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Governor Sean Parnell
STATE OF ALASKA

June 1, 2010

Mr. James F. Bennett
Chief, Branch of Environmental Assessment
Minerals Management Service
381 Elden Street, MS-4042
Herndon, VA 20170

RE: Request for Cooperating Agency Status for the Proposed Five-Year Outer Continental Shelf
Oil and Gas Leasing Program for 2012-2017

Dear Mr. Bennett,

The March 30, 2010 Federal Register notice of intent to prepare an Environmental Impact Statement (EIS) for the Proposed Five-Year Oil and Gas Leasing Program for 2012-2017 invites qualified government entities to inquire about cooperating agency status for the proposed five-year program EIS.

The State of Alaska has jurisdiction by law and special expertise in reviewing Outer Continental Shelf (OCS) exploration and development projects and, therefore, is a qualified agency under the Council on Environmental Quality (CEQ) guidelines. The State acknowledges that cooperating agency status neither enlarges, nor diminishes, its final decision-making authority and bases its request for cooperating agency status on review and consideration of the CEQ Memo "Factors in Determining Cooperating Agency Status" as recommended in the March 30, 2010 Federal Register notice. OCS development in Alaska is a matter of State concern, which I have supported as detailed in my September 2, 2009 comments on the draft proposed five-year program.

If further information is needed to make your determination for the State of Alaska to have cooperating agency status for the proposed five-year program EIS, please let us know. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell
Governor

Enclosure

Mr. James F. Bennett

June 1, 2010

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cc: The Honorable Wilma Lewis, Assistant Secretary for Land and Minerals Management, U.S. Department of the Interior
The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congress
The Honorable Kim Elton, Director, Alaska Affairs, U.S. Department of the Interior
The Honorable Pat Pourchot, Special Assistant to the Secretary, Alaska Affairs, Office of the Secretary, U.S. Department of the Interior
Tom Strickland, Chief of Staff to the Secretary, U.S. Department of the Interior
John Katz, Director of State and Federal Relations, Office of the Governor of Alaska

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September 2, 2009

The Honorable Ken Salazar
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Re: Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010 – 2015
[Docket MMS-2008-OMM-0045]

Dear Mr. Secretary,

I am pleased to continue the State of Alaska's (State's) participation in decision-making relative to energy development in the Outer Continental Shelf (OCS) by offering the following comments on the *Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010 -- 2015*.

On behalf of the State of Alaska, I strongly support a responsible OCS leasing program that makes available leases in Alaska's OCS for the exploration, development, and production of oil and gas vitally important to Alaska and the nation. In supporting OCS development, I am guided by the following principles:

- A comprehensive energy future must include oil and gas, in addition to conservation and greater reliance on renewable sources. Alaska accounts for a significant percentage of the nation's technically recoverable oil and gas resources, including an estimated potential of 27 billion barrels of oil and 130 trillion cubic feet of natural gas in the Alaska OCS alone. New oil production will also allow the Trans Alaska Pipeline, now operating at less than one-third of capacity, to continue efficient operations for decades.
- Development of the OCS will increase economic opportunities for both Alaska and the nation. High paying jobs will be created and more royalty and tax revenue will go to our own government, not foreign ones, reducing our deficit.
- Development of Alaska's OCS will significantly advance U.S. national security and foreign policy interests. We increasingly rely on imported oil, now importing 58 percent of our domestic needs, and too much comes from unstable regimes sometimes hostile to the United States.

- Alaska has a long record of responsible offshore development that demonstrates sensitivity and respect for Native culture, tradition, and a subsistence lifestyle.
- The Alaska natural gas pipeline will be one of the largest and most reliable long-term sources of natural gas in the future. Economic viability of the gas pipeline and our nation's homes and businesses depend upon access to the 130 trillion cubic feet of natural gas in Alaska's OCS.
- The federal government should share a certain percentage of revenue derived from OCS development with affected coastal states, including Alaska. Those states and communities that absorb the impacts of coastal development should receive a portion of the federal revenues to support planning, infrastructure development, and impact mitigation that fall to the state and local governments to provide. The State of Alaska supports federal revenue sharing legislation.

Each of these principles is discussed in more detail below.

I. A Comprehensive Energy Plan for the Nation Must Include Alaska's OCS, and Must Include Oil and Gas

I concur with the statement made earlier this year by President Obama that, "As we transition to renewable energy, we can and should increase our domestic production of oil and natural gas." Maintaining the schedule for Alaska's OCS lease sales, exploration, and development programs, especially in the Beaufort Sea and Chukchi Sea, is critically important to these efforts.

