



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

WASHINGTON, DC 20240-0001

NOV 13 2018

Memorandum

To: Acting Director

From: James Kendall
Acting Deputy Director

Renee Orr, Chief
Office of Strategic Resources

William Y. Brown
Chief Environmental Officer

Subject: Area Identification Recommendation, Proposed 2019 Beaufort Sea Outer Continental Shelf Oil and Gas Lease Sale

Area Identification (Area ID) is the second major step in BOEM's oil and gas leasing process. During Area ID, BOEM uses information and comments received in response to a Call for Information and Nominations (Call)¹ to develop a recommendation for the area to be carried forward for further leasing consideration, and environmental and other analyses.

Pursuant to 30 CFR 556.302, this decision memorandum contains our recommendation to the Director on the Area ID for the proposed 2019 Beaufort Sea Lease Sale.² Your decision on the Area ID is documented by your signature and the marking of your choice on the last page of this memorandum. The Director's Area ID decision is not a decision to lease and is not a prejudgment by the Secretary of the Interior concerning any area that may be made available for leasing under the 2019-2024 National OCS Oil and Gas Leasing Program (2019-2024 National Program), which is currently under development.

Pursuant to 30 CFR 556.302(a)(3), BOEM will announce the Acting Director's Area ID decision in the *Federal Register*.

Background

On January 4, 2018, the Department of the Interior (DOI) announced the 2019-2024 National OCS Oil and Gas Leasing Draft Proposed Program (2019-2024 National Draft Proposed Program),³ which includes three sales tentatively scheduled for the Beaufort Sea Planning Area. The 2019-2024 National Draft Proposed Program also identifies two potential Beaufort Sea exclusion areas: the Barrow Whaling Area and the Kaktovik Whaling Area. BOEM is in the process of analyzing these two exclusion areas at a programmatic level for the 2019-2024 National Program.

¹ 83 FR 13778 (March 30, 2018)

² The Alaska OCS Region has tentatively scheduled the 2019 Beaufort Sea Lease Sale for December 19, 2019.

³ See 83 FR 829 (Jan. 8, 2018)

As provided in 30 CFR 556.301, on March 30, 2018, the Alaska OCS Region initiated the pre-leasing process by issuing a Call for the tentatively proposed 2019 Beaufort Sea Sale.

Comments Received on the Call

In response to the Call, BOEM received more than 37,650 comments from industry and community stakeholders, as well as from the State of Alaska and local officials. Most of the comments expressed opposition or support for the lease sale but did not specifically address the enumerated information requested by the Call (e.g., geological conditions, archaeological sites, potential use conflicts in the Call Area, areas that should receive special concern and analysis, and other socioeconomic, biological, and environmental information). Some commenters recommended exclusion areas; these commenters included the Marine Mammal Commission, Senator Lisa Murkowski, the National Marine Fisheries Service, the State of Alaska, the North Slope Borough, the Alaska Eskimo Whaling Commission, the Voice of the Inupiat, and a number of individual commenters. These commenters expressed almost unanimous support for excluding the Barrow and Kaktovik Whaling Areas and many commenters also suggested potential mitigation measures. Consistent with 30 CFR 556.302(a), BOEM reviewed, analyzed, and considered all comments received when developing a recommendation of areas to propose for further leasing consideration and environmental and other analyses. See Attachment 1 for a summary of all the comments. See Attachment 2 for a composite of areas requested for exclusion.

Nominations of Interest for Leasing

The State of Alaska submitted the only nomination of interest. Attachment 3 shows a map of the three priority areas that the State of Alaska nominated. BOEM did not receive any nominations of interest from industry. Several industry commenters expressed support generally for the Bureau holding frequent, predictable lease sales that include all available tracts that BOEM previously identified as having high hydrocarbon potential.

Area ID Options

The Secretary has not yet made a final decision concerning potential Beaufort Sea lease sales in the 2019-2024 National Program. If the Secretary decides that no Beaufort Sea Sale will be scheduled, or proposes a sale for an area smaller than either Area ID option proposed, that program decision would preclude the need to further analyze the areas excluded from the program. Since the 2019-2024 National Draft Proposed Program identified for possible later exclusion, but did not yet exclude, the Barrow and Kaktovik Whaling Areas, we are recommending that those areas be carried forward for further leasing consideration, despite the public comments recommending exclusion.

