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# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 13, 2019

Ms. Nichole Hayes, Project Manager  
Coastal Plain Oil and Gas Leasing Program EIS  
BLM Alaska State Office  
222 West 7<sup>th</sup> Avenue, Stop #13  
Anchorage, AK 99513

Re: Draft Environmental Impact Statement pertaining to oil and gas leasing program in the coastal plain of the Arctic National Wildlife Refuge.

Dear Ms. Hayes:

The Resource Development Council for Alaska, Inc. (RDC) is writing to express strong support for the proposed oil and gas leasing program on in the non-Wilderness portion of the coastal plain of the Arctic National Wildlife Refuge (ANWR).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

RDC has consistently supported opening the "1002 Area" of ANWR's coastal plain to oil and gas development. The coastal plain is considered America's best onshore prospect for conventional oil and gas discoveries.

RDC applauds the Bureau of Land Management's (BLM) effort in preparing the Draft Environmental Impact Statement (DEIS) on the proposed program. The DEIS is well-organized and is responsive to the Congressional Directive opening the 1002 Area to oil and gas leasing while analyzing potential effects of future development, consistent with requirements of the National Environmental Policy Act.

However, it is essential the BLM evaluate alternatives that meet the purpose and need established by Congress. Alternative C, D1, and D2 could make it very challenging for actual development on the coastal plain because the developed area would be so small, isolated, and removed that it would not support integrated development. Any alternatives that do not allow for the eventual exploration, development, production, and transportation of oil and gas on and from the coastal plain would not meet requirements established by Congress, and therefore, would not meet the purpose and need of the EIS.

Alaska depends on the responsible development of its natural resources to expand and support its economy. Article VIII of our state constitution mandates that we develop our resources to the maximum benefit for all Alaskans. In fact, it wasn't until the discovery of oil in the 1950s that led Congress to finally vote in favor of Alaska's statehood. Through the discovery of oil, Congress realized Alaska could have a healthy economy through the development of its natural resources. Alaska's North Slope has now produced more than 17 billion barrels of oil since the discovery of the Prudhoe Bay oil field. Oil production has been the economic engine of growth in Alaska. Even at relatively moderate oil prices, oil production generated \$2.7 billion in state revenues in FY 2018, accounting for approximately 80 percent of unrestricted general fund revenues.

In 1980, Congress identified the 1002 Area for its potential oil and gas resources. A 1987 Department of the Interior report fulfilling requirements under the Alaska National Interest Lands Conservation Act (ANILCA) recommended the 1002 Area for oil and gas development. Since completion of that report, numerous oil fields have been discovered near the coastal plain and oil field technologies have significantly evolved.

The coastal plain was specifically identified by Congress, pursuant to Section 1002 of ANILCA, for its potential for oil and natural gas resources. Oil and gas from the non-Wilderness portion of the coastal plain is an important resource for meeting our nation's energy demands and achieving energy independence.

Billions of barrels of oil have been produced on the North Slope without causing any significant harm to the environment there. The program area covered by the DEIS contains an estimated 7.68 billion barrels of technically recoverable oil and 7 trillion cubic feet of natural gas. This is a valuable resource to Alaska and our nation.

Further, Alaska's economic lifeline, the Trans-Alaska Pipeline System (TAPS), is now running at only one-quarter capacity. New oil production from the coastal plain has the potential to increase throughput in TAPS, a vital component of American energy infrastructure. Were oil production occurring today on the coastal plain, TAPS potentially could be operating at two-thirds capacity, sharply reducing and potentially eliminating Alaska's budget deficit and sustaining public services for Alaskans.

Alaskans statewide have strongly supported oil and gas exploration and development on the coastal plain. In fact, polling has consistently shown 65 to 70-plus percent of Alaskans support development of energy resources beneath the 1002 Area. Local residents and the Inupiaq people who actually live adjacent to the 1002 Area also support development. Development of Native-owned lands on the non-Wilderness coastal plain would provide significant economic benefits to Alaska Natives on the North Slope as well as throughout the state through family-wage jobs, direct payment of royalties, and revenue sharing among the Alaska Native corporations and their shareholders.

