

Here We Go Again:

S. 351, The Latest Proposal to Drill the Arctic Refuge

Senate Bill 351, introduced by Senators Lisa Murkowski and Mark Begich, is the latest in a long string of attempts by the Alaska delegation to open the Arctic National Wildlife Refuge to development. This legislation opens the Refuge to leasing and full-scale development along its borders through 'directional drilling,' and allows destructive seismic testing and exploratory drilling within the Refuge's sensitive Coastal Plain. This legislation serves as little more than a Trojan Horse that aims to crack open the entire Arctic Refuge Coastal Plain to oil development.

Meanwhile, S. 351 has a number of environmental and legal loopholes that negate Sen. Murkowski's claim that the legislation's goal is to "preserve the refuge exactly as it is today." In fact, this legislation would undermine the fundamental purposes of this conservation area: to protect wildlife and wilderness.



No matter how you dress it up, directional drilling is still drilling. Oil development is an inherently risky, dirty business. As existing industrial activity on Alaska's North Slope has proven, more oil and gas development will result in harmful and cumulative environmental effects that extend far beyond wells and drill pads. There is no way around it: this legislation will destroy the pristine, untouched wilderness quality lands of the Arctic Refuge while doing nothing to move us toward a clean energy future.

The bottom line is that this bill is just another distraction from the real conversation we should be having about breaking our addiction to fossil fuels and moving toward renewable energy and conservation. In fact, our nation is already on track to make huge gains in oil savings through conservation measures. Recent increases in conservation and alternative technologies have already cut our nation's projected need for imported oil between now and 2030 by about 40 billion barrels - that's 17 times more oil than is speculated to be recoverable from the Arctic Refuge over that time period.ⁱ

Here are the top 10 reasons why the reality of S.351 doesn't match Senator Murkowski's rhetoric:

1. **'No surface impacts' is a farce:** Despite the 'no surface occupancy' claim in the bill's title, S. 351 would allow surface exploration activities (exploratory drilling, seismic surveys, and so on) throughout the Arctic Refuge Coastal Plain with no seasonal prohibitions. Seismic activities involve convoys of exploration vehicles traveling over extensive areas of the fragile tundra, and exploratory oil drilling uses large drill rigs, convoys and aircraft (remember, the *Deepwater Horizon* was an exploratory drilling rig). This reality in no way matches Sen. Murkowski's claim that there would be "no trace that we were ever there." Not only are these activities intrusive, but they would disturb wildlife such as polar bears that den in the Refuge, and cause severe and long-lasting damage to tundra and permafrost.ⁱⁱ Furthermore, there is no restriction on permanent facilities like water reservoirs, mines, ports, or airports being built for exploration. *If insidious activities such as seismic and exploratory drilling would be allowed, what else might be defined as 'no surface occupancy'?*
2. **Environmental laws and refuge purposes are tossed aside:** Currently the Arctic Refuge is protected and managed as a national wildlife refuge. When the Arctic Refuge was created in 1960, the protection of wilderness was identified as one of its primary purposes - something that makes it unique among our nation's refuges. The Coastal Plain of the Arctic Refuge is protected wildlife habitat for caribou, polar bears and migratory birds, and this legislation would waive the most important legal environmental safeguards for this fragile, wild land. If passed, this bill would mandate that a final legislative Environmental Impact Statement (EIS) from 1987 would apply to all new activities for the Coastal Plain. Essentially, the provision waives the National Environmental Policy Act (NEPA) by relying on this outdated EIS that was completed over 20 years ago, while also removing the protections of the Alaska National Interest Lands Conservation Act and the National Wildlife Refuge Administration Act. *This begs the question, if the bill would have no serious impacts on the Arctic Refuge, why would we need to waive our nation's most basic environmental laws?*