The Area ID decision merely outlines the potential leasing area carried forward for consideration and further analysis, and is not an irreversible or irretrievable commitment of resources. If the Whaling Areas are excluded from the 2019-2024 National Program, BOEM can drop the areas from further analysis at any time during lease sale preparation process. Alternatively, if the final Program includes the Whaling Areas, then during the final decision-making on whether and how to hold a 2019 Beaufort Sea sale, the decision could be made to exclude the two areas. One benefit of keeping the Barrow and Kaktovik Whaling Areas (and other areas of concern raised in the comments) in the area to be carried forward for further leasing consideration is that this would allow for continued analysis on the impacts of leasing in

these areas, as well as the consideration of potential mitigations that may minimize or eliminate impacts to these areas. As such, to ensure that decision-makers and the public have sufficient information to consider a potential Beaufort Sea sale in 2019, we believe that it is appropriate to further analyze the potential for impacts from activities that may result from leasing in those areas, as well as possible mitigations of those impacts. Therefore, we recommend that the area carried forward for further leasing consideration include the Barrow and Kaktovik Whaling Areas.

However, due to the relatively high degree of consensus in those comments submitted in response to the Call about the Barrow and Kaktovik Whaling Areas, we are presenting you with the option of excluding those areas at this stage. Attachment 4 shows maps illustrating Option A (which includes these whaling areas as part of the area carried forward for analysis and is our recommended approach) and Option B (which excludes these whaling areas from further consideration, and is not recommended). The recommended Option A is signified in **bold text** below.

Option A. Consider for leasing and environmental analysis the entire Beaufort Sea OCS Planning Area proposed by the Secretary under the 2019–2024 National Draft Proposed Program. This option constitutes an area of approximately 11,876 whole and partial blocks (about 65.1 million acres or 26.3 million hectares).

Option B. Consider for leasing and environmental analysis the entire Beaufort Sea OCS Planning Area, except for the Barrow and Kaktovik Whaling Areas described in the 2019–2024 National Draft Proposed Program. This option constitutes an area of approximately 11,799 whole and partial blocks (about 64.8 million acres, or 26.2 million hectares).

Decision Action

Please indicate your decision by signing and dating this memorandum and marking appropriately below:

I concur with Option A. Please continue with the announcement of the Area ID for the proposed 2019 Beaufort Sea Sale consisting of the entire Beaufort Sea OCS Planning Area.

I concur with Option B. Please continue with the announcement of the Area ID for the proposed 2019 Beaufort Sea Sale consisting of the Beaufort Sea OCS Planning Area, but excluding the Barrow and Kaktovik Whaling Areas described in the 2019–2024 National Draft Proposed Program.

I have made edits and/or included attachments to modify the Area ID recommendation; please continue with preparations for the proposed 2019 Beaufort Sea Sale.

Please postpone preparations for the proposed 2019 Beaufort Sea Sale until I provide further instructions.

Walter D. Cruickshank
Walter D. Cruickshank
Acting Director, Bureau of Ocean Energy Management

11-13-2018
Date

Attachments

1. Draft Summary of Substantive Responses Received on Call for Information and Nominations for Beaufort Sea 2019 OCS Oil and Gas Lease Sale
2. Summary of Proposed Exclusion Areas
3. Map Showing Area Nominated by State of Alaska
4. Map Showing Options A/B

Attachment 1: Draft Summary of Substantive Responses Received on Call for Information and Nominations for Beaufort Sea 2019 OCS Oil and Gas Lease Sale

Regulations.gov Docket Number (BOEM-2017-0063-NNNN) and Commenter	Comment
-0022 Pam Elders	<ul style="list-style-type: none"> • What is environmental impact of dredging for exploration that removes vast quantities of sea-bottom soils. • How will drilling discharges be handled? • How does leasing plan address potential of oil spills? • How does leasing in the US-Canada disputed area affect Canadian interests in the area? Will the plan cause deterioration in US-Canadian relations? • How does this plan address/accommodate Native people’s economic and cultural interests? • What will effects to permafrost be from oil and gas operations? • How will science-based protection of sea life and ice-dependent species be assured? • Given climate change, how can further threats to the Beaufort Sea ecological balance be justified? • Will a cost-benefit analysis be undertaken?
-0042 Conoco Phillips Alaska, Inc	<ul style="list-style-type: none"> • Favors the creation of frequent, predictable lease sales that include all available tracts previously identified by having high hydrocarbon potential. • Discretionary sale deferrals and arbitrary exclusion of lands do not afford industry an opportunity to evaluate and consolidate leasehold positions and effectively plan and budget for major, capital intensive programs. • Set and apply consistent and reasonable lease terms and mitigation measures for all upcoming sales.
-2296 Marine Mammal Commission	<ul style="list-style-type: none"> • Opposed to sale. • Additional information is needed on the abundance, distribution, and habitat use of marine mammal species and stocks so that adequate and appropriate mitigation measures can be implemented. • Gaps in our understanding of how oil and gas development affects marine mammal species and their habitat, means mitigation measures may be too restrictive or not restrictive enough. • Rapid loss of sea ice and unpredictable weather are also having significant impacts on Alaska Native coastal communities and traditional marine mammal hunting practices. • Limit leasing to a single lease sale with such sales to occur near the end of the five-year program to allow for

