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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

June 19, 2018

Ms. Nicole Hayes
U.S. Bureau of Land Management, Alaska State Office
Attention: Coastal Plain EIS
222 West 7th Avenue, #13
Anchorage, AK 99513-7599

Re: Scoping comments on development of the ANWR Coastal Plain Oil and Gas Leasing Program Environmental Impact Statement

To Whom It May Concern:

The Resource Development Council for Alaska, Inc. (RDC) is writing to express its strong support for the proposed oil and gas lease program that would allow limited activity within the non-Wilderness coastal plain of the Arctic National Wildlife Refuge (ANWR).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Alaskans statewide strongly support oil and gas exploration and development in the non-Wilderness coastal plain. In fact, polling has shown more than 70 percent of Alaskans support development of energy resources beneath the 1002 area. Local residents and many of the Inupiat people who actually live adjacent to the 1002 area have also supported development.

RDC is advocating for Alaska's and, indeed, our nation's interests in supporting the opening of a tiny fraction of the coastal plain to responsible oil and gas exploration and development. In 1980, the Alaska National Interest Lands Conservation Act (ANILCA) expanded the refuge, but in a compromise set aside 1.5 million acres of the coastal plain for potential drilling. The leasing program that has been authorized by Congress and signed into law by President Donald J. Trump would allow development of only 2,000 acres of the coastal plain, which itself represents a very small portion of the 19-million acre refuge.

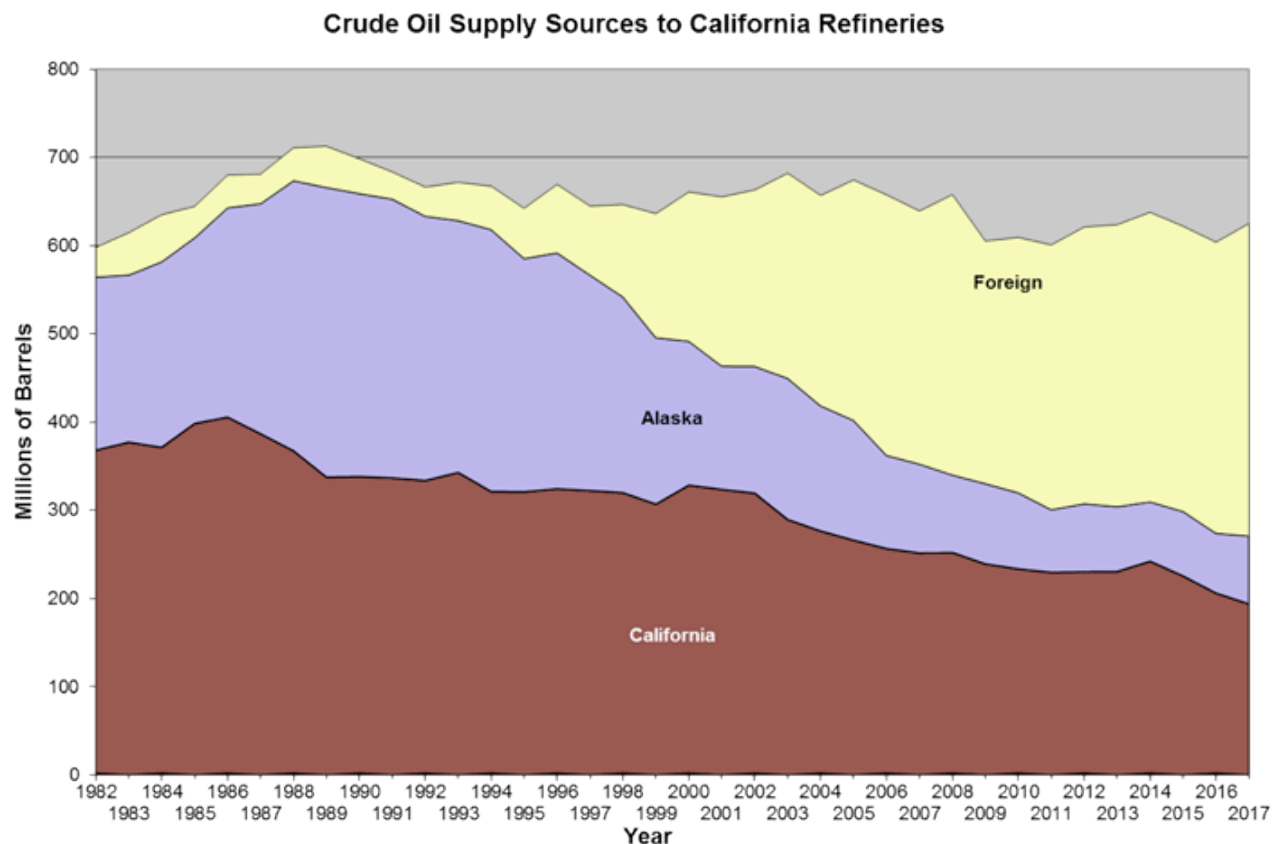
With advances in technology, it is possible to develop the coastal plain's energy reserves while directly utilizing a small footprint. Moreover, such development can be accomplished without significant disturbance to wildlife. In fact, over the past 40 years of North Slope oil production, many wildlife populations have grown or remained stable. One example at Prudhoe Bay shows the Central Arctic caribou population has grown from 5,000 animals in 1970 to more than 66,000 animals today.

