

MEMO

TO: Legal Services
via fax: X2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Resources Committee

DATE: March 28, 1996

RE: CS HJR 59 (RES)

Please prepare a Resources Committee Substitute for HJR 59 incorporating the following amendment which was adopted by the committee March 27:

Page 2, Lines 12-13:
After "Agency," DELETE
[IN CONJUNCTION WITH THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION,]

Page 2, Line 24:
Insert:
WHEREAS the Alaska Department of Environmental Conservation supports many of the permittees' recommendations to reduce excessive monitoring and reporting requirements; and

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 4

To Len	From Mike Conway
Co.	Co.
Dept.	Phone #
Fax #	Fax #

DEPT. OF ENVIRONMENTAL CONSE

Division of Air and Water Quality
Industrial Operations
555 Cordova St.
Anchorage, AK 99501

Phone: (907)269-7500
Fax: (907)269-7652
TTY: (907)269-7511

January 29, 1996

Ms. Laurie Mann
USEPA/Region X, Section OW-134
1200 Sixth Ave.
Seattle, WA 98101

Dear Ms. Mann:

Subject: ADEC Comments on Public Notice Draft of Cook Inlet Oil & Gas Operators, NPDES General Permit No. AKG-285100, ADEC File No. 2300.45.0006

The Alaska Department of Environmental Conservation has reviewed the subject draft permit and has the following comments.

GENERAL COMMENTS

1. The permit should carry a definition for the term "suspended particulate phase", which is abbreviated as SPP. This term designates the units used to measure the toxicity of the drilling muds. This is not a standard analytical technique and should be defined in the permit to eliminate any possible confusion.

2. In Part IV A. of the permit the address for reporting monitoring results to ADEC is incorrect. The correct address is as follows.

   Alaska Department of Environmental Conservation
   ATTN: Major Facilities and Water Permits Section
   555 Cordova Street
   Anchorage, AK 99501

SANITARY DISCHARGE

3. For the sanitary discharge (#003), the parameter suspended solids is abbreviated as SS. This abbreviation is generally reserved for the parameter settleable solids. The standard abbreviation for suspended solids, or as the parameter is commonly designated "total suspended solids", is TSS. That is the name of the test method used to quantify that parameter. The use of the TSS abbreviation is standard practice for NPDES permits issued to municipally owned public treatment works.

The TSS abbreviation was also used in the Arctic General NPDES Permit for Oil & Gas Exploration (AKG-284200) issued in 1995, and the ARCO Oil and Gas Exploration Permit (AK-0052051) issued in 1993. If this change in abbreviations is made it must be carried throughout the permit and fact sheet.

4. In the draft permit there is a numerical limitation of 45 mg/l applied to the parameters BOD_5 and SS as a weekly average. Footnote #8 goes on to state "Each weekly sampling value will then be subject to both the daily maximum and the weekly average criteria." Since the frequency of monitoring is weekly, the ADEC does not believe that the result of a single sampling event should have an average criterion applied to it, but should be considered an instantaneous value, with the daily maximum criterion applied as the appropriate numerical limitation. This is the method generally used by the ADEC when issuing wastewater disposal permits under State authority, the numerical criterion applied is dependent on the sampling frequency. This change would make the Cook Inlet General NPDES Permit consistent with the Arctic General NPDES Permit certified by the State, and issued be the EPA earlier this year.

5. The ADEC would recommend, for state waters only, that the requirement to maintain a 1 mg/l minimum for chlorine residual be dropped. The elimination of this requirement would apply to those facilities with biological treatments units and use chlorine for disinfection. The ADEC would prefer that chlorination of the sanitary effluent discharge cease, thereby eliminating where unnecessary the release of this toxic compound. There is no known or perceived public health threat if the sanitary waste from the platforms is not disinfected. All discharge locations on the platforms are below the surface and of very low volumes. The platforms with biological treatment plants could simply cease disinfection. In addition, all facilities would need to sample for fecal coliform bacteria and report the results on their discharge monitoring reports (DMRs). This monitoring requirement would replace the chlorine residual requirement. During the next permit cycle ADEC would authorize mixing zones for the fecal coliform constituent in the facility's discharge based on the reported data. A sampling frequency of once per month is recommended, this would provide an adequate database upon which to determine mixing zones.

6. Footnote #1, "any facility using a marine sanitation device (MSD).....", should be applied to all the parameters listed and not just "floating solids". In other words, footnote #1 should appear where footnote #3 currently appears in the draft permit. In fact, footnotes #1 & 3 can be combined as they are in the Arctic General NPDES Permit. The operation of MSDs is currently regulated under Section 312 of the Clean Water Act by the U.S. Coast Guard, and no additional requirements should be placed on these treatment units in the permit. This change would make

the Cook Inlet General NPDES Permit consistent with the Arctic General NPDES Permit certified by the State and issued be the EPA earlier this year. This change would eliminate the need for the separate line item for the MSD monitoring requirements.

PRODUCED WATER DISCHARGE

7. For the produced water discharge (#015), the ADEC believes that the monitoring schedule contained in the draft permit is excessive, and not justified. Sampling frequency for the parameters oil & grease, pH, copper, arsenic, zinc, Total Aromatic Hydrocarbons, and Total Aqueous Hydrocarbons are on a weekly basis. The ADEC does not believe that this intensive monitoring level is necessary.