3. **Massive development along the refuge's borders:** Horizontal wells require the same infrastructure and have the same environmental impacts as conventional wellsⁱⁱⁱ - including production platforms, busy airports, permanent gravel roads and pipelines. As documented by the National Academy of Sciences, the impacts of development extend well beyond the direct footprint or the place where the drill touches the ground. The areas along the land and coastal border of the Refuge are part of the ecosystem and many Arctic Refuge species move between the Refuge and the adjacent state waters and lands. For example, coastal sea ice and waters of lagoons are used by caribou seeking relief from biting insects during summer, while threatened polar bears hunt seals and give birth in snow dens along the Beaufort Sea coast during the winter. Furthermore, in 2007 more than 4,800 bowhead whales - that's 40-50 percent of this entire endangered species' population - were estimated to be found directly off the Coastal Plain. *Ecosystem functions and the impacts of development do not stop at politically delineated borders. Increased development along the border of the Refuge will have serious impacts on the wildlife, resources and habitats of the Coastal Plain.*
4. **Full-scale development within the Arctic Refuge's boundaries:** In addition to surface seismic activities, exploratory drilling within the Coastal Plain, and massive infrastructure adjacent to its borders, this legislation also raises the very serious threat that nearly 100,000 acres of Kaktovik Inupiat Corporation/Arctic Slope Regional Corporation (ASRC) lands within the boundary of the Coastal Plain would be open to full-scale development, including major pressure to build pipelines and roads traversing public lands across the heart of the Refuge. ASRC acquired subsurface lands within the Refuge in 1983 in a controversial land exchange - knowing full well that they would not have the right to develop them unless an act of Congress opened the Arctic Refuge. *This land trade occurred behind closed doors, flew in the face of Congress' intent in the Alaska Native Claims Settlement Act to prohibit subsurface selections within Alaska's existing national wildlife refuges, and was found by the General Accounting Office to not be in the interest of the United States.*
5. **Drilling and spilling:** Beyond just the footprint from development, oil and gas operations on Alaska's North Slope have a dismal record of oil spills, air pollution, and discharge of waste water and toxins into the environment. An average of 453 spills occurs annually on Alaska's North Slope and more than 2.7 million gallons of toxic substance have been spilled since 1996.^{iv} The second largest oil spill in Alaska's history occurred in March 2006, when BP's mismanagement caused 200,000 gallons of crude oil to spill across the Arctic tundra. *A spill at the border of the refuge would have serious effects on the wildlife and water within the refuge.*

6. **The drilling area is vaguely defined:**

Despite the legislation's 'no surface occupancy' claims, the area that can be drilled by "horizontal or other subsurface technology from sites outside or underneath the Arctic Refuge" is vaguely defined in the bill as the "western coastal plain." The specifics are left to the sole discretion of the Interior Secretary. What's more, oil companies have gotten the federal government to eliminate or waive 'no surface occupancy' restrictions on Alaska's North Slope. In 2004, an oil



development plan proposed to place permanent oil production wells, roads, and pipelines for the Alpine Oil Field within a three-mile protected buffer zone instead of using horizontal technology. Yet despite the clear prohibition on surface occupancy, BLM approved the plan for drill sites, permanent roads, and pipelines within the buffer.^v *As rationale for disregarding the rules, the Bureau of Land Management said that directional drilling was just not economically or geologically feasible.*

7. **U.S. Fish and Wildlife Service is demoted:** S. 351 would, immediately upon passage, remove the Fish and Wildlife Service (FWS) from its long-standing role as manager of the Arctic Refuge Coastal Plain. Instead, this agency with far-reaching expertise on the biological and wildlife purposes of the Arctic Refuge, would be designated a mere consultant to the Bureau of Land Management, severely limiting the agency's ability to analyze and prevent any impacts from oil and gas development. *If the goal of this legislation is to ensure that the Refuge is preserved as it is today, why take its management out of the knowledgeable, expert hands of FWS?*

