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# Los Angeles Times

**Greenspace** | Environmental news from California and beyond

APRIL 7, 2010

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## What's next for oil in the Alaskan Arctic?

By Kim Murphy

Just because the Obama administration has finally settled on its strategy for offshore oil and gas development on the Outer Continental Shelf, don't think the issue of what happens in the Alaskan Arctic is settled -- far from it.

Already, lots of new developments are underway. New briefs have been filed in the attempt to stop Shell Offshore Inc.'s plan to drill exploration wells in the Chukchi and Beaufort seas; a new Government Accountability Office report criticizes the Minerals Management Agency in Alaska for how it conducts its environmental reviews; and now the U.S. Fish and Wildlife Service is turning attention back to the classic battleground over Arctic oil, the Arctic National Wildlife Refuge.

The agency announced it is beginning its first update in more than two decades of the conservation plan for the 19.2-million-acre refuge that lies west of the Prudhoe Bay oilfields on Alaska's North Slope -- home to grizzly bears, moose, wolverines, Dall sheep, birds, a massive herd of caribou and, if you're feeling optimistic, as much as 10.4 billion barrels of oil.

About 8 million acres of the refuge already are protected as wilderness. The new study could recommend additional areas for wilderness protection (read: no oil drilling, ever) including, conceivably, the so-called 1002 area of the coastal plain designated by Congress to study for possible oil development.



Icebergs near Barrow, Alaska, an Eskimo whaling village that sits on the border between the Chukchi and the Beaufort seas, where exploratory drilling is set to commence this summer.

*Laura Rauch, Associated Press*

"There are no avenues of discussion closed off to the public," Fish and Wildlife Service spokesman Bruce Woods said.

Conservationists will use the upcoming series of six public meetings in Alaska in April and May and another in Washington, D.C., on May 4 to champion protection for the entire refuge.

"Obviously, the critical component would be the 1002 area. They [the FWS] will be looking at the other half of the refuge to see if they should look at it to be designated as wilderness, too," said Emilie Surrusco of the Alaska Wilderness League.

Alaska's Democratic Senator, Mark Begich, weighed in quickly. "The Obama administration is wrong to pursue new wilderness in the Arctic National Wildlife Refuge or anywhere else in Alaska," he said in a statement.

"I'll fight any effort to block development of the enormous oil and gas likely beneath the Arctic Refuge. I'll work through my position on the Senate Budget Committee to cut any funding for this effort, and with the other members of Alaska's congressional delegation to short-circuit this unnecessary, money-wasting review."

Alaska Gov. Sean Parnell fired off another warning. "The oil and gas, wilderness, and wildlife values of the coastal plain have already been studied and this study previously has been submitted to Congress," the governor said. "It is a mistake for the federal government to initiate yet another planning process in ANWR, the most promising unexplored petroleum region in North America."

President Obama on March 31 announced that Alaska's Bristol Bay,

home to one of the most important fisheries in the world, will be off-limits to offshore drilling. But the administration said it will proceed cautiously in the Far North, allowing the already-approved round of exploration activity to continue but wait on authorizing new drilling until more scientific studies are in on the possible impacts of drilling in often-icy Arctic waters.

Neither side has been entirely happy with the decision. Drilling proponents point out that the new strategy cancels five pending leases in the Beaufort and Chukchi seas, despite the fact that the federal government already has spent \$300 million studying potential environmental impacts of drilling in Alaskan waters since 1973.

Yet those who fear that offshore oil development could wreak havoc on bowhead whales, polar bears, walrus and Native Alaskan communities who depend on the animals say the policy drafted by Interior Secretary Ken Salazar isn't cautious enough.

"Secretary Salazar's schizophrenic Arctic policy is threatening the very survival of America's polar bears. Despite proposing to set aside 200,000 square miles of critical habitat for the threatened polar bear under the Endangered Species Act, he is now

inexplicably authorizing drilling in that very same habitat," said Rebecca Noblin, staff attorney at the Center for Biological Diversity.

The next arena? The U.S. 9th Circuit Court of Appeals, which will decide whether to block exploratory drilling that otherwise is scheduled to start this summer. (Another case is before the district court in Anchorage.)

"The proposed exploration activities in both seas would be located directly in the middle of the fall migration route for the bowhead whale, and the activities would be timed during the fall migration," the Alaska Eskimo Whaling Commission and the Inupiat Community of the Arctic Slope argue in their new brief filed with the court.

Shell has pledged to shut down operations during the Native Alaskans' fall bowhead hunt, a move which has won over some native whalers, only some of whom are joining the lawsuits.

The plaintiffs also argue that emissions into the air from the projected drilling are "equivalent to millions of cars driving 12,000 miles per year in the fragile Arctic environment."

Shell says that's nonsense -- the equivalent of what would happen if everything were running full bore, every day. The main drilling ship's

actual nitrous oxide emissions will be about the same as those of a single North Slope power station, the company says.

The federal Environmental Protection Agency announced April 1 it had approved a clean air permit for Shell's Chukchi operations. The 514-foot-long drilling ship and support vessels will be required to burn ultra low-sulphur diesel fuel. The agency imposed other restrictions, including limits on operating hours, which are expected to reduce particulate emissions by 72 percent and sulfur dioxide emissions by 99 percent, from 181 tons per year to 2 tons.

Whether the Obama administration will go beyond the current, limited exploration and allow full oil and gas production in the Arctic -- that's a future decision that depends on what is learned in the coming months about how safely industry can be brought to America's furthest and most fragile frontier.

"Although the Chukchi and Beaufort Seas in the Arctic Ocean may hold significant oil and gas reserves, these frontier areas need additional exploration and scientific, environmental, and spill risk analysis before new areas are offered for leasing," the Interior Dept. said last week.