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	<p>additional information to be collected to inform the development of effective marine mammal mitigation and monitoring.</p> <ul style="list-style-type: none"> • Defer Barrow Canyon bowhead whale feeding area. • Defer Barrow and Kaktovik subsistence use areas. The Barrow exclusion area should be extended eastward to the western edge of Smith Bay and seaward to the 20-m isobath, and the Kaktovik exclusion area should be extended eastward to 142. degree W longitude and seaward to the 50-m isobaths. • Defer Cross Island subsistence use area encompassing the area eastward to Tigvariak Island and seaward from the barrier islands out to the 40-m isobaths. • Defer Camden Bay Resting and feeding area with a buffer area extending seaward to the 20-m isobaths.
-2610 Senator Lisa Murkowski	<ul style="list-style-type: none"> • Defer Barrow and Kaktovik Whaling Area. • Consult with local stakeholders, including subsistence hunters, to further understand the essential areas that are used for feeding and the peak migration patterns of the bowhead whale. • Consider transportation corridors, seasonal differentiation for certain mitigation measures and operations, and spill response and preparedness requirements.
-8524 B Long	<ul style="list-style-type: none"> • Defer Barrow Whaling Area. • Defer Kaktovik Whaling Area. • Defer Nuiqsut Whaling Area. • Prime bearded seal area just north from the Colville River Delta centered on Thetis Island. The core area is from Fish Creek in the west to Pingok Island in the east. Limits will be set on industrial activity like pipeline rerouting or stopping noisy work during the birthing seasons. • Place Smith Bay and adjacent wetlands off limits to oil and gas infrastructure. • Exclude long established migration routes for seabirds and bowhead whales, foraging hotspots, subsistence use areas, rich seafloor habitat, lingering ice habitat, and areas where algae and phytoplankton thrive. (The commenter did not identify specific areas.)

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-8863 Consumer Energy Alliance	<ul style="list-style-type: none"> • Offshore energy in places like the Beaufort Sea is essential to extending the life of Trans Alaska Pipeline System (TAPS). • Precluding access to Alaskan offshore energy would require that we turn to imports to replace nearly 60% of the lost domestic production, and could cause billions of dollars in incremental environmental and social costs as we turn to other sources for energy.
Sen. Cantwell and Merkley, MC Huffman and Grijvala	Oppose Beaufort Sale 2019.
-9222 Alaska Chamber	<ul style="list-style-type: none"> • Beaufort, as well as Chukchi Seas, have the potential to hold over 24 billion barrels of oil and 133 trillion cubic feet of natural gas. • Development of these energy resources could mean 35,000 annual direct and indirect jobs over the next 50 years representing a payroll of over \$70 billion. • Revenues to federal, state, and local governments will also have a huge impact with an estimated \$200 billion going to the various levels of government. • Alaskans overwhelmingly recognize the benefits that the exploration and production of oil and gas in Alaska's Arctic offshore. A recent public opinion survey conducted by Dittman Research on behalf of 809 likely voters shows that 67 percent of Alaskans said they support responsible resource development in the Arctic OCS (attached to comment submission).
-9226 Denis Ramsey	<ul style="list-style-type: none"> • There are many oil and gas leases across the Arctic on land and water that are going unclaimed and unproven. Why doesn't BOEM insist those leases be followed through before offering up new ones? • Oil spill risk is unacceptable. • Pacific walrus, polar bears, belugas, bearded and ring seals. Spectacled and Stellers eiders, and king and common eiders are depended on various parts of the Beaufort Sea. • Defer Barrow Whaling Area. • Defer Kaktovik Whaling Area. • Defer Nuiqsut Whaling Area. • Prime bearded seal area just north from the Colville River Delta centered on Thetis Island. The core area is from

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	<p>Fish Creek in the west to Pingok Island in the east. Limits will be set on industrial activity like pipeline rerouting or stopping noisy work during the birthing seasons.</p> <ul style="list-style-type: none"> • Place Smith Bay and adjacent wetlands off limits to oil and gas infrastructure. • Exclude long established migration routes for seabirds and bowhead whales, foraging hotspots, subsistence use areas, rich seafloor habitat, lingering ice habitat, and areas where algae and phytoplankton thrive. No specific areas identified.
-9464 NASA Goddard Space flight Center	<ul style="list-style-type: none"> • Concerned about effects to Poker Flat Research Range (PFRR) operated by UAF. • Several configurations of PFRR-launched sounding rockets have the potential to land within the boundaries of the Beaufort Sea Planning Area. • Estimate that at least 70 PFRR-launched rocket motors and/or payloads have landed within the Beaufort Sea since the range's inception. • Primary concern is OCS development could result in the need to protect additional persons and property when conducting launch operations. • Mission impact assessment for National Program should be completed by May 2018. • Interested in being a cooperating agency on the EIS. Copy of the letter sent to Chief, EAS II by J. Lima.
EPA Region 10	<p>Comment referred exclusively to general content of the EIS. Copy sent to Chief, EAS II.</p>
-18043 American Petroleum Institute	<ul style="list-style-type: none"> • Undiscovered technically recoverable oil and gas resources in the Beaufort Sea Planning Area are estimated to contain a mean volume of 8.22 billion barrels of oil and 27.64 Tcf. As much as 90% of this resource endowment is expected to occur in less than 100 meters of water where industry already has exploration and production technology and operating experience. • Arctic OCS resources would derive from four principal revenue categories: 1) property taxes which accrue to both the local and state governments, 2) state corporate income taxes, 3) additional royalties to the state government due to the increase in TAPS throughput from OCS production, and 4) federal royalty payments.

