United States Department of the Interior

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

IN REPLY REFER TO:

AFES/MMM

NOV 30 2011

Mr. Joe Robertson
Compliance Officer
Alyeska Pipeline Service Company
P.O. Box 196660, MS 502
Anchorage, Alaska 99503

Dear Mr. Robertson:

This responds to Kenneth Wilson's August 26, 2011, 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 an LOA (11-26) that will 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 (approximately 40 km) of the Beaufort Sea coast. 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 the U.S. Fish and Wildlife Service (Service), Marine Mammals Management Office (MMM).

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, Part of the Environmental plan, Pump Station 1 & Pipeline Right of Way), the 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, Alyeska will: 1) provide copies of the polar bear observation form to all Alyeska contractors operating under this LOA; 2) report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to the Service, MMM by phone or using the polar bear observation form; 3) report any possible den locations that are found during work activities within 12 hours to the Service, MMM; and 4) institute the one-mile (1600-meter) buffer immediately upon discovery of a maternal den site, as required by condition five of the LOA.

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Service biologists will be available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan.

Per the Programmatic Biological Opinion (Tier 1 BO) for the Beaufort Sea Incidental Take Regulations for Polar Bear, Pacific Walrus, and Polar Bear Critical Habitat (Regulations) (July 2011), issuance of this LOA also completes consultation for polar bears, Pacific walrus, and polar bear critical habitat pursuant to section 7 of the Endangered Species Act (ESA) of 1973, as amended. This LOA also serves as an "Incidental Take Statement" (ITS), which is required by the ESA in order for incidental take to be authorized.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included by the Service, 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 polar bears. Compliance with the terms and conditions of this LOA ensures that the LOA holder is also in compliance with the ESA.

An additional requirement of this LOA is for Alyeska to provide observational data of polar bears throughout the project and a complete report of all observations at the conclusion of the project 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 (MMPA) and the ESA.

This authorization is issued in accordance with MMPA Incidental Take Regulations published in the *Federal Register* (76 FR 47010), dated August 3, 2011. Please review these regulations. If you should have any further questions, please contact Mr. Craig Perham, at (907) 786-3810, or Mr. Christopher Putnam, at (907) 786-3844, of our Marine Mammals Management Office.

Sincerely,

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

Enclosure

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

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U.S. Fish and Wildlife Service

LETTER OF AUTHORIZATION
(11-26)

ISSUED: November 15, 2011
EXPIRES: November 15, 2012

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/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 (approximately 40 km) 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 year-round operation and maintenance of that portion of the TAPS within 25 miles (40 km) of the Beaufort Sea coast, as specified in Alyeska's August 26, 2011, application.

3. The Polar Bear Interaction Plan (Alyeska's Polar Bear Interaction Plan, April 20, 2010, Part of the Environmental Plan, Pump Station 1 & Pipeline Right of Way) 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 U.S. fish and Wildlife Service (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 one mile (1600 meters) of known polar bear dens, and all observed dens must be reported to the Service, Marine Mammals Management Office (MMM), within 12 hours of discovery. Should occupied dens be identified within one mile of activities, work within the immediate 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 Service to place an observer on sites to monitor the impacts of the activity on polar bears, at the discretion of the Service.

- Alyeska must submit an annual monitoring report to the Service, MMM as required under 50 CFR 18.128(f), which will be received up to 90 days after the expiration date of the Letter of Authorization (LOA).

6. In the Programmatic Biological Opinion for Polar Bears, Pacific Walrus, and Polar Bear Critical Habitat on Beaufort Sea Incidental Take Regulations (Regulations) (July 2011), the Service determined the total incidental take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear or Pacific walrus, and will not adversely modify polar bear critical habitat. In order for an Incidental Take Statement (ITS) to be provided: (1) the proposed activity must provide the required information, as described in the §18.124 of the Regulations, (2) the LOA includes mitigation measures appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

We (MMM) have determined that the proposed action meets these three requirements. Therefore, issuance of this LOA also completes Endangered Species Act (ESA) requirements for authorization of incidental take of the polar bear. Compliance with the terms and conditions of the above LOA ensures that the LOA holder is also in compliance with the ESA.

7. This Letter of Authorization is valid for the period indicated on this authorization, unless extended or terminated in writing by the U.S. Fish and Wildlife Service, Marine Mammals Management Office.

NOV 30 2011

Chief, Marine Mammals Management

Date