

May 25, 2011

The Honorable Sean Parnell  
Governor of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

The Honorable Gary Stevens  
President  
Alaska State Senate  
305 Center Ave., Suite 1  
Kodiak, AK, 99615

The Honorable Mike Chenault  
Speaker  
Alaska House of Representatives  
145 Main Street Loop, Room 223  
Kenai, AK, 99611

Dear Governor Parnell, President Stevens, and Speaker Chenault:

I write to express my serious concerns about the negative federal ramifications of the looming expiration of Alaska's Coastal Zone Management Program. I am especially concerned about the potential impacts this may have on oil and gas development in Alaska's Arctic, at precisely the same time Alaska leaders are working to keep oil flowing through the Trans-Alaska Oil Pipeline. Unfortunately, the expiration of the Coastal Zone Management Program could jeopardize two years of productive effort to convince the Obama administration to support Arctic oil and gas development.

As you know, Alaska has participated in a voluntary federal-state partnership under the Coastal Zone Management Act (CZMA) since 1979, through the Alaska Coastal Management Program (ACMP). This partnership ensures state and local interests are addressed in managing coastal resources, and it requires federal actions to be consistent with state policies, if the state has an approved program. Without an approved coastal zone management program, Alaskans will lose an important opportunity to influence federal decision-making in the oceans surrounding our state. Federal authorities no longer would be required to ensure their actions in areas such as aquaculture, oil spill response, forestry and mining are consistent with state policies, as the CZMA currently requires. Without action by the State Legislature to reauthorize the ACMP, the program will cease to exist on July 1 of this year.

In addition to allowing the federal government to ignore state priorities for ocean resource use, Alaska will lose out on many other opportunities. The National Oceanic and Atmospheric

Administration (NOAA), the branch of the U.S. Department of Commerce which administers the CZMA, has invested more than \$151 million in the ACMP, including plans for \$2.5 million this year. The ACMP uses these funds to fight coastal erosion and protect subsistence uses in rural communities statewide. The state would no longer be eligible for grants under the federal Coastal and Estuarine Land Conservation Program which is on track to distribute \$20 million nationwide in 2011, including an important project on Campbell Creek in Anchorage.

The State of Alaska's total share of funding in the final and last round of Coastal Impact Assistance Program (CIAP) from Outer Continental Shelf leasing totals roughly \$51 million. In Alaska, that program is administered by the ACMP. Of the \$51 million, \$20 million has been received by state and local governments and nonprofits. Another \$3 million for nine projects is in process, leaving approximately \$28 million in funds yet to be received by Alaskans. Guidance from the federal Bureau of Ocean Energy Management Regulation and Enforcement suggests the state should be able to have another state entity administer the program. However, swift processing of the program funds will require the state to rapidly designate a new entity and retain ACMP employees knowledgeable of the process. These delays come on top of administrative problems with the federal side of the program that prevented the program from meeting its target end date at the end of federal fiscal year 2010.

My area of greatest concern is how expiration of the ACMP will affect oil and gas development on the North Slope. The Deep Water Port Act (33 USC §1503) requires a state "to have, or be making progress toward having," an approved coastal zone management program in order to build an off-shore, deepwater port for loading oil and gas in federal waters. The gradual slope of the ocean floor off the coast of the North Slope requires one to go many miles offshore to reach water deep enough to accommodate the large, deep-draft vessels associated with oil and gas production and transportation. Without the ACMP, oil and gas operators will not have the option to develop an offshore deepwater port, which could significantly impair their operations. This comes at an especially critical time for Alaska when I believe we are finally making progress in convincing the Obama administration to proceed with Arctic offshore oil development to help address America's energy and national security needs.

In summary, if the ACMP is allowed to expire, the impacts to the state's environment and economy will be severe. It is critical that Alaskans have a voice in federal decisions regarding ocean resource development and are well positioned to rapidly develop our enormous offshore oil and gas resources.

Sincerely,



Mark Begich  
United States Senator