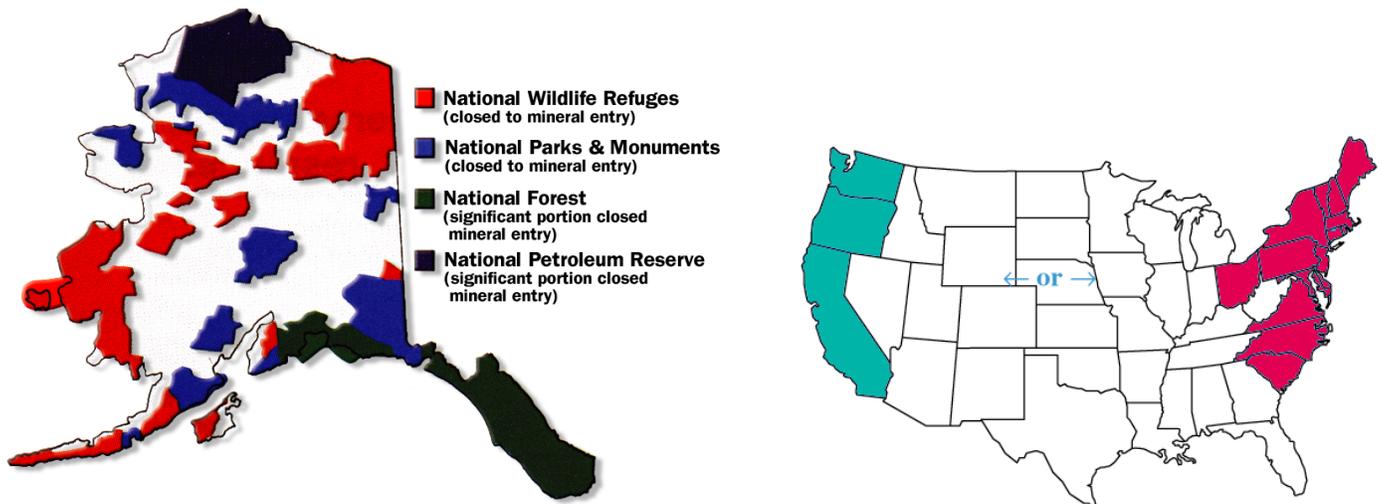
In its first piece of non-procedural legislation this year, the Alaska Legislature approved Senate Joint Resolution 7 which calls upon the federal government to enact an oil and gas leasing program in the 1002 Area. The Alaska House voted 36-3 in favor of the resolution and the Senate voted 18-1 to confirm the House's version. As a reflection of public opinion, similar resolutions have been overwhelmingly approved by every two-year session of the Alaska Legislature since 1997.

Under the three development alternatives in the DEIS, the footprint of production and support facilities will be limited to no more than 2,000 surface acres of the 1.56 million-acre 1002 Area, which is the non-Wilderness portion of the refuge's coastal plain. That is equivalent to just 0.01 percent of ANWR's 19.3 million-acres. The development footprint limited by law is roughly one-fifth the size of Dulles International Airport in Virginia or less than half the size of Ted Stevens Anchorage International Airport in a refuge larger than Vermont, New Hampshire, and Massachusetts combined, or five times the size of Maryland. These and similar comparisons should be documented in the Final EIS to illustrate the minimal footprint of development. It should also be noted that open land between industry facilities and along field infrastructure, including roads and pipelines, would remain available as wildlife habitat, which is the case in other North Slope oil fields where caribou and other animals graze and feed on open tundra.

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Moreover, it is important to put the footprint of 1002 Area development into a broader context regarding federally-designated Wilderness in Alaska. Some believe energy development in the 1002 Area would destroy one of the last remaining wilderness areas in America. This is a myth and needs to be addressed. In addition to ANWR's 8 million acres of federal Wilderness, of which more than 500,000 acres is on the coastal plain east of the 1002 Area, there are approximately 50 million acres of federally-designated Wilderness in Alaska's other refuges, national parks, and national forests. In all, Alaska's 58 million acres of federally-designated Wilderness accounts for 53 percent of America's big "W" Wilderness.

With approximately 60 percent of Alaska in federal ownership, much of the state has been withdrawn into federal conservation system units. As a result, Alaska accounts for 70 percent of national park lands in America, 80 percent of national wildlife refuge lands, and two of the nation's largest national forests. In addition to federally-designated Wilderness, other land classifications cover much of these units, protecting vast areas of the Last Frontier from development and preserving most of it in a primitive landscape. Alaska's federally-designated Wilderness itself, if combined, would be enough to cover the entire state of Idaho.



