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Bureau of Oceans and Energy Management Panel on Spill Response  
Anchorage Alaska, August 26, 2010

Good Morning. My name is Marilyn Heiman. I am the Director of the US Arctic Program and the Offshore Energy Reform Project for the Pew Environment Group. I am pleased to be here today and appreciate the invitation.

The BP Deep Water Horizon spill is one of the worst environmental disaster in our nation's history. I want to extend my condolences to the families of those who lost their lives and to those whose livelihoods have been so negatively impacted by the oil spill. The spill has served as wake-up call to the US Congress, to the Administration, and to the country. We were all led to believe that an oil spill of this magnitude had become virtually impossible because of the technological advances in offshore drilling technology. It is now clear, however, that technology for extracting oil has far outpaced technology and practices for preventing, containing and cleaning up an oil spill once it has occurred. The government failed to do what was necessary to prevent a catastrophic spill, and the Gulf and its communities will suffer decades as a result.

We can no longer approach offshore drilling the way we did prior to the spill. New legislation must be passed that reform the laws for safety and offshore leasing and planning as well as spill response. New regulations and policies must be put in place and the culture and approach of the Department of Interior and the former Minerals Management Service (MMS) - now the Bureau of Oceans and Energy Management (BOEM) must change.

The Administration has taken some significant steps toward making changes including the cancellation of 2 Arctic Ocean lease sales in the 5-year plan, withdrawal of Bristol Bay until 2017 and directing United States Geological Survey (USGS) to conduct an Arctic Ocean science gap analysis. We applaud Director Bromwich and his staff for the panel discussions you are holding around the country and the hard work that has already been done -- but it is only the beginning. Agencies -- even when they are renamed and restructured, do not change overnight. Real change will only come with sustained vigilance and oversight and clear direction by the administration and Congress. Change must take place not only in Washington D.C. but also in the regions.

To quote Secretary Salazar, the current five year plan proposed by the past administration was a "headlong rush of the worst kind." That approach has led to divided communities, contentious law suits and some very bad will among the communities, the industry, the conservation community and MMS.

I hope to raise some questions and make some recommendations about some of the changes we think are necessary to ensure protection of the Arctic marine ecosystem and the native communities that rely on it. The Arctic's OCS belongs to all Americans from the whalers and other subsistence hunters in the Arctic Ocean to the future generations that might like the knowledge that populations of walrus, bowhead whales, ice seals and polar bears remain vibrant in the marine waters off Alaska's northern coast.

I will cover three main areas: spill response, science, and agency reform and public trust.

## Spill Response

We remain very concerned about the ability of industry to clean up an oil spill in the extreme Arctic marine environment which can experience gale force winds, treacherous seas and the challenges posed by broken ice, sub zero temperatures and days of darkness in winter. In addition to these hazardous weather conditions, the remoteness and lack of infrastructure only add even greater difficulties for spill responders. Spill containment and response in the Gulf was woefully inadequate where extensive infrastructure, people, vessels and aircraft were readily available. The nearest Coast Guard station to the Arctic is about a thousand miles away. The communities along the Arctic coast are extremely remote. There is no road system, few airstrips where jets can land and few docks that can handle large vessels, particularly in the Chukchi.

The Coast Guard has stated that they are not well prepared to respond to a major spill in the Arctic Ocean and that there is a lack of effective methods for cleaning up oil in ice. Admiral Thad Allen testified to a subcommittee of the Senate Appropriations in Anchorage last August that:

- "...our traditional small boats do not operate well off the North Slope as far as launching and recovery."
- "We have long-range communications problems with our helicopters because of the lack of infrastructure..."
- "There are navigational challenges up there because there is lack of mapping data."

During Capitol Hill Oceans Week Capt. JJ Fisher at stated that a major oil spill in the Arctic Ocean would pose significant operational challenges for the Coast Guard. He cited vast distances to Coast Guard stations and noted that moving equipment to respond to an oil spill in northern Alaska would be "challenging." He also cited a lack of infrastructure including few places to land a C-130, and the lack of ice breaking equipment and vessels. He also stated that "There are more hurricane force storms in the Arctic Ocean than in the Caribbean every year."

As the Pew Environment Group recommended to Congress, the industry must demonstrate the capacity to respond to a catastrophic spill by maintaining enough equipment in the region to respond immediately to a worst case discharge and to sustain a response for the duration of that discharge. There should be specific spill response requirements for adequate quantities of equipment to be in place based on well pressure, depth of the well and the length of time it would take to realistically permanently cap or drill a relief well for any given rig. Since the Exxon Valdez spill, Alyeska has maintained contracts with fishermen in Prince William Sound and every year they hold trainings and drills to practice deploying equipment to protect previously mapped sensitive areas such as hatcheries. Nothing like this existed in the Gulf and nothing like this has been set up in the Arctic Ocean.

