

Draft Proposed Offshore Oil and Gas Leasing Program

The federal government is currently accepting input on a proposed plan that would offer all areas of the Alaska coastline—from the Beaufort Sea all the way to Southeast—other than Bristol Bay, for oil and gas leasing. If finalized, the plan would allow leasing in places in which there is little oil and which are important to fisheries, subsistence, tourism, and other uses. The entire Alaska delegation, Governor Walker, and tribes in the Northern Bering Sea region have submitted letters requesting to have many of the areas removed from the program. Additional input at this stage can help put these proposals to rest for good, protect important segments of the state economy, and show support for the congressional delegation, governor, tribes, and others who are already on record. **The current comment period closes on March 9.**

Background

On January 4, 2018, the Department of the Interior (DOI) released the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program (DPP). Development of the Leasing Program is the process through which the federal government makes decisions about where and when to offer areas for offshore oil and gas leasing. DOI has divided the entire U.S. coastline into 26 Planning Areas. Fifteen of those Planning Areas are in Alaska, and the DPP includes lease sales in all of those

areas except the North Aleutian Basin (Bristol Bay). Of these areas, only the Beaufort and Chukchi seas and Cook Inlet have been the subject of leasing or exploration recently. A few of the other areas were leased and explored more than three decades ago but most have never been subject to oil and gas leasing or exploration. The lack of activity is likely due to the fact that there are minimal or negligible hydrocarbon reserves in those places.

Risks and Opposition

The areas included in this proposal are the breadbasket of Alaska's fisheries, including the entirety of the Bering Sea, Aleutian Islands, and Gulf of Alaska areas in which fisheries are



managed by the Council. These are also vital areas for subsistence, recreation and tourism. Offshore oil and gas activities create the potential for noise, water, and air pollution, increased vessel traffic, and gear conflicts and by threatening the reputation for clean waters and healthy ecosystems on which Alaska's fisheries marketing depends.

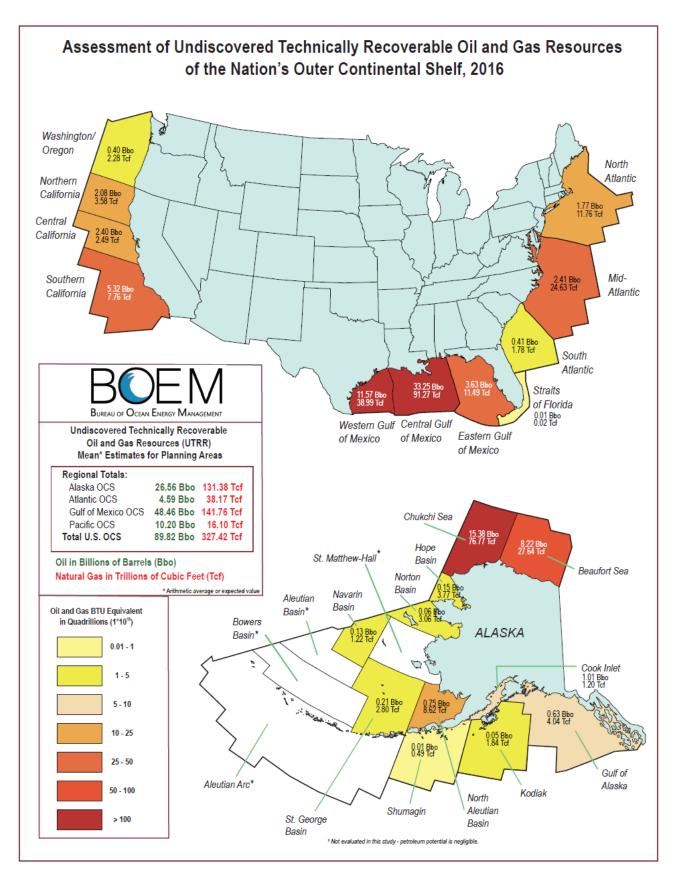
There is broad recognition of these risks and the need to prevent oil and gas activities in important ocean areas in Alaska in which there is limited potential for economic benefit. Recently, the entire Alaska congressional delegation and Governor Walker sent letters to Secretary of the Interior Zinke requesting that all of the Planning Areas other than the Beaufort and Chukchi seas and Cook Inlet be removed from the DPP. Communities and tribes in the Northern Bering Sea region have been steadfast in their opposition to these proposals for decades and seek to have the Planning Areas in their region excluded.