   The quality of produced water with respect to hydrocarbon content has been demonstrated to be fairly consistent over a six year period, based on a comparison of 1989 and 1995 data. The treatment processes used by industry to treat the produced water, flotation in the current permit and gas enhanced flotation in the proposed permit, are simple physical processes and not subject to wide treatment fluctuations, as would be the case for a biological process. Therefore, it is not expected that the effluent will demonstrate significant variability. The ADEC recommends that the monitoring frequency be reduced from weekly to monthly. this frequency should be sufficient to demonstrate compliance with permit limitations.

   An alternative for determining the monitoring frequency would be to structure the frequency based on flow volume from the facility. Facilities with discharges of over 1 mgd, would sample on a monthly basis, and facilities with discharge volumes of less than 1 mgd could sample on a quarterly basis.

8. The monitoring frequency for the parameter Whole Effluent Toxicity is monthly in the draft permit. This frequency is again excessive. The ADEC would recommend a more appropriate frequency as quarterly for the reasons stated above. Alternatively, a two tier structure as described above could be applied to the individual facilities, with facilities discharging over 1 mgd sampling monthly and facilities discharging less than 1 mgd sampling quarterly.

   Another alternative would be to structure the permit with an initial intensive monitoring schedule for WET, that could be relaxed after two years if the facilities demonstrate a record of compliance. This technique is often employed in wastewater disposal permits issued under State authority.

9. Footnote #2 requires monthly monitoring of heavy metals during the first year the permit is in effect, for those facilities that do not already have specific numerical limitations. It appears that this requirement is intended for data collection purposes only. If that is the case, it might be more usefully to collect this data during the last, or fifth year of the permit, so that it can be utilized during the next permit cycle. Delaying till the last year of the permit would provide more current data when the permit is reissued.

The ADEC appreciates the opportunity to comment on the draft general permit and hopes that the EPA will give due consideration to our comments.

Sincerely,

Robert Dolan

Robert Dolan
Environmental Engineer

RD/jcb G:\EQ-CLER\RDOLAN\COOK COM.LET

cc: Kenwyn George, ADEC/Juneau
Andy Cline, Shell Western
Les Buchholz, ADEC/KDO
Alice Bullington, Unocal
Pete McGee, ADEC/Fairbanks
Steve Freemyer, Phillips Petroleum
Valerie Hancy, EPA/Anchorage
Stephanie Olson, Marathon
Judy Kitagawa, ADEC/Valdez
Steve Koteff, Trustees of Alaska

Alaska State Legislature

Official Business

State Capitol
Juneau AK 99801

MEMO

TO: Legal Services
via fax: X2029 this page only

FROM: Annette Kreitzer, Aide to
Senate Resources Committee

DATE: March 28, 1996

RE: CS HJR 59 (RES)

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After "Agency," DELETE
[IN CONJUNCTION WITH THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION,]

Page 2, Line 24:
Insert:
WHEREAS the Alaska Department of Environmental Conservation has supported many of the permittee's recommendations to reduce unnecessary, unscientific monitoring and reporting requirements; and

explosive -Len Vanelli

Protection Agency, may require one or more parties who are responsible for pollutant discharge to install and use equipment to monitor the discharge, develop and maintain records and reports, and provide information to it as may be required under the Agency permit; and

WHEREAS the Environmental Protection Agency has determined in its 1996 National Water Program Agenda to reduce permittee monitoring and reporting requirements, with the objective of diminishing monitoring and reporting obligations imposed on permittees by about 25 percent; and

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WHEREAS the Cook Inlet oil and gas industry's history of successful coexistence with a productive fishery combined with the results of these recent studies together demonstrate that the Agency's draft NPDES permit requiring the permittees to incur substantial additional expense associated with the increased monitoring and reporting requirements identified in the draft NPDES permit is unwarranted, nor is the increased effort

Alaska State Legislature

WHILE IN SESSION
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(907) 465-4316 FAX

INTERIM ADDRESS
716 WEST 4TH AVENUE
ANCHORAGE ALASKA 99501
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(907) 258-8171 FAX

CO-CHAIR RESOURCES COMMITTEE
VICE CHAIR JUDICIARY COMMITTEE
MEMBER STATE AFFAIRS COMMITTEE

FINANCE SUBCOMMITTEES
DEPT OF NATURAL RESOURCES
DEPT OF COMMERCE & ECONOMIC DEVELOPMENT
DEPT OF ENVIRONMENTAL CONSERVATION

Representative Joe Green

District 19

Sponsor Statement

HJR 59 - Supporting the Cook Inlet NPDES Permit

HJR 59 puts the Alaska Legislature on record supporting the re-issuance of the National Pollutant Discharge Elimination System (NPDES) permit for Cook Inlet oil operations.

The oil and gas industry has operated in Cook Inlet for over 30 years, coexisting with one of the state's most productive salmon fisheries. Despite this record of success, the US Environmental Protection Agency (EPA) has stipulated monitoring and reporting requirements beyond those required for the current permit. These new requirements have been added by EPA, even though the agency's own National Water Program Agenda calls for reduced monitoring and reporting requirements.

HJR 59 resolves that the NPDES permits be issued without new monitoring and reporting requirements.

February 21, 1996

TO: Jeff Logan, Staff for Joe Green
FROM: Pamela Miller, Greenpeace
RE: Materials for Hearing on HJR 59

Here is a copy of an open letter I sent to the Kenai Peninsula delegation concerning the NPDES permit for oil and gas discharges in Cook Inlet. Also attached is a report from Dr. Robert Howarth of Cornell University who reviewed the draft permit and associated documents. Please attach these to the legislators information packets concerning HJR 59. Thank you

Have you recieved any information on whether we can testify by teleconference for the hearing on Friday? I appreciate that you contacted me to inform me of the opportunity to testify.

