



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Washington, DC 20240



MAR 25 2002

Memorandum

To: Director

From: Thomas A. Readinger *Michael Hunt*
for Associate Director for Offshore Minerals Management

Subject: Decisions on Area Identification for Outer Continental Shelf Oil and Gas Lease Sale 191 and the Draft Environmental Impact Statement for Sales 191 and 199, Cook Inlet, Alaska

We request your decisions on Area ID which will select the area to be analyzed for Cook Inlet oil and gas Lease Sale 191 (2004) as included in the proposed 5-Year Oil and Gas Leasing Program for 2002-2007. The EIS will analyze this sale, as well as the effects of the subsequent proposed sale – Sale 199 (2006); however, the Area ID and other decisions regarding Sale 199 are reserved for that individual sale decision process.

A Call for Information and Nominations was published in the Federal Register on December 31, 2001. A Notice of Intent to Prepare an EIS was published with the Call and scoping meetings for the draft EIS have been held. The attached memorandum and Scoping Report (Attachments 1 and 2, respectively), from the Regional Director, Alaska Region, provide information on consultations conducted to date for the prelease process and development of the multiple sale EIS. This material identifies the major issues raised by participants and options for addressing their concerns, as well as the Regional Director's recommendations for the Area ID for Sale 191.

I recommend that you:

- Proceed with the Area ID for Sale 191 and identify the proposal to include all available unleased blocks in the program area as included in the Proposed 5-Year Program for 2002-2007.
- Adopt Alternatives I and II to be analyzed in the EIS, as they are described in the Scoping Report, and shown on the map included as Attachment 3.
- Include for analysis in the EIS the following five standard stipulations as mitigating measures. These stipulations were included in the Sale 149, Cook Inlet Final Notice of Sale (1998), but adjustments may be in the wording pending our EIS review.

1. Protection of Fisheries
2. Protection of Biological Resources
3. Orientation Program



4. Transportation of Hydrocarbons
5. Zero-Discharge

- Include in the EIS for analysis six Information to Lessee clauses as mitigating measures.
 1. Information on Bird and Marine Mammal Protection
 2. Information on Stellar Sea Lions and Beluga Whales
 3. Information on Sensitive Areas to be Considered in the Oil Spill Contingency Plan
 4. Information on Coastal Zone Management
 5. Information on Oil Spill Response Preparedness
 6. Discharges into the Marine Environment

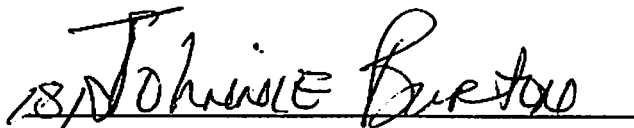
As the process evolves there will be additional opportunity to further redefine the individual sale boundaries, if necessary. Any further redefinition of boundaries will be based on local concerns and continuing dialogue with the various stakeholders throughout the presale process for the first sale and continuing through the subsequent sales.

If you concur with my recommendations, we will announce the Area ID for Sale 191, inform the Governor and prepare the EIS.

Attachments

Approved: _____ ✓

Disapproved: _____



R. M. "Johnnie" Burton
Director, Minerals Management Service

Date: MAR 26 2002



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
 Alaska Outer Continental Shelf Region
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MAR -6 2002

Memorandum

To: Associate Director for Offshore Minerals Management (MS 4230)

From: Regional Director *J. Keel*

Subject: Decisions on Area Identification for Outer Continental Shelf Oil and Gas Lease Sale 191 (2004) —and the Draft Environmental Impact Statement (EIS) for Sales 191 and 199 (2006), Cook Inlet, Alaska

This memorandum requests an Area Identification decision which will select the area to be analyzed for Cook Inlet oil and gas lease sale 191 as included in the proposed 5-year oil and gas leasing program for 2002-2007. The EIS will analyze this sale, as well as the effects of a subsequent proposed sale - 199; however, the area identification and other decisions regarding sale 199 are reserved for that individual sale decision process.

A Call for Information and Nominations was published in the *Federal Register* on December 31, 2001, with comments due by February 14, 2002. The Call area was identical to the program area considered for leasing by the Secretary in the draft and proposed 5-year program for 2002-2007 -- approximately 2.5 million acres located offshore the coast of Alaska at a distance from shore ranging from 3 to 30 miles. Water depths range from 30 feet to 650 feet. A Notice of Intent to Prepare an EIS was published with the Call and scoping meetings were held in Homer, Seldovia, Ninilchik, Soldotna, Kenai, Kodiak, Port Graham, Nanwalek, and Anchorage. Government-to-government contacts were conducted with Native Alaskan tribes and local governments. Meetings were also held with organizations representing the commercial and sport fishing interests, industrial energy consumers, and two Cook Inlet citizens environmental monitoring groups.