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	<ul style="list-style-type: none"> • Oil and gas development in the Alaska OCS including the Beaufort Sea could ultimately prove indispensable, given forecasts that predict this nation’s energy demands increasing over ten percent in the next quarter century.
-31598 Greg Scott	<ul style="list-style-type: none"> • Development of offshore oil and gas resources in the Beaufort Sea, especially those off the coast of ANWR, will not be economically viable until the necessary infrastructure (primarily pipelines) is developed onshore to tie into TAPS. Until such time as the need for and coordination of connecting infrastructure is agreed, no areas in the Beaufort Sea be made available for lease to the east of Point Thomson for the 2019 proposed lease sale. • All unleased land areas between Point Thomson west to Prudhoe Bay are state lands and have either not been offered for lease by the State of Alaska or been acquired under leases, although there is no legal or environmental restriction preventing that action. Therefore, it is reasonable to assume that state lands to the east of existing leased areas in the Prudhoe Bay fields are not viable with current technology, and therefore, no near-term production is likely to occur there. No offshore areas to the east of existing offshore leases in the Beaufort Sea (Liberty field) be included in the proposed 2019 lease sale.
-35457 National Ocean Industries Association	<ul style="list-style-type: none"> • Arctic holds approximately 30% of the world's undiscovered natural gas and 13% of its undiscovered oil. This amounts to roughly 400 billion barrels of oil equivalent. • As much as 90% of this resource endowment is expected to occur in less than 100 meters of water where industry already has exploration and production technology and operating experience. • In order to promote exploration and development, it is crucial that BOEM employ a predictable program of leasing creating the certainty necessary for industry to effectively conduct long-term strategies in the Arctic OCS. • There may be no greater tangible benefit to Arctic OCS development than greater energy independence.

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-36618 National Marine Fisheries Service	<ul style="list-style-type: none"> • The Arctic FMP identifies EFH for Arctic cod (<i>Boreogadus saida</i>) and saffron cod (<i>Eleginus gracilis</i>). Additionally, the Salmon FMP identifies EFH for all five species of Pacific salmon (<i>Oncorhynchus</i> spp.). • Commercial fishing does not currently exist for any cod or salmon in the Beaufort Sea. • No Habitat Areas of Particular Concern exist. • In 2017, NMFS updated Impacts to Essential Fish Habitat from Non-fishing Activities in Alaska which provides generally recommended conservation measures for oil and gas exploration and development as options to avoid and minimize adverse impacts to EFH. • NOAA supports exclusion of BOEM-identified Barrow Whaling Area and Kaktovik Whaling Area. • Exclude 16 biologically-important areas identified as Bowhead Fall Exclusion Areas (3), Bowhead Summer Exclusion Areas (5), Beluga Summer Exclusion Areas (8). • Other important areas include bowhead whaling feeding areas, bowhead and beluga whale migratory corridors, bearded seal concentration areas,, bowhead whale reproductive areas, bearded seal foraging areas. • Conduct a comprehensive impact assessment for region, including the potential for future commercial fishing. • Evaluate mechanisms to adequately respond to a collision, spill, or other emergency situations. • Consider effects of ice-associated ESA listed ringed seals and bearded seals. • Consider potential impacts associated with mobilizing and demobilizing to the program area. • Require the oil and gas industry to provide information describing its preparedness and ability for wildlife response in the event of an oil spill. • Evaluate the potential oil and gas anthropogenic footprint, including geospatial planning, and its effects on marine and estuarine habitat should be performed. • Conduct the environmental review using an Ecosystem Based Management (EBM) approach.
-37008 State of Alaska	<ul style="list-style-type: none"> • Supports responsible leasing and resource development activities in the Beaufort Sea grounded in community input and environmental protection.