Sincerely,

Pamela Miller

Pamela Miller

Your letter was irresponsible in light of the deep concerns of local citizens, especially Native communities (see letter attached from the Indigenous People's Council for Marine Mammals). I urge you to reconsider your opinion and write to EPA asking that the oil industry be required to meet zero discharge standards. Zero discharge is the norm for the oil and gas industry throughout the country -- it is not an undue technological or economic burden. Industry has greatly exaggerated the potential economic impacts of zero discharge in Cook Inlet (see attached comments). An economist, Dr. Thomas Goerold, who reviewed the permit concluded: "I believe that EPA has underestimated the future profitability of the petroleum operations in this region and overestimated the likelihood of the shutting-in of existing and currently planned platforms."

Thank you for your consideration of my comments. I would welcome an opportunity to discuss this issue further.

Sincerely,

Pam Miller

Pamela K. Miller
Researcher
Community Toxics Investigative and Advocacy Project

cc:
Peninsula Clarion
Homer News
Homer Tribune
Anchorage Daily News

GREENPEACE

February 19, 1996

An Open Letter to the Kenai Peninsula Delegation
Senator Judy Salo
Senator John Torgerson
Representative Gary Davis
Representative Mike Navarre
Representative Gail Phillips

Dear Ms Salo, Mr Torgerson, Mr Davis, Mr Navarre, and Ms Phillips:

I am writing in response to your December 18, 1995 letter to Mr Charles Clark, Director, EPA Region 10, regarding the proposed NPDES permit for oil and gas discharges in Cook Inlet In the letter, you stated that "regulations for the oil and gas industry must be derived from sound scientific measurement and observation and then tempered by economic considerations " You stated that you "concur with the concerns expressed by UNOCAL "

I was disappointed in your response to the EPA because you have only reiterated UNOCAL's position on the permit You have not, I believe, given adequate consideration to legitimate and scientifically-founded concerns regarding the reissuance of the permit We asked an independent scientist from Cornell University, Dr Robert Howarth, to review the draft permit and associated documents (including CIRCAC, MMS, and industry studies) Dr Howarth is an internationally renowned scientist (his report and credentials are enclosed) who has served on a number of National Academy of Sciences panels and is the Atkinson Professor of Ecology and Environmental Biology at Cornell University

Dr Howarth concluded "that the scientific basis for issuing the proposed NPDES permit is flawed and inadequate " His report details the potential and pathways for transport and bioaccumulation of pollutants from the oil and gas industry He clearly demonstrates that previous studies in Cook Inlet are inconclusive "the actual risk to the biota of Cook Inlet cannot be adequately determined but is likely to be far greater than stated " Monitoring standards required by EPA in the draft permit are inadequate, *not* excessive

PO Box 104420, Anchorage, AK 99510 • ☎ (907) 277-8234 • Fax (907) 272-6619

COMMENTS ON THE PROPOSED NPDES GENERAL PERMIT FOR OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION FACILITIES IN COOK INLET, ALASKA

by

Robert W. Howarth, Ph.D.
Section of Ecology & Systematics
Division of Biological Sciences
Cornell University
Ithaca, NY 14853 USA

25 January 1996

I have carefully reviewed the draft NPDES Permit #AKG285100 for Cook Inlet, the September 7, 1995 "Cook Inlet (Reissuance) Fact Sheet" for that permit, and the November 1995 report from Parametrix on "Mixing Zone Determination and Risk Assessment of Produced Waters from Oil and Gas Facilities in Cook Inlet, Alaska" which is relied upon heavily in the draft permit. Based on this review, I conclude that the scientific basis for issuing the proposed NPDES permit is flawed and inadequate. The actual risk to the biota of Cook Inlet cannot be adequately determined from the information provided in these reports but is likely to be far greater than stated.

The "Cook Inlet (Reissuance) Fact Sheet" for the proposed permit states: "If a definitive determination of no unreasonable degradation cannot be made because of insufficient information, EPA must then determine whether a discharge will cause irreparable harm to the marine environment and whether there are reasonable alternative to on-site disposal" (p. 7). The application of this policy to Cook Inlet mandates further analysis. I believe that such further analysis will lead to a requirement for alternatives to in situ disposal, such as reinjection of formation waters and shore-based disposal (and recycling and re-use) of drilling fluids (Howarth and Marrus 1991). Since such alternatives are possible, the proposed permit conflicts with the national policy that, whenever feasible, pollution should be prevented or reduced at the source; that pollution which cannot be prevented should be recycled in an environmentally safe manner, and that disposal or release into the environment should be employed only as a last resort ..." (p. 35 of "Cook Inlet (Reissuance) Fact Sheet"). Major failings of the permit and associated reports follow.

Bioaccumulation of Toxic Substances is Ignored:

The draft permit and fact sheet make no mention of the accumulation of oil hydrocarbons and other toxic substances in living organisms. In the supporting document for estimating mixing zones, Parametrix (1995) discounts problems with bioaccumulation and bioconcentraton of toxic substances in formation waters. Their logic is based on the relatively low octanol-water partioning coefficient for many oil hydrocarbons in formation waters, on a supposed rapid elimination of oil hydrocarbons from marine organisms, and on the often low and variable concentrations of oil hydrocarbons found in previous monitoring efforts in Cook Inlet (Parametrix 1995, pp. 24-25). Parametrix (1995) goes on to assert that "the few marine mammals and birds known to occupy upper Cook Inlet .... are unlikely to be at risk from exposure to produced water constituents since these compounds do not readily bioaccumulate" (p. 30).