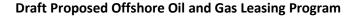
Opportunity to Influence the Process

This proposal is only a draft, and DOI is accepting additional input until March 9. A comment letter at this stage is the best way to encourage removal of important ocean areas, put these proposals to rest for good, protect important segments of the state economy, and show support for the congressional delegation, governor, tribes, and others who are already on record.









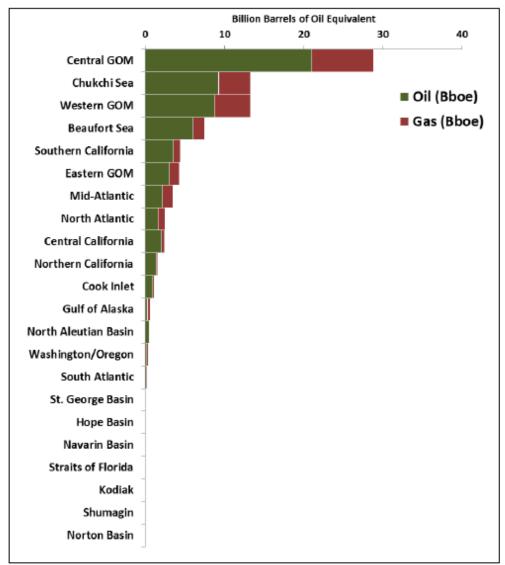


USDOI

2019-2024 National OCS Oil and Gas Leasing Draft Proposed Program

BOEM

Figure 5-10: Unleased UERR by Planning Area (\$100 Oil Price Case)



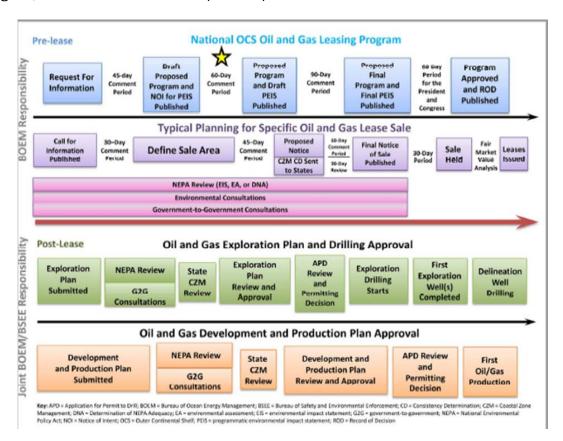
Notes: The \$100 price case assumes an inflation-adjusted price of \$100/bbl for oil and \$5.34/mcf for natural gas over the life of the 2019-2024 Program. Aleutian Arc, Aleutian Basin, Bowers Basin, and St. Matthew-Hall planning areas are estimated to contain negligible resource quantities and are not shown in this figure.