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	<ul style="list-style-type: none"> • Would like BOEM to consider holding two lease sales in the Beaufort to give communities enough time and resources to adequately respond. • Supports Kaktovik and Barrow Whaling exclusions. • Other important ecological or community use areas that could merit restrictions, stipulations or other protections upon review. • Future development needs to consider and support the continued traditional use of the OCS by local communities while working to establish a more robust network of spill and emergency response infrastructure in the Arctic. • Oil lease activities in the Beaufort Sea that have the potential to affect known and previously unidentified significant cultural resource sites will need to comply with the National Historic Preservation Act and the Alaska Historic Preservation Act and therefore coordinate with the State Historic Preservation Office and the Office of History and Archaeology. • Division of Oil and Gas ranked OCS areas as nomination priority (1, 2, or 3) for inclusion in future lease sales and provided reasoning for each category.
-37009 William Stringer	<ul style="list-style-type: none"> • Provides information on sea ice conditions in the planning area in terms of four major zones: Dinkum Sands Zone, Stamuki Zone, Grounded Ridge Zone, and Pack Ice Zone. • Provides information of spill hazards in icy waters and ice free conditions, freezing conditions, and ice breakup. • Is opposed to the lease sale.
-37010 Resource Development Council	<ul style="list-style-type: none"> • Move forward with lease sales in petroleum basins with greatest potential. • Work with Alaskans and subsistence hunter to ensure a balanced approach to the lease sale. • Oil and gas development offshore the North Slope is predicted to produce an annual average of 35,000 direct and indirect jobs over the next half century for Alaska alone, with an estimated payroll of \$70 billion. • Revenues generated from Arctic OCS oil and gas production could amount to over \$200 billion to federal, state and local governments.

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Regulations.gov Docket Number (BOEM-2017-0063-NNNN) and Commenter	Comment
	<ul style="list-style-type: none"> • New oil production in the Beaufort Sea would serve to help maintain the integrity of the TAPS. • Offshore development would bring additional infrastructure to the region and would also provide increased response capabilities in an area where shipping and other activities are increasing as the Arctic ice pack continues to recede.
-37011 World Wildlife Fund	<ul style="list-style-type: none"> • Opposed to the sale. • Describes strong ocean currents, such as the Beaufort Gyre, and harsh weather conditions. • Offshore oil spill technology for Arctic is not adequate. • Assess future climate that falls under the 1.5°C ceiling that we hope will stave off the most catastrophic climate change impacts. • Stockholm Environmental Institute estimates that the cessation of leasing would lead to a net reduction of global CO2 emissions from oil of 31 million metric tons (“Mt”) CO2 in the year 2030.³⁵ Of this total reduction, 85% (or 26 Mt CO2 in 2030) can be attributed to the elimination of offshore oil leases covered by BOEM’s five year planning process.
-37013 Columbia Law School, Sabin Center for Climate Change Law	<ul style="list-style-type: none"> • BOEM should not allow leasing in previously protected areas, nor consider Beaufort Sea lease sales before completing their plan and environmental review for the 2019-2024 Outer Continental Shelf (OCS) Oil and Gas Leasing Program. • BOEM should consider whether there is a compelling purpose and need for lease sales in the Beaufort Sea Planning Area. • As part of its environmental review, BOEM should carefully evaluate potential greenhouse gas emissions generated from the production, transportation, and combustion of oil and gas produced from any leasing activity in the Beaufort Sea Planning Area. BOEM’s analysis of emissions should be thorough and transparent. • As part of its environmental review, BOEM should analyze how climate change impacts will affect leasing activities.
-37014. International Association of Drilling Contractors	<ul style="list-style-type: none"> • Supports Beaufort Lease Sale. • Challenges to operating in Alaska OCS certainly do not go unnoticed.

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	<ul style="list-style-type: none"> • Substantial progress made in the areas of technology and offshore process safety improvements achieved since 2010. • Mobile operating drilling units will be used in Alaska OCS. Since 2010, the MODUs incorporate modern safety features, revised national and international safety regulations, and performance management requirements. • With these measures, industry and regulatory stakeholders are well positioned to meet challenges of the Alaska OCS.
-37016 350.org and others	<ul style="list-style-type: none"> • Opposes the lease sale. • Risk of oil spills in fragile environment. • Remoteness of the Arctic OCS prevents cleanup of oil spills. • Need to not develop the Arctic OCS oil and gas resources to achieve climate change CO2 emission reductions.
-37017 North Slope Borough	<ul style="list-style-type: none"> • Subsistence resources are vital to community and well being of the people. • All the communities, whether through direct harvest or extensive sharing networks, utilize the full range of traditional marine subsistence resources that abound in Arctic waters. <p>Exclusions</p> <ul style="list-style-type: none"> • Adopt the deferral areas defined in the agency's 2012-2017 Outer Continental Shelf Oil and Gas Leasing Program for Utqiagvik and Kaktovik. • BOEM work with the Nuiqsut Whaling Captains' Association and the Alaska Eskimo Whaling Commission to establish an appropriate deferral area for Nuiqsut's whalers around the community's whaling base of Cross Island. • BOEM should also utilize the work of Michael Galginaitis in developing a deferral area for Cross Island. <p>Mitigation Measures</p> <ul style="list-style-type: none"> • Enter into conflict avoidance agreements with the Alaska Eskimo Whaling Commission, applicable local

