

TUESDAY MAY 4, 2010

Groups challenge Shell's Arctic air permits

By DAN JOLING Associated Press Writer

ANCHORAGE — Alaska Native and conservation groups have filed challenges to clean air permits the Environmental Protection Agency granted Shell Oil for drilling exploration wells in the Beaufort and Chukchi seas.

"Shell's drilling threatens to pollute the air we breathe, and EPA needs to regulate the emissions more strongly," said Caroline Cannon, president of the Native village of Point Hope, in a prepared statement. Point Hope is an Inupiat Eskimo village of 713 on the coast of the Chukchi Sea, 330 miles southwest of Barrow.

One appeal, filed Monday with the Environmental Appeals Board by 11 groups, including Cannon's, said the permits allow Shell's drill ship and support vessels to emit tons of pollutants into the Arctic environment off Alaska's north and northwest coast, harming Inupiat people and wildlife and contributing to climate change.

Mark MacIntyre, an EPA spokesman in Seattle, said the agency had not seen

the appeals and it was the agency's policy not to comment on them.

Shell Alaska spokesman Curtis Smith said in an e-mail reply to questions that the company believes its permits will be upheld.

"We have worked exceptionally hard to ensure our emissions footprint in the Arctic is as small as possible," he said.

Even without an air permit in hand, he said, Shell decided to retrofit its drilling ship with best available emissions control technology at a cost of \$25 million.

"That upgrade, combined with the use of ultra-low sulfur diesel fuel on all of our vessels, means Shell is not only meeting emissions requirements for operating in the Arctic, but far exceeding them."

Shell wants to drill three exploratory wells in the Chukchi Sea on acreage it leased in a 2008.

In granting that permit, EPA officials said requiring the Shell drilling ship to burn ultra low-sulfur diesel fuel and other conditions would reduce particulate emissions by 72 percent and

sulfur dioxide emissions by 99 percent, from 181 tons per year to 2 tons.

The requirements don't go far enough, according to the groups appealing. They claim Shell operations will produce more than 1,000 tons of nitrogen oxides per year and hundreds of tons of fine particulate, with 75 to 96 percent produced by support vessels. They called for best available technology on all support vessels — two ice breakers, a supply vessel and four or five spill response boats.

Two other appeals — one by the Center for Biological Diversity and another by the Alaska Eskimo Whaling Commission, the Inupiat Community of the Arctic Slope, a regional tribal government for eight villages, and the North Slope Borough — focus on carbon dioxide emissions.

Smith said delays in the appeal process could adversely affect Shell drilling plans.

"Without air permits, we cannot drill in 2010," he said. "As a result, we not only require a favorable outcome from the EAB to proceed, but also a timely one."