Offshore Oil and Gas Process

- The Outer Continental Shelf Lands Act (OCSLA) establishes a four-staged process for regulating
 offshore oil and gas activities. The first stage is preparation of a Five-Year Leasing Program. These
 programs determine which areas will be made available for leasing and establish a schedule
 pursuant to which sales will be held in those areas. At the second stage, lease sales are held, and
 companies bid to purchase those leases. The third stage is exploration, and the fourth is
 development.
- Preparation of a Five-Year Program encompasses several phases. The first stage is a request for
 information (RFI). BOEM issued the RFI in late summer. The Draft Proposed Program is the second
 phase. A Proposed Program will be next and a Proposed Final Program will follow. The proposed final
 program is submitted to Congress, which has 60 days to review it before the Secretary signs it. It does
 not appear that Congress has ever taken action during that 60-day window. In total, the process can
 take up to two years.
- The Obama administration completed the 2017-2022 Five-Year Program in November 2016 (it was sent to Congress then signed in January 2017 after the requisite waiting period). That program included sales only in the Gulf of Mexico and Cook Inlet. The Chukchi and Beaufort seas and Atlantic coast, which were in earlier versions, were taken out of the final program.
- In April 2017, President Trump issued an Executive Order in which, among other things, he directed Secretary of the Interior Zinke to begin the process of revising the 2017-2022 Program and, in so doing, to focus on areas (like the Arctic and Atlantic). OCSLA does not preclude a revision to the program, and the DPP is the next step in that process.



Congress of the United States Washington, DC 20515

January 26, 2018

The Honorable Ryan Zinke Secretary of the Interior 1849 C Street, NW Washington, DC 20240

Dear Secretary Zinke:

We write to express our appreciation for the Department of the Interior's recently released Draft Proposed Program (DPP) for Outer Continental Shelf oil and gas leasing for 2019-2024 and to offer our perspective on the Alaska-specific lease sales.

We commend you for taking an inclusive approach that allows for meaningful public input as you determine where responsible development should occur on our nation's Outer Continental Shelf (OCS). For far too long, arbitrary and unilateral executive actions have undermined the open process that Congress established through the Outer Continental Shelf Lands Act. This has harmed states like Alaska, where tens of millions of acres of waters were previously closed without public input, consultation or support. We welcome your decision to include the broadest subset of OCS regions and program areas in the DPP, which will ensure a robust public debate and deliver the strongest possible final program.

As the DPP recognizes, the Chukchi and Beaufort Seas in Alaska contain the second and fourth largest estimated Undiscovered Technically Recoverable Oil and Gas Resources (UTRR) of all OCS planning areas. Both have historically generated significant leasing interest, which has in turn resulted in substantial revenues for the Treasury—even before commercial production begins.

We strongly support the inclusion of the Chukchi and Beaufort planning areas in the DPP and encourage you to maintain three lease sales in each area over the 2019-2024 period. At the same time, given the diversity of stakeholders in this region, we urge you to commit your Department to meaningful consultation with local communities. In our view, properly supporting the leasing, exploration, and production of the resources in the Chukchi and the Beaufort Seas will require a concerted effort from participating federal agencies and all stakeholders in Alaska.

We ask that you maintain the two lease sales the DPP envisions in the Cook Inlet planning area. While a mature basin, this area continues to provide an important supply of affordable energy for communities throughout southcentral Alaska. New lease sales are key to new exploration and development that will bolster the supply and provide regional energy stability for the most heavily populated areas of Alaska, well into the future.

We believe the strongest near-term offshore program in Alaska is one that focuses on the Chukchi, Beaufort, and Cook Inlet. Such a program will maximize agency resources and reflect the areas with the broadest support for development among Alaskans. Accordingly, we ask that you remove potential sales in the Hope Basin, Norton Basin, St. Matthew-Hall, Navarin Basin, Aleutian Basin, Bowers Basin, Aleutian Arc, St. George Basin, Shumagin, Kodiak, and Gulf of Alaska from the DPP.

The DPP shows a genuine commitment to our nation's energy security and presents a great opportunity to continue reducing our foreign oil dependence while strengthening our economy. We commend you for including large portions of Alaska within it and look forward to working with you on a final program for 2019-2024.

Sincerely,

Lisa Murkowski

United States Senator

Don Young

Congressman for All Alaska

Dan Sullivan

United States Senator

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550 West Seventh Avenue, Suite 1700 Anchorage, AK 99501 907-269-7450 fax 907-269-7461 www.Gov.Alaska.Gov Governor@Alaska.Gov

January 19, 2018

The Honorable Ryan Zinke Secretary U.S. Department of the Interior 1849 C Street NW Washington, DC 20240

Dear Secretary Zinke:

I am in receipt of your letter dated January 5, 2018 regarding the Department of the Interior Bureau of Ocean Energy Management's (BOEM) Draft Proposed Program for 2019-2024 as it relates to Alaska, and have shared it with Commissioner Andy Mack at the Department of Natural Resources. The State of Alaska will be participating in BOEM's January 23, 2018 public meeting in Anchorage and will also submit our formal comments prior to the deadline.

