

Alaska Oil and Gas Association



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TESTIMONY OF KATE WILLIAMS, ALASKA OIL AND GAS ASSOCIATION, ON
THE DRAFT COMPREHENSIVE CONSERVATION PLAN AND
ENVIRONMENTAL IMPACT STATEMENT
Anchorage, Alaska – September 21, 2011

My name is Kate Williams and I am the Regulatory Affairs Representative for the Alaska Oil and Gas Association. AOGA is a nonprofit trade association whose 15 member companies account for the majority of oil and gas activities in Alaska. We appreciate the opportunity to provide testimony on the draft Comprehensive Conservation Plan and Environmental Impact Statement for the Arctic National Wildlife Refuge.

AOGA opposes the alternatives identified by the Service that would designate additional wilderness areas in ANWR and believe the Service should include oil and gas development on the coastal plain in its preferred alternative in the final CCP and EIS.

The 1.5 million acre coastal plain represents 8 percent of the total size of the 19.6 million acre refuge, and oil and gas development would likely occur on only 2000 acres, or about one tenth of one percent of the refuge's acreage.

We believe the Service violated ANILCA and NEPA by failing to consider opening the coastal plain to development as one of the alternatives in the draft CCP and EIS. ANILCA specifically requires the Service to consider oil and gas exploration, development and production activities in this area. Under NEPA, the Service must consider all reasonable alternatives for land management in the refuge, and oil and gas development is a reasonable alternative particularly since Congress specifically set-aside the coastal plain for potential development.

Moreover, reviewing ANWR for wilderness designations violates ANILCA's "no more" clause. For the coastal plain, the Service only considered additional wilderness as an alternative and did not consider opening the coastal plain to development, a clear violation of Section 1326.

The Service maintains that considering an oil and gas development alternative is outside of its authority since Congress reserved the authority to make "final" decisions on development in ANWR. Following that logic alone, the Service acted outside its authority by considering wilderness alternatives since only Congress can designate wilderness.

Bottom line, we believe the law and regulations require the Service to consider an oil and gas development alternative in the final CCP and EIS and that development on the coastal plain should be included in the Service's preferred alternative.

Opening the coastal plain to responsible oil and gas development would help increase the nation's energy independence, extend the life of the Trans-Alaska Pipeline, increase tax revenues to

state, local and federal governments, and create tens of thousands of jobs on an annual basis across the country. Development would help turn the tide against the economic recession the U.S. is now facing.

The U.S. Geological Survey estimates that the coastal plain could hold up to 16 billion barrels of oil and 18 trillion cubic feet of natural gas. To put this in perspective, to date, approximately 16 billion barrels of oil have been produced from the North Slope. This means oil would be expected to flow through TAPS for at least another 30 years if the coastal plain is opened to development. Currently, TAPS is operating at one-third capacity and will face operational challenges without additional supply.

Improvements in technologies over the past 40 years of development on the North Slope have significantly reduced the surface footprint while expanding the subsurface drillable area. In the 1970s, a 20-acre gravel pad was utilized to access a subsurface area of less than one mile. Today's technologies allow a subsurface drillable area of over eight miles from a 6-acre pad. Additionally, advancements in 3-D and 4-D seismic technology allow industry to better focus their "targets," further reducing surface impacts.

As a final point, Alaskans have consistently recognized the importance of allowing oil and gas development in the coastal plain. Polling over the last 20 years has continually shown that more than 70 percent of Alaskans support development in this area.

In summary, existing law and regulations require the Service to consider opening the coastal plain to development. This area holds vast quantities of energy resources that would benefit not only Alaskans but the U.S. as a whole, all of which would be developed from a minute portion of the refuge. There have been oil and gas operations on the North Slope for over 40 years and technological advances have limited environmental impacts. We firmly believe that oil and gas development and environmental protection are not mutually exclusive, and the Service should include such development on the coastal plain in its preferred alternative. Thank you.