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Governor Bill Walker
STATE OF ALASKA

October 4, 2017

The Honorable Scott Pruitt
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator Pruitt:

I am writing this letter to ask for your assistance regarding a recent action taken by the US Environmental Protection Agency's Region 10 (EPA-R10) that could cause significant problems for Alaska's effort to develop North Slope natural gas resources, and possibly for other projects within our state.

On August 29, 2017, EPA-R10 sent a letter to the U.S. Army Corps of Engineers (ACOE) potentially designating the entire Yukon River basin (an area of 200,000 square miles, or almost three times the size of Oklahoma) as an Aquatic Resource of National Interest (ARNI). This letter was submitted during the comment period for Alaska Gasline Development Corporation's (AGDC) Alaska Stand Alone Pipeline (ASAP) Project Draft Supplemental Environmental Impact Statement (DSEIS), and formally initiates an elevation process between the EPA and the ACOE on the ASAP Section 404 permit process.

I have grave concerns, with not only the implications of EPA-R10's potential designation of this vast area of our state as an ARNI, but also with EPA-R10's recent opposition to some fundamental aspects of this critical energy infrastructure project.

First and foremost, in submitting the August 29th letter, EPA-R10 erroneously pre-judges the ACOE's determination of compliance with the Clean Water Act's Section 404 (b)(1) guidelines and alleges "extensive, unmitigated destruction and degradation" of wetlands and permafrost. These allegations are unfounded, disregard years of best-management practices on the North Slope, and ignore previous analyses and determinations in the original 2012 EIS for the ASAP project (to which EPA-R10 did not object). AGDC has worked with the ACOE and developed a project design that minimizes impacts to high value wetlands and permafrost, and would reclaim most of the impacted areas back to wetlands.

Although EPA-R10 cites changes to the project following the 2012 Final EIS, they fail to acknowledge that AGDC has proposed routing refinements to avoid impacts to high value wetlands where practicable. Avoidance has been proposed through the use of ice pads, snow pack, and ice roads. The main ground disturbing activity on the North Slope will be through burying the pipe in a five foot wide ditch, which would be stabilized through immediate and ongoing intensive revegetation and maintenance efforts. The natural drainage patterns will be maintained with a buried pipeline, and AGDC intends to reclaim and revegetate the disturbed wetlands area so that it returns

to a wetland condition. Similar to the Trans-Alaska Pipeline System (TAPS), which is buried on much of the North Slope, the pipeline would run parallel to sheet water flow. Existing cross drainages and hydrology will be maintained and managed, as has been demonstrated for TAPS. One only has to look at the success of TAPS, which has many miles of buried pipe on the North Slope, as an example of successful stabilization and water management within the ROW.

Second, this unfounded judgement of wetlands impacts has led EPA-R10 to take the position that significant portions of the proposed natural gas pipeline must be elevated on vertical supports above the tundra on the North Slope, in their opinion, to minimize impacts to wetlands. However, AGDC has demonstrated that an above-ground pipeline would be much more expensive and not practicable. A below-ground pipeline is preferred for all areas, including the North Slope, for engineering reasons (constructability, reliability), safety reasons (protection, cover, security), and environmental reasons (fewer impacts to caribou; wetlands impacts could be avoided, minimized, and mitigated). The State of Alaska, who owns the land on the North Slope, along with the North Slope Borough and local subsistence users, support the below-ground pipeline. The U.S. Bureau of Land Management analysis of subsistence impacts also favors the belowground option.

There is a very sound technical basis for placing the pipeline below ground. AGDC has dedicated a significant amount of time and resources to address potential issues associated with a buried pipeline being raised by EPA-R10. A team of engineers, natural resource specialists, geophysicists (including a geothermal modeler), and former Alyeska pipeline employees with prior North Slope pipeline experience developed construction and operational methodologies and techniques designed to mitigate impacts associated with the ASAP Project's buried pipeline:

- Gas will be conditioned to below freezing temperatures and will be compatible with Arctic ground temperatures.
- There are significant problems with operating a chilled natural gas pipeline above-ground in an environment where temperature extremes can range from 90 degrees above zero to 50 degrees below zero or colder.
- AGDC's engineering aims to avoid and minimize impacts to permafrost to the extent practicable. AGDC's thermal modeling takes into account impacts related to ground disturbance and initial clearing of vegetation. AGDC's intended revegetation efforts will be substantial and are well-characterized in its Revegetation Plan, developed by experts at the Alaska Department of Natural Resources Plant Materials Center.

Finally, EPA-R10 is challenging the project's proposed mitigation plan for disturbed wetlands. AGDC's proposed mitigation plan, which is based on preliminary guidance from the ACOE's Alaska Region, looks at each of the 60 watersheds traversed by the project and evaluates each watershed based on how much wetlands disturbance has already occurred within that watershed. If the sum of new and existing impacts to a watershed is well below a threshold of what the scientific literature deems significant impact to aquatic resources, then no mitigation would be required. If a watershed has seen significant disturbance and AGDC's impacts add to this disturbance, then mitigation would be required. Alaska contains 65 percent of the wetlands of the United States. As you are likely aware, almost all wetlands in our state are undisturbed, and accordingly, most of the wetlands traversed by our proposed pipeline are also undisturbed. As large and remote as Alaska is, and as many wetlands as it contains, it would not be practicable, nor environmentally justifiable, for this project to mitigate for all wetland impacts along the entire pipeline route.

After consultation with ACOE, AGDC has taken a watershed-level approach, as discussed in the 2008 Mitigation Rule. AGDC followed preliminary guidance from ACOE in developing the framework for its plan, and has proposed what it believes to be appropriate and practicable mitigation for this long, linear project through many remote and relatively undeveloped watersheds. AGDC performed and validated a detailed analysis of the National Land Cover Database and reviewed an extensive body of literature on watershed-level impacts to aquatic resources and functions associated with anthropogenic disturbance. The analyses and review of the literature indicates that all but three watersheds do not have existing substantive impacts, and one of these three watersheds has no project wetland impacts. As the majority of the project's wetlands impacts are not considered substantive to the relatively remote and undeveloped watersheds in which they exist, mitigation is neither appropriate nor practicable in most watersheds. In the two watersheds where the cumulative wetlands impacts to watersheds are substantive and where mitigation is appropriate and practicable, AGDC has proposed compensatory mitigation through the purchase of available mitigation credits to offset debits.

I would like to note that this action by EPA-R10 appears contrary to the intent of President Trump's August 15, 2017 Presidential Executive Order on Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure, which calls for "coordinated, consistent, predictable, and timely" environmental reviews by federal agencies. The EPA-R10 has had adequate opportunity to evaluate the project, and its recent actions appears to be an attempt to add significant risk or delay to this project. This is anything but "coordinated, consistent, predictable, and timely."

I request that you intervene with EPA Region 10 to review the basis of their designation of the entire Yukon River basin as an ARNI and their opposition to construction of a below-ground pipeline and AGDC's use of ACOE guidance to wetlands mitigation.

Sincerely,



Bill Walker
Governor

cc: The Honorable Lisa Murkowski, United States Senate
The Honorable Dan Sullivan, United State Senate
The Honorable Don Young, United States House of Representatives
The Honorable Andy Mack, Commissioner, Alaska Department of Natural Resources
The Honorable Larry Hartig, Commissioner, Alaska Department of Environmental Conservation
Keith Meyer, President, Alaska Gasline Development Corporation
John Crowther, Director of State and Federal Relations, Office of the Governor