The Chukchi Sea, Beaufort Sea, and Cook Inlet planning areas have long been the focus of oil and gas exploration in Alaska. The State was encouraged to see multiple lease sales in all three of these areas in the draft proposed plan, and we support the inclusion of these sales in the program. I want to thank you for incorporating our input and taking a reasoned initial view of the national interests at stake for these areas.

I am writing to request that you direct BOEM to hold formal consultations with the tribes, Alaska Native corporations, and other stakeholders in the planning areas in Alaska where lease sales have been proposed. The State of Alaska has been in communication with tribal organizations and other stakeholders who have voiced concerns about the proposed program and we agree it is important for BOEM to consult and hold meetings with the tribes and Alaska Native corporations impacted by the proposed program. We also feel strongly the meetings should occur in each of the areas where lease sales have been proposed.

Thank you for your attention to this issue, and your continued recognition of the role responsible development in Alaska plays in our national efforts for energy dominance and American security.

Sincerely,

Bellellaller Bill Walker Governor

Bill Walker OFFICE OF THE GOVERNOR

You are here: Home / Press Releases / Governor stands with Congressional Delegation in effort to focus offshore plan

GOVERNOR STANDS WITH CONGRESSIONAL DELEGATION IN EFFORT TO FOCUS OFFSHORE PLAN

January 30, 2018

Press Release No. 18-013

JUNEAU – Governor Bill Walker today joined the Alaska Congressional Delegation in thanking Interior Secretary Ryan Zinke for reversing the federal trend of limiting and deferring oil and gas leasing and development in the Outer Continental Shelf.

While the prospect of renewed lease sales in the coming years is very promising for Alaska, the Governor cautioned that a successful offshore development program for 2019 to 2024 hinges on focusing leasing on highly prospective areas of the Chukchi and Beaufort Seas and Cook Inlet, as well as continuing substantive consultation with stakeholders and local communities in the surrounding areas.

In a January 19 letter to Secretary Zinke (see attached) Governor Walker detailed his belief that lease sales for the Beaufort, Chukchi, and Cook Inlet should be allowed. Today, the Governor also offered the following statement:

"Interior Secretary Ryan Zinke is a partner with Alaska in many resource development projects, but a key threat in the effort to achieve a vibrant offshore program in Alaska is creating the false impression that there is an imminent attempt to foster development along our entire coast. The sooner it is clear that the Beaufort, Chukchi, and Cook Inlet are the priority areas, the better. I support removal of potential sales in all other Alaska waters for the 2019 to 2024 program, and I will encourage the Interior Department to include the longstanding exclusions for the Kaktovik Whaling Area, Barrow Whaling Area, and the 25-mile coastal buffer in upcoming official State comments on the program." – *Governor Bill Walker*

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TEL: (907) 445-5231 • FAX: (907) 443-4452

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SHAKTOOLIK

SHISHMAREF

SOLOMON

STEBBINS

ST. MICHAEL

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

January 05, 2018

Honorable Congressman Don Young, US Congress

Honorable Senator Lisa Murkowski, US Congress

Honorable Senator Dan Sullivan, US Congress

Honorable Governor Bill Walker, State of Alaska

Honorable Lieutenant Governor Byron Mallot, State of Alaska

RE: Kawerak, Inc. opposes offshore oil / gas leases in the waters of the Bering Strait Region and seeks your assistance

Dear Governor Walker, Lieutenant Governor Mallot, Senator Murkowski, Senator Sullivan, and Representative Young:

On behalf of the 20 federally recognized tribes we represent, Kawerak, Inc., writes to express our stance regarding the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program (DPP) released by the Bureau of Ocean Energy Management as it relates to our region. We have worked toward better management of the Northern Bering Sea and have gone on record opposing oil and gas lease sales in our region, which encompasses the Hope, St. Mathew Hall, Navarin, and Norton Basin Planning Areas. Nonetheless, the DPP includes one sale in each of those regions.

