



May 16, 2016

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Bureau of Ocean Energy Management
45600 Woodland Road VAM-OEP
Sterling, VA 20166

SUBJ: 2017-2022 OCS Oil and Gas Leasing Program Draft Programmatic EIS

Attachment to: BOEM-2016-0002-0001

This letter is intended as an addendum to Arctic Iñupiat Offshore's (AIO's) comments on the Bureau of Ocean Energy Management's (BOEM) Draft Programmatic Environmental Impact Statement (EIS) for the Outer Continental Shelf (OCS) Oil & Gas Leasing Program: 2017-2022 (Proposed Program) as required under the National Environmental Policy Act (NEPA). AIO appreciates the opportunity to offer our comments on the Programmatic EIS and the extension of the comment period of two weeks, ending on May 16th, to provide AIO the opportunity to conduct our due diligence in our evaluation of the Programmatic EIS, relevant traditional knowledge and scientific data. AIO intends for these comments to be an attachment of our comments submitted electronically on 5/2/16, ID #: BOEM-2016-0002-0001.

AIO is a privately held corporation established to promote sustainable economic development within Alaska's North Slope region. Members of AIO include the Native regional corporation for the North Slope, Arctic Slope Regional Corporation (ASRC), and the Native village corporations of Ukpeaġvik Iñupiat Corporation (UIC), Tikigaq Corporation, Olgoonik Corporation, Atqasuk Corporation, Kaktovik Iñupiat Corporation (KIC), and Nunamiut Corporation. The Native villages represented by the village corporations include Barrow, Point Hope, Wainwright, Atqasuk, Kaktovik and Anaktuvuk Pass, respectively. AIO has an unparalleled experience in the OCS as many of our members are whaling captains and we were recently partnered with Shell Oil, Inc. (Shell) in their Chukchi Sea Exploration Program, which they safely conducted in 2015.

AIO aims to create alignment for responsible resource development within the North Slope region by working together to understand future community needs, to ensure our members have a seat at the table as development within the region proceeds, and to foster economic stability within the region. This alignment is critical to the success of OCS exploration and development activities, and ensures that the Iñupiat values are preserved, specifically our subsistence culture. It is through our experience of alignment, and our recent history collaborating with Shell that gives AIO a unique perspective on the reality of co-existence in the Arctic OCS.

Arctic Lease Sales

AIO is pleased in BOEM's foresight to include the Arctic Program Areas within the Proposed Program. The OCS plan constitutes one of the most important remaining opportunities for this administration to align our nation's long term energy supply decisions with the science and traditional knowledge which supports continuing the legacy of Arctic OCS exploration and development. The U.S. long term energy demand is only expected to increase into the foreseeable future, the reality of meeting this energy need must be acknowledged. Alternative energy sources aren't yet capable of supporting this demand and with combined existing technology, constant advancement, and existing mitigation measures, oil and gas exploration and development in the OCS can contribute to fulfilling the expected demand.

Additionally, BOEM must acknowledge that by excluding the Atlantic from the Proposed Program, the Arctic becomes increasingly important to fulfill to objectives of the Proposed Program as required by BOEM in the Outer Continental Shelf Lands Act (OCSLA). AIO is supportive of BOEM's prudence to include the Arctic in the Proposed Program and their recognition that not only is the technology currently capable of Arctic exploration, but that the Gulf of Mexico Planning Area alone is not capable of meeting the energy needs described in the Proposed Program and in the Programmatic EIS.

The logic which BOEM articulates for the late Arctic Lease Sales is misleading and perpetuates a significant misunderstanding about the volume of scientific data and traditional knowledge which illustrates a keen understanding of the Arctic. BOEM states that additional time is needed (hence the late Arctic Lease Sales) "to provide additional opportunity to evaluate and obtain information regarding environmental issues, subsistence use needs, infrastructure capabilities, and results from any exploration activities associated with existing leases" (DPESI pp. 2-7). As stated in our earlier comments, AIO rejects to this rhetoric. BOEM itself has conducted extensive environmental review of the Chukchi and Beaufort Seas, along with a plethora of industry sponsored research, and traditional knowledge; all of which AIO expects to be fully incorporated into the EIS. Additionally, AIO is perplexed that BOEM considers our subsistence use so significant, yet BOEM fails to acknowledge the techniques the North Slope people, local whalers, Alaska Eskimo Whaling Commission, and industry have worked to established which maintain our subsistence in the presence of industry activity. Examples of these are the Conflict Avoidance Agreement, Subsistence Advisors, Protected Species Observers, and many other techniques which indicate the close collaboration between industry and whalers. Furthermore, AIO rejects to the characterization that lease activities would somehow be impaired by the lack of infrastructure in the Arctic. While we acknowledge that the Arctic in no Gulf of Mexico in terms of infrastructure, the North Slope is not only home to Prudhoe Bay but has a long history of successful OCS operations, including Shell's recent successful exploration of their Chukchi Lease (See Shell Chukchi Sea Exploration Program, 2015).

Alternatives

AIO maintains that the Programmatic EIS should provide a robust analysis of expected impacts and alternatives, and should promote flexibility and transparency while BOEM conducts their due diligence as outlined by NEPA. Congress specifically mandates BOEM through the OCSLA that the programmatic goals are “expedited exploration and development of the OCS in order to achieve national economic and energy policy goals, assure national security, reduce dependence on foreign sources, and maintain a favorable balance of payments in world trade” (43 USC CFR 1802). AIO is concerned whether the alternatives proposed in the Programmatic EIS fit within this framework outlined by Congress. BOEM has narrowly included alternatives which will effectively make the Arctic Program Areas technically and economically unattractive prospects either by completely limiting leasing activities in the Arctic Program Areas (Alternative B2, Alternative C) or by targeted exclusions (seasonal or programmatic). AIO is discouraged by the alternatives proposed by BOEM which do not indicate any clear environmental benefit, yet propose these areas for exclusions. The alternatives proposed by BOEM do not provide an appropriate range of alternatives and do not demonstrate the rigorous review of expected impacts and alternatives as required by NEPA. AIO recommends that in order to rectify this issue, BOEM consider analyzing longer Arctic lease terms as advised by the National Petroleum Council in their report, *Arctic Potential*, and consider accelerating the Beaufort Lease Sale to 2019 as requested by Governor Walker.

