



*Protecting  
the living  
environment  
of the  
Pacific Rim*

Testimony of Whit Sheard  
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Pacific Environment

Before the House Subcommittee on Energy and Mineral  
Resources

Oversight Hearing on Minerals Management Service's  
Proposed Five Year Program for Oil and Gas Leasing on  
the Outer Continental Shelf

Thursday, June 28th, 2007

Chairman Costa, ranking minority member Pearce, and members of the Subcommittee, good morning, my name is Whit Sheard and I am the Alaska Program Director for Pacific Environment. These comments are delivered on behalf of Pacific Environment and the Alaska Wilderness League.

I am very appreciative of the opportunity to testify this morning regarding the Minerals Management Service's Proposed Five Year Program for Oil and Gas Leasing on the Outer Continental Shelf. The majority of my comments will focus on the environmental impacts of proposed leasing in the waters off Alaska, but I will also touch on the deficiencies in public process and scientific review that occurred during the preparation of this Five Year Plan.

### **Background**

The Minerals Management Service's new Five Year Plan, which becomes official July 1, 2007, is an overly aggressive expansion of oil and gas activities in America's Arctic waters. In past years MMS focused its oil and gas offerings in northern Alaska on just over 9 million acres in the Beaufort Sea. This year, with the new proposed Five Year Plan, MMS is reprising its failed and costly 1980s attempt to permit oil development in the fisheries-rich Bristol Bay region by offering 5.4 million acres of the North Aleutian Basin, is expanding its Beaufort Sea offerings to over 33 million acres, and is opening 39 million acres in the remote Chukchi Sea.

This aggressive expansion in the North Pacific and Arctic oceans comes at a time when the Nation is facing important policy decisions concerning our over-reliance on fossil fuels, how to deal with the impacts of climate change on our northern lands, oceans, and communities, and how to best coordinate our uses of our various ocean resources. This Five Year Plan, which becomes official policy in three days, sets us on a course to continue our addiction to fossil fuels, accelerate the process of climate change, exacerbate current environmental impacts on our northern regions, and unilaterally zone the Arctic Ocean as an oil and gas drilling sacrifice area.

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Specific concerns over the impacts of this plan include direct threats to the nation's richest fishing grounds, population level impacts to endangered North Pacific right whales and polar bears, disproportionate impacts to Alaska Native communities, and cumulative impacts to a region already facing ecological stress from both climate change and the current production of oil and gas on both the North Slope and in the Beaufort Sea.

## **The Bering Sea**

The Bering Sea is a semi-enclosed northern extension of the North Pacific Ocean and is one of the world's most productive marine ecosystems; the nutrient rich waters of the Bering support at least 450 species of fish, crustaceans, and mollusks; 50 species of seabirds; and 25 species of marine mammals. These waters area also home to America's largest fishing grounds, containing approximately 40% of our nation's seafood resources as well as the world's largest sockeye salmon run. The area proposed for leasing and development is also designated critical habitat for several species of wildlife, including the world's most endangered whale population, the eastern stock of the North Pacific right whale.

Illustrative of the unreasonable proposed leasing in the Five Year Plan is Lease Sale 92, in the Bering Sea's Bristol Bay (designated by MMS as the North Aleutian Basin). This extremely productive fishing area is the heart of Alaska's salmon, pollock, King crab, and cod fisheries. According to the North Pacific Fishery Management Council, for the pollock fishery, which is the nation's largest single fishery, 21% of all catch occurs within the statistical areas overlapping the proposed lease sale. These areas also are home to 40% of the Bering Sea Pacific cod trawl catch, 55% of the Bering Sea flathead sole trawl fishery, 28% of the Bering Sea Pacific cod pot fishery, and nearly the entire Bristol Bay Red king crab fishery.

These fisheries resources, and the \$2 billion/yr. renewable economy that they drive, are placed directly at risk from seismic exploration, oil spills, contaminated discharges, infrastructure construction, and increased vessel traffic. This is why fishing organizations such as the Bering Sea Fishermen's Association, the Bristol Bay Driftnetter's Association, the Bristol Bay Economic Development Council, the United Catcher Boats, and the Yukon River Drainage Fishermen's Association have opposed this proposed leasing.

The North Aleutian Basin lease sale proposed in Bristol Bay also threatens protected areas and wildlife in the region. Bristol Bay's rich tapestry of habitat is home to staging areas and wintering grounds for tens of millions of seabirds and is a feeding ground and migration corridor for marine mammals, including five endangered species. Protected areas adjacent to the lease sale area include the Izembek National Wildlife Refuge, which contains globally important wetlands and some of the world's largest eelgrass beds.

Of utmost biological concern is that the proposed lease sale overlaps extensively with the primary summer feeding grounds and designated critical habitat for the eastern stock of the North Pacific right whale, the world's most endangered whale population. As

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recognized by MMS in their Final Environmental Impact Statement on the Five Year Plan:

any perturbation to this small remnant group is likely to affect much of the North Pacific right whale population . . . (FEIS IV-133)

This point was driven home quite clearly during a North Aleutian Basin planning meeting in Anchorage where agency scientists indicated that their research on North Atlantic right whales led them to believe that the loss of a single breeding female from the eastern stock of the North Pacific right whale would potentially lead to the extinction of the species.