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	<p>whaling associations, and other marine mammal user groups as necessary.</p> <ul style="list-style-type: none"> • Conduct comprehensive, multi-year, pre-activity, site-specific research to document baseline conditions and ecological trends in areas of proposed operations in order to avoid and mitigate potential risks and impacts to subsistence resources and the environment. • Construct subsea pipelines to onshore facilities in lieu of transporting oil by barge to minimize the threat of an oil spill. • Implement seasonal drilling, construction and transportation restrictions to minimize impacts on bowhead whale and other species distribution and behavior during seasonal migrations • Pre-position significant spill response equipment and personnel to ensure adequate spill response capabilities under all foreseeable conditions • Post significant bond monies to guarantee adequate funding is available for cleanup and recovery costs • Enter into an "Oil Spill Mitigation Agreement" with applicable local communities which is a trust designed specifically to mitigate the impacts to local residents in the event an oil spill or industrial disaster jeopardizes subsistence hunting in an area. • Implement a "Zero Discharge" policy for certain areas including discharges of drilling fluids, casings after 20 inches, gray water and bilge/ballast water, modeled after offshore development in the Barents Sea.
-37644 Alaska Eskimo Whaling Commission	<ul style="list-style-type: none"> • For the Draft Proposed Program, AEWC provided extensive analysis regarding the history of the deferral areas, the subsistence uses that occur within and adjacent to these deferral areas, and the potential impacts of allowing for industrial activity in these locations. • DPP input also provided discussion of the Open Water Season Conflict Avoidance Agreement (CAA), with a description of its long and successful history of facilitating the co-existence of our fall bowhead whale