For millennia, the health of the Northern Bering Sea has been of paramount importance to our communities. Since the passage of the Alaska Native Claims Settlement Act of 1972 and the Alaska National Interest Lands Conservation Act of 1980, tribes in our region have fought to ensure that our lands and waters will be managed to continue to provide for our people. We are already experiencing the effects of a changing climate, and the threats from oil and gas activities would further compound those impacts.

I am looking to your offices to provide a balanced perspective during this public comment period. On the Atlantic side, many members of Congress, (including republicans) are publicly opposing offshore leases in their regions. It appears as though our entire Congressional delegation and State Administration are expressing broad and general support for this proposal, which you are aware is contrary to the needs and wishes of the tribes in the Bering Strait region. We enlist your support in carrying our message to the Administration that tribes in the Bering Strait region are opposed to opening the Hope, St. Mathew Hall, Navarin and Norton Basin Planning areas to oil and gas leases.

Currently, BOEM has scheduled only one public meeting in Alaska. Three hours is all the public is allotted to convey our views, present our case, and describe the impacts to our communities. It seems clear that our perspective is not being considered in the broader debate. Therefore, I request that your office conduct outreach to our communities in order to hear our concerns, and we hope that, in turn, you will represent our interests to BOEM. Tribal consultation is necessary on matters that affect the well-being and survival of our tribal communities. Those of us who live in and rely on the resources in the Bering Strait region deserve a more meaningful process to provide input. We are not simply another special interest group or "stakeholder" like the groups representing environmental conservation or economic development. Our relationship to our waters is not just a matter of promoting a cause or making a dollar; our waters are literally our lifeline. Please urge the Administration to conduct tribal consultation in the Bering Strait region on the matter of lease sales that would impact our region.

Our world and our ocean are changing dramatically around us. We have sought meaningful consultation and comprehensive management for our region and our people. We remain committed to that goal and hope you are as well.

Thank you for your time and consideration.

Sincerely,

Melanie Bahnke, President / CEO

Kawerak, Inc.

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January 22, 2018

Governor Bill Walker Office of the Governor P.O. Box 110001 Juneau, AK 99811

Lieutenant Governor Byron Mallott Office of the Lt. Governor P.O. Box 110001 Juneau, AK 99811

RE: Bureau of Ocean Energy Management 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program

Dear Governor Walker and Lieutenant Governor Mallot,

On behalf of the 39 member tribes of the Bering Sea Elders Group, we write to reiterate our opposition to oil and gas leasing in the Northern Bering Sea region and to request that you, as our elected representatives, make it clear to Secretary Zinke that the State of Alaska wants the Bureau of Ocean Energy Management to remove the Hope, St. Mathew Hall, Navarin, and Norton Basin Planning Areas from any future leasing plans.

As the Governor of a state affected under the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Draft Proposed Program (DPP), you will play a particularly important role in this process. Under the Outer Continental Shelf Lands Act (OCSLA), you have the ability to offer suggestions to Secretary Zinke, as well as to review and comment on his proposed program. Under OSCLA, as Governor you "may solicit comments from those executives of local governments in [your] State which [you], in [your] discretion, determines will be affected by the proposed program."

BSEG and Kawerak Inc. have passed resolutions opposing oil and gas leasing in the Northern Bering Sea. We have shared the BSEG resolution with you several times but we again attach it here for your convenience. The specific opposition to oil and gas leasing is on page three. We stand united in our opposition to oil and gas leasing in the Hope, St. Mathew Hall, Navarin, and Norton Basin Planning Areas. Indeed, the people of our region have stood opposed to offshore drilling in the Northern Bering Sea for over forty years. We implore you to communicate this to Secretary Zinke.

