

STATEMENT OF GREG SHEEHAN
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BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
ON OIL AND GAS EXPLORATION AND DEVELOPMENT IN THE ARCTIC
COASTAL PLAIN

November 2, 2017

Chairman Murkowski, Ranking Member Cantwell and Members of the Committee, thank you for the opportunity to appear before you today to testify on behalf of the Department of Interior (Department) regarding resource development in the 1002 area of the coastal plain of Alaska's North Slope. I am Greg Sheehan, Principal Deputy Director of the U.S. Fish and Wildlife Service.

The Arctic National Wildlife Refuge

The original 8.9 million acre Arctic National Wildlife Range was established on December 6, 1960 to protect the wildlife, wilderness, and recreational values of the range. It was later expanded through the Alaska National Interest Lands Conservation Act (ANILCA) on December 2, 1980 to 19.3 million acres and renamed the Arctic National Wildlife Refuge. ANILCA also designated 8 million acres of the original Range as Wilderness, requiring this area to be managed in accordance with the Wilderness Act, and added new Refuge purposes. These purposes include conservation of fish and wildlife populations; fulfillment of international treaty obligations of the United States with respect to fish and wildlife and their habitats; providing the opportunity for continued subsistence uses by rural residents; and ensuring water quality and quantity within the refuge.

The 1002 Area

In section 1002 of ANILCA, Congress and President Carter deferred a decision regarding future management of the 1.5-million-acre coastal plain – now referred to as the 1002 area – in recognition of the area's natural resource potential. Section 1002 of ANILCA provides for the comprehensive and continuing inventory and assessment of the fish and wildlife resources of the coastal plain of the Arctic Refuge; an analysis of the impacts of oil and gas exploration, development, and production, and authorization of exploratory activity within the coastal plain in a manner that avoids significant adverse effects on the fish and wildlife and other resources.

Due to its unique purpose and potential, Congress did not include the 1002 area in the refuge's designated wilderness when ANILCA was enacted in 1980. Since then, no Congress has designated the 1002 area as wilderness.

The 1002 area is currently managed as a Minimal Management Area in the National Wildlife Refuge System. As such, Service activities are directed at maintaining the existing conditions of areas that have high fish and wildlife values or other resource values. Opportunities for public use and access are available for subsistence purposes and for a variety of recreational activities, including hunting, fishing, trapping, backpacking, and camping. Traditional motorized access via aircraft and motorboats is allowed. The Service focuses its efforts in the 1002 area primarily on conducting studies and survey/inventory programs.

Section 1003 stipulates that production of oil and gas from the Arctic Refuge is prohibited and no leasing or other development leading to production of oil and gas shall be undertaken until authorized by an Act of Congress.

In an assessment completed and sent to Congress in 1987, the Secretary recommended that Congress consider leasing the 1002 area for oil and gas. In 1988, the Arctic Refuge's initial Comprehensive Conservation Plan (CCP) recognized the coastal plain as a critical calving area for the Porcupine caribou herd, which is an important subsistence resource for Alaska Native people. In 2009, the U.S. Geological Survey determined in its most recent economic analysis the area had a mean estimate of 10.35 billion barrels of recoverable oil, with 80 to 90 percent of that volume being economically recoverable at \$42 per barrel.

Since the 1987 assessment was completed, the Service has continued to inventory, monitor, and assess the fish and wildlife resources within the 1002 area so that current data is available to inform future activity.

Last spring, Secretary Zinke visited the North Slope with Chairman Murkowski and a bipartisan Senate delegation. After seeing it first hand, he signed a secretarial order in Anchorage that requires the USGS to update its resource assessments for the 1002 area. The plan includes consideration of new geological and geophysical data, as well as potential for reprocessing existing geological and geophysical data. The secretarial order does not reduce, eliminate, or modify any environmental or regulatory requirements for energy development. This evaluation is consistent with the intent of ANILCA and will improve the Department's understanding of the 1002 area.

Administration Support

The Administration's Fiscal Year 2018 budget proposes oil and gas leasing in the 1002 area. If production is authorized by Congress, the Administration believes this will bolster our nation's energy independence and national security, provide economic opportunity for Alaskans and

provide much-needed revenue to both the State of Alaska and Federal government. With passage of the budget reconciliation provisions in H. Con. Res. 71, and its revenue-raising instructions to your Committee, the Department stands ready to assist Congress as it considers legislation, consistent with ANILCA, to authorize the potential development of the resources contained in this area.

Chairman Murkowski, I appreciate the opportunity to testify on behalf of the Department on this issue and look forward to answering any questions you might have. Thank you.