



U.S. Department  
of Transportation

Administrator

400 Seventh St. S.W.  
Washington, D.C. 20590

Pipeline and Hazardous  
Materials Safety Administration

May 14, 2007

Thomas E. Irwin  
Commissioner,  
Alaska Department of Natural Resources  
550 W. 7th Ave, Suite 1400  
Anchorage, AK 99501

The Pipeline and Hazardous Materials Safety Administration, United States Department of Transportation ("PHMSA") and the Alaska Department of Natural Resources ("Alaska") have agreed to coordinate and cooperate in the regulation and oversight of oil and gas production and transportation in the state of Alaska, in accordance with the objectives outlined in this letter of intent.

Last year's pipeline failures on the North Slope of Alaska have highlighted the parties' common interest in assuring the safety, uninterrupted operation, maintenance, integrity, and reliability of Alaska's oil and gas infrastructure. PHMSA administers a national program of safety and environmental protection in natural gas and hazardous liquid pipeline transportation. PHMSA has jurisdiction over all oil and gas transmission pipelines in Alaska, including approximately 200 miles of pipelines on Alaska's North Slope and the 800-mile Trans-Alaska Pipeline System. Under Title 38 of the Alaska Statutes, the state of Alaska has jurisdiction over oil and gas infrastructure on state lands. By Administrative Order issued April 18, 2007, Alaska Governor Sarah Palin established the Petroleum Systems Integrity Office to maximize the safe and stable flow of oil and gas resources to market by ensuring oversight and maintenance of oil and gas equipment, facilities and infrastructure, and to improve coordination of the state's permitting, oversight, and compliance functions with other state and federal entities.

PHMSA and Alaska recognize the critical importance to Alaska and the nation that oil and gas exploration, production and transportation facilities be designed, constructed, operated, and maintained in a safe, environmentally protective manner, as well as to minimize the economic impacts of interrupted oil and gas production. Acknowledging these needs, PHMSA and Alaska will work together and coordinate their respective duties and activities relating to uninterrupted oil and gas production and the protection of public safety and the environment. Therefore, PHMSA and Alaska have agreed to cooperate in advancing the following program elements:

- Delineating jurisdictional authorities and clarifying roles and responsibilities for PHMSA and Alaska agencies;


- Clarifying infrastructure definitions;
- Establishing consistent risk assessment procedures;
- Developing a strategic plan to improve coordinated oversight of facilities and activities designed to transport and produce oil and natural gas;
- Coordinating the development of guidelines and directives affecting oil and gas production and transportation facilities in the state of Alaska;
- Coordinating inspections of oil and gas production and transportation facilities;
- Sharing data and other infrastructure integrity information on a routine basis, as permitted by law;
- Developing procedures during Incidents of National Significance that will optimize communication and information flow to protect the safety and reliability of oil and gas facilities;
- Improving coordination of stakeholder outreach programs;
- Identifying ways to minimize duplication of effort and attendant costs; and
- Reviewing research projects and identifying opportunities to collaborate and support PHMSA's and Alaska's respective missions and strategic plans through the identification, development, and testing of new or advanced technologies or processes that can be utilized to accomplish common objectives.

We look forward to advancing and strengthening this important partnership.

Very truly yours,

  
Thomas J. Barrett

AGREED:



Thomas E. Irwin  
Commissioner  
Alaska Department of Natural Resources

5-14-07

Date