Three companies and one oil and gas trade association representing the majority of oil and gas exploration, production, transportation, refining and marketing activities in Alaska commented in favor or proceeding with sales. Nominations indicate varied interest in portions of the program area. Industry expressed concerns regarding the history of significant decreases in the aerial surface of sales in Cook Inlet, delays, and continual changes in and the extent of operational restrictions. Industry is interested in having the entire 5-year program area offered with a review of lease terms and options that will attract new and continuing interest.



The State of Alaska supports the preparation of a single EIS for both sales. The Kenai Peninsula Borough and the Homer Chamber of Commerce support oil and gas leasing in Cook Inlet with the consideration of environmental and aesthetic impacts on the communities. Additional comments are summarized in the attached Scoping Report (Attachment 1).

Based on the comments received in response to the Call and NOI and those received during the various scoping meetings, we have identified two deferral alternatives for analysis. They are the Lower Kenai Peninsula Deferral – Alternative I, and the Barren Islands Deferral – Alternative II. Alternative I would defer 34 whole and partial blocks that are the source of important marine subsistence foods for local residents concerned about contaminants in these food sources. Commentors requested the area be considered for deferral. Alternative II would defer 36 whole and partial blocks. Commentors noted the importance of the Barren Islands to subsistence food sources, marine mammals and migrating birds and requested the area be considered for deferral. These deferral areas are shown on the map included as (Attachment 2).

Recommendations

- The Region recommends that the area selected for further study in the draft EIS be the Program Area identified in the Proposed Outer Continental Shelf Oil & Gas Leasing Program for 2002 to 2007.
- The Region recommends that Alternatives I and II be analyzed in the Cook Inlet multi-sale EIS.
- The Region recommends the 5 stipulations and 6 of the information to lessee clauses included in the most recent Cook Inlet sale, Sale 149 (1998) be included in the EIS for analysis as mitigating measures. We may change the wording based on our EIS review.

The above recommendations are based on the information obtained through the scoping process, including the comments and nominations submitted in response to the Call and NOI. The attached Scoping Report summarizes the issues gleaned from the written comments and those received during meetings with the various constituencies. These recommendations are also reflected in the attached draft decision memorandum to the Director (Attachment 3).

As the process evolves there will be additional opportunity to further redefine the individual sale boundaries if necessary. Any further redefinition of boundaries will be based on local concerns and continuing dialogue with the various stakeholders throughout the presale process for the first sale and continuing through the subsequent sales.

Attachments

Summary of Public Scoping Comments

Outer Continental Shelf (OCS), Alaska, Region, Cook Inlet, Oil and Gas Lease Sales 191 and 199 for Years 2004 and 2006. Environmental Impact Statement

INTRODUCTION

In October 2001, the Secretary of the Interior issued the Proposed OCS Oil and Gas Leasing Program for 2002-2007. That document presented her preliminary decision to consider two sales in Cook Inlet, Sale 191 in 2004 and Sale 199 in 2006.

In the *Federal Register* of December 31, 2001, MMS issued a Call for Information and Nominations and a Notice of Intent to Prepare an Environmental Impact Statement (EIS) and also advertised in the Alaskan media the opportunity for public involvement. The EIS will cover both sales.

Through scoping, MMS receives information used to determine the issues, alternatives, and mitigating measures that will be analyzed in depth in the EIS, as well as those that will not be addressed. This report presents a summary of the comments submitted to MMS. It does not present an exhaustive list of all the comments received. Neither does it present responses to the comments, conclusions, or decisions related to the content of the comments. Section I.D of the EIS will discuss and evaluate all of the scoping issues and concerns listed in the summary of comments below and the significant issues will be identified for further detailed analysis in the Section IV (Analysis of Effects) of the EIS.

BACKGROUND

Since 1977, the MMS has written four Cook Inlet lease sale EISs. The pre-sale process for Sale 191 will require a minimum of 2 ½ years to complete. After the final multiple sale EIS is published and the coastal zone management consistency determination for Sale 191 have been completed, the MMS will prepare an environmental assessment (and, if needed, a supplemental EIS), and a consistency determination for Sale 199. The consistency determinations will address any new issues or relevant changes in the State of Alaska's federally approved coastal management plan.