*Above, a rough depiction of Alaska's federal conservation system units with the Arctic National Wildlife Refuge in the upper northeast corner. At right, 222 million acres of federal land within Alaska is larger than Texas and is more than the total combined size of California, Oregon, and Washington, and bigger than the combination of 15 eastern states stretching from Maine to South Carolina.*

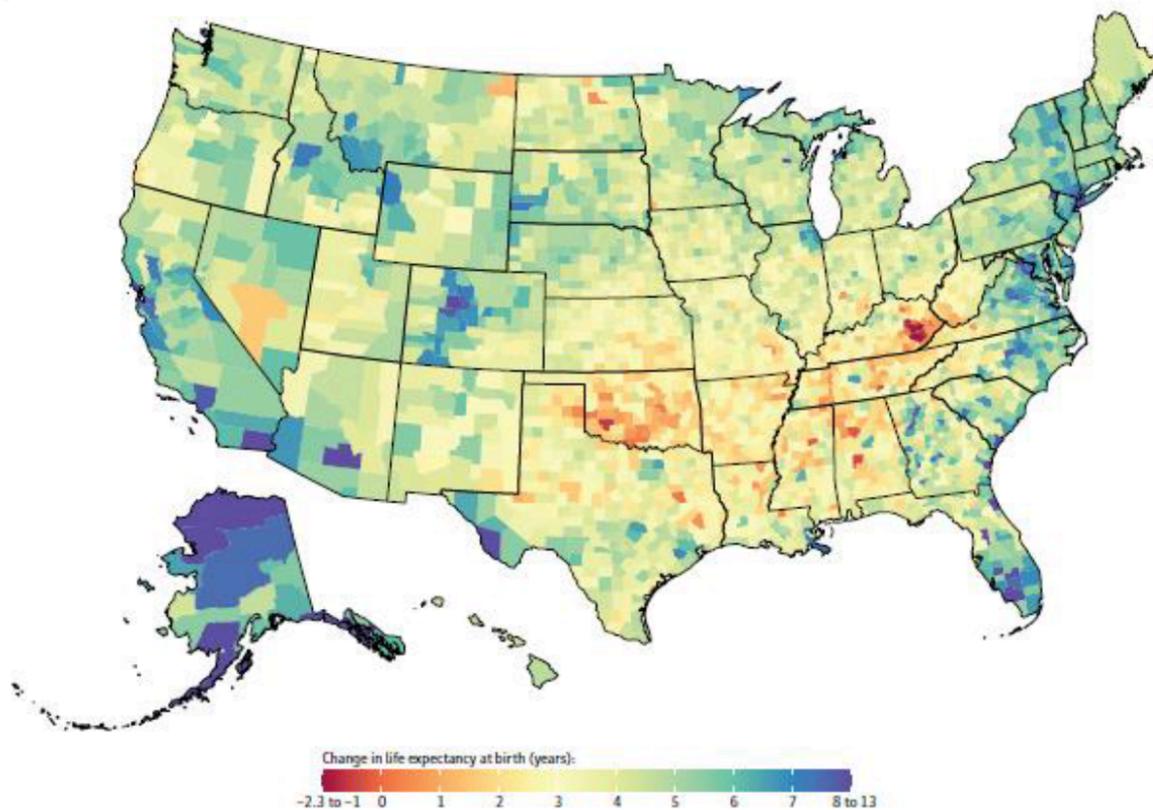
Responsible oil and gas development in the small fraction of the coastal plain proposed for leasing will help ensure America's energy security for decades and allow Alaska – and our nation as a whole – to realize the benefits that come from expanding energy production. In addition to the many public services funded across Alaska by revenues derived from oil production, oil exploration, development and production generates thousands of jobs for Alaskans. In rural areas such as the North Slope, the industry and the jobs it provides has generated a stable economy and has improved quality of living. Jobs enable self-sufficiency and provides a means to support a family. This is a major, personal direct benefit of oil and gas development in Alaska with the 1002 Area being no exception.

Alaska Senate President Cathy Giessel recently cited an article in the Journal of the American Medical Association (published in May 2018) that revealed the most dramatic increase in average life expectancy of Americans between 1980 and 2014 occurred in the North Slope and the Northwest Arctic boroughs, which saw an eight to 13-year increase in life expectancy at birth. The researchers' discussion indicated

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socioeconomic, behavioral and healthcare factors combined to explain 82 percent of the contributing elements in the change of life expectancy.

What was happening in Alaska, especially on the North Slope and in the Northwest Arctic Borough, during these years? In 1977, North Slope oil production came on line and in 1990 the Red Dog Mine within the Northwest Arctic Borough began production. Both natural resource development activities generated a sustainable economy in their respective regions, providing jobs to local residents and sharply improving the quality of life in the Arctic through a broad array of public services and much better access to quality health care in local communities. Oil and mineral production generated revenues, which funded education, construction of modern schools, healthcare programs and clinics, clean drinking water, wastewater treatment, and good-paying jobs, transforming both rural and urban Alaska. These socioeconomic factors and the expansion of life spans in the region should be acknowledged.