It is important that the Coastal Plain Oil and Gas Leasing Program Environmental Impact Statement (EIS) clearly outline the many benefits conventional oil and gas development in ANWR would bring to Alaska and the nation, as well as the evolution of technology that has greatly reduced industry's footprint in the Arctic. The EIS should also outline successful efforts that have mitigated the impact of development on the North Slope environment and wildlife. It is also important the EIS address successful efforts to mitigate impact on subsistence resources and harvesters.

Oil development in the 1002 area would provide a safe and secure source of oil for the nation for decades. It would create tens of thousands of jobs throughout the country and refill the Trans-Alaska Pipeline System (TAPS), existing critical energy infrastructure that is currently operating at only one-fourth capacity. Since the ANWR coastal plain is only several miles from existing North Slope energy infrastructure and less than 60 miles from TAPS, development of energy reserves there would be one of the most environmentally-sound ways to increase oil production in Alaska.

Despite robust oil production in the Lower 48 states today, America will require new supplies of energy from Alaska in the coming decades. Energy production from ANWR will be key to offsetting a projected decline in Lower 48 shale oil production, which is expected to occur in the next decade. Otherwise, America will be forced to once again increase its reliance on foreign oil.

With the decline in North Slope production, refineries on the West Coast already have been forced import more crude from foreign sources. The chart below, which depicts crude oil supply sources to refineries in California, stresses the need for new Alaska projects:



With new oil and gas production from ANWR, America can continue to grow its economy and further reduce dependence on foreign imports. According to the Energy Information Administration, oil and gas development in ANWR could result in new conventional domestic production of 880,000 barrels per day for a period extending for approximately 12 years, with additional production for many years following. Such production would not only generate new jobs and boost TAPS throughput, it would generate billions of dollars in new revenues to the Alaska and federal treasuries.

According to a study by the University of Alaska Anchorage, up to 50% of Alaska's current economy and at least one-third of all jobs, including those of public employees, are in some way connected to the oil industry. The same report stressed that nothing else can replace oil in the state's economy. Without oil, the state would be unable to meet its long-term obligations – from funding essential services to public employee pensions, education and health care.

With regard to renewable energy, RDC acknowledges that wind, solar, and other alternative forms of energy are a growing part of America's energy portfolio. While RDC fully supports renewable energy, we also recognize that new oil and gas production will be required to power America's economy and security needs for decades into the future. In

fact, the U.S. Department of Energy estimates renewable energy will still account for a minority of America's energy production in 2050. New oil and gas production can serve as a bridge until renewables are established as a dominant energy source well into the future.

It is important to recognize in the EIS that limited oil and gas exploration and development on the coastal plain is consistent with the intent of Congress in the passage of the Tax Cuts and Jobs Act in December 2017, the passage of ANILCA in 1980, and the Alaska Statehood Act of 1958. Alaska became a state based on the congressional intent that through development of its natural resources it would be able to sustain its economy and not become a ward of the federal government. Early statehood bills failed, and ultimately it was the discovery of oil that convinced Congress Alaska could sustain itself as a state.

In conclusion, RDC strongly supports opening the non-Wilderness portion of the coastal plain to oil and gas exploration and development. Such action would create thousands of jobs, stimulate the economy, reduce America's dependence on foreign oil, and generate much-needed ongoing revenues to the Alaska and federal governments. Moreover, responsible energy development on the North Slope can and does coexist with the environment, wildlife, and subsistence needs of local residents.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Portman', is positioned above the typed name.

Carl Portman
Deputy Director