These conclusions and the underlying logic are wrong. All of the hydrocarbons considered by Parametrix (1995) preferentially accumulate in fatty tissues over seawater, as shown by octanol-water partioning coefficients well over 1 and as high as 2,000 (Table E-a in Parametrix 1995). This simply must be explicitly considered in determining the exposure of organisms to toxic substances and therefore the size of the mixing zone, and cannot be dismissed by simple references to others who say that a little bioconcentration is O.K. (Parametrix 1995, p. 25). According to the National Academy of Science's report on Oil in the Sea: "Numerous studies have shown that bivalves can accumulate hydrocarbons to a level several orders of magnitude above the concentration in the water (NAS 1985, p. 239). Table 4-3 of that report supports this statement and specifically shows high levels of bioaccumulation of napthalene and diaromatics, major toxic components of formation waters.

Parametrix (1995, p. 25) states that the hydrocarbons taken up from formation waters into organisms will be rapidly depurated or removed from the organism. Such depuration can occur, but is often much slower than stated by Parametrix (1995). The length of original exposure of the organism to the pollutants is critical, with depuration being much longer in chronic pollution conditions (such as associated with formation waters) than in the short-term lab exposure studies cited by Parametrix (1995). see pp. 299-302 of the National Academy of Science report (NAS 1985). In the case of chronic pollution, the half life for depuration can be more than 1 month (NAS 1985, pp. 300-301), far longer than the hours to days stated by Parametrix (1995).

Parametrix (1995, p. 24) cites monitoring studies which have shown generally low concentrations of oil hydrocarbons in organisms near rigs, or in the case of the Arthur D. Little study, the lack of "any clear spatial pattern associated with the produced water outfall for the Trading Bay Production

Facility." Rather than indicating no problem with bioaccumulation, these findings may result from long-range transport of substances away from discharge cites, with bioaccumulation which is highly variable in space and may be most pronounced well away from rigs (where there has been little or no monitoring). The possibility of long-range transport is discussed further below.

Bioaccumulation poses a particular threat to birds and marine mammals since they have no gills through which oil hydrocarbons are equilibrated back into solution in seawater. Bioaccumulation in birds and mammals is often through the food they consume (NAS 1985, p. 303). The extent to which birds and marine mammals (including endangered species) in Cook Inlet are currently exposed to toxic oil hydrocarbons from formation waters and other sources is completely unknown and needs to be assessed before further discharges should be permitted.

Assumption that NPDES Permit will not Increase Pollution is Wrong:

Page 8 of the fact sheet issued in September 1995 for the proposed permit states "The reissuance of this permit will not result in additional pollutant loading to the receiving waters; therefore, this action complies with the State's antidegradation policy." This statement is not correct. The amount of formation water produced during OCS development increases dramatically with age in a well and in a field. In a new well, the volume of formation water is small relative to the amount of oil produced, but in an old well may produce 20-times more formation water than oil (Neff et al. 1987). Thus, if current production rigs in Cook Inlet are allowed to continue to use the same technology, pollution from formation waters is likely to increase substantially over time under the new NPDES permit.

Proposed Testing Procedures are Extremely Permissive

For monitoring effects, the proposed permit would rely very heavily on acute toxicity testing, or LC50's, where test organisms are exposed to various dilutions of effluents for 96 hrs and the concentration which kills half the test organisms is estimated. LC50 tests would be the only toxicity testing for drilling fluids (p. 16 of draft permit). For formation waters, LC50's would still be the primary method of determining toxicity, but tests would be augmented with determinations of pollutant effects on growth and some other sublethal effects (p. 24 of draft permit). To date, only LC50 and growth studies have been performed for effluents in Cook Inlet (Parametrix 1995, pp. 7-8 and 35). These tests are the basis for one of the approaches used to estimate required mixing zones for effluent discharges under the permit (p. 31 of "Cook Inlet (Reissuance) Fact Sheet").

Problems with LC50 approach are thoroughly reviewed and discussed in the 1985 National Academy of Sciences' report (NAS 1985), by Schindler (1987) and by Howarth (1989). The approach tends to greatly underestimate ecological harm. In the case of dissolved oil hydrocarbons, LC50 tests often lead to "values of concern" of 1,000 to 3,000 µg/l, while adverse ecological effects occur at oil concentrations as low as a few µg/l (NAS 1985; Howarth 1989). The National Academy of Sciences' report (NAS 1985) recommends that LC50 tests be used only to compare the toxicity of different substances or to compare the sensitivity of different organisms or life stages, and not to predict ecological harm or set "safe levels," as the draft NPDES attempts. "Such bioassays are helpful in ranking oils in order of toxicity but are of limited value for ecological prediction" (NAS 1985, p. 163).

Using growth rather than death as the measure in toxicity tests does little to improve the situation, and in fact the two approaches give comparable results (Parametrix 1995, pp. 35-38). This is at least in part due to the insensitivity of using growth rate as a measure. According to the National Academy of Sciences' report, "growth of fish is relatively easy to monitor, but fish require long exposure times before significant differences can be detected, compared with controls" (NAS 1985, p. 189). That report goes on to suggest that using behavioral changes provides a much more sensitive test of adverse effects from oil (NAS 1985; pp. 138-139). The NPDES permit would require no such testing. Some sublethal testing would be required, but only for formation waters (not drilling mud discharges), and only fecundity and larval development in two test invertebrate populations would be measured (p. 24 of draft permit).

