



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

WASHINGTON, DC 20240-0001

AUG 27 2012

Memorandum

To: Secretary

Through: Marcilynn A. Burke *Marcilynn A. Burke*
Acting Assistant Secretary – Land and Minerals Management

From: Tommy P. Beaudreau *Tommy P. Beaudreau*
Director

Subject: Approval and Record of Decision for the Five Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2012-2017

The Bureau of Ocean Energy Management (BOEM) requests your approval of the Five Year OCS Oil and Gas Leasing Program for 2012-2017 as described in the Proposed Final OCS Oil and Gas Leasing Program (PFP) (Attachment 1), which you issued on June 28, 2012, and is hereby incorporated by reference.

Under section 18 of the OCS Lands Act (OCSLA), the Secretary of the Interior is responsible for preparing and maintaining a schedule of proposed OCS oil and gas lease sales determined to “best meet national energy needs for the 5-year period following its approval or reapproval,” while also taking into account a range of important principles and considerations specified by the Act. On June 28, 2012, you submitted the PFP to the President and Congress, initiating a 60-day review period, as required by section 18(d)(2) of OCSLA, after which you may approve the new Five Year Program. The BOEM simultaneously published a Final Environmental Impact Statement (FEIS) (Attachment 2), pursuant to section 102(2)(C) of the National Environmental Policy Act (NEPA), which analyzes a range of reasonable alternatives for the Five Year Program and the reasonably foreseeable environmental consequences of each alternative.

Your approval of this document would constitute approval of the Five Year Program. Your concurrence below would also constitute the decision to proceed as described in the PFP, which schedules 15 potential offshore oil and gas lease sales in 6 OCS planning areas. A total of twelve of these sales are planned for the Western, Central, and Eastern Gulf of Mexico (GOM) planning areas, including annual area wide lease sales in the Western and Central GOM Planning Areas, as well as two lease sales in the portion of the Eastern GOM that is not under Congressional moratorium. The PFP also schedules three potential lease sales off the coast of Alaska – one each in the Chukchi Sea, Beaufort Sea, and Cook Inlet planning areas, as explained in detail in the PFP.

The FEIS, which is hereby incorporated by reference, analyzed eight alternatives, which BOEM evaluated along with comments received throughout the NEPA process. Alternative 1 is the Proposed Action in the FEIS and Alternative 8 is the No Action Alternative. The other action alternatives are variations of Alternative 1, with each of them excluding one of the planning areas as follows: Alternative 2 - Exclude the Eastern GOM Planning Area, Alternative 3 - Exclude the Western GOM Planning Area, Alternative 4 - Exclude the Central GOM Planning Area, Alternative 5 - Exclude the Beaufort Sea Planning Area, Alternative 6 - Exclude the Chukchi Sea Planning Area, and Alternative 7 - Exclude the Cook Inlet Planning Area.

The decision to select the proposal as described in the PFP was based on a balancing of national policy considerations as explained in Section IV.E of the PFP. These considerations included the statutory directive to best meet national energy needs and the weighing of the factors identified in section 18(a) of OCSLA. The PFP makes available all of the planning areas with the highest resource potential, which together include more than 75 percent of the undiscovered technically recoverable oil and gas resources on the OCS. The full discussion of how the Section 18 factors were weighed is contained in Section I of the PFP.

The BOEM has identified Alternative 1 in the FEIS as the environmentally preferable alternative in the FEIS. Section 2.11 and Section 4.5 of the FEIS support the identification of Alternative 1 as the environmentally preferred alternative.

The FEIS also addresses methods to avoid or minimize environmental harm throughout the lease sale planning process (see 40 CFR 1505.2(c)). The OCSLA establishes a multi-phased approach to the lease sale planning process, which begins at the broad programmatic phase, with the establishment of a Five Year Program. The process continues with ongoing and more site-specific analysis in planning the specific configurations of each individual lease sale—including the design of mitigation measures to protect the environment. The FEIS contains an appendix of “Assumed Mitigation Measures,” which lists commonly applied mitigation techniques that have historically been required on a majority of lease sales. The PFP also describes BOEM’s work to develop innovative features, such as a mitigation tracking table, that will track the lineage and treatment of suggestions for spatial exclusions, temporal deferrals, and mitigation from the Five Year Program to the lease sale phase and on to the plan phase. Adopting specific mitigation measures at this Program stage of the planning process is impracticable because such measures are developed for, and individually applied to, the specific circumstances associated with each lease sale and subsequent plan decisions. Accordingly, specific mitigation measures are not adopted in this Program and will be developed contemporaneously with specific sales or plan approvals.

During the 60-day review period that followed the issuance of the PFP, BOEM received correspondence which is summarized as an attachment to this memorandum (Attachment 3).

Secretarial Decision

The BOEM recommends that you approve the Five Year OCS Oil and Gas Leasing Program for 2012-2017 as set forth in the PFP issued on June 28, 2012 at the conclusion of the 60-day review period on August 27, 2012.

Approved: X

Disapproved: _____

Ken Salazar
Secretary of the Interior

AUG 27 2012
Date: _____

Attachments

Attachment 3

Correspondence

Since the PFP and FEIS were issued, the Department received correspondence concerning the program. An August 14, 2012, letter from 61 members of the House of Representatives stated that they are concerned about the decision to schedule sales in the Arctic and suggest three conditions that must be met before holding such sales. These conditions—considering further deferrals, use of scientific research and monitoring, and demonstrated oil spill response capability and preparedness—are already important considerations to the lease sale decisionmaking process.

In addition, the Department is aware of the letter dated August 8, 2012, to the President from the 7 coastal state Governors who constitute the OCS Governors Coalition, expressing their concern that the Federal Government did not properly consult with coastal states before issuing the PFP. The Governors express particular concerns about the lack of access to Arctic areas and the lack of leasing in the Mid and South Atlantic planning areas. The Mid and South Atlantic were not included in the November 2011 Proposed Program (PP). Comments on the PP were specifically requested from each state Governor and were received from the Governor of Virginia and from State agencies in Alaska and Louisiana on behalf of those Governors. The Governors assert that the PFP also removed from leasing millions of acres in the Arctic for “study areas.” While the PFP removed an additional 1.16 million acres in the Chukchi Sea based on its subsistence use, relatively low resource potential, and contiguity to the already-removed 25-mile buffer area, the PFP did not remove other areas, but pointed out that studies will be undertaken to provide more information for use in decisionmaking at the lease sale stage.

In summary, since the issuance of the PFP, no new information has been raised or any other circumstance come to light that would affect the analysis on which the PFP is based.