

ENDANGERED SPECIES/OIL AND GAS: Critical habitat for seals, oil drilling may conflict in Chukchi Sea (04/03/2008)

Patrick Reis, Land Letter reporter

The National Marine Fisheries Service agreed last week to conduct a review to determine if ribbon seals should be protected under the Endangered Species Act, but oil companies may have inadvertently wagered \$2.5 billion that the animal will not make the list.

The Center for Biological Diversity petitioned NMFS on Dec. 20, 2007, to list the seal as an endangered species, citing "irrefutable evidence" that the effects of climate change and oil and gas activities in the waters around the Bering Strait are destroying seal habitat and that, if present trends continue, the seals face extinction by the end of the century.

Ribbon seals depend on sea ice for survival, using it during winter and spring to breed and rear cubs in an area that most predators, including polar bears, struggle to reach, said Shaye Wolf, a biologist with CBD, adding that if the seal is listed as threatened or endangered, the sea ice would definitely be declared critical habitat.

If the ice is declared critical habitat, ESA mandates that no action be taken to destroy it or diminish the habitat's value to the species.

But some of the sea ice is located in the Chukchi Sea, where the U.S. Mineral Management Service in February auctioned \$2.5 billion in 10-year leases for exploration and drilling to seven oil companies, including Shell Oil Co. (\$2.1 billion) and ConocoPhillips (\$500 million).

Currently, MMS is conducting a 60-day evaluation to ensure that the companies paid a "fair market value" for the leases, according to Robin Cacy, spokeswoman for the MMS Alaska Outer Continental Shelf Region.

If the leases are approved -- and with MMS calling them the "most successful in Alaska's history," there is no reason to believe they will not be -- oil titans may be holding drilling rights in the middle of ribbon seal's critical habitat.

What that means for the companies' drilling plans is not entirely clear. The companies working in the area would have to immediately adhere to the critical habitat protections, but according to MMS's Chief of Environmental Assessment, Deborah Cranswick, those standards would not prevent the companies from exploring and drilling for hydrocarbons.

Cranswick said that it was "unlikely" that companies would want to drill in areas that contained an essential ecological element for seal survival and said that there were practices for compromise if the two come into contact.

"[Critical habitat designation] may place additional requirements on the companies. We would do consultations to make sure they were in compliance," Cranswick said, asserting that the expenses of complying with critical habitat stipulations would be "incremental" when compared to the total cost of exploring and drilling. "[Critical habitat] may affect how they're used, but not whether they are ultimately used."

Wolf paints a different picture. "I don't see how oil drilling could happen in the area [under ESA guidelines], given seismic surveys which create considerable noise pollution and inevitable oil spills," Wolf said. "MMS has acknowledged that there's no way to clean up an oil spill in broken ice."

MMS's Environmental Impact Statement on the Chukchi Sea leases estimates the chances of one or more large spills greater than 1,000 barrels of oil at 40 percent, and states that in "open-water to broken-ice conditions," 10 to 20 percent of the spilled oil would be recovered.

According to MMS policy, the evaluation of the lease sales is to be completed within 60 days of the Feb. 6 sale, and NMFS is required to make a ruling on the ribbon seal petition by December 2008.

But if the sale is completed and ESA protections for seals are deemed warranted, environmentalists, MMS, NMFS and oil companies could find themselves in a multibillion dollar tangle over the Chukchi Sea's double-booking.