In situ Environmental Monitoring is Inadequate:

During exploratory drilling, the proposed NPDES permit would require monitoring for changes in sediment pollutant concentrations and for impacts on the benthic community (p. 17 of draft permit). Previous monitoring efforts in Cook Inlet have been unable to see a major effect on the benthos during exploratory drilling, nor have they generally observed a predictable increase in pollutants near rigs. This, however, contrasts with studies elsewhere. In the North Sea, effects from chronic pollution associated with OCS activity have been clearly documented (Kingston 1987; Bakke et al. 1989-b, Reiersen et al. 1989; Gray 1989; Gray et al. 1990). Interestingly, effects have been seen even when low toxicity drilling fluids have been used (Kingston 1987; Reiersen et al. 1989), and these benthic effects were not predictable from toxicity testing, even including non-lethal testing (Bakke et al. 1989-a). The lack of measurable accumulation of pollutants near rigs in Cook Inlet, and the lack of a clearly demonstrable effect of pollutants on the benthos there, may be the result of transport of toxic substances away from the rigs (see discussion

below). Such transport seems likely given the strong tides and currents which characterize Cook Inlet. Without knowledge of the fate of the toxic substances discharged, it is impossible to estimate the amount of ecological harm. At present, this fate is unknown.

Under the terms of the proposed NPDES permit, environmental monitoring during development activities may not be required: "An exemption to post-drilling monitoring will be granted if no impact was indicated during drilling" (p. 17 of draft permit). This ignores potential problems of pollution from the formation waters during production. Continuous monitoring throughout the life of the field should be required, particularly since the volume of formation waters increases in an older field (discussed above).

Long-Range Transport of Toxic Substances is Ignored:

The draft permit and supporting documents fail completely to discuss the probability that toxic substances, both from drilling fluids and from formation waters, are likely to be transported for significant distances from the site of discharge. An implicit assumption behind the mixing zone models used (Parametrix 1995) is that such transport occurs, but apparently it is assumed that toxic substances will be diluted during such transport. Toxic materials may well be dispersed and diluted, but they may well also be accumulating in low-energy environments, including such sensitive areas as coastal marshes. The majority of toxic discharges from OCS operations are either particle bound or quickly become particle bound in the environment, particularly onto fine particles. Such fine particles, and associated pollutants, can easily accumulate in low-energy environments long distances away.

Currently in Cook Inlet, the fate of toxic discharges is not known, and very little is known about transport of such substances. However, two reports present data which hint at accumulation of pollutant oil hydrocarbons away from rigs. Neff and Douglas (1944, as cited on page II.A.15 of the 1995 DEIS for lease sale 149 in Cook Inlet) found very high levels of petroleum hydrocarbons (8.97 to 13.76 ppm) 2 miles to the northeast of an outfall, concentrations much greater than found closer to rigs in Cook Inlet. Also, Arthur D. Little, Inc. (1995, pp. 3-4) found higher levels of sediment oil contamination at two sites away from rigs than near rigs and outfalls in the Beluga River and Trading Bay areas of Cook Inlet. Further discharges of formation waters should not be allowed in Cook Inlet until the fate of toxic hydrocarbons in such discharges is better known.

Problems with Synthetic Drilling Muds are Not Adequately Considered:

The "Cook Inlet (Reissuance) Fact Sheet" implies that synthetic drilling muds will be allowed and states that "preliminary data" show the toxicity of these muds to be similar to others used under Region 10's NPDES permit (pp. 18-19). The mutagenic and carcinogenic potential of synthetic oils is greater than that for natural crude oils (NAS 1985, p. 478). This led the National Academy of Science's report to conclude that "...the future use and discharge of these synthetic products should be monitored with care" (NAS 1985, p. 478). The testing procedures proposed for the NPDES permit are totally unable to determine whether the discharges are having mutagenic or carcinogenic effects.

Effects within Mixing Zone are Ignored, and Standards are Permissive:

The size of the proposed mixing zones are set by the State of Alaska water quality standards: 10 µg/l for aromatic hydrocarbons, and 15 µg/l for total aqueous hydrocarbons (p. 29 of "fact sheet"). These values may not be adequate, and if they are, they barely are. The National Academy of Science's report (NAS 1985) points out numerous biological effects which occur at lower concentrations of dissolved oil hydrocarbons, concentrations as low as 1 µg/l or less. Also, it is important to note that the toxicity of oil hydrocarbons in formation waters is higher than for many other oils since formation waters are enriched in the most water soluble, toxic fractions (Howarth and Marino 1991, p. 6). Benzene alone, which is a known carcinogen in addition to being extremely toxic, can constitute 30-40% of the oil discharged in formation waters in Alaska (NAS 1985, p. 474).

The report of the National Academy of Sciences (NAS 1985) is particularly concerned over the effects of fairly low levels of oil hydrocarbons on behavior. "Of all the processes examined, the perturbation of normal behavior at very low concentrations of petroleum (as low as 10 µg/L) suggests a particular concern. The continuance of normal behavior underlies and is absolutely critical to larval settling, feeding, reproduction, substrate recognition, and homing. In this context a change in or cessation of feeding is one of the first indications of oil pollution in many test animals." (NAS 1985, p. 486).

