



Via e-mail

August 27, 2012

Janet McCabe
Principal Deputy Assistant Administrator
Environmental Protection Agency
EPA Docket Center, Mail Code 28221T
1200 Pennsylvania Ave., NW
Washington, DC 20460

Re: Comment for Plan EJ 2014: Considering EJ in EPA's Permitting Process, Docket ID No. EPA-HQ-OAR-2012-0452

Dear Ms. McCabe:

Western Energy Alliance submits the following comments on Plan EJ 2014: Considering EJ in EPA's Permitting Process. We appreciate the opportunity to participate in the process.

Western Energy Alliance represents 400 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas across the West. The majority of our members are independent producers – small businesses with an average of twelve employees. These small businesses may struggle to comply with these additional community engagement activities, and in some cases may find that the additional regulatory burden prevents them from operating near overburdened communities. This will take away jobs and economic benefits from these communities. This Notice of Availability gives lists of actions EPA and permit applicants can take to increase participation of “overburdened communities,” and we believe these lists of activities are another example of unnecessary and overlapping EPA requirements. Our member companies already do engage all of the communities in which they operate not just overburdened communities. Mandating government-approved community engagement in certain communities would take company resources away from oil and gas production, which could actually drive jobs and economic benefits away from the communities that need them the most and would be counter to the goals of environmental justice.

The EPA Notice defines overburdened communities as those who “potentially experience disproportionate environmental harms and risk...” However, the EPA permitting process exists to protect communities and the environment from harms and risks, and in that process there is ample opportunity for communities to participate. EPA has not demonstrated how encumbering the permitting process with additional community engagement will increase environmental justice or reduce environmental harms or risks.

Regulatory requirements and increased process requirements, as in EJ2014, usually increase the cost of doing business, thereby diverting resources from productive economic activities, such as oil and gas development, to compliance with negative economic and jobs impacts. One of the most significant in terms of environmental justice is lost jobs. Access to high-paying jobs such as in the oil and natural gas industry where average incomes are much higher than in other sectors, is a key means to reduce poverty.

In addition, access to affordable energy for home heating, electricity generation, and transportation is another key component of environmental justice. Increasing the costs of production of oil and natural gas by increasing the regulatory burden will necessarily result in higher costs to consumers, which disproportionately affects low income and other disadvantaged communities. As such, efforts like EJ2014 can be counterproductive to environmental justice goals.

Oil and natural gas company employees live, work, and are integrated into the communities where operations occur. Many of these areas in the West are rural communities, which rely heavily on revenue from our industry to provide housing, security, education, and other vital community services. Many of these communities lack many other high-paying employment opportunities, especially for those without college degrees. For example, in Vernal, a small community in eastern Utah, the oil and gas industry provides 50% of employment and 60% of total wages paid. Average oil and natural gas wages, at \$63,963, are 64% higher than the county average of \$39,056.¹

Besides providing the foundation of many communities through taxes paid, oil and natural gas companies regularly pursue good-neighbor policies and voluntarily contribute significantly to communities. Company community engagement is tailored to the specific needs of the communities. A list of engagement activities given by EPA Region Offices that

¹ *The Structure and Economic Impact of Utah's Oil and Gas Exploration and Production Industry: Phase 1 – the Uinta Basin*, Bureau of Economic and Business Research, University of Utah, November 2007.

may not account for the nuances of local communities is unnecessary, could delay the permitting process, and could be onerous for companies to comply with.

As stated above, the majority of our Alliance members are small businesses, and while they do engage the communities in which they operate, they have limited resources to participate in the extensive list of environmental justice activities EPA suggests. Companies may find the prospect of additional outreach activities is a disincentive to operating in overburdened communities resulting in the loss of jobs and economic activity from communities that need them the most.

Sincerely,



Kathleen M. Sgamma
VP, Government & Public Affairs
Western Energy Alliance