Letter of Agreement Between the
Minerals Management Service, Alaska Outer Continental Shelf Region,
and the Alaska Department of Environmental Conservation
Regarding Pollution Prevention and Response Preparedness for
Oil and Gas Facilities on Alaska Submerged Lands

Purpose

This Letter of Agreement is entered into by the Alaska Department of Environmental Conservation (ADEC) and the Minerals Management Service (MMS), Alaska Outer Continental Shelf Region (AKOCSR), for the purpose of coordinating and implementing requirements with respect to oil-spill prevention and response preparedness for offshore oil and gas facilities and pipelines on State of Alaska submerged lands and offshore areas which demonstrate a likelihood of affecting State waters in the event of a catastrophic spill. For the purpose of this statement, offshore facilities are oil exploration and production facilities located seaward of the coastline and the line marking the seaward limit of inland waters and Cook Inlet exploration and production facilities identified through an agreement between the Environmental Protection Agency, Region X and MMS, AKOCSR.

Background

On June 27, 1990, Alaska enacted House Bill 567, dramatically strengthening the State's oil pollution control laws and mandating new response planning standards and discharge prevention requirements for offshore facilities and pipelines. The Department of Environmental Conservation is Alaska's lead State agency in reviewing and approving all discharge prevention and response plans for conformance with Alaska standards.

On August 18, 1990, Congress passed the Oil Pollution Act of 1990 (OPA) which strengthened provisions concerning oil spill prevention, response planning, and financial responsibility for offshore facilities and pipelines. The responsibility for implementing OPA mandates for offshore oil and gas facilities and pipelines has been delegated to the Department of the Interior, Minerals Management Service. As a result of OPA, offshore oil and gas exploration and production facilities and pipelines located on State of Alaska submerged lands are subject to both MMS and ADEC spill prevention, response planning, and financial responsibility requirements.

The MMS requirements for pollution prevention and response planning for offshore facilities and pipelines as defined by OPA were published in 30 CFR 254, and became effective June 23, 1997. State of Alaska requirements for pollution prevention and response planning are provided by AS 46.04 and in regulations 18 AAC 75.

Policy and Implementation

The MMS and ADEC share a common goal to ensure that operators are adequately prepared to respond to a spill from offshore oil exploration and production facilities and pipelines.

Oil Discharge Prevention Contingency Plans

1. Oil Discharge Prevention Contingency Plans (ODPCP) approved by ADEC under 18 AAC 75 will normally satisfy Federal requirements under 30 CFR 254 regulations. The MMS will coordinate with the ADEC to resolve or clarify discrepancies or conflicts between Federal and State regulations.

2. Upon notification on an operator's intent to submit an ODPCP for an offshore facility or pipeline (18 AAC 75.405), ADEC agrees to notify the operator that the plan must also be submitted to MMS for OPA compliance. The MMS may, if necessary, request additional information from operators with respect to particular oil spill response plans.

3. The MMS and ADEC agree to exchange copies of all pertinent correspondence pertaining to the review and action on oil spill response plans for offshore oil exploration, production and pipeline projects on State submerged lands and offshore areas which could affect State waters.

Inspections and Drills

4. MMS and ADEC will, to the extent practicable, jointly develop inspection guidelines for use in ensuring that lessees operating in State waters comply with provisions of both agencies' oil spill prevention and response regulation and other applicable permit conditions imposed by Federal or State agencies.

5. The Parties will coordinate their respective inspection and monitoring activities where practicable, and work to conduct offshore facility inspections to minimize disruption to industry while ensuring efficiency and safety are maximized. Inspectors from both Parties may carry out inspections and other activities jointly where appropriate.

6. The ADEC will promptly inform the Regional Supervisor, Field Operations and the MMS will promptly inform the ADEC of any situation or circumstance relative to facilities whose operation or equipment may significantly increase the potential for an unauthorized discharge or create an unusual or an unacceptable risk to public health, safety and the environment.

7. The Parties agree to make inspection records and all applicable information obtained from their respective facility inspections available to the other. The

Parties also agree to cooperatively review inspection results, subject to applicable laws, regulations, procedures and the protection of information which, if disclosed would prejudice enforcement action by a Party.

8. The Parties agree to cooperate in the planning, scheduling, design, conduct and evaluation of exercises on offshore facilities as resources permit. The ADEC and MMS will cooperate on oil spill response drills and will each recognize drills conducted in State and Federal waters by the other agency. Operators will receive credit from both ADEC and MMS for any drill involving facilities seaward of the coastline in accordance with 30 CFR Part 250, 30 CFR Part 254 and 18 AAC 75 regulations.

Pollution Prevention

9. The Parties will cooperate to establish consistent pollution prevention requirements and to cooperatively monitor, examine and exchange information relative to those requirements for facilities that operate in State waters.

10. ADEC and MMS agree to work cooperatively to conduct a joint review of spill prevention measures beyond current requirements that could be used to modify Response Planning Standards and to ensure consistency in implementing offshore pollution prevention and response planning requirements.

Regulations and Enforcement

11. To the extent permitted under applicable laws, the Parties agree to cooperate in the execution of their respective regulatory responsibilities, to minimize duplication of effort and seek to identify opportunities for innovative, optimal and effective implementation of oil spill prevention plans. Both Parties recognize the importance of encouraging cross-training in each other's regulations and rules including the areas of inspection and response. Each Party must exercise its own rulemaking implementation responsibilities independently and in accordance with applicable rulemaking procedures.

12. Subject to requirements and limitations of applicable State and Federal law and Agency policy, the Parties agree to coordinate investigations of pollution events from offshore facilities and associated pipeline including, but not limited to, the sharing of information regarding witnesses, reports, analysis, and other available information that may assist in determining the cause of the incident. The Parties will, to the extent practicable, jointly develop investigation guidelines for use in coordinating spill investigation strategies, establishing a method to conduct investigations and exchanging reports.

13. Enforcement action undertaken by each of the Parties must occur independently in accordance with applicable laws and regulations. The Parties agree that, to the extent they reasonably can, they will consult with each other as to the intended

enforcement action. Enforcement actions on pollution prevention and response planning requirements specific to the State rests entirely with the State of Alaska.

Industry Financial Responsibility and Oil Spill Response Research

14. Upon submission of an application for approval of financial responsibility (18 AAC 75.205), ADEC agrees to notify the operator that oil spill financial responsibility documentation must be submitted to MMS for OPA compliance.

15. The ADEC and MMS shall cooperate in the coordination and implementation of research and other informational programs of mutual benefit to both organizations. Cooperation will include granting access to and sharing of non-confidential data, providing joint funding for research programs or mutual interest where funding is available and developing various analytical methodologies. In addition, the Parties agree to provide timely notification of events that may affect both organizations.

Limitations

Nothing in this agreement shall be interpreted to conflict with or be inconsistent with any Federal or State statute, regulation, or other provision of law applicable to the MMS or the State of Alaska, including pre-consistency reviews and consistency reviews. Furthermore, this agreement does not constitute a delegation of any authority by either agency to the other.

Evaluation

This agreement will be reviewed on a periodic basis and revised as necessary.

Effective Date

This agreement is effective upon signature. It may be amended at any time by mutual agreement of the Agencies and may be terminated by either Agency upon a 30-day written notice.

John Goll 10/6/05	Date	Larry Dietrick SEPTEMBER 28, 2005	Date
John Goll Regional Director Minerals Management Service		Larry Dietrick Director Division of Spill Prevention and Response Alaska Department of Environmental Conservation	