

Pannone Engineering Services LLC

Steven R. Pannone, Principal
Registered Professional Engineer
E-mail: [REDACTED]

March 17, 2023

Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senate Finance Committee

RE: Statement of Support for Section 404 Primacy Funding

Dear Senator Stedman, Senator Hoffman, Senator Olson, and members of the Senate Finance Committee,

I am writing to express my support for funding for the Alaska Department of Environmental Conservation (ADEC) to assume Primacy over Section 404 of the Clean Water Act.

Pannone Engineering Services, LLC (PES) is a privately owned Engineering Company that has been doing business in Alaska for 33 years. I am the Owner of PES and a lifelong Alaskan. I have interacted with both the State and Federal Regulator Agencies while working to obtain a Section 404 Permit over the past 33 years. The process of obtaining a Section 404 Permit is cumbersome and expensive and requires the Engineer to work with Federal and State agencies to obtain the permit. It seems logical from an engineering standpoint to consolidate this process under one regulator agency.

Like other states, Alaska has assumed primacy over multiple federal laws, including the Clean Air Act in 1972; the Safe Drinking Water Act in 1978; Section 402 of the Clean Water Act (National Pollutant Discharge Elimination System) in 2012; and is in process of assuming primacy over the Resource Conservation and Recovery Act. In 2013, the Alaska Legislature passed legislation establishing primacy over 404. It is now time for the funding to be approved so the State can assume primacy over this program which is currently managed at the federal level by the US Army Corps of Engineers. Including the requested funding in the FY24 operating budget will allow the State to begin the application process as authorized.

The value of primacy is a more efficient and cost-effective program with regulatory decisions made by Alaskans who best understand our state's unique conditions. Primacy does not weaken oversight: the programs are required to follow federal law and cannot be less stringent. A program run by the State is accountable to Alaskans and the State Legislature, assuring that Alaska will have control of its permitting priorities.

PES has a long history of supporting agency cost-recovery for the State's primacy of the Clean Air Act, the Alaska Pollutant Discharge Elimination System program, and other permitting through reimbursable service agreements with the State Office of Project Management and Permitting. Fees

for service are an expected part of doing business and we are prepared to discuss fees with ADEC. PES also supports efforts by the State to secure federal funding for the Section 404 primacy program since it is the only primacy program that is not partially funded by the federal government.

Thank you for your consideration of funding a program that will strengthen the State's permitting oversight while delivering greater efficiency and stability. These are valuable steps to attract investment and ensure that projects are developed responsibly for the benefit of Alaska and Alaskans.

If you have any questions or concerns, please contact me at (907) 745-8200.

Sincerely,

A handwritten signature in black ink, appearing to read 'SRP', with a long horizontal line extending to the left and right.

Steven R. Pannone, P.E., F. ASCE
Owner/Civil Engineer