

December 17, 2020

Via email to: blm_akso_ak932_cpcomments@blm.gov

Chad Padgett, State Director
Bureau of Land Management
Alaska State Office
222 West 7th Avenue, Mailstop 13
Anchorage, Alaska 99513-7504

Re: Call for Nominations and Comments for the Coastal Plain Alaska Oil and Gas Lease Sale (Federal Register Document No. 2020-25316)

To Whom It May Concern:

This letter provides the public comments of the American Petroleum Institute (“API”) on the Bureau of Land Management (“BLM”) Call for Nominations and Comments for the Coastal Plain Alaska Oil and Gas Lease Sale (“Nominations”).¹ We strongly support the proposed call for nominations as a logical follow up to decades of evaluation encompassing resource and environmental assessments as well as a necessary precursor to the upcoming lease sale scheduled for January 6.

API represents all segments of America’s oil and natural gas industry. Our more than 600 members produce, process and distribute most of the nation’s energy. The industry supports more than ten million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. API was formed in 1919 as a standards-setting organization. In our first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.

Generally, API supports this specific call for nominations for the following reasons:

Calls for nominations are a critical part of lease sales. Calls for nominations are essential to identifying specific tracts of land for lease, and also to providing yet another opportunity for stakeholders to have their voices heard in the leasing process.

This particular call for nominations is the next logical step in customized leasing effort which first began in 1987, when the Department of the Interior (“DOI”) first recommended leasing in the area.² Since that time, leasing has been a high priority of the State of Alaska, North Slope Borough, Arctic Slope Regional Corporation (“ASRC”), and the Kaktovik Inupiat

¹ 85 Fed. Reg. 73,292 (Nov. 17, 2020).

² U.S. Dep’t of Interior, Arctic National Wildlife Refuge Alaska, Coastal Plain Resource Assessment: Report and Recommendation to the Congress of the United States and Final Legislative Environmental Impact Statement (Apr. 21, 1987) (“1987 Report”).

Corporation (“KIC”). Decades of environmental assessments culminated in the BLM’s 2020 Record of Decision for the Coastal Plain Oil and Gas Leasing Program (“ROD”), which evaluated prospective gains and mitigation strategies associated with the anticipated future effects of development production consistent with the National Environmental Policy Act (“NEPA”). This provided a wide-ranging analysis of the potential environmental impacts that could result from various leasing alternatives – making BLM’s analysis accessible by describing each component of the affected environment followed immediately by an analysis of the potential impacts. Over 70 experts were specialists were directly involved in the drafting of the underlying documents; consequently, the ROD requires all permitted activities are required to adhere to 44 required operating procedures and 11 stipulated operating conditions, with some activities even being further limited according to the time of year. To develop these procedures, the BLM consulted extensively with native communities and drew heavily upon protections that have been demonstrated to be effective in Alaska’s National Petroleum Reserve.

The ANWR Coastal Plain has significant resources identified as critical to national security. Since 1980 when Congress acquired acreage in ANWR, the Coastal Plain has been identified as an important hydrocarbon producing areas for our nation’s oil and natural gas resources. In fact, the Department of the Interior (“DOI”) first recommended that action be taken in 1987 – over 33 years ago. Responsible access to U.S. Arctic regions is in our national security interest, with other nations like Russia, Canada and Norway already actively exploring the areas within their boundaries. Additionally, leasing and development of the Coastal Plain will help the United States meet the energy challenges of the future. Alaska remains among the largest domestic areas for new energy resources of a major scale and is critical to long-term U.S. strategic interests.³ At peak production, ANWR could supply more than 1.4 million barrels of oil per day, which will add essential volumes to the Trans-Alaska Pipeline as other energy sources diminish.⁴ These resources will be significant in helping America maintain energy independence and providing a competitive advantage to U.S. manufacturers.

While bolstering U.S. energy security, lease sales in ANWR can create well-paying jobs and provide an important new revenue stream for Alaska. In 2019 nearly 104,000 Alaska jobs were attributable to oil and natural gas investment and activity, which represents 32 percent of all Alaska jobs and 35 percent of all Alaska wages. The-Alaska Pipeline system has delivered over 18 billion barrels of North Slope oil in its over 40 years of Operation. In fact, according to the letter submitted by Alaskan Oil and Gas Association (“AOGA”) on this call for nominations, “Over 77,600 Alaska jobs are attributable to oil and gas investment and activity, which represents 24% of all wage and salary jobs in Alaska. The oil and gas industry has contributed over \$150 billion (not adjusted for inflation) to the State of Alaska through royalties and taxes, and provides the largest cash contribution to the Alaska Permanent Fund. These benefits have been produced through an established record of safe and environmentally responsible development that is respectful of all of Alaska’s natural resources.”

Moving forward, we respectfully emphasize that predictability and certainty in leasing programs helps companies make the long-term decisions required for offshore development, particularly at the magnitude required for frontier areas like the Arctic. Regular, predictable lease sales are needed to help ensure high participation in future lease sales, new federal revenues from lease bonuses, associated infrastructure development, and continued exploration and production.

³ Dana Van Wagener, U.S. EIA, Analysis of Projected Crude Oil Production in the Arctic National Wildlife Refuge (May 23, 2018), <https://www.eia.gov/outlooks/aeo/anwr.php>.

⁴ Id.



American
Petroleum
Institute

This will help to assure our nation's energy security, especially since leases sold today will take many years to fully develop. Additionally, regular lease sales acknowledge that, as technology improves and economic conditions change, leases once deemed noncommercial evolve into viable drilling candidates with commercial potential. Because of this evolution, it is important to allow innovative companies the opportunity to pursue new leases and to test innovative geologic ideas and to employ advancements in technology for drilling and production.

If you have any questions or concerns, please do not hesitate to reach out to me.

Thank you for considering our comments.

Sincerely,

A handwritten signature in cursive script that reads 'Amy Emmert'.

Amy Emmert
Senior Policy Advisor
American Petroleum Institute
200 Massachusetts Ave NW
Washington, DC 20001
(202) 682-8372
emmerta@api.org