

## Alaska Oil and Gas Association

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*Joshua Kindred, Environmental Counsel*

December 30, 2016

Ms. Serena Sweet  
Bureau of Land Management  
222 West 7th Avenue, Suite 13  
Anchorage, AK 99513

Re: Draft Northeastern NPR-A Regional Mitigation Strategy

Dear Ms. Sweet:

Thank you for the opportunity to provide comments on the Bureau of Land Management's (BLM) draft Regional Mitigation Strategy (RMS) for the Northeastern National Petroleum Reserve in Alaska (NPR-A) and draft Technical Companion. The Alaska Oil and Gas Association ("AOGA") is a professional trade association whose members account for the majority of oil and gas exploration, development, production, transportation, refining, and marketing activities in Alaska.

AOGA appreciates BLM's endeavor to foster environmentally sound and prudent energy development. Although the draft RMS is predicated on input from numerous stakeholders, AOGA has ongoing concerns that the draft RMS: (1) fails to appreciate or account for the unique aspects of oil and gas development in the NPR-A; (2) lacks a workable mitigation framework; and (3) duplicates existing permitting processes and mitigation programs.<sup>1</sup> AOGA believes that the draft RMS will invariably suffer from an impractical strategy that creates a litany of challenges, where the costs will far outweigh any potential benefits.

Given those reservations, AOGA encourages the BLM to reconsider whether the draft RMS truly corresponds to its missions in the NPR-A. AOGA fears that, as currently drafted, the RMS will result in increasing conflicts and delays associated with permitting, discourage investment, and undermine the balance of conservation, subsistence and economic security.

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<sup>1</sup> AOGA also has reservations regarding the scope of BLM's legal authority as it relates to the draft RMS. As such, AOGA would echo the specific reservations articulated by Caelus in Section I of its comments.

## **I. Comments**

Before drafting any regulatory package, AOGA believes it is vital for agencies to appreciate the unique aspects of oil and gas development in Alaska. First, and perhaps foremost, it is important to note that local communities and populations enjoy a greater percentage of the benefits associated with oil and gas development than in other jurisdictions (through public royalties, taxes, revenue sharing, etc). Thus, the BLM should account for the fact that oil and gas production is crucial to the economic well-being of Alaskans. In that vein, the State of Alaska is currently facing serious budgetary challenges, which can result in negative impacts to rural Alaskans through the loss of basic services. At this time, BLM should understand how critical new oil production will be to the strength and viability of Alaskan communities. Oil production in this region will be incredibly beneficial to both the State, which will receive fifty percent of federal royalties, and Native Corporations, where seventy percent of ANCSA Regional Corporation royalties are shared among other regional and village corporations. As it relates to the NPR-A specifically, AOGA would also note that only a small percentage of the region is currently contemplated for surface development, with approximately 0.0008% of NPR-A surface acreage being impacted.

AOGA is concerned that the Draft RMS appears to establish a presumption, or perhaps even a mandate, that future oil and gas development within the NPR-A will require compensatory mitigation for impacts to subsistence, sociocultural systems, and environmental justice. In doing so, the BLM fails to account for the many existing measures that endeavor to protect wildlife and subsistence rights, including the fact that roughly 11 million acres of the NPR-A is unavailable for oil and gas leasing. AOGA urges BLM to adopt a RMS that encourages and enables an applicant to identify potential mitigation opportunities early in the permitting process with a high level of confidence that the BLM could and would approve the proposal. Such an approach would allow for applicants to prepare for a scenario where the project-specific NEPA analysis indicates that unavoidable and unmitigated impacts persist, a determination that should occur at the end of the review process.

AOGA believes that the most concerning issues of draft RMS are that it neither contemplates the positive externalities associated with oil and gas development for the residents of the North Slope, nor does it account for the mitigation measures and other environmental safeguards that currently exist. As to the former, the BLM intentionally ignores that positive benefits of resource development, stating that: “[t]he substantial positive impacts of oil and gas development are recognized and noted, though they are not the focus of this strategy.” As to the latter, BLM appears to ignore the 265 best management practices and mitigation measures already in place for developments in NPRA. As is often the case, creating duplicative and redundant regulations result in increased costs and delays without creating any additional environmental benefits.

## **II. Conclusion**

Again, AOGA appreciates the opportunity BLM has provided to provide substantive comments and recommendations. AOGA encourages BLM to reach out to other entities and agencies that currently require compensatory mitigation to determine how best to accomplish this task for the NPR-A, while accounting for the numerous best management practices and mitigation measures and half of which already has land use restrictions that grant conservation status, and subsequently

describe that coordination process. AOGA recognizes the value of establishing clear guidelines regarding a topic as important as compensatory mitigation, but the draft RMS, as currently constructed appears to be the wrong tool for this task. Therefore, AOGA urges the BLM to continue stakeholder coordination in order to identify how to work within the agency's existing legal authority, develop a complete framework, and avoid overlapping mitigation requirements.

Sincerely,

A handwritten signature in black ink, appearing to read 'JK', with a large, stylized flourish extending to the right.

Joshua Kindred  
Alaska Oil & Gas Association  
Environmental Counsel