Based on current estimates, Alaska accounts for over 30 percent of the nation's technically recoverable oil and gas resources. Alaska's OCS is an important source of the future U.S. energy supply, with an estimated potential for 27 billion barrels of oil and 130 trillion cubic feet of natural gas. By comparison, the total oil production from the North Slope of Alaska since construction of the Trans Alaska Pipeline System (TAPS) in 1977 is approximately 15.5 billion barrels.

Without development of new oil fields, the most promising of which are believed to be in the Alaska OCS, TAPS is at risk of eventual shutdown. The Joint Pipeline Office July 17, 2009 newsletter reports that TAPS operators will have to address the operational challenges of low flow as early as the 2012 to 2018 timeframe. At its peak in 1988, the 800-mile pipeline transported 2.1 million barrels of oil a day, or approximately 24 percent of the nation's crude oil production. In February 2009, the pipeline carried on average 14 percent of the nation's crude oil production, and throughput is now 680,000 barrels per day and falling at an average of 4.95 percent per year.

We are quickly approaching the minimum throughput rate, beyond which the flow of oil cannot be maintained. Without development of new sources of Alaskan oil, TAPS could shut down within the next decade. New sources of oil must be discovered now in order to realize production in time to sustain TAPS operations and provide oil to the nation beyond the immediate future.

The State of Alaska also supports development of alternative energy sources in the OCS, starting with increased analysis of its potential to provide renewable energy resources, such as wind or tidal

power. Nonetheless, the State strongly asserts that continuing and increased production of oil and gas resources, especially from Alaska's robust OCS resources, is essential to the nation's economic recovery, to reduction of the nation's dependence on foreign oil, and to the nation's future competitiveness in global markets.

II. Economic Benefits – to Alaska and to the Nation – of OCS Production

According to a recent University of Alaska study, OCS production could provide an annual average of 35,000 jobs for 50 years and \$72 billion in new payroll. The Alaska OCS has the potential to contribute to our nation's economic recovery, sustain Alaska's economy for generations, sharply increase Alaska oil and gas production, create tens of thousands of new jobs, and generate hundreds of billions of dollars in federal, state, and local government revenues.

Based on U.S. Geological Survey (USGS) and Minerals Management Service (MMS) assessments, 50 percent of undiscovered oil resources and 36 percent of undiscovered natural gas resources lie offshore. Further, a recent report issued by the U.S. Department of the Interior shows that the undeveloped reserves of the OCS represent about four times America's proven reserves of oil and natural gas. According to these estimates, 86 billion barrels of oil and 420 trillion cubic feet of natural gas lie undeveloped in the OCS, the equivalent of 50 years worth of today's OPEC imports.

Developing our own resources means that royalties from production will go to our own government, not foreign ones. At a time when Americans are concerned about the swelling national budget deficit, it is important to underscore that OCS leases off Alaska's coast have already generated over \$9 billion for the federal treasury from lease sales, with the promise of many more billions for decades to come from lease sales and royalties – if development is allowed to proceed. Our massive trade deficit will also be reduced because we will be less dependent on foreign sources of oil.

Given that demand for energy will rise as the economy recovers, and in view of the significant challenges posed to the nation's manufacturing sector by the cost of energy, the U.S. must continue to pursue new oil and gas development even as the nation transitions to the new energy sources of the future.

III. Development of Alaska's OCS Will Advance U.S. National Security and Foreign Policy Interests

Developing the Alaska OCS will significantly advance U.S. national security and foreign policy interests. Let's be clear: as our population grows and our economy expands, the energy resources we need as a country *will* come from somewhere. Right now, too much of our oil comes from unstable regimes hostile to the United States; and petro dollars from the Middle East help fund global terrorist operations. Delaying or preventing OCS development will only exacerbate this national security threat.

IV. Offshore Development is Environmentally Responsible Development

Offshore development has an outstanding safety and environmental record spanning decades in Alaska's Cook Inlet, the Gulf of Mexico, the North Sea, and elsewhere. Alaska has decades of

experience in safely extracting oil and gas from our resource basins, including those in the Arctic. Over this time period, industry technology has also advanced tremendously, allowing for long-reach directional drilling while leaving ever smaller footprints on the land.

Concurrently, federal and state regulatory processes have matured, and oil and gas activities are now subject to comprehensive and stringent oversight. Oil and gas production in the United States OCS does and can continue to occur in a responsible manner under our strong regulatory system, with seasonal operating restrictions as needed, and mitigation measures to avoid conflicts with other resource and subsistence users.