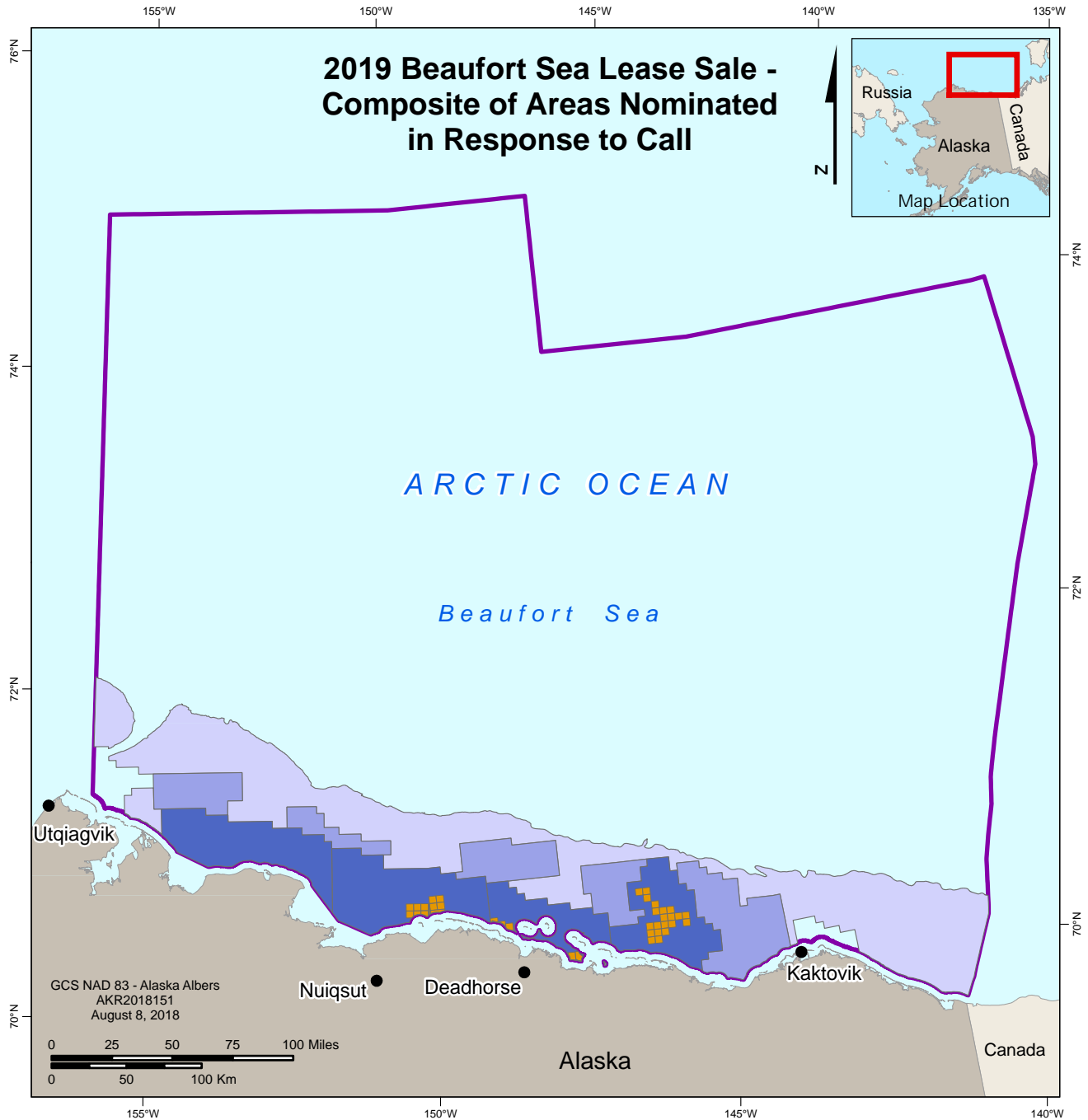
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	<p>subsistence harvest with offshore oil and gas exploration work.</p> <ul style="list-style-type: none"> • Exclude the Barrow and Kaktovik Whaling Areas. • Exclude from leasing an area around Cross Island to protect whaling area for village of Nuiqsut. • Mitigation Measures; Require a lease stipulation that operators engage with the AEWG in the annual CAA Process, to collaborate on the measures needed to ensure mutual success in the coming Open Water Season. • Mitigation Measure: Zero discharge requirements in the nearshore, as specified in the CAA, to protect the bowhead whale, its habitat, and our subsistence hunts.
-37646 Alaska Oil and Gas Association	<ul style="list-style-type: none"> • There have been over 100 wells drilled in the Alaska OCS regions potentially available for leasing, each without incident. The majority of those wells were drilled a generation ago, and the vast improvement in technology suggests that wells drilled in the future stand to be even safer and more efficient. • Oil and gas development in the Alaska OCS is predicted to result in over \$53 billion in industry spending over the next quarter of a century. • Alaska OCS exploration and development is projected to generate approximately 13,500 jobs annually, with 53% of those jobs located in Alaska and the remainder in the rest of the United States, expected to result in more than \$800 million in average annual labor income. • Public sector revenue, projected to exceed \$37 billion, will come from property taxes, corporate income taxes, and royalty payments. As it relates to Alaska specifically, the state collects property taxes on oil and gas related facilities within its boundaries. Alaska also imposes a corporate income tax on all oil and gas related activities within the state. • OCS development would invariably result in an increase of oil flowing through the TAPS would lower the pipeline tariff and would therefore result in a higher netback price.