We, the Yup'ik and Inupiaq people, have been here since time immemorial. Because we spend so much time out on the Bering Sea fishing and hunting, the sea is just as important to us as the land. Nearly forty years ago the government failed to listen to the tribes as affected communities when it decided to hold lease sales in our region. This lead to years of litigation. The risks have not changed in those forty years, nor has our dependence on the marine mammals and other ocean resources. For many of the same reasons as we did then, we oppose oil and gas leasing in the Northern Bering Sea.

As you know, BOEM has scheduled only one public meeting in Anchorage, far from our villages. So we look to you, Governor Walker and Lieutenant Governor Mallott, to communicate to Secretary Zinke that inclusion of the Northern Bering Sea in any leasing program going forward is contrary to the needs and wishes of the people and local governments in the Northern Bering Sea region and that the State of Alaska wants the Hope, St. Mathew Hall, Navarin, and Norton Basin Planning Areas removed from any future leasing plans.

Quyana,

Harry Lincoln, Chair Bering Sea Elders Group

11-7/LS

cc:

Senator Lisa Murkowski Senator Dan Sullivan Representative Don Young

Groundfish Forum Comments on IPHC Letter

North Pacific Fishery Management Council (Feb 2018)

Agenda Item B-6

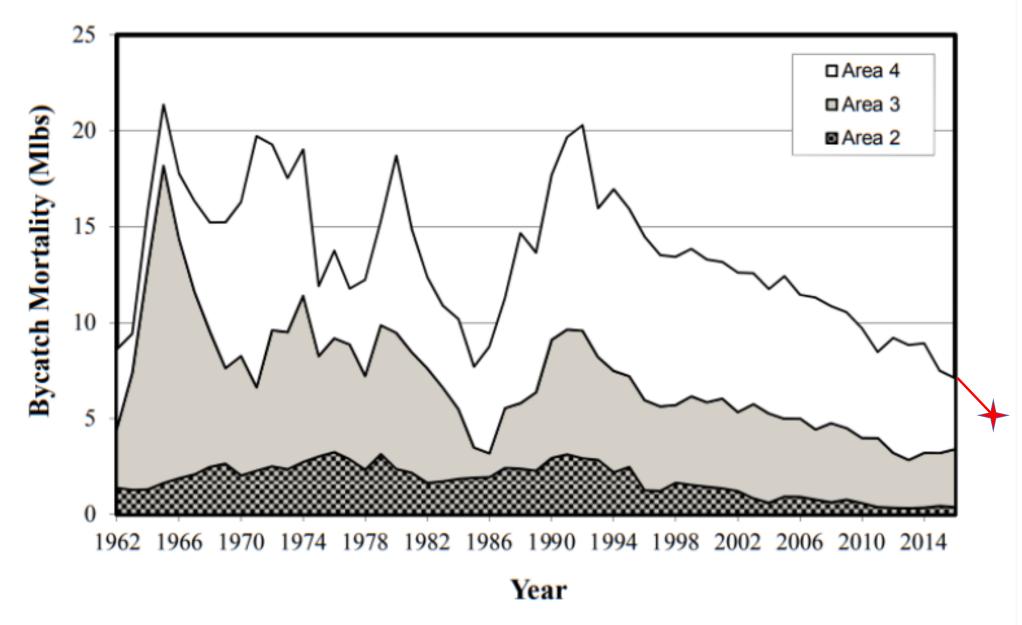
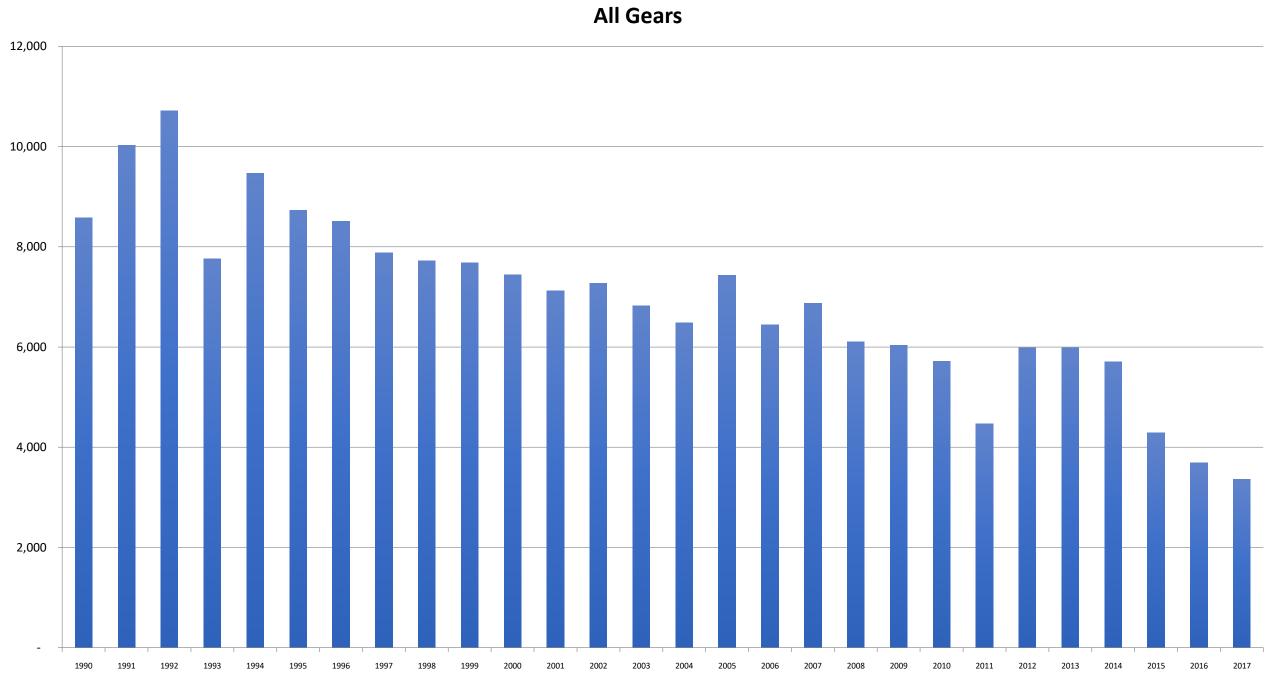