In light of severe data gaps, critically endangered species, and rich renewable commercial and subsistence wild fishery economies, it is unclear how MMS can continue to propose leasing in the Bering Sea. The National Marine Fisheries Service, which is tasked both with managing commercial fisheries and ensuring the protection of endangered North Pacific right whales has specifically requested that this area be deleted from the 5 Year Plan.

### **The Beaufort and Chukchi Seas**

The Beaufort and Chukchi Seas are highly important habitat for polar bears, whales, walrus and a multitude of other wildlife. They are also crucial to subsistence hunting, whaling and fishing communities, and support a wide variety of wildlife, including several endangered and threatened species. While development of one large nearshore facility has been undertaken in the Beaufort Sea, the Chukchi Sea is currently devoid of any oil and gas development. This is currently changing, however, as MMS is encouraging seismic exploration of both seas and is planning on selling tracts in the remote Chukchi Sea early in 2008.

Approximately one-sixth to one-fifth of the world's remaining polar bear population lives along, and depends on, the Chukchi and Beaufort Seas. Currently the USFWS is reviewing a petition to list the polar bear under the Endangered Species Act. Due to the rapid warming of America's Arctic and the concurrent retreat of sea ice that serves as important habitat for polar bears, we believe that this petition is warranted. Furthermore, we are concerned that current oil and gas exploration and development is impacting these species. The Minerals Management Service, however, continues to pay little attention to climate change and the protection of polar bears. The proposed Five Year Plan would not only continue this trend, but would rapidly and irresponsibly accelerate it.

Endangered whale populations in the Beaufort and Chukchi are also of particular concern. The Chukchi Sea, for example, provides important habits for bowhead, fin, and humpback whales, while the Beaufort Sea is a key migratory corridor and feeding grounds for bowhead whales. Key biological information for these species is lacking, although BP scientists have determined that the routine operations of the Northstar drilling site alone has caused a statistically significant deviation of bowheads from traditional migratory pathways.

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As noted by the Environmental Protection Agency, the scientific data gaps that exist for these species render MMS unable to adequately guarantee mitigation of the impacts to these species. This is alarming both ecologically and culturally, as these species play important roles in the subsistence lifestyle of Alaska Natives living on the Arctic coast.

## **Oil Spills**

One major impact associated with this plan is the level of pollution that will be introduced into these productive marine environments. As demonstrated by the Exxon *Valdez*, oil spills have long-lasting impacts to ecosystems and can cause population level effects on wildlife. This is especially true for endangered populations, such as those facing stress from climate change. MMS expects there to be four large oil spills in Alaska's waters during the life of this plan. Unfortunately, industry has repeatedly demonstrated that no oil spill technology exists that can recover spilled oil among broken sea ice and under the ice sheet and that there is no way to detect or track these spills. This is simply an unacceptable level of risk.

## **Public Process**

MMS' public process under the National Environmental Policy Act has been wholly inadequate. First, MMS has produced environmental review documents that fail to disclose the actual impacts of this plan, that fail to discuss the significance of the lack of baseline data for these ecosystems and the resources that depend upon them, and that fail to foster informed decisionmaking. Furthermore, MMS failed to offer a legitimate opportunity for affected communities and other stakeholders to offer input on the plan's impacts. For example, a public meeting on the plan held in Dutch Harbor, Alaska, the nation's largest fishing port and home to commercial interests that will likely be heavily impacted by any development in Bristol Bay, was noticed in the Federal Register the day after the meeting occurred.

Also of concern to both the conservation community and Alaska Native communities is the rapid pace of current exploration and development activities, recent lease sale offerings, and the new Five Year Plan. An oft repeated message for MMS at public meetings in these communities is that MMS is simply offering 'too much, too soon, too fast.' Indeed MMS has recently authorized exploration and drilling along the coast of the Arctic National Wildlife Refuge, has leased a half million acres in the Beaufort Sea, has authorized multiple seismic operations throughout the entire Beaufort and Chukchi seas, and is now proposing to make approximately 72 million more acres of the Arctic Ocean available for leasing.

## **Conclusion**

The Minerals Management Service's proposed Five Year Plan for Oil and Gas Development on the Outer Continental Shelf, which is set to become national policy on July 1, 2007, is an overly aggressive expansion of oil and gas drilling in Alaskan waters.

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MMS has failed to fully inform the public of the extent of ecological damage that this plan will cause to our public resources and that will set the nation on a five year course to perpetuate climate change, adversely modify critical habitat for endangered and threatened species, damage renewable commercial and subsistence economies, and cause disproportionate impacts to Alaska Native communities. MMS has suppressed important science, has drawn conclusions that bear little relationship to the facts, has ignored the sound advice of other federal agencies, and has not offered an adequate public process for either this plan or the multitude of current activities already taking place in Alaskan waters. Considering that the nation is currently defining policies to address climate change, energy efficiency, and oceans management, the proposed plan bears little relation to rational planning and places America's Arctic at an unacceptable level of risk. In light of the inadequate planning process, lack of scientific data, and unacceptable impacts to the environment and communities, we simply do not believe it is prudent to proceed with the Alaska portions of the Five Year Plan.