We respect the Alaska Native culture, traditions, and subsistence harvests of wildlife. I have committed to Native leaders and all Alaskans to treat their concerns with respect. I have made a commitment to listen to the concerns of those who live and subsist on the North Slope and work with them to address their concerns.

Some would encourage you to delay exploration and development in the Alaska OCS over concerns related to global warming and its effects in the Arctic. First, allow me to make clear that Alaska understands, firsthand, the effects of climate change. We live every day with the changes only observed from afar: diminished sea ice, increased coastal erosion, melting permafrost, and overall ecosystem changes are very real to us. However, the mitigation goals for CO₂ reduction required under the most credible climate change models, including the International Panel on Climate Change will require a dramatic increase, in the very near term, in the use of preferred, available fuels.

As you know, natural gas is a readily available and clean fuel with a very low carbon footprint. Further, and of critical economic importance, the increased use of natural gas presents an opportunity, to the nation, to make use of extensive existing natural gas infrastructure and tooling in the public and private sectors, and, where necessary, relatively inexpensive retooling to transition from oil and its derivatives to green energy sources.

Delaying production from the Alaska OCS will result in less available natural gas to meet the nation's energy needs and potentially prolong our reliance on oil, resulting in much higher greenhouse gas concentrations than could otherwise be achieved.

An increased emphasis on development of renewable energy sources must not preclude and will not reduce the need for oil and gas development. Under even the most optimistic projections for use of renewable energy sources, oil and natural gas are projected to account for nearly 65 percent of domestic energy consumption in 2025. Therefore, under even the best of circumstances, *increased development of domestic oil and gas resources is required to meet demand, even while the percentage of overall energy demand met by oil and gas is decreasing.*

V. The Alaska Natural Gas Pipeline is the Single Largest and Best Future Source of Clean Energy for the Nation

The Alaska natural gas pipeline is one of President Obama's "Top Five Green Energy Priorities." Construction of the pipeline and delivery of the 3.5 to 5.9 billion cubic feet per day of natural gas that it can carry will be a giant step toward reducing greenhouse gas emissions in North America.

The Honorable Ken Salazar
September 2, 2009
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Access to OCS gas resources may be critical to taking the first giant step in the nation's transition to clean energy sources. Alaska's OCS resources are significant.

The U.S. Geological Survey and the Minerals Management Service have estimated that Alaska holds over 260 trillion cubic feet of proven and undiscovered conventional and technically recoverable natural gas. In addition, over 85 trillion cubic feet of undiscovered unconventional and technically recoverable natural gas from gas hydrates have been identified by the USGS. With predictable lease sales and a means of transportation, the private sector can deliver those resources to the nation.

The State of Alaska has committed \$500 million to make the natural gas pipeline a rapid and successful project. Further, the Alaska Gasline Inducement Act (AGIA) requirements – pipeline expansion, open access opportunities, and low pipeline tariffs – provide the opportunity to bring new gas to market economically. The significant gas potential of the OCS is critical to the long-term economic viability of the pipeline and to the dependability of the nation's energy supplies.

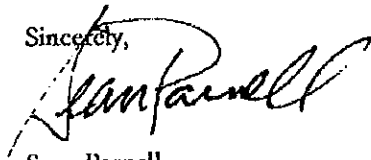
VI. Alaska Supports Equitable Revenue Sharing

The State of Alaska strongly supports the President's call to Congress to address new legislation to enhance current revenue sharing laws. We support allowing broader state participation in fiscal planning related to future coastal resource development. To date, this has occurred in certain limited circumstances, but there is no comprehensive program for OCS revenue sharing.

While Alaskans strongly support offshore oil and gas development (77 percent in a 2009 poll), we also recognize the impact to the state and local governments whose institutions and communities are affected by it. Therefore, I strongly support changes to federal law to provide states and coastal communities with a fair percentage of direct revenues from royalties, bonus bids, and rental fees derived from all OCS activities off their coasts. I am prepared to participate in, and encourage your support of discussions focused on revising current revenue-sharing practices to effect fair and equitable sharing of OCS revenues.

Thank you for your consideration of these comments. I look forward to a continuing dialogue on our joint efforts to provide energy to the nation, doing so responsibly, and guiding the nation's transition to both existing and new sources of clean energy.