Even if one accepts the Alaskan water quality standards as adequate, it is critical to note that these cannot be met in Cook Inlet at the end of pipe discharges. The draft permit fully acknowledges that a "mixing zone" is required to allow for pollution to be diluted to these levels. Within the mixing zone, pollutant concentrations will be incredibly high, as high as 182,000 µg/l for total aromatic hydrocarbons from formation waters (p. 23 of draft permit). Organisms within this area will certainly be adversely affected. To meet the Alaskan water quality standard, mixing zones of up to 955 m (for

Granite Point) are proposed. This corresponds to an area of up to 720,000 m^2 around individual discharges. The draft permit and supporting documents make absolutely no effort to assess the magnitude of ecological harm from the pollution allowed within these areas.

Potential Effects on Marine Mammals are Real and Underestimated:

Even within the rather permissive analysis of the draft permit, it is acknowledged that species such as Beluga whales are at risk (p. 27 of "fact sheet"). The permit makes no provision for dealing with this risk. And for the reasons outlined above, the risk to Beluga whales and other species is probably much greater than the draft permit and supporting documents estimate. At present, it is probably not possible to fully assess the risk to marine mammals such as whales, and "probably less is known of how oil affects marine mammals than any other group of marine organisms" (NAS 1985). In addition to potential direct effects from bioconcentration of oil hydrocarbons in whales (discussed above), "marine mammals including whales may be adversely affected by alterations in the ecosystems supporting them, changing food webs. For instance, amphipods -- which regularly disappear from oil-contaminated sediments -- are a favored food for gray whales....." (Howarth and Marino 1991, p. 31). Such considerations dictate that toxic pollutants not be discharged into Cook Inlet until their effects can be better understood and predicted.

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About the Author:

Robert W. Howarth is an expert in coastal water quality and oil pollution. He received his Ph.D. in Biological Oceanography from the MIT/Woods Hole Oceanographic Institution Joint Program in 1979. He served as a staff research scientist in Woods Hole for 6 years before joining the faculty at Cornell University in 1985. At Cornell, Howarth is the Atkinson Professor of Ecology & Environmental Biology, the Director of Graduate Studies in Ecology & Evolutionary Biology, the Director of the Program in Biogeochemistry & Environmental Change, and the Director of the Cornell Laboratory for Natural Abundance Isotope Analysis. He is also the Editor-in-Chief of the international journal *Biogeochemistry* and the co-chair of the International SCOPE Nitrogen Project.

Howarth has published over 80 scientific articles. His research is funded by the National Science Foundation, the SeaGrant Program, the Hudson River Foundation, and the Mellon Foundation. Howarth has served on 8 committees, panels, and working groups of the National Academy of Sciences. In the past few years, he has served as a member of the NAS Committee on Managing Wastewater in Coastal Urban Areas, the NAS Committee on the Coastal Ocean, and the NAS Committee on High-Priority National Needs in the Coastal Zone. He is also a member of the NAS Panel on Nitrogen Cycling in China and chairs the NAS Working Group on the Conduct of Science on Public Lands. Howarth serves as a member of the Committee on Ethics of the American Society of Limnology & Oceanography and of the Advisory Committee for the Sustainable Biosphere Project of the Ecological Society of America.

Indigenous People's Council for Marine Mammals

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23 January 1996

Environmental Protection Agency, Region 10
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1200 Sixth Avenue
Seattle, WA 98101

To whom it may concern:

This letter is commentary on the Draft National Pollution Discharge Elimination System (NPDES) Permit for Cook Inlet Oil and Gas Exploration, Development and Production. My comments will focus largely on the marine mammals of the region and the materials in the EPA's fact sheet and proposed permit. I am opposed to issuing the permit as it stands and would request that a zero discharge permit be issued for this region.

In 1994 and 1995 I participated as a member of the U.S. delegation to the eight nation Arctic Monitoring and Assessment Program (AMAP). The major theme of the AMAP report that is being prepared is that pollution from all over the globe is moving to the north and impacting living systems.

AMAP consid movement of pollutants on a global scale. Within this permit the exclusion zones range from 1000 m to 20 miles along a relatively closed inlet system. Considering the inlet has the second highest tidal action in the world there will be movement of any discharged materials. Unfortunately this movement is not so much one of flushing, particularly in the winter months when fresh water input into the inlet is limited, but one of sloshing about in a tub of dirty water.

Materials discharged from a site will move at one period of the day down to the ocean in the normal current and with the outgoing tide. Within a few hours the tide changes and the materials reverse their action and move up the inlet perhaps even past their point of origin. Those materials discharged during tidal flow will first move up the inlet. During the Exxon Valdez oil spill, weathered crude was found well up the inlet in the summer, indicating that even at a time of increased river flow materials can move up the inlet over time.

Water movement and exclusion zones are therefore a concern. The fact sheet states that unique habitat was considered in this permit and that discharge is not allowed in some selected areas. Exclusion limits are mentioned for Steller Sea Lion aquatic foraging area (please note that this animal was named for a biologist whose name was Steller not for stars and so the spelling needs to be corrected), as well as for Sugarloaf Island, and other areas along the inlet. The implication is that with these exclusions that the permit would be safe for unique habitat and species of the region.

On the other hand, within the permit on page 37 under "2. Produced Water" it states that it "may affect, but is not likely to adversely affect, all of the considered species *except* the Beluga whale." The paragraph ends with the EPA concluding that "'may adversely affect' is based on lack of conclusive evidence regarding the actual impact of produced water discharges upon the species." This to my mind means that there is concern for the entire inlet for the Beluga whale.

