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From: Marc Himmelstein

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Subject: Talking points

NES-QEP EPA Talking Points - Rep Bishop 170710 ver4.docx

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Here are the talking points we sent Chairman Bishop for tomorrow's call

Talking Points for Telephone Conference with EPA Administrator Pruitt

Introduction and Background

- Thank you for taking the time to discuss an important issue impacting domestic energy development and, specifically, my 1st Congressional District of Utah.
- The Uinta Basin is a prolific oil and natural gas producing region and is in my district. The Basin includes state, federal and tribal land or state and tribal "airsheds" (for the purpose of our discussion). The tribal airshed is associated with the Uintah and Ouray Reservation and includes a majority of the Basin's active oil and natural gas wells (approximately 70 percent).
- The purpose of my call is to ask you to: (1) amend the National Tribal NSR FIP to apply in nonattainment areas until a local or "reservation-specific" FIP is in place, and, (2) commence a collaborative stakeholder process now to develop a local/reservation-specific FIP for the Uinta Basin. I am happy to provide suggested language to accomplish this.
- In recent years, concentrations of ozone in the Uinta Basin have reached or exceeded the
 national ozone standards during the winter months. Wintertime ozone is a relatively new
 discovery, limited to a small number of isolated basins in the Intermountain West.
 Wintertime ozone formation is not fully understood and much of this phenomenon appears
 to be driven by atmospheric conditions outside of our control. The Uinta Basin is expected
 to be designated "nonattainment" under the 2015 ozone standard.
- It is important to note that oil and natural gas production in the Basin has declined in recent years. Much of this decrease in development is attributed to low energy prices and the regulatory burdens imposed by the previous administration discouraging federal land development. As production declined, emissions from oil and natural gas development followed suit.

Issue

- EPA finalized the current Federal Implementation Plan for True Minor Sources in Indian Country for the Oil and Natural Gas Production and Processing Segments (National Tribal NSR FIP) last summer (June 2016). Industry operators have been and continue to register new development in the tribal airshed of the Basin under the National Tribal NSR FIP.
- Importantly, the National Tribal NSR FIP does not apply to nonattainment areas. Therefore, upon a final nonattainment designation anticipated next year, oil and gas development in the Basin's tribal airshed will be disadvantaged because a streamlined permitting program will not exist. Further, EPA Region 8 has communicated to operators that site-specific permitting under the NSR Rule for Indian Country also will not be available due to inadequate staff/Agency resources and the Region's inability to prove (or disprove) that minor sources of emissions will not "cause or contribute" to a violation of the national ozone standard (taking us back to the challenge of understanding wintertime ozone formation/causation). This will hurt my district enormously. Last year, the Region proposed a local tribal FIP that was opposed by the tribes, the industry and the State. Incredibly, it treated existing sources more restrictively than new sources.
- We ask the Agency to develop a streamlined permitting solution for future development of the Basin. Your Agency may rely on the emission reductions realized from the recent decline in production and industry's commitment to work with your Agency to identify the appropriate emission control program necessary for the Basin to achieve and maintain attainment of the ozone standard.