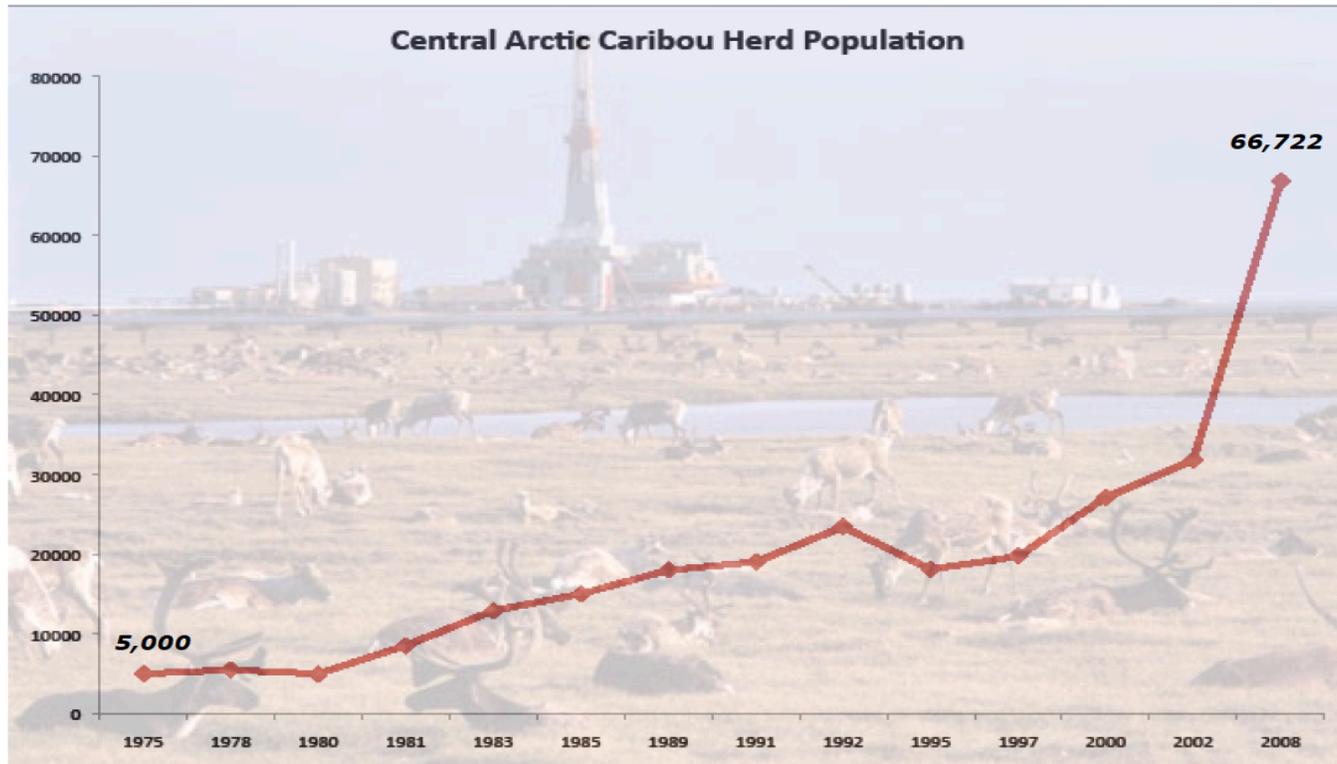
Compared with the national average, counties in central Colorado, Alaska, and along both coasts experienced larger increases in life expectancy between 1980

and 2014, while some southern counties in states stretching from Oklahoma to West Virginia saw little, if any, improvement over this same period.

The DEIS includes a wide range of alternatives which contain measures to avoid or mitigate surface impacts and minimize ecological disturbance throughout the program area. Advances in technology will further reduce the footprint of development in the Arctic. As much as 60-plus square miles can now be developed from a single 12 to 14-acre gravel drill site. New drilling capabilities are being developed that may increase the subsurface development possible from the same size drill site to as much as 150-plus square miles. The net effect is an ever-decreasing impact on surface resources.

Safe and responsible oil and gas exploration, development, and production has been demonstrated by more than 60 years of activity on the North Slope without significantly affecting the Arctic environment and wildlife populations. Caribou, which visit the area for a few months each year, have not been harmed by

development activities. The Central Arctic herd, which migrates into existing North Slope fields, has expanded from 5,000 animals in 1970 to 67,000 animals in 2018.