The public will have opportunities to comment on each sale proposal. Preparation of the multiplesale EIS does not indicate a decision to lease in the Cook Inlet. The final delineation of the areas to be offered for leasing will be made at a later date in the pre-sale process for each sale included in the Secretary's Final 5-Year Program. This delineation will comply with all applicable laws including the National Environmental Policy Act and the OCS Lands Act.

SCOPING PROCESS

During the scoping process, six ways were provided to submit comments to the MMS on the Cook Inlet Oil and Gas Lease Sales:

- Open public meetings in Homer, Seldovia, Ninilchik, Kenai, Kodiak, Port Graham, Nanwalek, and Anchorage, Alaska;
- Government-to-government contacts with Native Alaskan tribes, the State of Alaska, and local governments;
- Outreach and information meetings with non-government organizations;
- Traditional mail delivery;
- Hand delivery;
- Toll-free voice message.

During the scoping comment period, MMS, as part of the Department of the Interior, was under a court order (Cobell vs. Norton) to be disconnected from all external e-mail and internet connections. As a result, we could not receive comments through e-mail or the internet, as originally planned. We alerted attendees of each scoping meeting of this situation.

More than 100 people participated in the scoping process. In addition, approximately 20 organizations, including Alaska Natives, environmental organizations, private industry, and local, state, tribal and federal government agencies provided comments. We documented many of the comments made during the public meetings. Approximately half of the participants submitted input at the public meetings and outreach meetings, with the other half submitting comments by fax, letter, or phone. Some commenters submitted input through multiple channels. The comments originated predominantly from Alaska.

SUMMARY OF SCOPING COMMENTS

The following paragraphs summarize the comments received during the scoping period. The wording is intended to categorize and summarize the substance of the comments, not reproduce the exact wording of individual comments. The order in which the issues are presented is not intended to reflect their relative importance. The summary does not evaluate the comments, nor does it attempt to depict any majority opinions or trends. Because of the wide range of interests and opinions about the Cook Inlet OCS oil and gas lease sales, many of the comments in each issue category are illustrative of the varied, and perhaps contradictory, issues, concerns, and desired future conditions expressed by individuals, organizations, and public agencies. While some overlap between categories is unavoidable, effort has been made to reduce repetition of issues between the categories.

Infrastructure: Commenters recommended that aging infrastructure of State oil and gas pipelines that could result in leaks, new codes for seismic safety of onshore facilities, use of appropriate technology, and the current status of decommissioned of onshore/offshore facilities be considered in evaluating the proposed lease sales.

Air quality: Commenters noted that the analysis should utilize the latest information on air quality impacts from existing oil and gas facilities, with particular consideration given to protecting Class 1 and 2 areas under the Clean Air Act. Class I areas include Chisik and Duck Island in the lower Cook Inlet.

Archeological, historical, cultural resources: Some people recommended that the EIS consider the effects of leasing, oil spills, and oil-spill clean-up activities on archaeological, historic, and cultural resources, including impacts to national historic landmarks and national natural landmarks.

Catastrophic incidents: Commenters asserted that offshore oil and gas infrastructure is subject to catastrophic events from seismic and volcanic activity, breaches of security, and severe environmental conditions such as those in the Kennedy Entrance and Shelikof Strait. Others questioned the security of maritime commerce and the safety of marine navigation, with and without escort tugs, in severe environmental conditions and the potential for collisions and grounding in the Cook Inlet.

The ability of operators and the government to respond to prevent or control oil spills was questioned. Commenters expressed attendant concerns regarding the adequacy of existing contingency plans, response coordination among agencies, distribution and adequacy of response capabilities, response in adverse weather conditions, training and deployment of local respondents, the cost of clean-up and the identification of critical habitat. Particular reference was made to the past and continuing impact of the Exxon Valdez oil spill on the area. Some commenters requested the EIS include the "worst case scenario" analysis or that a variety of approaches be used in evaluating the potential effects of oil spills.