In addition, to table top exercises, on-water spill drills should be required (including surprise drills) that require demonstration of equipment and response capability that is effective in Arctic marine conditions such as broken ice. There have been few on water drills in icy waters and those that have been held have showed that mechanical equipment such as skimmers are deemed inoperable in icy waters.

The March 2006 BP spill from a corroded pipeline on the North slope, the largest ever, showed that if equipment is not maintained and kept up to date with the best technology, major accidents can happen and when they do they are hard to control. If exploration should move forward, a full scale inspection and training program should be put in place in Alaska to ensure oil rig safety and to ensure that associated facilities such as pipelines are in good condition and have sophisticated leak detection systems for early detection. There should be an investment in source control systems that can limit the discharge size (e.g. install onshore tanks and a pump evacuation system so that an offshore pipeline can be rapidly evacuated into an onshore storage tank rather than continue to leak).

For exploration and production, spill prevention such as seasonal drilling restrictions - where well operation is limited to winter only solid ice conditions - should be required. For example, North Star operates only in the winter. In addition, double walled pipelines and tanks must be required.

## **Second, major gaps in Arctic marine ecosystem science**

Although some good research has been conducted recently - much of it by Conoco and Shell on the lease sites, there is much we still don't know. The Arctic is warming almost twice as fast as the rest of the planet and species such as walrus, polar bear, and ice seals are experiencing a great deal of stress due to climate change. We need a robust Arctic marine research plan to provide us data to better understand the impacts of oil and gas development to these and other marine mammals such as the bowhead whales, before allowing oil and gas activity to go forward. We believe a cautious, science based approach is necessary in the Arctic Ocean

For example in 2007 and 2009, walrus hauled out on the Chukchi shore of Alaska in substantial numbers. In the past they stayed out on the ice. We do not know whether and where they will haul out on land in future. This makes it impossible to determine the optimal places for coastal infrastructure in order to avoid impacts to walrus, which are already stressed from loss of sea ice. More monitoring and modeling are needed, along with a precautionary approach to coastal activities.

The use of traditional knowledge has been increasing, but there is still a great deal that has not been documented or incorporated in research activities and management decisions. In addition, a local observation and monitoring network could draw on the expertise and presence of the many hunters and fishermen using the Arctic coastline, where they are likely to be the first to see the arrival of new species, changes in distribution of existing species, and other forms of ecosystem change. There should be more involvement of coastal residents, including both traditional knowledge and ongoing observations.

The need for more research is not an excuse to delay. Rather it is a way to avoid irreparable harm to the Arctic marine ecosystem on which coastal residents depend.

Environmental impact statements for the five year program and for individual lease sales must consider low probability, high impact events. In these documents, important ecological and cultural areas (IEAs) should be identified and excluded from oil and gas activity.

Before moving forward with exploration, we need to develop better spill trajectory models for understanding behavior, fate and effects of oil in cold water and ice conditions. To do this we need real time weather and current information in key areas. There is also a need for more detailed environmental sensitivity index mapping.

## **Third, Agency reform and public trust**

Although not everyone loves the federal government, particularly in Alaska, we all hope and expect the government will do everything it can to prevent the loss of life and serious harm to the environment, wildlife or people. We trust them to make the best decisions they can on the public's behalf. Instead the former MMS acted primarily on the industry's behalf. Here are some suggestions on how to provide for a more multi-sector approach for managing the Outer Continental Shelf.

1. The Reform of the Bureau must ensure that the agency culture becomes one of a regulator of rather than a partner to industry.
2. Meaningful opportunities for public comment on oil and gas planning, leasing, exploration and development as well as oil spill contingency plans should be provided to affected communities. A Regional Citizen Advisory Council can provide needed citizen and community involvement and ensure

complacency does not set in. The Prince William Sound RCAC is an excellent model and both House and Senate legislation contain proposals for Citizen Advisory Councils.

3. Other agencies with responsibility for oil spills or protection of the marine environment such as the Coast Guard, NOAA and EPA should be funded and afforded meaningful opportunity to comment on the five year program, leasing, exploration and production plans.
4. These agencies should also be afforded the funding and meaningful opportunity to comment on and be involved in the approval of oil spill contingency plans and inspections. The Coast Guard has the responsibility to lead the response yet they are not involved in any significant way in the review of the industry response plans.

Reforming the former Minerals Management Service (MMS) will not be easy and will require a great deal of work, but can make a huge difference in the way business is conducted. Research must be conducted, local governments, tribes and communities must be better consulted, thorough NEPA analysis must be completed and spill capacity that is proven to work in Arctic marine conditions must be in place before DOI should allow any new drilling to take place in the Arctic Ocean.

Administrative reform is necessary but so is Congressional action. Reforms to OCSLA and OPA 90 to improve spill response and safety must pass this Congress to ensure that an accident like the Deep Water Horizon does not happen again.

Thank you very much for the opportunity to present this information.