



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

JAN 16 2014

OFFICE OF
COMPLIANCE AND ENFORCEMENT

Reply To: OCE-133

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. JR Wilcox, President
Cook Inlet Energy
601 West Fifth Avenue
Suite 310
Anchorage, Alaska 99501

Re: Termination of Cook Inlet Memorandum of Agreement and EPA Regulation of Oil Spill Prevention, Control, and Countermeasures for Offshore Facilities in Cook Inlet, Alaska

Dear Mr. Wilcox:

This letter provides notice that the U.S. Environmental Protection Agency (EPA) will soon be assuming direct regulatory responsibility for the Spill Prevention, Control, and Countermeasures (SPCC) program within the area of Alaska known as "Upper Cook Inlet", the segment north of Kalgin Island. Following the passage of the Oil Pollution Act in 1990, federal responsibility for spill prevention and control in Upper Cook Inlet was assigned to the Minerals Management Service under a Memorandum of Understanding (MOU) signed with EPA in 1994 (the "Cook Inlet MOU"). As indicated below, EPA and the Bureau of Safety and Environmental Enforcement (BSEE) are jointly terminating the Cook Inlet MOU and EPA will be resuming SPCC responsibilities for Upper Cook Inlet. This new arrangement only changes the federal agency that will administer and oversee SPCC program implementation for your operations located within this geographic area.

The Cook Inlet MOU recognized that both EPA and MMS had responsibilities under the Oil Pollution Act (OPA) for regulating oil spill prevention and control, response planning, and equipment inspections. In general, EPA has spill prevention and control responsibilities for offshore facilities located in inland waters.¹ The Cook Inlet MOU provided an exception to this general arrangement specifically for oil and gas platforms in Cook Inlet, authorizing MMS to exercise spill prevention and control authorities in place of EPA. The Cook Inlet MOU listed several platforms and facilities in Upper Cook Inlet that would be subject to MMS jurisdiction in place of EPA, and established a presumption that future operations and facilities in this area would also be subject to MMS jurisdiction.

With the reorganization of MMS in 2010, and the creation of the BSEE as a successor agency to MMS, staff from EPA and BSEE recognized a need to re-evaluate the division of agency responsibilities for Upper Cook Inlet. After conducting this evaluation in cooperation with BSEE and in communication with the Alaska Department of Environmental Conservation, EPA and BSEE elected to terminate the Cook Inlet MOU and have EPA resume responsibility for the SPCC program within Upper Cook Inlet.

¹ For offshore oil drilling and production facilities, regulatory requirements are generally found in the Spill Prevention, Control, and Countermeasure (SPCC) regulations at 40 C.F.R. § 112.11. Certain offshore oil facilities will also be subject to related requirements, including the Facility Response Plan regulations at 40 C.F.R. §§ 112.20 – 112.21.

With the termination of the Cook Inlet MOU, all offshore oil and gas platforms and other facilities in Upper Cook Inlet that were subject to spill prevention and control authorities of MMS will return to EPA responsibilities. Moreover, all future offshore oil and gas platforms and facilities in Upper Cook Inlet will also be presumptively within EPA's authority, unless notice is explicitly provided otherwise.

For general information on EPA's SPCC program, please see our website at the following link: <http://www.epa.gov/emergencies/content/spcc/index.htm>. In addition, we expect to provide more specific information to facility operators as we learn more about your operations, stakeholder concerns, and environmental conditions within Upper Cook Inlet. If you have any questions about the SPCC program and requirements, please contact Bob Whittier, EPA Region 10's Emergency Preparedness and Prevention Unit, at (907) 271-3247.

As EPA begins to exercise SPCC regulatory responsibility for these facilities, EPA remains fully committed to regular coordination with all partner agencies, community stakeholders, and facility operators. Our goal is to ensure the protection of Cook Inlet waters, wildlife, and people while achieving regulatory efficiency and cooperation.

Sincerely,



Jeff KenKnight, Manager
NPDES Compliance Unit



Wally Moon, Manager
Emergency Preparedness and Prevention Unit

Enclosure

cc: Mark Fesmire
Region Director, BSEE, Alaska OCS Region

Kelly Schnapp
Senior Advisor, BSEE

Kristin Ryan
Director, Spill Preparedness and Response, Alaska DEC

Michael Munger
Exec. Director, Cook Inlet Regional Citizens Advisory Council