Land use: Some commenters suggested that the EIS analysis separately consider impacts from leasing to special areas, that is, areas that are legally defined and regulated with the objective of protecting resources for their inherent biological or ecological values. These areas include units within the national park system, national wildlife refuges, national estuaries designated wilderness areas and State critical areas. Units specifically identified by commenters include the Aniakchak National Preserve, Duck and Chinik Islands, Katmai National Park, Lake Clark National Park, Alaska Maritime National Wildlife Refuge, and the McNeil River Bear Sanctuary. People asked that the siting of onshore facilities and impact on land use and private property rights also be examined. Some commenters asked that the EIS examine impacts to Areas Meriting Special Attention.

Tri-Borough Agreement: Several commenters noted that MMS needs to specifically consider the five issues in the January 24, 2002 Tri-Borough Agreement prepared and approved by the Kenai Peninsula Borough, Kodiak Island Borough, and the Lake and Peninsula Borough. The five issues are: no offshore loading of tankers; specific plans to minimize and avoid commercial fishing gear conflicts with exploration and development activities; exploration company must have adequate spill prevention and response capability; critical habitat areas must be identified; and, provisions for local government revenue sharing.

Commercial and recreational fishing: Commenters emphasized the importance of the commercial and recreational fishery of the lower Cook Inlet to the economic well being and quality-of-life aspects of the area. They also expressed concerns over the effects leasing may have on these resources including conflicts that may result between offshore energy activity and fishing activity. Input suggested that specific plans be developed to minimize and avoid commercial fishing gear conflicts with the exploration and development. Examples of areas identified where conflicts may result include riptide areas favored by driftnet fishing, areas of set net fishing, and the potential restoration of the Tanner crab fishery around Cape Douglas.

Socioeconomics: Input indicated that the direct and indirect positive and the negative effects from the lease sales on the cultural, social and economic well being of people should be considered. These impacts include the effects from the lease sale, including oil spills, to the tourism, recreational, and quality of life uses of the area, labor migration and population in-migration to communities, demand for public services, and effect on public finances and revenues. Respondents suggested we consider the potential diversification of local economy, changes to the character of the communities, and the potential for local use of resources that may result from the lease sale. Comments recommended evaluation of the indirect effects of revenues, royalties, and corporate profits from the lease sale.

Subsistence: Commenters requested that a broad definition be given to subsistence, noting the importance of all ocean resources in the area for Alaska Natives. A particular concern is the potential contamination of some of these resources from post-lease and other non-OCS activities. Commenters emphasized the impacts of the Exxon Valdez oil spill on subsistence. The input identified a number of reports that may provide information for evaluating this issue. Commenters requested that specific plans be developed to avoid impacts from exploration and development on subsistence resources and asked that the eastern portion of lower Kenai Peninsula be considered as a deferral alternative.

Wildlife and Aquatic Habitat: Commenters asserted that fish, wildlife, and their habitats, including migration routes, could be impacted by offshore oil and gas activities. People remarked on the need to identify sensitive fish habitat and endangered species habitat, monitor these habitats, and acquire geographic information system based maps of the biologically sensitive areas as an aid in decision making. Input identified several biologically sensitive locations, including Anchor Point. Commenters noted the importance of the Barren Islands to marine mammals and migrating birds and requested the area be considered for deferral. Commenters identified several species that may be affected in varying degree by offshore oil and gas including bears, beluga whales, kelp, Pacific herring, Stellar sea lion, salmon, sea otters, Steller's eiders, Tanner and other crab species, and shore, marine, and coastal birds. Commenters requested that Kachemak Bay be considered as a deferral alternative.

Visual Impacts: Commenters thought that the effect to visual resources from OCS operations should be considered. Areas specifically identified by respondents include

communities such as Homer and Seldovia, lodges on the west side of the Inlet, and national historic landmarks and national natural landmark sites, such as Yukon Island and McNeil River State Game Sanctuary.

Water quality. Commenters highlighted the concerns over contamination of sediments, the water column, and the food chain that may be associated with offshore oil and gas development and other sources, such as non-point source pollution. These substances may be further concentrated in certain areas by eddies that form in the Cook Inlet. Their input accentuates the concern over accumulation of toxins in organisms and the potential health effect that may have on subsistence consumers of the resource. The input identified a number of reports that may provide information for evaluating this issue. Some commenters expressed a preference for zero discharge of muds and cuttings during exploration, development, and production. They also asked for an explanation of why this may not be achievable in some circumstances, other than that the discharge is allowed under a regional exemption to the Clean Water Act for platform discharge. Questions were also raised regarding disposal of ballast water and introduction of non-native species attached to tankers and ships.