In addition there is conflict with the concepts behing the mixing zones. The mixing zones have been described and it is noted that due to the flow of water in the Inlet, with its extremely high tides, any discharges will be stirred well. These statements are contradictory to the relatively small exclusion zones (1,000 - 1,500 m) that have been established for most of the Inlet. If there is a great deal of water movement, then that would require larger exclusion zones, especially if that movement is one of back and forth and not flushing in just one direction. I therefore have serious concerns over the mixing zones and relatively small discharge exclusion zones as outlined in the permit. This becomes a critical concern when the health of the marine mammals of the region are considered.

As stated above there may be adverse impact to Beluga. In 1994 I was appointed to sit on the National Scientific Review Group for the Alaska Region to evaluate all marine mammals under the amendments to the Marine Mammal Protection Act. Those reports list the Cook Inlet Beluga, and the Western Steller Sea Lion as "strategic stocks" which will be evaluated on an annual bases and for which habitat degradation must be considered. Harbor Seals were not classified due to a lack of definitive information. They have had significant declines in their population but it is unclear if there are multiple stocks and therefore the resilience of the animals.

EPA 1/96 - Hild

Steller Sea Lions have been declining in this region for nearly twenty years. Harbor Seals have been declining in this region for nearly twenty years. Harbor Seals are known to feed on octopus which feed on benthic populations. Benthic animals pick up pollution as they are filter feeders and/or search the sediments for food. Therefore it is possible that Harbor Seals are being impacted by the years of discharge in the region.

Several years ago there was a massive die off of Harbor Seals in Europe. It has been concluded that the animals died of a virus. It has also now been found that the blubber of the animals that died had low levels of an organochlorine compound. This pollutant of itself was well within "safe limits" and did not cause the deaths, but it had compromised the animals' ability to fight off infection by depressing the immune systems.

In people we carry a herpes virus in our body. It does not manifest itself unless we are stressed. Work loads, sickness, poor nutrition can cause the eruption of "cold sores" or "fever blisters." These are indications that our system is week. They are not related directly to a cold or fever, but are the manifestation of the virus itself. If we do not take care we can then become very sick, and if pneumonia sets in we can die. Those who die of pneumonia did not die of herpes, nor stress, nor even the sickness that may have made them bed ridden, but they do die of pneumonia.

Herring in Prince William Sound were observed to seriously suffer from a virus in 1993 four summers after the oil spill. It has been reported that they carry this virus all the time and it manifests itself when they are stressed. It is unknown what the exact stress was in 1992 or 1993 that caused the effect but the impact to herring, and the animals which feed on herring was evident.

Recent blood tests on Steller Sea Lions and Harbor Seals in this region, as reported by the University of Alaska Fairbanks Institute of Marine Studies, indicate from liver enzymes that they are under stress. It is unknown how stressed these animals are and what type of "straw it will take to break the camel's back" with a disease outbreak. No further pollution should be added to this scenario. We know that the ecosystem of the lower Cook Inlet is stressed. We have the ability to reduce pollution into the Inlet. We need to take precautions to

protect these species before there is any further degradation of their health.

Alaska Native hunters in Cook Inlet, who are legally allowed to take Beluga whales for subsistence, have reported lesions, and tumors in the animals over the past few years. Only recently have tissues been sampled to evaluate the health of these animals. As more analysis is completed there will be a better understanding of the overall health of this animals. Until then, and in light of these physical signs of ill health, it is prudent to, where possible, reduce the pollution into Cook Inlet. This permit is an excellent way to address this concern.

Humpback and Fin whales are also listed as "endangered" and are "strategic stocks." They do not come up the inlet, however they do feed at its southern end. Therefore there are four and possibly soon to be five "strategic stocks" which live and feed in the effluent of Cook Inlet. Two are already "endangered," and one is being considered to be listed as "endangered." I am not aware of any other area of the country where there is that type of concentration of marine mammals of concern which could all be impacted by one NPDES permit. It is incumbent upon EPA and ADEC to make this a zero discharge permit.

There has been an old saying "the solution to pollution is dilution." For centuries this has been the practice. What is now known is that no matter where pollution is created, and no matter what medium it is disposed into for dilution, it will move to areas of less energy, be metabolized and become incorporated into living systems. The EPA and the Alaska Department of Environmental Conservation have officially stated that their philosophy is one of pollution prevention. The Clean Water Act states that the national goal is to eliminate the discharge of pollutants into navigable waters. Considering the best technology available, the best management practice would be to insist on a zero discharge permit for this region.

Sincerely,

Carl M. Hild

Carl M. Hild, M.S.Sci.Mgmt.
Biologist / Planner

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New discharge permit for inlet doesn't need tougher requirements

THE HOUSE RESOURCES COMMITTEE MEETS IN KENAI today to talk about two issues of importance to the Kenai Peninsula — HJR 59, which deals with federal discharge permit for Cook Inlet platforms, and HB 175, a bill which would limit the number of sport fishing guides in the state.

First, many thanks to the committee for holding hearings on these two measures on the peninsula, where oil and sport fishing are central to residents' livelihoods, as well as their lifestyles. It's great that the committee is taking an interest in these issues and was willing to come to Kenai to learn more about the area and to hear first-hand from residents.

Second, we'd like to lend our support to HJR 59, which asks the U.S. Environmental Protection Agency to issue a final National Polllutant Discharge Elimination System permit for the inlet's oil and gas operations that, in general:

1. Omits the incremental monitoring and reporting obligations required of permit holders in the draft proposal, and

2. Allows permit holders to operate under discharge monitoring and reporting requirements that are not more rigorous than those of the last permit.

