

February 22, 2012

Director James H. Lecky
Office of Protected Resources
National Marine Fisheries Service
1315 East-West Highway
Silver Spring, MD 20910

RE: Comments on the Draft Environmental Impact Statement for the Effects of Oil and Gas Activities in the Arctic Ocean

Dear Mr. Lecky:

On behalf of Consumer Energy Alliance (CEA), I am writing to express some concerns we have regarding the National Marine Fisheries Service (NMFS) Draft Environmental Impact Statement (EIS) and the alternatives identified in the draft. In particular, we believe all five of the alternatives identified will prescribe mandatory mitigations and restrictions that will harm the economic viability of Arctic oil and gas development, all while producing negligible benefits for marine mammal protections. Moreover, the alternatives included in this draft do not fully address the possible range of activities that may occur in the Arctic, even though the principal objective in this exercise is to “evaluate a broad range of reasonably foreseeable levels of exploration activities and associated mitigation measures.”

CEA is a non-profit, non-partisan organization committed to working with elected leaders, affected stakeholders and consumers to help create sound energy policy and maintain stable energy prices. As part of a balanced energy policy, CEA advocates for expanded domestic production and use of all energy resources, including traditional fossil fuel resources, nuclear energy, renewable sources, and energy efficiency and conservation, as a means to provide price stability for consumers. CEA has more than 175 affiliated organizations, including energy suppliers and producers, manufacturers, farmers, small businesses and community organizations, as well as a nationwide network of almost 300,000 consumer-advocates. CEA strongly supports Arctic energy development as part of a balanced energy policy.

In all of the alternatives, the maximum amount of activity considered is two exploratory drilling programs in each sea. Due to the shorter drilling season in the Arctic, this level of activity may be less than needed for economic viability. In the Gulf of Mexico, the federal government does not impose a limitation on the level of activity permissible at any given time. Rather, regulators can require implementation of various mitigation efforts if the level of activity may interfere with the health of a species or its habitat. With hundreds of rigs operating in the Gulf of Mexico safely, we believe the NMFS should not impose arbitrary levels of activity in the Arctic, but rather develop alternatives that more closely align to intentions of expanded Arctic oil and gas development.

In addition to restrictions on the level of activity, we remain concerned that Alternative 4 (Authorization for Level 2 Exploration Activity with Additional Required Time/Area Closures) would significantly limit the drilling season in the Arctic and effectively restrict exploration. The alternative establishes areas for seasonal closures (i.e. all oil & gas exploration activities must cease for a defined period) including the Camden Bay and the Hanna Shoal.

If these areas were subject to seasonal closures as early as late August, operators would lose a good portion of their drilling season. Already, operators must comply with scheduled cessation of activity in respect for subsistent activities. If these extended closures proceed, operators may only be able to complete one or two wells during a season. At this rate, the economic viability of such a large scale project becomes problematic. Lessees would not be afforded an opportunity to explore and develop their tracts in a timely manner, and would thus not be able to capitalize on their leases.

Arctic oil and gas development can be achieved safely with minimal impact to the environment. The benefits of OCS development to our nation's energy and economy security are significant. With a conservative estimate of 27 billion barrels of oil and 132 trillion cubic feet of gas, Alaskan OCS resources will go a long way to securing our energy future. At a time of increased stability overseas and high oil prices, the United States should work to bolster our energy independence and reduce our trade deficit with hostile countries.

Furthermore, an annual average of 54,700 new jobs would be created and sustained nationwide for 50 years from Alaskan OCS exploration and production. These new jobs would lead to over \$145 billion in new payroll and over \$193 billion in tax revenue for federal, state and local governments. This level of economic development is critical at a time of high national unemployment and ongoing budget deficits in local, state and federal governments.

In conclusion, we urge the NMFS to amend the Draft EIS to better address the possibility of greater oil and gas development activity in the Arctic. In order to secure a better economic and energy future, the federal government must provide operators with reasonable avenues to OCS exploration and production. Arbitrary and onerous conditions on drilling plans will significantly hinder our ability to move forward with development of this vital resource base.

We appreciate the opportunity to comment today, and we look forward to reviewing the Final EIS in the future. If you have any questions on these comments, please contact me directly at 713-337-8800.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Holt', with a stylized flourish at the end.

David Holt
President