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Governor Sean Parnell
STATE OF ALASKA

November 14, 2011

Mr. Richard Voss
Refuge Manager
Arctic National Wildlife Refuge
101 12th Avenue, Room 236
Fairbanks, AK 99701-6237

Dear Mr. Voss,

As you know, I have closely followed the development of the Arctic Refuge Plan (Plan). From the very beginning, I have been steadfast in objecting to any action that would ultimately preclude oil and gas development on the Arctic coastal plain. My policy and natural resource advisors and the Department of Law (DOL) have determined this direction runs counter to Congressional intent and direction embodied in the Alaska National Interest Lands Conservation Act (ANILCA), as well as the social and economic interests of Alaska and the nation.

It is deeply disturbing to find that, over the strong objections of the State and the voices of many concerned Alaskans, the draft Plan remains essentially unresponsive to our concerns and biased against honest assessment of the resource development potential of the Arctic National Wildlife Refuge (Refuge). This planning process appears to be nothing more than a publicity campaign to apply unnecessary restrictive layers of management onto Refuge lands, particularly the 1002 Area, which contradicts Congressional intent and is an affront to ANILCA's hard fought "no more" clauses.

Congress declared in Section 101 that ANILCA represented a "proper balance" between resource protection and social and economic activities. This was based on many factors, including the unprecedented size and number of conservation system units in Alaska, and ANILCA's many compromise provisions, including Section 1317, which was limited to a "one-time" wilderness review, and Section 1326, which prohibited further withdrawals and studies without Congressional approval. Congress clearly did not intend to allow incremental designations over time, nor did Congress intend for federal land management agencies to accomplish the same result by administratively creating and managing "study areas" indefinitely to preserve wilderness or wild and scenic river values.

Through ANILCA, Congress established the Refuge, and designated eight million acres as wilderness. Congress also set aside the Refuge 1002 Area to study the potential for responsible oil and gas development, and authorized exploration activities to facilitate that effort. The resulting 1987 Coastal Plain Resource Assessment 1002(h) Report, which included an alternative to designate the area as wilderness, concluded that Congress should authorize oil and gas development. Nowhere

in Section 1002 of ANILCA did Congress provide direction to, yet again, study the 1002 Area's potential for wilderness designation. By glaring omission, this Plan not only disregards this earlier recommendation, it ignores the fact that the 1002 Area was purposely not included in the 1988 Arctic Refuge wilderness review because it was already covered in the 1987 Section 1002(h) Report, and the decision was solely in the hands of Congress, where it remains today. I am therefore appalled by this current and blatant attempt to use this planning process to circumvent both the intent of ANILCA and Congress' authority in this matter.

This draft Plan goes to great lengths to discuss the "benefits" associated with designating Refuge lands as wilderness, but offers nothing to explain the trade-offs and lost opportunities associated with precluding responsible development of the 1002 Area's rich oil and gas resources. Given the explicit direction in ANILCA for the 1002 Area, not only is this contrary to National Environmental Policy Act requirements, it is grossly irresponsible. Since this draft Plan fails to disclose what is at stake should this misguided effort to designate the 1002 Area as wilderness succeed, I offer the following hard facts.

National Energy Security

Two-thirds of our nation's annual petroleum needs are imported from foreign nations, often having far less stringent environmental protections, at a cost of more than \$150 billion per year. Exploration and production of the Arctic Refuge's vast reservoirs will help reduce foreign oil imports, thus decreasing domestic energy costs while increasing national security. Further, as recognized in the 1987 Section 1002 (h) Report, the development of the 1002 Area would contribute to our national energy and security needs by prolonging the useful life of the Trans Alaska Pipeline System (TAPS), allowing it to continue serving the public as one of the foremost domestic energy assets in the nation.

Studies suggest the 1002 Area could produce a ten-year sustained rate of one million barrels per day. For example, in its most recent assessment of the 1002 Area, the U.S. Geological Survey estimates that the amount of technically recoverable oil ranges between 5.7 billion and nearly 16 billion barrels. To put this in perspective, the upper range of this estimate is nearly equal to the total amount that TAPS has transported since it came online in 1977.

Economic Benefits

By all accounts, job creation and reducing government debt are ultimately necessary to foster the nation's economic growth. As State and local governments face difficult decisions on how to address budget deficits, the potential economic benefits of oil exploration and development in Alaska could become even more critical. Revenues from oil production in the 1002 Area could support lagging budgets at all levels of government. These revenues originate from bonus bids received during lease sales, rental fees for leases, royalties relating to production quantities, and taxes on operator income. The Congressional Research Service's estimates of potential revenues from development of the 1002 Area are in the tens of billions of dollars, helping states and communities pay for education, infrastructure, and other vital services, while creating tens of thousands of jobs throughout the nation, not just in Alaska.

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In addition to what the State of Alaska and the nation stand to lose should the opportunity to develop the Refuge's oil and gas resources be preempted by a wilderness designation, the Plan contains numerous legal and policy flaws, and provides almost no real on-the-ground management direction. These deficiencies and other substantive issues are discussed in greater depth in the enclosed supplemental comments, all of which deserve careful consideration and written response. With our economy struggling, now is the time to chart a new course toward responsible economic opportunities.

Sincerely,



Sean Parnell
Governor

Enclosures

cc: The Honorable Kenneth Salazar, Secretary, United States Department of the Interior
The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States House of Representatives
Tom Strickland, Assistant Secretary, Fish, Wildlife, and Parks, United States Department of the Interior
Dan Ashe, Director, United States Fish and Wildlife Service
Geoffrey L. Haskett, Alaska Regional Director, United States Fish and Wildlife Service
Kim Elton, Interior Director of Alaska Affairs, United States Department of the Interior
Pat Pourchot, Special Assistant to the Secretary for Alaska Affairs, United States Department of the Interior
John W. Katz, Director of State/Federal Relations and Special Counsel, Office of the Governor