Past Impacts: Commenters stated that the actual impacts of past offshore oil and gas operations on the environment should be considered when the future impacts from the lease sale are being evaluated.

Other actions with implications for the lease sale. Comments were received opposing or supporting some or all of the following: continued leasing, maintaining lease sale schedule, maintain or reducing the sale area, balancing environmental concerns with energy concerns, and alternative energy sources and technology.

INCORPORATION OF SCOPING INFORMATION INTO THE EIS

The information gathered during scoping provides direction for the preparation of the EIS through the identification and issues and concerns. The information collected has helped MMS identify the alternatives, mitigating measures, resource topics, and issues to be evaluated in the EIS.

The EIS will evaluate, in addition to the Proposal and the No Action alternatives, two deferral alternatives, the Lower Kenai Peninsula Deferral and the Barren Island Deferral. Deferral of these areas was suggested in meetings in Port Graham, Seldovia, Nanwalek, and Homer and reflect their subsistence and resources concerns for the offshore area bordering their communities and the Barren Islands. The Lower Kenai Peninsula Deferral would consider removing 34 whole or partial blocks (about 66,000 hectares/163,100 acres) on the eastern side proposed lease sale offshore of Homer, Seldovia, Port Graham, and Nanwalek. The Barren Island Deferral would evaluate the benefits and costs of deferring 36 whole or partial blocks (about 64,000 hectares/158,000 acres) north and west of the Barren Island from one or both of proposed lease sales.

The EIS will analyze five stipulations and six information to lessee clauses (ITL's) adopted for the most recent Cook Inlet OCS oil and gas lease sale, Sale 149 (1998). Wording may be adjusted pending the EIS review. We have added a discussion of the status of the Cook Inlet Beluga whale population into the Sale 149 ITL on Stellar Sea Lions.

Stipulations

- No. 1 - Protection of Fisheries
- No. 2 - Protection of Biological Resources
- No. 3 - Orientation Program
- No. 4 - Transportation of Hydrocarbons
- No. 5 - Zero Discharge

Information to Lessee (ITL's) Clauses

- No. 1 - Information on Bird and Marine Mammal Protection
- No. 2 - Information on Steller Sea Lions and Beluga Whales
- No. 3 - Information on Sensitive Areas to be Considered in the Oil-Spill-Contingency Plan
- No. 4 - Information of Coastal Zone Management Plan
- No. 5 - Information on Oil-Spill-Response Preparedness
- No. 6 - Discharges into the Marine Environment

The EIS will include description of and analysis of effects to the physical, biological, and human environment. The following categories will be included in the EIS: (1) Geology, (2) Climate and Meteorology, (3) Oceanography, (4) Water Quality, (5) Air Quality, (6) Lower Trophic-Level Organisms, (7) Fisheries Resources, (8) Essential Fish Habitat, (9) Marine and Coastal Birds, (10) Non-endangered Marine Mammals, (11) Endangered and Threatened Species (12) Terrestrial Mammals (13) the Economy, (14) Commercial Fisheries, (15) Subsistence-Harvest Patterns, (16) Sociocultural Systems, (17) Environmental Justice, (18) Archaeological and Cultural Resources, (19) National and State Parks and related recreational areas, and (20) Coastal Zone Management. The EIS will also include a cumulative assessment.

Section LD of the EIS will discuss and evaluate all of the scoping issues and concerns listed in the summary of comments above and the most significant issues will be identified for further detailed analysis in the Section IV (Analysis of Effects) of the EIS.

FURTHER PUBLIC INVOLVEMENT

Additional opportunities for public involvement will be provided during the preparation of the EIS. The next public comment period will commence with publication of the Draft EIS, scheduled for Fall of 2002.

The MMS appreciates the public's and interested organizations' participation and comments during the scoping process and welcomes their continued involvement in the next stage of the EIS process.

Attachment to Scoping Report Additional Information Regarding Cook Inlet EIS Scoping

The Cook Inlet Scoping report lists information MMS received during public scoping. It provides information about the issues, environmental resource categories, alternatives, and mitigating measures that will be analyzed in the EIS.

This attachment provides additional scoping information. First, it discusses the basis for the analytical approach we are using for the effects analysis. Second, it provides information about issues that will be discussed in Section I.D of the EIS, but not evaluated in further detail in effects and cumulative sections of the EIS (Sections IV and V).