Figure 3. Bycatch mortality estimates of Pacific halibut by IPHC regulatory area (millions of pounds, net weight), 1990-2016.

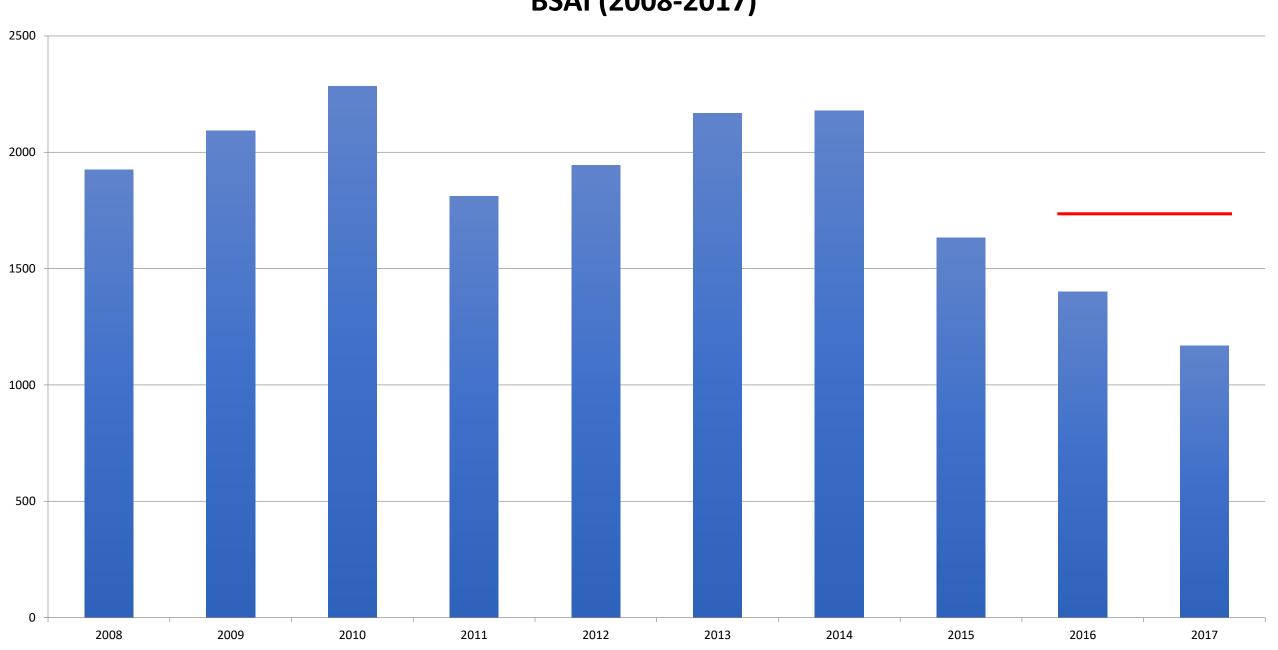
Area 4 Halibut Bycatch Mortality 1990-2017
All Gears



2017 BSAI Reduction in Halibut Meritality Management Report Compared to 5 year Average

Sector	2012-2016 Average (mt)	2017 (mt)	% Change (mt)	2012-2016 Rate*	2017 Rate*	% Change in Rate
Hook-and-line						
Catcher/Processors	380	164	-57%	2.68	1.26	-53%
Catcher Vessels	3	< 1	ı	2.71	-	_
Total	382	165	-57%	2.68	1.26	-53%
Non-Pelagic Trawl						
Amendment 80 Catcher/Processors	1,867	1,140	-39%	5.78	3.90	-32%
AFA Catcher/Processors	119	57	-52%	4.40	3.21	-27%
Catcher Vessels	381	337	-11%	6.44	5.07	-21%
Total	2,367	1,534	-35%	5.79	4.08	-30%
Pelagic Trawl						
AFA Catcher/Processors	113	57	-49%	0.25	0.12	-52%
AFA Catcher Vessels	61	17	-72%	0.09	0.02	-74%
Total	173	74	-57%	0.15	0.06	-60%
CDQ						
Hook-and-line Vessels	40	13	-68%	1.95	0.64	-67%
Non-pelagic Trawl Vessels	165	129	-22%	4.36	3.27	-25%
Pelagic Trawl Vessels	12	6	-49%	0.10	0.05	-52%
Total	217	148	-32%	1.15	0.75	-35%
* Rate is kg of halibut / mt of TOTAL groundfish	3,140	1,920	-39%	1.68	1.01	-40%

A80 Halibut Bycatch Mortality BSAI (2008-2017)



Fishery Comparisons

	WA, OR, CAL	CANADA	A80 BSAI		
Similarities					
Rationalized - Quota Share	Υ	Υ	Υ		

Bycatch Allocated to Vessel Level

Differences

Overall Performance

Observer Coverage

Fishery Scale

CV vs CP

Gentle Handling Practices

Υ

100%

~16,500

 CV

ऋद्भKG / MT

100%

~32,500 MT

 CV

ਫ.0 KG / MT

200% +

~325,000 MT

CP

ਟ੍ਰ.9 KG / MT

Summary

 Bycatch is down coastwide, in Area 4, and across all sectors of the BSAI

- Comparing fleets based on limited metrics can be misleading
 - practicability between fleets varies significantly

 Council should reiterate to the IPHC the prominence of MSA & National Standards in decision making regarding abundance based management