8. **Large and Expedited Lease Sales Mandated:** S. 351 requires that the first lease sale be large (200,000 acres) and occur within 18 months of the bill's passage. A second lease sale is required no later than two years after the first. With the bill claiming to limit development to areas within the reach of directional drilling technology, it makes no sense to mandate acreage for leasing. *A minimum lease acreage requirement completely undercuts the claim that the goal of this legislation is to limit leasing and development acreage via directional drilling.*
9. **Oil potential numbers are smoke and mirrors:** Senator Murkowski has claimed that directional drilling in the Arctic Refuge would produce 1 billion barrels of oil. In reality, the U.S. Geological Survey predicted any speculative oil potential in the Arctic Refuge would likely be found in small pockets across the entirety of the Coastal Plain, not in one large pool located near the Refuge's boundaries.^{vi} Senator Murkowski further claims the industry will be able to drill 8 miles underground, while in reality the farthest horizontal well ever drilled on Alaska's North Slope is only 4 miles. Furthermore, BP has been attempting to move forward with a project - "Liberty" - which would have horizontal wells 6-8 miles long on Alaska's North Slope. According to BP, this is the longest extended-reach well ever attempted, and the project has hit continual delays due to engineering problems and safety issues. The company has called it their "most technically challenging development to date." The U.S. Energy Information Administration estimates that even at peak production, oil from the entire Arctic Refuge would contribute less than 4 percent of the oil we consume daily,^{vii} and directional drilling would access only a fraction of this diminutive potential. *Why would we put our nation's largest and wildest Refuge at such significant risk for so little gain?*
- "legislation that will allow oil from [the Arctic Refuge] to be developed initially using only directional drilling techniques."
 - Senator Murkowski, February 15, 2011
10. **We can break our oily addiction and protect our public lands:** The American public is tired of the same old energy debate. Americans are looking to Congress to pass energy legislation that prioritizes cleaner, cheaper, safer and smarter ways to get the energy we need. We are already on that optimistic path. According to the Energy Information Agency (EIA), in just the past five years conservation has already reduced estimates of our demand for oil between now and 2030 by an astounding 42 billion barrels.^{viii} That is 17 times more oil than what *might* be recoverable from the Refuge during that same time period; and while the Refuge would only operate at peak production for a short time, we will continue to reap the benefits of a concerted conservation campaign for years to come. *The numbers show us that efficiency and renewables can address America's energy needs while we continue to protect the Arctic Refuge for future generations.*

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ⁱ R.A. Fineberg, May 15, 2010, Reduced Oil Imports from Conservation vs Potential Arctic Refuge Oil Production, 2011 - 2030. <http://www.finebergresearch.com/pdf/Refuge%20Numbers%20100515rev.pdf>

ⁱⁱ U.S. Fish and Wildlife Service. 2001. Potential impacts of proposed oil and gas development on the Arctic Refuge's coastal plain: historical overview and issues of concern. Web page of the Arctic National Wildlife Refuge, Fairbanks, Alaska: <http://arctic.fws.gov/issues1.htm>.

ⁱⁱⁱ Anne E. Gore, *Broken Promises, The Reality of Oil Development in America's Arctic, 2nd Edition*, The Wilderness Society, 2009.

^{iv} Alaska Department of Environmental Conservation spill database 1996 - 2008. Statewide oil spill data base, North Slope region. Village and Military DEWline spills removed for the analysis. See also Gore, 2009.

^v BLM, November 8, 2004. Alpine Satellite Development Plan EIS. Record of Decision by Rebecca W. Watson, Assistant Secretary Land and Minerals Management. <http://www.blm.gov/eis/AK/alpine/pdf/rod.pdf>, pp. 16-18.

^{vi} U.S. Geological Survey, April 2001. Arctic National Wildlife Refuge, 1002 Area, Petroleum Assessment, 1998, including economic analysis. USGS Fact Sheet FS-028-01. Bird, K.J. 1998. Chapter AO. Assessment Overview. In: The oil and gas resource potential of the 1002 area, Arctic National Wildlife Refuge, Alaska, by ANWR Assessment Team, U.S. Geological Survey Open File Report 98-34. Figs. AO6-15.

^{vii} U.S. Energy Information Administration (EIA), May 2008. Analysis of Crude Oil Production in the Arctic National Wildlife Refuge. Methodology and Assumptions. Report #: SR-OIAF/2008-03.

^{viii} R.A. Fineberg, May 15, 2010, Reduced Oil Imports from Conservation vs Potential Arctic Refuge Oil Production, 2011 - 2030. <http://www.finebergresearch.com/pdf/Refuge%20Numbers%20100515rev.pdf>