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Regulations.gov Docket Number (BOEM-2017-0063-NNNN) and Commenter	Comment
	<ul style="list-style-type: none"> • Oil and gas development in the Alaska OCS could ultimately prove indispensable, given forecasts that predict this nation's energy demands increasing over ten percent in the next quarter century.
-37648 Voice of the Arctic Inupiat	<ul style="list-style-type: none"> • Supports safe and culturally responsive resource development. • Reinstate the Kaktovik Whaling Area, Barrow Whaling Area, and to consult directly with the Nuiqsut Whaling Captains and Alaska Eskimo Whaling Commission (AEWC) on appropriate mitigation and protection to preserve the Cross Island hunt. • A prime example of this successful collaboration is the Open Water Season Conflict Avoidance Agreement (CAA), which for more than 30 years has enabled subsistence hunters and offshore oil and gas developers to share the waters of the Arctic.




Attachment 2: Map Showing Area Nominated by State of Alaska



Legend

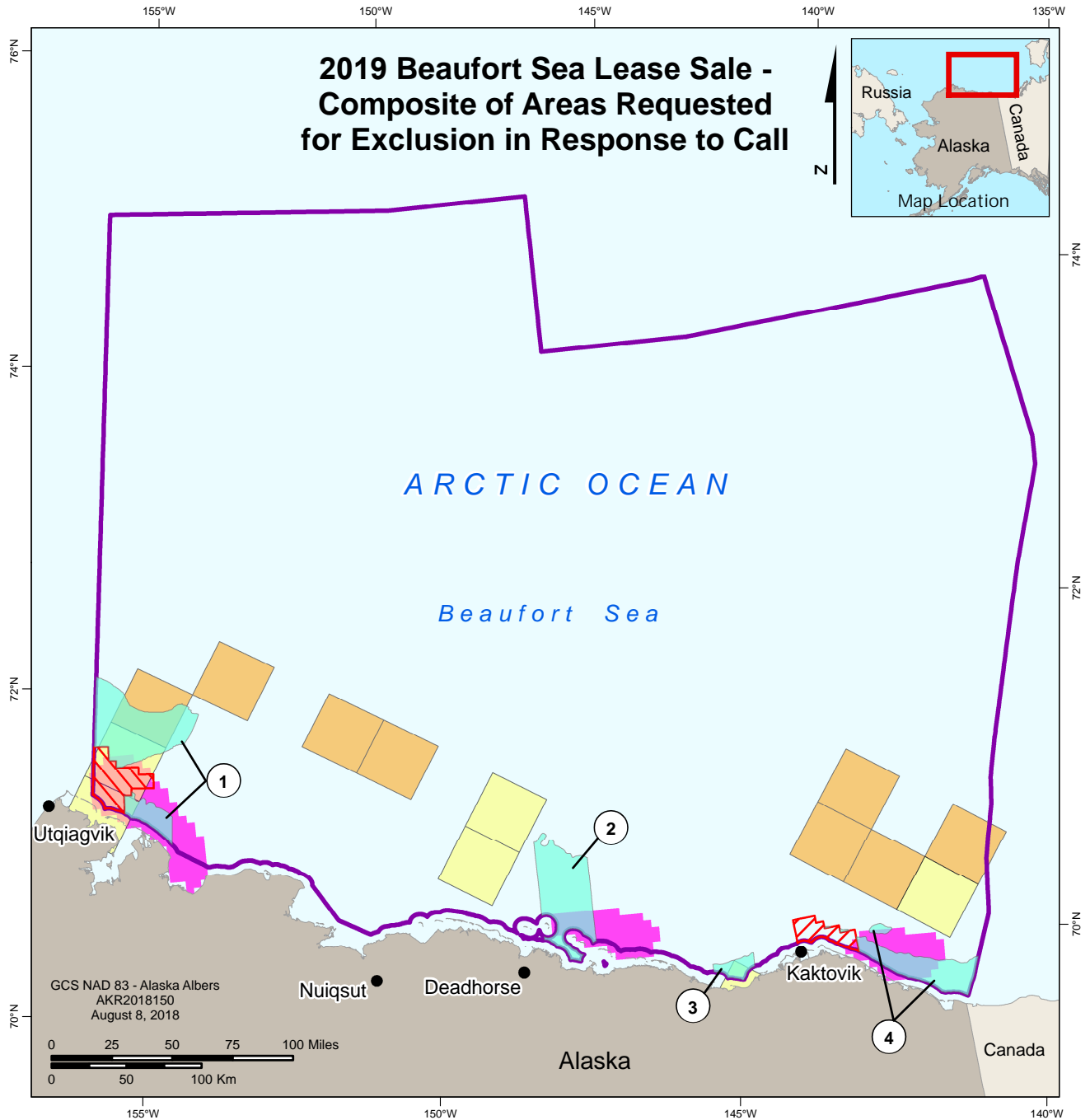
-  2019-2024 Beaufort Sea Program Area
-  Existing Leases
-  200-meter isobath

State Of Alaska Nominated Areas

-  Priority 1 Area
-  Priority 2 Area
-  Priority 3 Area



Attachment 3: Summary of Proposed Exclusion Areas



Legend


<div style="border: 2px solid purple; width: 100px; height: 10px; margin-bottom: 5px;"></div> 2019-2024 Beaufort Sea Program Area	
Beaufort Sea Whaling Exclusion Areas	
<div style="border: 1px solid red; background: repeating-linear-gradient(45deg, red, red 2px, transparent 2px, transparent 4px); width: 20px; height: 10px; display: inline-block;"></div>	Barrow
<div style="border: 1px solid red; background: repeating-linear-gradient(-45deg, red, red 2px, transparent 2px, transparent 4px); width: 20px; height: 10px; display: inline-block;"></div>	Kaktovik
MMC Recommended Exclusion Areas	
<div style="border: 1px solid lightblue; background-color: lightblue; width: 20px; height: 10px; display: inline-block;"></div>	① Barrow Canyon
<div style="border: 1px solid lightblue; background-color: lightblue; width: 20px; height: 10px; display: inline-block;"></div>	② Cross Island Subsistence Use Area
<div style="border: 1px solid lightblue; background-color: lightblue; width: 20px; height: 10px; display: inline-block;"></div>	③ Camden Bay Feeding and Resting Area
<div style="border: 1px solid lightblue; background-color: lightblue; width: 20px; height: 10px; display: inline-block;"></div>	④ Kaktovik Subsistence Use Area
NMFS Biologically Important Areas	
<div style="background-color: pink; width: 20px; height: 10px; display: inline-block;"></div>	Bowhead Fall
<div style="background-color: yellow; width: 20px; height: 10px; display: inline-block;"></div>	Bowhead Summer
<div style="background-color: orange; width: 20px; height: 10px; display: inline-block;"></div>	Beluga Summer

Attachment 4: Map Showing Options A/B




Legend

Option A:

 2019-2024 Beaufort Sea Program Area

Option B: Exclude Beaufort Sea Whaling Areas

 Barrow

 Kaktovik