*This chart was originally published by the Resource Development Council for Alaska, Inc., in 2008. The population of the Central Arctic herd has remained stable and was at 67,000 in 2018. There are approximately 750,000 wild caribou in Alaska today, more than the human population of the state. The Porcupine caribou herd population in 2018 was approximately 169,000. Source: Alaska Department of Fish and Game*

Over the course of oil development across the central North Slope, both industry and its regulatory overseers have learned what works best in mitigating impacts on caribou. Facilities, pipelines, and roads are designed and sited to facilitate passage of caribou throughout the oilfields. With regard to the 1002 Area, every action alternative in the DEIS includes steps to protect the caribou herd during calving. Additionally, oil and gas operators and the U.S. Fish and Wildlife Service have jointly developed procedures, training, and best practices that set a gold standard worldwide for managing human-polar bear interaction.

Thanks to continuing improvements in technology, practices, and oversight, the oil industry has demonstrated that North Slope energy development and environmental stewardship can and do coexist. The industry has a proven track record of responsible development in sensitive areas, protecting the environment, wildlife and subsistence needs of local residents.

Given the 1002 Area is less than 60 miles from the Trans-Alaska Pipeline System (TAPS), development of energy resources there is an environmentally-sound way to increase oil production in Alaska. ANWR can be developed without significantly affecting wildlife and the environment.

However, there are loud voices in our nation that are calling for the complete dismantling of U.S. fossil fuel production. They advocate leaving oil in the ground, but even in an era of climate concerns, reality requires continued development of America's oil and gas resources. While renewable and alternative energy will make up a growing part of the U.S. energy portfolio, they will not significantly reduce our reliance on oil in

the near or mid-term. We do not deny renewable energy is a growing part of America's energy portfolio, but it is still only projected to account for a minority of American energy production for decades. The U.S. Energy Information Administration predicts that in 2050, petroleum and other liquids will remain the most consumed energy source in the United States. Utilizing existing strategic infrastructure, oil production from the coastal plain will be an important factor in meeting future U.S. demand.

Production from the coastal plain will significantly reduce U.S. reliance on foreign oil. The EIS projects from 2031 to 2050, production from the 1002 Area will reduce U.S. expenditures on crude oil and petroleum products imports by up to \$595 billion, compared to the EIA's reference case.

New oil and gas production will be required to power America's economy and can serve as a bridge to the renewable and green energy sources of the future. Meanwhile, every barrel of oil not produced in Alaska would simply be offset by new production from overseas where the carbon footprint, including importation into West Coast markets, would be larger.

New Alaska North Slope crude production would mostly be refined in California where it would offset declining local production as a refinery feedstock, as well as imported oil from abroad. Foreign crude imports into California have a greater carbon footprint compared to North Slope crude. Moreover, despite California's green image, its crude is considered among the lowest quality in the nation with higher carbon emissions. In this light, cleaner ANWR crude would be more environmentally-friendly, offsetting California crude.

Moreover, Alaska is the standard of excellence with regard to the regulatory structure which exploration, development, and production operations must follow in the American Arctic. As a result, Alaska fossil fuels are extracted and produced in a more environmentally-conscious manner compared to Russia and elsewhere abroad. If new production from the North Slope is averted by activists, West Coast markets would need to purchase more foreign oil to offset declining North Slope supplies. However, the unintended consequence of importing more foreign oil would be greater environmental risk and a larger carbon footprint compared to refining and consuming North Slope oil. Who better to protect the environment than Alaskans? We are motivated to develop our resources in a responsible manner because we live in the Arctic and it is our front and back yard.

In conclusion, an extremely small area of land on the coastal plain would be developed with minimal adverse impacts to the environment. Oil development and production on a fraction of ANWR would create thousands of jobs nationwide, generate billions of dollars in government revenue, and further improve energy security for decades into the future. In addition, development of Native-owned lands on the non-Wilderness coastal plain would provide significant economic benefits to Alaska Natives on the North Slope and sustain healthy living conditions in the Arctic. Development of Native-owned lands in the 1002 Area would also benefit Alaska Natives throughout the state with family-wage jobs and direct payment of royalties and revenue sharing among the Alaska regional corporations and their thousands of shareholders.

The time has come to move forward. RDC encourages the BLM to promptly proceed with a Final EIS that is responsive to the Congressional Directive opening the 1002 Area to responsible oil and gas leasing.

Sincerely,



Carl Portman  
Deputy Director