I. Hydrocarbon Resource Levels and Exploration and Development Scenarios

For analytical purposes, this EIS assumes the amount of oil under consideration in the planning area to be 140 MMbbls along with 0.19 TCF of gas, all developed from a single platform. The analysis for Cook Inlet in the 2002-2007 5-Year Program considered both this assumption and an assumption of two sales each leading to production of that volume of oil and gas. The resource levels we chose for this EIS are based, in part, on information subsequently provided by industry in response to the Call for Nominations and Information for Sales 191 and 199. The oil will be produced first and the gas will be reinjected to maximize oil recovery. Natural gas production will start after oil production in the reservoir is largely depleted.

Cook Inlet Lease Sales 191 and 199 are scheduled for 2004 and 2006, respectively. We assume that either or both sales are held and result in the leasing of some tracts. In constructing the scenarios for these sales, we assume, for analytical purposes, that exploration will result from either or both sales and, in turn, a single oil and gas reservoir would be developed. The results of exploration from Sale 191 or Sale 199 or the collective exploration results of the two sales would shape the development and production activity. We assume that the same exploration scenario can be used for both sales. We also assume, for the analysis of effects for the alternatives and the cumulative effects analysis, that exploration will occur within the years 2005 through 2007, development in 2008, and the start of production in 2009. MMS does not have enough information about the likely progression of exploration and development in Cook Inlet to be more precise and even the above assumptions are likely to be on the high side. Neither delay nor acceleration by a few years of any of these dates would be expected to make a significant difference in the effects analysis.

The EIS will present the resources in the sales and alternatives in relationship to an "opportunity index." This concept was developed to better reflect the economic and geologic conditions in Alaska. For development to occur, a company must find a field that is economic in size. It must be big enough so that potential income will exceed the costs of development and provide some level of profit to offset the economic and geologic risks. Based on MMS economic modeling for the Cook Inlet OCS, we assume for purposes of analysis that a reasonable size for a commercial field is 140 MMbbls. The EIS would be misleading if we assumed that any quantities of oil below that threshold could be assigned to a deferral area. We can only say that deferring an area

that has oil and gas resource potential from a proposed lease sale, lowers the likelihood of discovering an economic field, hence we created an "opportunity index" to show relative potential. The numbers in this index represents MMS's best professional judgement of the "contribution" that deferral area provides to the potential discovery of an economic oil and gas development. That number represents the relative importance of the areas or opportunity lost if the deferral is chosen.

Under this concept, the EIS does not assign a specific amount of oil to the deferral area, therefore the evaluation of the deferral alternative(s) does not decrease the amount of oil in our oil spill model. The launch points within a deferral area will be removed from the model and new probability of contacts are calculated for the resource area(s) and land segments of interest, but the overall quantity of oil is not decreased. The platform size, the number of well, the miles of pipeline, the amount of disturbance, discharges, etc., do not decrease with the deferral alternative. They just occur in a different location.

II. Issues to be Evaluated Only in Section I.D of the EIS

As part of the scoping process, MMS must identify and eliminate for detailed study those issues (raised in scoping) that are not significant to the proposed action or that have been covered by prior environmental review. This process is sometimes described as "scoping out." Those issues are covered below. The scoping issue as described in the scoping meetings is provided in the first column. The second column describes our rationale for discussing them only in section I.D.

1. Water Quality

Kenai peninsula communities dumping untreated wastes into Cook Inlet.	This issue is not related to the proposed action but may be considered in the cumulative analysis and is part of the baseline condition.
Stop new development until we know more, need baseline studies about contaminants in species.	The EIS will evaluate the effects of contaminants from proposed operations to water quality and the environment. It will also evaluate effects to water quality in the cumulative analysis. There is considerable information about contaminants from existing and potential oil and gas operations, which MMS feels is adequate to proceed with the preparation of the EIS. Several commenters identified much of this information during scoping.

2. Oil Spills and Aging Infrastructure in State Waters

Use worst-case oil spill to study socioeconomic effects to tourism economy using park attendance as an indicator, to subsistence, and to the commercial and sport fishing industry.	The EIS analyzes oil spill risk and is considered adequate. Worse case analysis is not required by NEPA CEQ regulations when there is adequate information.
Commenters were concerned about the aging oil and gas infrastructure associated with existing platforms and pipelines in State waters.	MMS does not manage nor can we regulate existing oil and gas facilities in State waters. Effects from this infrastructure may be considered in the cumulative analysis and effects to resources.

