

Beaufort Sea sale may be delayed

By LAURY ROBERTS

Juneau Correspondent

Leaders in northern coastal communities are reacting with "cautious cooperation" to proposed state and federal offshore lease sales which could result in oil and gas development, while the first of those, the Beaufort Sea sale, could be postponed, due to incomplete preparation.

Both the state and federal government have proposed separate five-year offshore leasing schedules. Lease sales, which require up to 2½ years of prior study, will be held jointly where possible.

Native leaders from Kodiak, Kotzebue, Bristol Bay, Nome, and Barrow testified in person and via the teleconference network last week during meetings in Juneau on the federal outer continental shelf (OCS) lease plan and the Beaufort sale set for December.

Witnesses from the bush expressed concerns for timely planning, the preservation of subsistence lifestyle and culture, and strict safety standards.

"A lease sale does not

signal the beginning of the end," said Kotzebue mayor Royal Harris, during a statewide "town meeting" teleconference on proposed OCS leasing. "We want technology compatible with our subsistence lifestyle."

"OCS is orderly development and can be more so if the entire region is involved in discussion," said Dennis Tiepelman of Mauneluk Non-Profit Native Corporation.

But others were more wary of offshore leasing. During a teleconference press interview with Gov. Jay Hammond, reporter Sue Boyle of Nome said the Unalakleet Native Corporation wanted to know which

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had a higher priority — oil development or subsistence.

"I hope it doesn't come down to either-or," replied Hammond, "but if it does, oil development shouldn't take place."

"Our concerns are not being given deserved consideration," said Frank Patterson of the Kodiak Native Association during the OCS town meeting. He was responding to a possible lease sale in Shelikof Straits.

"Given the demographics of Kodiak, it's unrealistic to think any impact will not affect the whole island." Patterson suggested that no sales be allowed until complete assessment of how oil and gas development will affect coastal towns.

While those kinds of studies are already required by law, government decisions do not have to abide by the conclusions. And, there is fear that once oil companies purchase a lease it is impossible to halt the momentum towards development if exploration proves encouraging.

"Industry takes a position once it has leases and we lose the ability to restrict certain activities," said Don Clocksin, chief council for the Alaska Legal Services, which represents Barrow, Kaktovik, and Nuiqust in oil and gas matters.

Clocksin testified during a day-long hearing before the House Resources and Finance committees on the December Beaufort Sea sale, the first such lease sale in six years.

While the proposed lease sale is just 8½ months away, the state still has major hurdles to overcome before it can proceed, and several witnesses recommend that legislators postpone the sale.

"I do not expect the lease sale will be conducted as planned," testified Eben Hopson, North Slope Borough mayor. "We look for it to be put off, or at least greatly modified. The North Slope Borough policy toward the sale has been one of cautious cooperation aimed at insuring adequate protection of our subsistence hunting and fishing habitat and resources."

During both the OCS and Beaufort hearings Hopson warned of the danger of ice floes, the lack of technology available for offshore Arctic development, and of the potential damage to sea mammals, particularly the bowhead whale.

He advocated exploration onshore and in water within the Barrier Islands off the Arctic coast. Hopson says he has Hammond's consent on the latter point.

Nathaniel Olemaun Jr., Barrow city mayor, echoed Hopson's objections. "If the cost of economic progress is extinguishment of our cultural heritage then the sale must be delayed," Olemaun said during the town meeting.

But both mayors qualified their reservations.

"We are not opposed to extraction of resources," said Olemaun.

"I don't think opposition to exploration in the Beaufort means we're opposed to all offshore exploration," testified Hopson. "If we could minimize the chance of a blowout to zero I don't think you'd see North Slope people with too much objection."

Kay Brown, a research analyst with the Legislative Research Division, pointed out the formidable hoops through which the state must jump before the Beaufort sale can take place.

Leasing forms and regula-

tions must be adopted; conservation statutes must be revised; an economic analysis of bidding alternatives needs to be developed; a federal-state dispute over ownership of about 18 per cent of the proposed lease area must be resolved in the Supreme Court; and an environmental impact statement has to be prepared.

"The tardiness shown is indicative of the way it (the lease sale process) has proceeded," Brown told the joint committee meeting. And, she said there is a "strong possibility" that the sale could be challenged over the issue of detriment to the bowhead whale an endangered species.

A recommendation by the National Marine Fisheries Service (NMFS) on whether the sale would jeopardize the bowhead whale or its habitat is expected late this summer, according to a time line prepared by Brown.

But Bob Le Resche, commissioner of the Department of Natural Resources, said during the town meeting he was "convinced we can do it safely."

He came to the joint House meeting with a Beaufort preparation schedule which had been put on paper just prior to the hearing. The plan did not include consideration of NMFS findings.

"If we follow this time line we can have the sale with all responsible analysis having been done in a timely manner," Le Resche said.

Copies of the draft environmental impact statement will be delivered to Fairbanks, Barrow, Kaktovik, and Nuiqust this week and hearings on the findings of the initial assessment will be held in those communities in May and June.