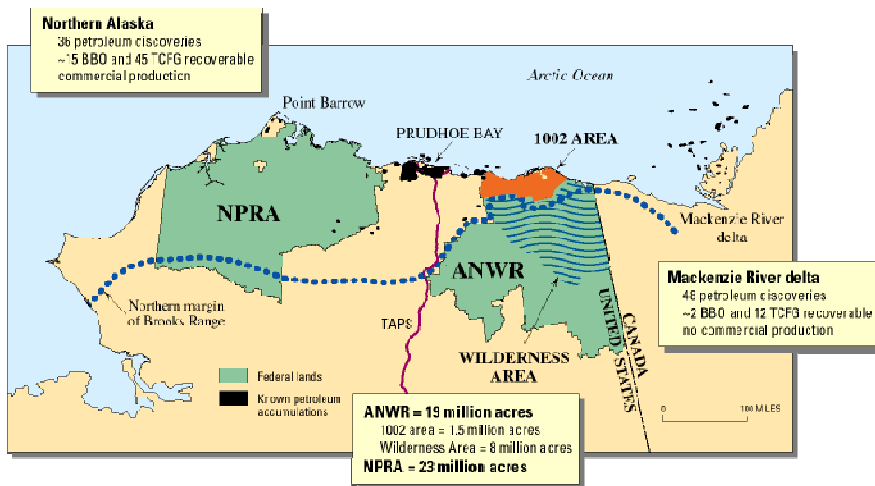


House approves drilling in ANWR's Coastal Plain

By Mia Bennett
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On Thursday, the House passed the Protecting Investment in Oil Shale, the Next Generation of Environmental, Energy and Resource Security (PIONEERS) Act, [H.R. 3408](#), with a vote of 237-187. Though oil shale drilling is ostensibly the main topic of the bill, with its passage, the House has also approved drilling in the Alaska National Wildlife Refuge (ANWR)'s coastal plain, Lease Sale 214, and Keystone XL.

The PIONEERS Act was originally part of the American Energy and Infrastructure Jobs Act of 2012 (HR 7), which has yet to be voted on. PIONEERS – Titles XIV and XVII of the original bill – was broken out and voted upon separately, since that way, it would be easier to pass without the threat of opposition from some Republicans who oppose HR 7. Title XIV would force the Federal Energy Regulatory Commission to issue a permit to construct Keystone XL upon receiving an application. Though the proposed Canada-U.S. pipeline currently falls under the purview of the State Department since it crosses an international border, Title XIV declares that if

the FERC has received an application to construct a pipeline but has not made a decision within thirty days, “the permit shall be deemed to have been issued.”



Two parts of the PIONEERS Act concern the Arctic. First, Section 17305 would order the Secretary of the Interior to conduct Lease Sale 214 within one year of the passage of the bill. An amendment made by Representative Doc Hastings (D-WA), which was agreed to, necessitates that the lease sale be held before 2015. This sale would issue oil and gas leases to companies for drilling in the North Aleutian Basin Outer Continental Shelf Planning Area, specifically around Bristol Bay. Lease Sale 214 was cancelled by President Barack Obama in March 2010. Though the administration supports exploratory drilling in the Chukchi and Beaufort Seas, Secretary of the Interior Ken Salazar [stated](#) at the time, “In our quest to secure our energy future, we must not lose the places and values that set our nation apart...Bristol Bay is a national treasure that we must protect for future generations.”

Subtitle C of the PIONEERS Act is also known as the Alaskan Energy for American Jobs Act, originally introduced by Representatives Hastings and Don Young (R-AK). It would repeal [Section 1003](#) of the Alaska National Interest Lands Conservation Act (1980), which prohibits oil and gas production in ANWR. Drilling in the Coastal Plain (Section 10-02) in ANWR, which constitutes approximately 3% of the refuge’s area, would thus be allowed. The bill also states that the Final Legislative Environmental Impact Statement on the Coastal Plain, which was completed in 1987, is adequate with respect to “prelease activities.” No further studies

are needed before creating a leasing program. While a new environmental impact statement will need to be carried out for other activities that follow prelease activities, “The Secretary shall only identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for those two alternatives.” It will not be required to look into non-leasing alternatives.



Sadlerochit Mountains. (c) Roy Corral

Subtitle C does offer one small bone to environmentalists. Up to 45,000 of the 1.5 million acres (3%) that constitute the Coastal Plain may be designated a “Special Area” with special management and regulatory protections. HR 3408 already sets aside one specific place, the 4,000 acre Sadlerochit Spring area. Oil exploration and development can be excluded from these special areas, and even if a permit is issued to retrieve hydrocarbons from the area, “there shall be no surface occupancy of the lands comprising the Special Area,” so as to reduce the footprint of the oil and gas industry. Overall, for any 100,000 acres of land leased in ANWR, no more than 10,000 can be “covered by production and support facilities.” Furthermore, production can only take place between November 1 and May 1 of each year, and it can be stopped at any time to allow for caribou calving and other “fish and wildlife breeding, denning, nesting, spawning, and migration.”

Within 22 months of the enactment of PIONEERS, the Secretary of the Interior would have to offer 50,000 acres for lease. Following this lease sale, another 50,000 more acres would have to be offered for lease at 6-, 12-, and 18-month intervals. Then, up to four more sales of 100,000 acres each would also have to be held within two years after the last sale, so long as there was sufficient interest. The oil companies would have to pay a 12.5% royalty on any revenues

generated by oil and gas drilling. They'd also ultimately be responsible for reclaiming affected areas, returning them to their prior, undisturbed states.

With this bill, the Republicans seem to be aiming for development of ANWR to benefit Americans – and nobody else. All construction materials and employees are encouraged to come from the U.S. While many would like to believe that what the bill calls the “vast talents of United States workers” would be adequate to undertake energy development in ANWR, in reality, it's likely that a shortage of skilled laborers would force oil companies to look abroad. At the oil sands in Fort McMurray, Alberta, Canada, for instance, workers come from all over the world: the [Multicultural Association of Fort McMurray](#)'s website states that there are at least 140-150 “ethno-cultures” represented. On top of encouraging the use of domestic talent, HR 7 bans the export of oil produced from the lease sale areas. This is in the same vein as the [Trans-Alaska Pipeline Authorization Act of 1973](#), which more or less prohibits the export of oil drilled on the North Slope. Yet having to ship the oil in U.S. tankers down to the Lower 48 often results in shipping costs of up to \$5 a barrel [1], more than if it was just shipped across the North Pacific Ocean to Northeast Asia. Still, those who champion drilling in ANWR also tend to promote energy self-reliance, so it would be preposterous to them to export America's hard-won oil abroad.

Representative Young stated, “This is my 12th time passing ANWR out of the House and although this is a momentous day, there is still work to be done...The Senate should not drag its feet on this bill. The American people are sick and tired of high energy prices, high unemployment, and out of control deficits – they want cheap energy created here in America and that is exactly what this bill will do.”

The bill won't do anything, though, if the Senate rejects it as expected. Permission to drill in ANWR has only made it out of the Senate to the president's desk once, and Bill Clinton vetoed it in 1996. Expect the controversy to continue for a long time.

Sources

[1] [“Time to End the Alaskan Oil Export Ban,”](#) Samuel Van Vactor, Cato Institute
[“House passes quartet of energy bills, but Senate prospects dim,”](#) E&E Reporting
[“U.S. House passes drilling-friendly energy package; ANWR in mix,”](#) Fairbanks Daily News-Miner