With regard to the Environmentally Important Areas (EIAs), which BOEM proposes and indicates local support for these exclusions; AIO reiterates its membership is comprised of significant North Slope stakeholders and that we disagree with the contention that there is meaningful local support. AIO agrees that any development should proceed in an environmentally conscience manner with special attention to the subsistence culture of the Iñupiat people. While deferral areas can manage this relationship, the programmatic stage of the leasing program is not appropriate to make these sweeping and area specific designations without the proper environmental review and consultation with the local peoples. AIO and other key local stakeholders oppose the designation of these areas at the Programmatic stage and support Alternative A. We cannot in good conscience support any action which would threaten the economic stability of the Iñupiat people; the evidence produced thus far by BOEM is not convincing that these potential exclusions would do anything but limit opportunity in our region.

Opposing Comments

AIO is startled by some of comments opposing the inclusion of the Arctic OCS within this Proposed Program. Non-Alaskan and non-Arctic residents ironically suggest the exclusion of the Arctic OCS from the Proposed Program, an area where they have likely never visited, and certainly never experienced the Chukchi and Beaufort Seas from the perspective of a whaling boat or as a local community leader in one of the six indigenous coastal communities. Our members have experienced the Beaufort and Chukchi Seas from this perspective. We understand the risks associated with Arctic OCS development well, as it is we who will feel these impacts; however, we are not naïve to the history of exploration and development in our region, or the traditional knowledge and western science which provides mitigation measures and techniques for monitoring and minimizing impacts. Those who call for

exclusion of the Arctic OCS have little regard for the reality of what life in the Arctic looks like, and by calling for this exclusion, similarly call for the deterioration of our communities and local peoples.

Specifically, AIO would like to address a comment letter penned by several Members of Congress (ID#: BOEM-2016-0002-0244). We are shocked by the outdated information and rhetoric which the lawmakers used to call for action thousands of miles away from their constituents. AIO calls upon lawmakers, regulators, Congressmen, and politicians alike to look to their local states and regions for ways to reduce impacts in order to meet obligations outlined in the Paris Climate Agreement. We do not offer conjecture as to ways other areas should impede their local economies and industries in order to meet climate change goals; we are not familiar with other regions and do not pretend to understand the nuances that make up our diverse nation. AIO and the Iñupiat people do not operate in the dark and have the most insight into our region and the protections it necessitates. We utilize traditional knowledge, science, existing mitigation measures, and collaboration with State and Federal regulators and industry to ensure that development precedes in a safe and sustainable manner with reduced impacts the environment, subsistence, and our people.

We do not appreciate our region being characterized as a vacant “snow globe” or as a prop to justify some agenda; in reality, oil and gas exploration and development is vital to our local economy and the sustainability of our local people. The oil and gas industry has demonstrated the capacity to explore and develop the Arctic, and the Iñupiat people have demonstrated the ability to steward our lands and natural resources—including oil and gas resources—safely and in an environmentally sound manner.

Climate Change

In light of the U.S.-Canada Joint Announcement, AIO looks forward to the opportunity to contribute our unique perspective to the goal of reducing environmental impacts while ensuring the Arctic remains a viable opportunity for future opportunities. AIO would like to point out two of the major points made in this Joint Announcement: (1) “Incorporating Indigenous science and traditional knowledge into decision making”, and (2) “Building a sustainable Arctic economy.” AIO regards the Proposed Program, specifically the Arctic Program Areas, representative of the goals established by President Obama and Prime Minister Trudeau. It is AIO’s hope that BOEM will recognize the balance between environmental protection, a sustainable Arctic economy, the increasing energy demand, and the local peoples. The Iñupiat people have been successfully managing this relationship for decades during which the oil and gas industry and the Iñupiat people have flourished in the Arctic.

In closing, AIO would like to reference statements from both Admiral Papp, U.S. Special Convoy to the Arctic Council and Department of the Interior Secretary Jewell. Admiral Papp said in a recent engagement with Brookings’s Institute that “I do not accept as gospel that we have to leave all the carbon in the ground... the fact of the matter is that unless we come up immediately with another energy source, the world is going to continue to be dependent on carbon products.” AIO would like to emphasize that the Arctic OCS can contribute to meeting

these demands, while operating in a safe and environmentally conscience manner—responsible resource development is already occurring in this manner. Similarly, Secretary Sally Jewell commented, “I think it over-simplifies a very complex situation to suggest one can simply cut off leasing or drilling on public lands and solve the issue of climate change.” AIO supports a balanced approach to resource development and recognizes the long history of safe operations in the Arctic. It is through our keen observations, traditional knowledge, and existing mitigation measures that we are able to support oil and gas development in the Arctic OCS.

AIO appreciates the inclusion of the Beaufort Sea and Chukchi Sea in the Proposed Program. We look forward to the increased opportunity which Lease Sale 254 and 262 offer to the Iñupiat people and to AIO. We thank BOEM in advance for considering our comments, and for acknowledging our support of comments submitted by the North Slope Borough on 5/16.

Sincerely,

A handwritten signature in black ink that reads "Rex Allen Rock, Sr." The signature is written in a cursive, flowing style.

Rex Allen Rock, Sr.
President, AIO