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Mr. Geoffrey Wikel, Acting Chief
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Dear Ms. Hammerle and Mr. Wikel:

I write to submit my formal comments regarding the Bureau of Ocean Energy Management's (BOEM) Draft Proposed 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program (DPP) and the Programmatic Environmental Impact Statement (PEIS). While the DPP covers BOEM's five year leasing plan for OCS off the Atlantic, Gulf of Mexico and Alaska, I am limiting my comments here to the agency's plans for the OCS areas off of Alaska.

Prior to my specific comments on the DPP and request for considerations in the development of the PEIS, I am compelled to register my strong opposition to the unilateral executive action taken by President Obama on January 27th, 2015, to indefinitely withdraw (1) the areas of the OCS currently designated by the BOEM as leasing deferral areas within the Chukchi Sea Planning Area (Chukchi) and the Beaufort Sea Planning Area (Beaufort) in the five year oil and gas leasing program for 2012-2017; and (2) the Hanna Shoal region of the Chukchi. This unilateral action by the President was taken without sufficient consultation with stakeholders in Alaska, including key stakeholders such as the State of Alaska, local governments, the Alaska Eskimo Whaling Commission, Alaska Native Corporations, and the Alaska Congressional Delegation.

The DPP released by BOEM identified the Hanna Shoal as an area to be considered for withdrawal, subject to a robust public engagement required during the Section 18 and NEPA analysis:

“Based on BOEM’s analyses conducted for the 2007-2012 Program, the current Program, recent sales, and analysis of comments received during the pre-lease process for the Arctic lease sales, other potential deferrals will be considered for this Program, such as Hanna Shoal, Herald Shoal, Ledyard Bay Critical Habitat Unit, and others that may be raised during the Section 18 and/or NEPA analysis for this Program preparation.”¹ [Emphasis added]

¹ Summary of Draft Proposed Program – p. S-7

The language in the DPP explicitly assured stakeholders that a robust public process would be undertaken related to other potential deferrals in the Beaufort and Chukchi. The fact that the President's memorandum withdrawing some 9.8 million acres of the offshore in Alaska, including the Hanna Shoal identified in the DPP as a potential deferral area, was released to the public the very same day as the DPP illustrates a willful disregard for the public process and fuels public cynicism over agency actions, thereby undermining the public's trust in the process.

In the context of a process already poisoned by the President's unilateral actions, it is incumbent on professional agency staff and their contractors to restore balance and demonstrate to stakeholders that those interested in providing for family-supporting jobs, a robust revenue base for state and local governments, energy security and the opportunity to sustain the vibrant traditional cultures in Alaska through responsible resource development have equal standing in the public process. The interests of traditional cultures, hard-working Alaskans and the elected representatives of regional and local governments must be considered and not ignored by an administration bent on fulfilling a predetermined policy designed to satisfy professional advocacy groups.

I am confident that the professional staff at the Bureau of Ocean Energy Management can and will rise to the challenge, and that they will ensure a fair public process that results in continued opportunities for leasing in the Beaufort, Chukchi and Cook Inlet. In the interest of the process, I submit these specific comments:

1. The number of Alaska lease sales identified in the DPP - one each for the Cook Inlet, Beaufort and Chukchi - should be increased in the final proposed program.

The development of natural resources for the maximum benefit of the people is the premise of Alaska's Constitution and the promise of Statehood. Development of the OCS, particularly in the high-potential areas of the Beaufort and Chukchi seas, is a key foundation of Alaska's economic future and America's energy security. The recently completed study "*Arctic Potential – Realizing the Promise of U.S. Arctic Oil and Gas Resources*" by the National Petroleum Council (NPC) for the U.S. Department of Energy notes that "Given resource potential and long timelines required to bring Arctic resources to market, Arctic exploration today may provide a material impact to U.S. oil production the future, potentially averting decline, improving U.S. energy security, and benefitting the local and overall U.S. economy."² Proposing just a single sale in each planning area (the Cook Inlet, Beaufort and Chukchi) over the next five years is insufficient. Due to the long timelines recognized by the NPC, capturing the opportunities in Alaska's OCS should mean providing more than a single opportunity for parties to secure leases and thereby support robust exploration programs. BOEM should explore additional lease sales in the Cook Inlet, Beaufort and Chukchi.

2. At a minimum, the three Alaska lease sales must be included in any final proposed program.

The Proposed Rule for Oil and Gas Exploration Drilling Activities on the Arctic Outer Continental Shelf for 30 CFR Parts 250, 254, and 550 (Arctic regulations) released for

² *Arctic Potential – Realizing the Promise of U.S. Arctic Oil and Gas Resources*, Executive Summary, page 10.

comment by the Bureau of Safety and Environmental Enforcement (BSEE) on February 24, 2015 notes the important environmental benefits of cooperation amongst operators. "Avoiding duplication of relief well rigs, oil spill response assets, and other emergency response vessels and equipment would be an effective means to minimize environmental and social impacts."³ The most effective way to ensure multiple operators and the type of collaborative operations identified by BSEE is by ensuring existing and new players have access to additional acreage through a predictable leasing program. Failing to hold a single lease sale in a planning area over the next five year period would stifle any interest by additional parties and undermine the development of a robust OCS program in Alaska. Therefore any attempt to reduce the number of proposed lease sales from one to none in any of the Cook Inlet, Beaufort or Chukchi planning areas should be strenuously opposed by BOEM.

3. There should be no additional withdrawals in the planning areas without the overwhelming support of Alaskans.

The President's unilateral withdrawal of the Hanna Shoal without the opportunity for Alaskans' comments and input through the Section 18 or NEPA review was a tragedy for the public process that should not be repeated. According to BOEM's most recent estimate, the Chukchi Sea OCS likely contains between 2.3 and 40.1 billion barrels of oil, the mean estimate being 15.4 billion barrels of oil, and between 10.3 and 209.5 trillion cubic feet (tcf) of natural gas, the mean estimate being 76.8 tcf. That is the largest single estimate of OCS resources in the nation. It is important to remember that this region saw safe exploration operations in the late 1980s and 1990s. Following Lease Sale 109 in 1988 where 350 leases were issued, subsequent to Lease Sale 126 in 1991 where 28 additional leases were issued, exploration wells were successfully and safely drilled. The historical record strongly suggests that the area should not be placed off limits, but simply protected by operational requirements as the normal part of a lease implementation plan. Any withdrawals should only be made with the explicit and broad support of the State of Alaska, local governments, the Alaska Eskimo Whaling Commission, Alaska Regional or Village Corporations, and the Alaska Congressional Delegation.

The Alaska OCS provides a critical opportunity for America and a robust leasing program is the first step toward a bright economic future for Alaska and the Nation. For the benefit of Alaskans as well as consumers and businesses across the country, I urge BOEM to include each of the Alaska lease sales identified in the DPP in any final plan.

Thank you for consideration of these comments.

Sincerely,



Lisa Murkowski
United States Senator

³ Federal Register/ Vol. 80 No. 36 / Tuesday, February 24, 2015 / Proposed Rules Page 9930