Requirements of the existing permit, which expired several years ago, have worked well to protect the inlet. Fishing and oil have managed to co-habitate successfully, if not always peacefully, in inlet waters for about 30 years. Recent studies have not shown that the inlet and its fish have been harmed by oil and gas operations.

Interestingly enough, the same studies are being used by different sides in this issue — environmentalists who have lobbied for a zero-discharge permit requirement and the oil industry and its supporters who have lobbied just as hard for the discharge of muds and cuttings, produced water and miscellaneous water-based fluids to be continued.

Environmentalists say the sampling hasn't gone far enough, so it can't be concluded that there has been no harm to the inlet. The industry says the studies show they've been good neighbors.

Those who have conducted the studies have been careful not to take sides.

While some would say it would be taking a leap of faith, we believe the studies provide enough evidence that adequate protections are currently in place to ensure no harm comes to inlet waters. It follows — if it's not broken, does it need fixing?

The proposed permit, while still allowing discharges into the inlet, also increases certain monitoring and testing requirments. There is no doubt a need for monitoring and testing — even the industry agrees with this — but the amount should be supported by common sense and scientific reasoning. Testing and monitoring for the sake of testing and monitoring are wastes of time and money.

As an example, the draft permit proposes increased reporting requirements for sanitary waste discharges from the platforms even though the discharges have not been shown to be harmful. The old permit requires monthly testing; the draft permit calls for weekly testing with stricter limits.

Requirements of the old permit are sufficient.

It's ironic that the EPA in its 1996 National Water Program Agenda set as a goal reducing monitoring and reporting obligations by about 25 percent, while for the NPDES permit for inlet platforms it increases those obligations.

It's no secret that the maturing oil fields of the inlet are undergoing some tough times. It's getting harder and more expensive to make it economically feasible for the oil industry to do business here. That doesn't mean EPA or the community should turn their heads and not require adequate protections for the inlet.

But there's big difference in providing protection for the inlet and mandating reporting and testing that will do the inlet no good.

The public comment period for the NPDES permit has closed and a final decision on what will be required will be issued later this year. It goes without saying that no one wants to harm the health of the inlet — including those in the oil industry. There is vast disagreement as to what's harmful and what is not — as evidenced by the different sides in this issue using the same studies to support their positions.

When a final permit is rendered, we hope it will continue to allow discharges from the platforms and eliminate additional testing and monitoring that serve only to create more paperwork and expense while not helping the inlet.

Northern Test Lab

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FAX MEMO

Date: 23 February 1996

To: House Resources Committee Fax: 465-4316
Representatives Green, Williams, Ogan, Barnes, Kott, Austerman, Davies, Long, Nicholia

Copy: Representative Gary Davis Fax: 465-3835

From: Mike Tauriainen

I am writing to comment on the draft NPDES Permit for Cook Inlet Oil & Gas Exploration, Development, and Production. I have lived and worked in the Kenai-Soldotna area since 1959 and own a consulting engineering and environmental business. My family and I hunt, fish, play, and work on the Kenai Peninsula and are concerned about what happens to our community and the environment.

The proposed permit conditions are too stringent. I believe the permit should be renewed as is to allow the industry to continue operating essentially as they have. Our firm is regularly involved in environmental investigations, giving me a better than average understanding of industry impacts on the local environment. We test discharges from 12 Cook Inlet oil facilities on a weekly or monthly basis - roughly 500 - 600 samples per year. permit limits are exceeded maybe a half dozen times per year, and when they happen, the problems are usually rectified immediately. Just like the rest of us, the oil industry is not perfect, but they do a good job and are good neighbors.

Several studies have been done on the Inlet, some looking specifically for environmental degradation caused by the oil industry. The results? No indication of significant environmental damage, contrary to claims by a few environmental extremists. The challenges and cost of operating in Alaska and Cook Inlet are already burdensome. Sampling is costly because samples have to be transported by helicopter. I am concerned that the proposed permit would add an unfair burden on the oil operators in Cook Inlet and would result in cut backs and loss of jobs.

We have a good balance in Cook Inlet between development and environmental protection (other than too many regulations already). Please base the permit conditions on already available scientific evidence and not on emotion. Thanks for the opportunity to comment.

mt/wp/permit2.ltr

Alaska State Legislature

Senator Judy Salo * Senator John Torgerson * Rep. Gary Davis * Rep. Mike Navarre * Rep. Gail Phillips

Kenai Peninsula Delegation

December 18, 1995

Mr. Charles Clarke, Director
E.P. A. Region X
ATTN: Ocean Program Section WD-137
1200 Sixth Avenue
Seattle, WA 98101

Dear Mr. Clarke:

On November 30, UNOCAL Petroleum Products & Chemical Division forwarded a letter to you protesting the proposed NPDES Permit limitations on discharges into Cook Inlet. We concur with the concerns expressed by UNOCAL.

Regulations for the oil and gas industry must be derived from sound scientific measurement and observation and then tempered by economic considerations. Otherwise, they will not be in the best interests of anyone in the industry, the state of Alaska or its citizens.

We strongly urge you to reconsider these actions and to develop regulations which are user-friendly and in the best interests of all concerned.

Sincerely,

Senator Judy Salo

Senator John Torgerson

Rep. Gary Davis

Rep. Mike Navarre

Rep. Gail Phillips