

TO: Alaska Oil and Gas Competitiveness Review Board

FROM: Kristin Ryan, Commissioner Cathy Foerster and Commissioner Mark Meyers
Regulatory/Permitting Committee

DATE: July 2, 2015

SUBJECT: Environmental Permitting chapter outline

Charge: What changes to the state's regulatory environment and permitting structure that would be conducive to encouraging increased investment while protecting the interests of the people of the state and the environment?

We see value in improving the efficiencies of existing permitting processes. This is consistent with efforts underway currently as State regulatory agencies are forced to find cheaper ways of doing business due to shrinking funding.

Specific chapter sections:

- 1) The Governor has launched an effort to evaluate permit processes and consider ways to improve community involvement and clarity for permit holders. We have discussed our work with the Governor's office and recommend connecting these two efforts. In our chapter, we can refer to their work and the outcomes that work will identify that are relevant to encouraging investment in Alaska.
- 2) Resurrect an automated checklist similar to the one previously provided by the Coastal Zone Management Program (ACMP). An on-line checklist that walks applicants through the various approvals and authorizations they may need can help companies navigate the State of Alaska's permitting system.

DNR was asked to create a prototype online version with a checklist as a result of the ACMP sunset. The hypothesized online format was created to operate with the fewest re-formed resources and/or existing resources as possible. However, the product still required some resources and the prototype was never actually brought online, largely due to transition and budget considerations.

- 3) Establish a statewide mitigation bank and in-lieu fee program. Efforts currently underway at DNR.
- 4) Continue discussions with industry regarding drill rigs and air permit requirements. There is some debate about the best way to regulate air emissions from drill rigs. A workgroup has been established. DEC has maintained a website with meeting notes and outcomes:
<http://dec.alaska.gov/air/ap/OilGasDrillWorkgroup.html>
- 5) The report should mention the federal regulatory climate for development in the OCS and federal land holdings. Several recommendations for improvements to that system were documented in a recent report published by the National Petroleum Council. The chapter should make some suggestions about how federal permitting systems could be improved.
http://www.npcarcticpotentialreport.org/pdf/AR-Part_1-061115B.pdf