

Alaska Oil and Gas Association



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National Ocean Council
722 Jackson Place, NW
Washington, DC 20503

Re: Comments on the Draft National Ocean Policy Implementation Plan

Dear Members of the National Ocean Council:

The Alaska Oil and Gas Association (AOGA) appreciates the opportunity to provide comments on the Draft National Ocean Policy (NOP) Implementation Plan (Draft Plan), released on January 12, 2012. AOGA is a business trade association whose member companies represent the majority of oil and gas exploration, development, production, transportation, refining, and marketing activities in the state.

The Draft Plan covers the nine NOP national priority objectives, two of which are of particular interest to AOGA, Changing Conditions in the Arctic and Coastal and Marine Spatial Planning (CMSP), and replaces the previous effort to issue Strategic Action Plans for each objective. AOGA remains engaged on this issue because of the policy's potential to significantly impact resource and economic development in Alaska. We continue to be concerned about the lack of detail included in the Draft Plan, and thus the ability to provide substantive, meaningful input on implementation of the NOP.

For example, under the priority objective to "Inform Decisions and Improve Understanding," science activities will be informed by recommendations from *Science for an Ocean Nation: An Update of the Ocean Research Priorities Plan*. As of the public comment deadline, however, the report has yet to be released to the public. Furthermore, important details regarding implementation of CMSP were not included in the Draft Plan, and instead will be addressed in the *Handbook for Regional Coastal and Marine Spatial Planning*. To date, the Handbook has not been released, and there is no assurance that public comment will be collected.

AOGA agrees that more streamlined permitting and regulatory processes are needed, but that this should be accomplished through existing statutory and regulatory regimes. According to statements by the National Ocean Council (Council) and other senior level officials in the Administration, the NOP will not change existing Federal authorities and responsibilities; however, the Draft Plan includes contradictory language. For example, language is included that the NOP and Draft Plan

“do not change existing Federal authorities and responsibilities,” yet one of the milestones for the Legal Working Group for 2013 is to complete review of Ecosystem-based Management-relevant statutes and regulations to identify “potential legislative changes that would fill gaps and support full implementation of EBM.” The Council needs to clarify in the final plan that the NOP will only be implemented through existing statutory and regulatory regimes.

Furthermore, under the priority objective to better coordinate and support management of our oceans, coasts and Great Lakes, the Council should address the importance of and need for streamlining permitting processes across all agencies, rather than just focusing on a pilot project for aquaculture permitting.

Under the priority objective addressing changing conditions in the Arctic, the Draft Plan does not acknowledge, but should, existing government and industry Arctic prevention and response capabilities. For example, the oil spill response plan for Shell’s 2012 oil and gas exploration programs in the Beaufort and Chukchi Seas that was recently approved by the Bureau of Safety and Environmental Enforcement; significant oil spill prevention and response capabilities have been developed and will be available and onsite this summer as part of Shell’s exploration programs. In fact, these programs cannot and will not proceed in the absence of adequate response capabilities.

Of primary concern to AOGA is CMSP, particularly the potential for the program to result in exclusionary zoning of Alaska’s oceans and coastline and additional layers of bureaucracy for project planning and development purposes, and thus, increased project delay, costs and uncertainty. Language in the Draft Plan also raises concern that the geographic scope of the NOP will be expanded beyond the coast to include inland areas.

Importantly, the Draft Plan includes very little information on the Regional Planning Bodies (Planning Bodies), only that membership will be restricted to Federal, state and tribal authorities relevant to CMSP. Stakeholders will have no direct representation on the Planning Bodies, despite the fact that they are charged with creation and implementation of regional CMS plans encompassing all ocean and coastal uses. AOGA believes membership on the Planning Bodies should be expanded to include representatives from these stakeholder groups. However, at a minimum, the Draft Plan should specify the processes and procedures for stakeholder and public engagement with the Planning Bodies on CMSP issues. Apparently, this information will be included in the Handbook, but again, it is not clear whether public input will be collected or the policies included in the Handbook discretionary or mandatory. Additionally, it will take time for the Planning Bodies to organize and establish CMS plans; therefore, the Draft Plan should clarify that lack of a Planning Body in a region or CMS plan does not in any way impact project approvals under existing statutory and regulatory regimes.

Finally, with regard to CMSP, the Council is charged with “certifying” the regional CMS plans. However, no details are provided on the process or criteria that will be used to certify the plans and there has been no indication that this information will be provided in the CMSP Handbook or otherwise made available for public review and input.

In general, AOGA is concerned the NOP, particularly CMSP, will be used as a tool for litigation given the lack of detail described above and prevalent throughout the Draft Plan. This is a real concern and one the NOC should acknowledge before pursuing implementation much further or so broadly across regions.

AOGA is also concerned about how plan implementation will be funded, especially given scarce Federal resources across all agencies. Implementation of the NOP should not be given priority over existing regulatory and permitting programs necessary for approval and oversight of resource and economic development projects in Alaska and elsewhere or funds diverted away from these programs.

Developing Alaska's vast Outer Continental Shelf (OCS) resources is essential to any effort to reduce the nation's dependence on foreign sources of oil and should not be unjustifiably impeded by unclear project regulation and development procedures. Alaska's OCS is estimated to hold approximately 27 billion barrels of oil and 132 trillion cubic feet of natural gas, the development of which would translate into an annual average of 54,000 new jobs over 50 years, \$145 billion in payroll throughout the U.S. and \$193 billion in revenues to state, local and Federal governments. These resources are also vital to stemming the decline of throughput through the Trans-Alaska Pipeline, identified as critical national infrastructure, which is currently operating at one-third capacity and will face continued operational challenges without additional supply. Implementation of the NOP should not hinder efforts to develop the resources contained in Alaska's OCS.

AOGA does not agree that the NOP should be implemented without detailed information on all aspects of implementation, including the science that will be used and collected to inform implementation and how the Regional Planning Bodies will operate and the policies and procedures for development of CMS plans and public engagement. At a minimum, AOGA believes that implementation should not occur until there has been opportunity to provide input on these important issues.

In addition to the comments outlined above, AOGA also endorses the comments of the National Ocean Policy Coalition. If you have any questions on our comments or concerns with implementation of the NOP, please do not hesitate to contact me.

Sincerely,



KATE WILLIAMS
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