

Mr. Mike Leavitt
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue N.W.
Washington, DC 20004

February 5, 2004

Re: Public Petition of a Title V Air Quality Permit, Alaska Permit No. 182TVP01

Dear Mr. Leavitt:

Public Employees for Environmental Responsibility (PEER) is submitting this petition objecting to the issuance of Air Quality Control Operating Permit No. 182TVP01 for the BP Exploration (Alaska) Inc. Gathering Center #1 on behalf of Mr. Bill MacClarence. This petition is filed with you under the provisions of 40 CFR 70.8(d).

The basis for this objection is threefold:

1. The permit violates the Clean Air Act;
2. The pollution consequences of this violation are significant; and
3. Both U.S. Environmental Protection Agency and the Alaska Department of Environmental Conservation (ADEC) failed to exercise proper regulatory oversight in this matter.

Procedural Background:

On March 23, 2002, Bill Mac Clarence, a professional engineer and a retired ADEC employee with 20-years experience, submitted public comments on this proposed permit to the Alaska. [Attachment 1] The basis of his comments was that the owner and operator of this facility also owns, operates and controls multiple contiguous and adjacent facilities to the one permitted, but yet the aggregate impact of air emissions from the entire operation in combination was not being considered.

On March 7, 2003, based on these comments, ADEC published a revised proposed permit that aggregated all of the owner and operator's facilities under common control. [Attachment 2 is the ADEC's published Statement of Basis discussion for this revision]

On July 3, 2003, ADEC reversed its decision and proposed a permit striking all aggregation requirements. There was no Public Notice for this proposed permit. After negotiation with EPA and the Alaska Oil and Gas Association, but not the public, ADEC published a final permit on October 20, 2003.

1. The Permit Violates the Clean Air Act

As explained in Mr. MacClarence's comments, this permit violates Section 504 of the Clean Air Act, since the provisions of Prevention of Significant Deterioration, National Emission Standards for Hazardous Air Pollutants, and New Source Performance Standards are all based on aggregated impact of air emissions.

As reinforced by ADEC's original analysis, shown at Attachment 2, the March 7, 2003 version of this permit complies with all federal requirements for source aggregation. ADEC's rationale for requiring aggregation is based on EPA directives. By contrast, the permit decisions referenced in the final permit are at variance with your agency's own guidance.

2. The Pollution Consequences of This Violation are Significant

Air pollution on the North Slope of Alaska has become a serious problem. Emissions of nitrogen oxides on the North Slope are now as high as those for the entire metropolitan area of Washington, D.C. Nitrogen oxides are a criteria pollutant and these elevated levels represent a serious health problem for workers and native communities in the region.

Other pollutants are also a problem. As the oil fields are beginning to age sulfur dioxide and hydrogen sulfide emissions are increasing and will continue to increase further.

There are two gas line proposals currently in negotiation. Although the majority of emissions currently are a result of the combustion of natural gas, air pollution can be expected to grow exponentially as soon as gas development for export starts because of the additional mechanical systems required.

It is important to note that the impact of air pollution in the arctic is much more significant than in a more temperate region. The arctic region is subject to extreme atmospheric inversions, which results in the pollution being trapped in a mixing layer of only a few feet above the surface. For example, this mixing layer is 1000 feet in Los Angeles, 100 feet in Anchorage and 10 feet in Fairbanks. Thus, the health impact is much more substantial at the North Slope for comparatively much lower levels of pollution.

The policy of disaggregation has created this air quality problem, because operators have been allowed to divide up their facilities into smaller and smaller units. As a result, they stay below the threshold for pollution control requirements established in the Clean Air Act and do not have to meet federal requirements such as those for Prevention of Significant Deterioration, National Emission Standards for Hazardous Air Pollutants, and New Source Performance Standards.

3. Both U.S. Environmental Protection Agency and the Alaska Department of Environmental Conservation Failed to Exercise Proper Regulatory Oversight in This Matter

ADEC's reversal of, and EPA's acquiescence in, adopting a policy of disaggregation occurred behind closed doors in consultation with the oil and gas industry.

The July 3, 2002 permit was issued without Public Notice. There has been no public discussion of the pollution consequences of this permit or the new, more relaxed policies that underlie it.

In addition, EPA itself has reversed positions on this permit. As illustrated by the August 14, 2003 letter from Daniel Opalski, Acting Director for the EPA Region X Office of Air Quality, EPA had reservations about ADEC's new disaggregation position. [Attachment 3] In the weeks subsequent to this letter, however, those concerns dissipated for no ostensible reason other than the aggressive lobbying of the Alaska Oil and Gas Association.

The stated rationale for the current disaggregated permit is reference to permit decisions in Texas, Louisiana and Oklahoma. Apart from questions as to whether the policies in these three states comply with the Clean Air Act, the application of those state standards to the North Slope of Alaska is unsupportable because of A) the concentrated ownership of facilities on the North Slope compared to the dispersed pattern of operation and ownership in those three states; B) the massive size and scope of operations on the North Slope that, in hydrocarbon production, dwarf those in the referenced states; and C) the disproportionate, negative pollution and health effects of the disaggregation flowing from the weather patterns on the North Slope.

All of these issues could have been discussed had public discussion been allowed. Instead, EPA did not object to the reversal by ADEC. In so doing, proper regulatory oversight was lost in this matter.

For the forgoing reasons, Mr. MacClarence petitions you to veto this permit.

Respectfully submitted,

Jeff Ruch
Executive Director

Attachments:

- 1) Public Notice Comments
- 2) ADEC Statement of Basis Discussion for Aggregation
- 3) August 14, 2003 letter from Daniel Opalski, EPA Region X