United States Department of the Interior

FISH AND WILDLIFE SERVICE
1011 E. Tudor Road
Anchorage, Alaska 99503-6199

IN REPLY REFER TO:

AFES/MMM

JUN 1 0 2010

Mr. Ken Wilson
Alyeska Pipeline Service Company
P.O. Box 60469
Fairbanks, Alaska 99706

Dear Mr. Wilson:

This responds to your April 21, 2010, request for a Letter of Authorization (LOA) for the Incidental Take of polar bears in association with the operation and maintenance of the Trans Alaska Pipeline System (TAPS). Enclosed is a LOA (10-12) that would allow Alyeska Pipeline Service Company (Alyeska) to take small numbers of polar bears incidental to oil and gas industry activities identified in your LOA request.

Our Incidental Take regulations authorize incidental takes of polar bears within 25 miles of the Beaufort Sea coast. Although the majority of the TAPS and its associated facilities are located outside the 25-mile area identified in our regulations, past experiences at sites, which are located at farther distances from the coast, indicate that it is unlikely that polar bears will be encountered in these areas. Regardless, please use caution and report any polar bear sightings to this office.

In addition to protection measures for polar bears described in the Alyeska polar bear interaction plan (Alyeska's Polar Bear Interaction Plan, April 20, 2010), the U.S. Fish and Wildlife Service (Service) believes that Alyeska personnel can limit human/polar bear interactions by being observant of approaching animals (i.e., the use of marine mammal observers) and breaking off interactions, if practicable, by allowing the animals to continue their travel. Service biologists are available for consultation if questions or concerns arise regarding polar bears and walruses during the project period at the phone numbers listed below and noted in your interaction plan.

Furthermore, in accordance with Section 7 of the Endangered Species Act of 1973, as amended (ESA), issuance of this LOA also fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described herein. In the "Programmatic Biological Opinion for Polar Bears (*Ursus maritimus*) on Beaufort Sea Incidental Take Regulations" (June 2008; Tier 1 BO), the Service determined that the total take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear, in accordance with section 7 of the ESA. In order for the Tier 2 BO to be consistent with the "no jeopardy" conclusion of the Tier 1 BO and for an ESA incidental take statement (ITS) to be provided: (1) the proposed activity must provide the required information, as described in

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50 CFR 18, Section §18.124 of the Regulations; (2) the LOA must include any mitigation measures that the Marine Mammals Management Office (MMM) believes appropriate for the specific activity and location, as described in 50 CFR §18.128 of the Regulations; and (3) the MMM must determine that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included for MMM in the Tier 1 BO and have been incorporated into the LOA process. Issuance of this ITS with the LOA completes ESA requirements for authorization of incidental take of the polar bear. Compliance with the terms and conditions of this LOA insures that the LOA holder is also in compliance with the ESA.

An additional requirement of this LOA is to provide observational data of polar bears throughout the time period and a complete report of all observations at the conclusion of the time period to document take. This annual report will be provided to the MMM. This report meets the tracking and reporting requirements relative to the documentation of take as required by the Marine Mammal Protection Act and the ESA.

This authorization is issued in accordance with Service regulations listed at 71 FR 43926, dated August 2, 2006. Should you have any further questions contact Mr. Craig Perham or Mr. Christopher Putnam of our Marine Mammals Management Office, at (907) 786-3800, 786-3810 or 786-3844.

Sincerely,

Rosa Meehan, Ph.D.
Chief, Marine Mammals Management

Enclosures

cc: Mr. Joe Robertson, Alyeska Pipeline Service Company
Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FFWFO)
USFWS Office of Law Enforcement (OLE)

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IN REPLY REFER TO:

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ISSUED: May 24, 2010
EXPIRES: May 24, 2011

LETTER OF AUTHORIZATION
(10-12)

Alyeska Pipeline Service Company (Alyeska) is hereby authorized to take small numbers of polar bears incidental to activities occurring during the operation and maintenance of the Trans Alaska Pipeline System (TAPS). A detailed description of the authorized activities can be found at: http://tapseis.anl.gov/documents/index.cfm.

This authorization and the required conditions below apply to Alyeska personnel and contractors of Alyeska performing Alyeska-approved work during the year-round operation and maintenance of that portion of the TAPS within 25 miles of the Beaufort Sea coast.

This authorization is subject to the following conditions:

1. The Operations Manager, or equivalent, will be fully aware, understand and capable of implementing the conditions of this authorization.

2. This Authorization is valid only for activities associated with Alyeska's during the year-round operation and maintenance of that portion of the TAPS within 25 miles of the Beaufort Sea coast, as specified in Alyeska's April 21, 2010 application.

3. The Polar Bear Interaction Plan (Alyeska's Polar Bear Interaction Plan, April 20, 2010) is hereby approved, and all provisions unless specifically noted are incorporated into this authorization by reference. A copy of the current polar bear interaction plan must be available on site for all personnel.

4. Intentional take is prohibited under this authorization.

5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, Section 18.128. The basic monitoring and reporting requirements follow:

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- Alyeska must cooperate with the Service, and other designated Federal, State, or local agencies to monitor the impacts of oil and gas activities on polar bears;

- Alyeska must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service within 12 hours of discovery. Should occupied dens be identified within one mile of activities, work within a one-mile area will cease and the Service must be contacted for guidance. The Service will evaluate these instances on a case-by-case basis to determine the appropriate action. Potential actions may range from cessation or modification of work to conducting additional monitoring, and Alyeska must comply with any additional measures specified.

- Alyeska must designate a qualified individual or individuals to observe, record, and report the effects of the activity on polar bears to the Service within 24 hours of visual observation. Evidence of polar bears, such as tracks, carcass, or dens, will also be reported;

- Alyeska must allow the Fish and Wildlife Service to place an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Fish and Wildlife Service;

- Alyeska must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which will be received up to 90 days after the expiration date of the LOA.

6. Per the "Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)", your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an "Incidental Take Statement" (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.

7. This authorization expires May 24, 2011.

JUN 1 0 2010

Chief, Marine Mammals Management

Date