Forums on Offshore Drilling

Oil Spill Preparedness and Response in the Arctic

Anchorage, Alaska
August 26, 2010

Purpose of the Forums

The current suspension of deepwater drilling is in effect until November 30, 2010, or until such earlier time as the Secretary determines that deepwater drilling operations can proceed safely with robust health and environmental protections in place.

Secretary Salazar directed BOEM to collect public and expert input about the following three issues pertaining to deepwater drilling activities:

1. Drilling and workplace safety.
2. Wild well intervention and containment techniques.
3. Oil spill response capabilities for offshore drilling and production facilities.

A purpose of the forums is to identify whether any modifications to the scope or duration of the deepwater drilling suspensions is warranted, based on the risks associated with specific types of operations.

We want to hear from you. Please fill out a comment card or submit your comments at www.BOEMRE.gov/forums

Why Are we Focusing on Deepwater?

- There is no actual or “de facto” moratorium on shallow water drilling.
- BOEM is working with shallow water operators to achieve compliance with NTL 2010-N05 and NTL 2010-N06.
  - BOEM has issued formal guidance, in the form of FAQs, about the information operators must provide to comply with NTL 2010-N05 and NTL 2010-N06.
  - BOEM has held regular discussions with representatives from the shallow water drilling coalition regarding the measures and information necessary to comply with NTL 2010-N05 and NTL 2010-N06.
  - BOEM is processing shallow water drilling permit applications as quickly as possible as they are received.
- While there is currently no deepwater drilling in Alaska, the Arctic poses different challenges to spill response that must be addressed in developing new regulations. We want to hear about these challenges in today’s panels.

The Importance of Offshore Drilling

- Tens of thousands of workers across the country are employed in the offshore oil and gas industry.
- Domestic energy production is important to the health of the economy, energy independence and national security.
- In Alaska, the Beaufort and Chukchi seas are estimated to hold tens of billions of barrels of potentially recoverable oil.
- The safe and environmentally responsible recovery of that oil will supply domestic energy demands and provide jobs for Alaska. It will also protect the Trans-Alaska Pipeline from corrosion and ice – problems the pipeline faces if the flow of oil drops below 500,000 barrels a day.

The Importance of Drilling Safety and Effective Oil Spill Response: What is at Risk?

A large-volume oil spill off the shore of Alaska would have a devastating impact on:

- Subsistence
- Marine mammals and birds
- The ocean and coastal environments
- Local communities

The only way to minimize the harm once an oil spill occurs is through a rapid and effective oil spill response.

Source: Alaska Center for the Environment website

The Impact of the Deepwater Horizon Oil Spill

- 11 rig workers died in the Macondo well blowout and fire.
- The Deepwater Horizon oil spill has had a dramatic effect on the ocean and coastal environments in the Gulf of Mexico and across the country.
- Hundreds of miles of shoreline and wetlands in the Gulf states have been affected by the Deepwater Horizon oil spill.
- The entire Gulf ecosystem could be affected, including marine plankton, fish and shellfish, birds, marine mammals, and other wildlife.
- The Deepwater Horizon oil spill also has had a major impact on the fishing, shrimping, tourism, commercial retail and other industries.

Resources Deployed in the Deepwater Horizon Clean-Up Effort

- Oil spill response resources across the nation were mobilized for the clean-up of the Deepwater Horizon spill.
- This included, among others:
  - Tens of thousands of personnel
  - Millions of feet of boom
  - Thousands of vessels
  - Over one hundred helicopters and aircraft

The Insufficiency of Oil Spill Response Resources

- The unprecedented deployment of oil spill response resources to the Deepwater Horizon site and regional shorelines raised serious concerns about the industry's ability to respond to large-volume oil spills.

- In a June 28, 2010, meeting with Interior, industry was unable to provide assurances that sufficient industry resources existed to address a second oil spill while the response to the Deepwater Horizon spill was ongoing.

- The Coast Guard determined that the number of oil skimming vessels was inadequate to recover the oil released from the Deepwater Horizon spill. Accordingly, USCG and EPA amended their oil spill response requirements to allow certain commercial and military vessels normally required to be available for spills in other regions to be deployed to the Deepwater Horizon site.

- NOAA stated that it was fully engaged in responding to the Deepwater Horizon spill and that it would have had difficulty responding if another spill were to occur simultaneously in another U.S. location.

Inadequacy of Current Oil Spill Response Plans

- Industry representatives have admitted that they are not well- equipped to handle worst-case scenario oil spills.
- Industry regional response plans for the Gulf of Mexico proved inadequate to address the Deepwater Horizon spill:
  - Plans overestimated the daily recovery capacity of skimming systems in the open ocean.
  - Plans failed to account for the spreading of oil and the significant shoreline impact.
  - Plans failed to provide for rapid mobilization of equipment from domestic and international sources.
- The Gulf of Mexico has the most available spill response resources out of any other region. If the Macondo blowout had happened anywhere else, the response would have been an order of magnitude more difficult.

Oil Spill Preparedness in the Arctic Region

- There is currently no deepwater drilling in the Outer-Continental Shelf of Alaska, and therefore, a large-volume spill is less likely.
- However, the Arctic environment presents different logistical challenges, including:
  - Clean-up efforts may have to be conducted in broken ice and solid ice conditions;
  - A large contingent of oil spill response personnel may need to be supported in a remote location for an extended period of time;
  - Response crews may have to work in the severe weather conditions of the Arctic.
- In addition, the Coast Guard does not have a port in the Arctic, and therefore response crews and capability may not be as robust as they are in the Gulf of Mexico.

Today's Panels

- Panel I:
  - *Leslie Pearson,* Pearson Consulting
  - *Ron Morris,* Alaska Clean Seas
  - *Marilyn Heiman,* Director, U.S. Arctic and Offshore Energy Reform Programs, Pew Environment Group
  - *Michael Castellini,* Interim Dean, School of Fisheries and Ocean Sciences, University of Alaska Fairbanks

- Panel II:
  - *Peter K. Velez,* Global Emergency Response Manager, Shell International E&P
  - *Johnny Aiken,* Alaska Eskimo Whaling Commission
  - *Alan A. Allen,* Oil Spill Consultant, spiltec.com

- Panel III:
  - *Lisa Murkowski*, U.S. Senator from Alaska
  - *Mark Begich*, U.S. Senator from Alaska
  - *Edward S. Itta*, Mayor, North Slope Borough
  - *Dan Sullivan*, Mayor, Anchorage
  - *Larry Hartig*, Commissioner, Alaska State Department of Environmental Conservation
  - *Caroline Cannon*, President of the Native Village of Point Hope

Forums on Offshore Drilling

Oil Spill Preparedness and Response in the Arctic

Anchorage, Alaska
August 26, 2010