3. Administrative Issues that Relate to the Terms and Conditions of the Sale, but are not Environmental in Nature

Explore whether variable terms and options in lease sale will attract new interest.	This issue is not environmental in nature, therefore it is beyond the scoping of the EIS
Compare royalties received by the state with profit received by corporations from operations in the lower Cook Inlet.	This issue is not environmental in nature, therefore it is beyond the scoping of the EIS
Limit scope of sale to those tracts that might hold industry interest.	The Call for Information and Nominations was issued on December 31, 2001 and it requested this information. That information was considered in the Area Identification Process and the selection of the sale area in the Proposal (Alternative 1)

4. Administrative Issues beyond the Scope of the EIS

What are they doing with the drilling byproducts from onshore drilling around Anchor Point?	OCS activities from this proposed sale or from past OCS Cook Inlet sales have not generated byproducts. OCS activity at this time has no relationship to drilling byproducts from onshore drilling around Anchor Point.. This topic is beyond the scope of the effects analysis for alternatives , but may be considered in the cumulative analysis
Eastland patent for power transmission. (HAARP)	This comment was received but is not applicable to the proposed project and EIS
Pilots for tankers in the Cook Inlet.	This issue is not germane to the proposed action. MMS has no authority to require pilots for tankers. That responsibility lies with the U.S. coast Guard.
Security for tankers and offshore structures against terrorist threats.	The security of tankers and other vessels engaged in maritime commerce is beyond the scope of the EIS. The security of offshore structures is confidential and this information should not be displayed and distributed in public documents.
Can the EIS force alienation of property rights?	The purpose of the EIS is to evaluate environmental impacts. It has no effect on property rights. This issue is an administrative and legal issue, with no apparent direct environmental impacts to the EIS; it is an allegation that must be resolved in other forums, if at all.
Space vehicle launch trajectory from Kodiak Island and offshore structures.	The launch trajectory footprint from the onshore facility at Kodiak Island is outside the affected area of the proposed action.
Impact Assistance	One of the 5 points of the Tri-borough agreement is the request for impact assistance. However, only the U.S. Congress can appropriate funds for Impact assistance, not MMS.
Consider new technologies as suggested by Dr. Nick Begich in the "Earth Rising, the Revolution."	MMS reviewed the book and found the proposed technology is neither technically nor economically feasible at this time.

5. Non-Sale Related Issues that are beyond the Scope of the EIS

Cook Inlet tribes would like follow up to the 1998 EPA subsistence contamination study to determine the potential contribution of contaminants produced by Cook Inlet oil and gas operations.	MMS has passed on to EPA the request for follow-up. We will keep Port Graham informed about MMS studies as they progress. Opening ANWR is a Congressional issue. The EIS considers no leasing in Cook Inlet as an option. MMS evaluates in the EIS potential effects to, and requires lessees to identify and avoid, historic and prehistoric resources. Local governments and fishermen periodically receive direct or indirect benefits from OCS revenues distributed from funds such as the Land and Water Conservation Fund. We do consider environmental and operational risks in formulating potential stipulations that are described in the EIS. All these issues are being considered, but, except as noted above, are not addressed further in the EIS.
Port Graham native village would like to be informed of the release of contaminant studies before it is available to the public.	
Open Alaska National Wildlife Refuge (ANWR) rather than Cook Inlet to leasing.	
Indicate how MMS will carry out its Section 106 responsibilities under the National Historic Preservation Act.	
OCS revenues (which include Land and Water Conservation Fund) should be set aside in trust funds, shared with local governments, or used to assist local fishermen.	
Stipulations must reflect known environmental and operational risks.	

In addition to the proposal (Alternative I), the EIS will evaluate the two alternatives (Lower Kenai Peninsula Deferral and Barren Island Deferral) identified in the Area ID and scoping report, which were suggested during the scoping process. MMS did not receive any suggestions to consider the alternatives that were evaluated in Sale 149. Most of the alternatives evaluated in Sale 149 were suggested by the public as a way to help avoid potential conflicts with commercial fishing activities. However, the analysis in Sale 149 found they were not that effective in eliminating the potential use conflicts.

The Sale 149 EIS and lease sale process did result in the development of the Protection of Fisheries stipulation, which requires the oil and gas industry to meet and work with the commercial fishing industry to minimize conflicts. At the scoping meetings, MMS indicated that stipulation would be evaluated in the EIS. No new mitigating measures were proposed for this EIS during scoping.