Sincerely,



Sean Parnell
Governor

cc: Renee Orr, Chief, Leasing Division, Minerals Management Service

Fremming, Sharon L (GOV)

From: Veasey, Teri A (DOT)
Sent: Friday, June 04, 2010 6:13 AM
To: Fremming, Sharon L (GOV)
Cc: Ryckman, Mary Kay (DNR)
Subject: RE: CTS 8139 Kenneth Konichek

Attachments: Sharp-7000-OMb_20100522_133354.pdf



Sharp-7000-OMb_2
0100522_133354...

Hi Sharon,

Please see the email below from our Northern Regional Director's office.

-----Message-----

From: Neff, Myra S (DOT)
Sent: Thursday, June 03, 2010 2:57 PM
To: Veasey, Teri A (DOT)
Cc: Thies, Howard (DOT); Milne, Clark R (DOT); Potter, Steve B (DOT); Titus, James Stephen (DOT)

Teri:

I received verbal explanations on the researches into this complaint from Howard Thies, Clark Milne, and Steve Potter. We believe that the far end of our material site may be used, occasionally, as a river access launch point, but we are quite confident it is not by M&O or DOT personnel. There are a limited number of keys available to enter this site, but some are held in private hands.

This gravel pit is gated off at about the edge of the Richardson Hwy ROW, and because of that, the gate is virtually inaccessible to the general public - with the exception of when it is being used by our crushing contractor(s) (who also have keys to the master lock). Our M&O Fairbanks supervisors quizzed all pertinent/suspect employees, who deny using the site as a boat ramp and maintain that it is kept locked at all times. To the best of our knowledge, this pit is not being utilized by State personnel for private purposes. We have put out the word to our Fairbanks and Birch Lake station personnel that this alleged problem will not be tolerated, if indeed someone is gaining access to the material site as claimed.

If necessary or required, Howard Thies, Clark Milne, and/or Steve Potter can furnish additional, more detailed information.

-----Message-----

From: Veasey, Teri A (DOT)
Sent: Saturday, May 22, 2010 12:14 PM
To: Neff, Myra S (DOT)
Subject: TRACK #10-7022 - Kenneth Konichek
Importance: High

Hi Myra,

Can you please give me a call regarding this track item. Thanks!

-----Original Message-----

From: Fremming, Sharon L (GOV)
Sent: Saturday, May 22, 2010 10:56 AM
To: Veasey, Teri A (DOT); Ryckman, Mary Kay (DNR)
Cc: Fremming, Sharon L (GOV)
Subject: FW: CTS 8139 Kenneth Konichek

Hi there Ladies,

Does this area ring a bell for either of you?

Sharon Fremming
Executive Office Assistant for
Randy Ruaro
Deputy Chief of Staff
Office of Governor Sean Parnell

3rd. Floor State Capitol
Juneau, Alaska 99811
PHONE: 907-465-3500
FAX: 907-465-3532

sharon.fremming@alaska.gov
www.gov.state.ak.us

Fremming, Sharon L (GOV)

From: Governor Sean Parnell (GOV sponsored)
Sent: Wednesday, May 19, 2010 2:28 PM
To: Fremming, Sharon L (GOV)
Subject: CTS 8139 | Kenneth Konichek

Importance: High

Let me know if this should be assigned to someone else.

Tiffany Hildre

Constituent Relations

Office of Governor Sean Parnell

PO Box 110001
Juneau, Alaska 9911-0001
PHONE: 907.465.3974
FAX: 907.465.3532

Tiffany.Hildre@alaska.gov

www.gov.state.ak.us

From: kenneth konichek [mailto:tractorm@alaska.net]
Sent: Wednesday, May 19, 2010 9:53 AM
To: Governor Sean Parnell (GOV sponsored)
Subject: Transportation

Title: Mr.

FIRSTNAME & LASTNAME: kenneth konichek

MAILING ADDRESS: 3526 yellow stone rd

CITY: north pole

STATE: ak

ZIP: 99705

TELEPHONE: 907-488-6884

EMAIL: tractorm@alaska.net

Topic: Transportation

YOUR COMMENTS: why dose the state employee have right too open gates at rock quarries park they car and trucks. and go rec up to there cabins up clear creek 70 mile richerson hwy and lock out the public by means gate closing. entre in the rock quarries so we can park and rec. they have use state equitment and build a boat landing crude but works saving them lots time on river. and moeny fuel ect up with a long trip from shaw creek it state empoyee as they have a key to open the gate. and close it for rest of us do not .do you think they have more right some of us can and other can not do to too are" employment status" with the state. this has been going on for years lets put a stop to it or "open it up to the rest of us"

< br \>IP: 216.67.49.84

5/22/2010