

AP/AL: Appropriation **Project Type:** Research / Studies / Planning
Category: Natural Resources
Location: Statewide **Contact:** Leta Simons
House District: Statewide (HD 1-40) **Contact Phone:** (907)465-3779
Estimated Project Dates: 07/01/2010 - 06/30/2012

Brief Summary and Statement of Need:

Administrative Order 234 requires the Petroleum Systems Integrity Office (PSIO) to conduct a gap analysis to assess current state agency jurisdictions, standards and practices with regard to oil and gas infrastructure oversight; identify gaps or overlaps in regulations, resources, practices or oversight; assess the risks associated with identified gaps; and address overlaps. Prior funding for this project has resulted in a draft report detailing identified gaps and overlaps. This CIP request will fund Phase 3 of the project, to begin coordinated and facilitated discussions among agencies to find solutions and make recommendations with regard to identified gaps and overlaps.

Funding:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Total
Gen Fund	\$125,000	\$125,000					\$250,000
Total:	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$250,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA07/CH30 \$ 500,000 In development

Project Description/Justification:

The goal of the gap analysis project is to avoid duplication of effort and provide a comprehensive and cost-effective approach to determine the appropriate state oversight of oil and gas activities and infrastructure.

Along with the PSIO, the designated agencies associated with the gap analysis project include the Departments of Environmental Conservation; Public Safety; Commerce, Community and Economic Development; Fish and Game; Revenue; Transportation and Public Facilities; Administration; Labor and Workforce Development; and Law.

The project has been divided into four phases:

Phase 1 focused solely on identifying existing statutory and regulatory authorities, jurisdictions, and basic enforcement practices individual agencies have with respect to oil and gas activities and infrastructure.

Phase 2 verified and analyzed the programs identified in Phase 1, and reported findings of various jurisdictional and process gaps and overlaps. Phase 2 findings have been prioritized based upon how directly the gap/overlap relates to oversight of petroleum system infrastructure, as opposed to programs that have more of a collateral, ancillary effect on petroleum system integrity.

Phases 3 and 4 are the final and most critical steps in the gap analysis project. These phases will require coordinated and facilitated discussions among the designated agencies regarding the identified gaps and overlaps and what should be done with them. The PSIO and designated agencies will execute strategic management plans that develop recommendations, construct effective corrective action where necessary and provide follow-up controls to mitigate the risks presented by the identified gaps and overlaps. Efforts to improve intra-agency coordination will also be implemented. It is likely that some statutory and regulatory changes will be necessary.

Why is this Project Needed Now?

Phases 1 and 2 have been completed and the PSIO currently has a draft report detailing identified gaps and overlaps. If funds are not allocated for Phase 3 and 4, the ultimate goal of the gap analysis project will not be realized.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION (text)
Services	\$ 125,000	Contract Services

Project Support:

Designated state agencies, as detailed above.

Project Opposition:

None at this time.