



Alaska's Outer Continental Shelf Creating Economic Opportunities, Jobs and Domestic Energy for the Entire Nation

Alaska's Offshore (A Game-Changing Energy Resource):

- At a time when the American public is crying out for more domestic energy, Alaska has enormous untapped oil and gas potential, especially in its offshore areas. The Chukchi Sea, off Alaska's northwest coast, offers more resources than any other undeveloped U.S. energy basin, and, according to experts, may be one of the largest untapped oil and gas sources in the entire world.
- According to very conservative DOI estimates, the waters off Alaska's coasts hold about 27 billion barrels of oil and 132 trillion cubic feet of natural gas.
 - This is more than all the current total proven U.S. oil reserves (i.e. approximately 21 billion barrels).
 - Alaska would have 8th largest oil resources in the world – ahead of Nigeria, Libya, Russia and Norway.
 - This is more than all the current total proven U.S. oil reserves.
 - This is more proven oil reserves than Russia and Mexico possess.
- A recent assessment by the US Geologic Survey concludes that about 30% of the world's undiscovered natural gas and 13% of its oil are located above the Arctic Circle, with Alaska holding enough oil and natural gas to maintain production for "many years to come."
- Alaska has the infrastructure and workforce needed to begin producing energy from these resource basins as soon as it is made available. If the federal government does not soon take action, this skilled workforce will both retire over time and relocate to active exploration and production areas of the world.
- Once America's top domestic crude oil producer, Alaska now follows Texas but still produces more than 13 percent of our nation's domestic crude oil. Yet the State's potential has only begun to be tapped, and with new technologies, we can do it efficiently while at the same time protecting our environment.
- There has never been a blowout in the Alaska or the Canadian Arctic. Thirty wells have been drilled in the Beaufort and five in the Chukchi – all without incident. These wells were drilled in the 1980s, utilizing older technology compared to the more sophisticated technology that exists today.
- Alaska's Chukchi and Beaufort Seas, along with Cook Inlet and the North Aleutian Basin, were included in the Interior Department's last Five-Year Program (2007-2012), with analysis showing these areas could be safely explored.

Economic Benefits (Jobs for Alaska, Jobs for the Nation):

- More than 108,000 Alaskan jobs contribute to the discovery, production, and shipment of Alaskan oil and natural gas – accounting for more than 15 percent of Alaska's population.
- In February 2008, a lease sale on tracts in the Chukchi netted taxpayers more than \$2.6 billion in bonus bids. It was quite a take – especially since DOI expected to only receive \$67 million before the auction took place.
- A study by University of Alaska's Institute of Social and Economic Research University and Northern Economics found that new offshore energy production in the State of Alaska would produce:
 - An annual average of 35,000 jobs – both directly and indirectly tied to the industry - over the next 50 years for the state of Alaska alone, with a total payroll of \$72 billion (2007\$) over the 50-year period;



- Offshore development would play a vital role in keeping the Trans Alaskan Pipeline System (TAPS) flowing, a critical link to America's energy distribution—and in enhancing viability of an Alaska gas pipeline;
- New offshore oil & gas development in Alaska will generate thousands of new, high-paying jobs throughout the 50 states, from steel & pipe manufacturers in the Midwest to shipping on the coasts to advanced computer technology in California and Seattle, to Union Labor for pipeline construction and maintenance.

Despite Promise of Alaska Energy, We Still Can't Access the Resource:

- Since 2005, 680 leases have been awarded to companies interested in exploring for oil & gas off Alaska's coasts. Despite years of applications for permits, community consultation, environmental studies and analysis, and more than \$3 billion in bonus payments to the federal government and investment in technology, equipment and personnel, not one well has been drilled in the Alaska OCS.
 - The leases were sold ONLY after an exhaustive environmental analysis.
 - When the federal government awards a lease, it has an obligation to process the permits and allow the company to move forward with potential development.
- Why?
 - The Federal government has not responded to the good faith leases it has issued in response to record lease sale payments. Its regulatory regime is complex, confusing, and unpredictable, and it has failed to issue the permits required for Alaska offshore operations.
 - Lawsuits filed against the government have kept offshore development, jobs and economic opportunity bottled-up in courts, preventing operations from moving.
- Bottom Line:
 - The current regulatory and judicial structure are preventing America's ability to access and develop some of its most promising natural resources at a time when America needs jobs, economic growth and reduced dependency on foreign energy sources. Roadblocks to Alaskan OCS development also threaten the economic future of Alaska.

What Can Be Done to Help?

- In response to a lawsuit alleging that the Environmental Impact Statement for Lease Sale 193 insufficiently addressed the potential effects energy development may have on the Chukchi Sea, the U.S. District Court of Alaska required a supplemental analysis. The draft supplement Environmental Impact Statement concluded the additional analysis was not essential to determining the environmental impact of Lease Sale 193 and recommended the sale be affirmed as held.
 - Despite the conclusions of the SEIS, the Secretary of the Interior Ken Salazar can decide to rescind or amend Lease Sale 193. Please visit <http://consumerenergyalliance.org/calls-to-action/support-jobs-and-the-economy-develop-alaskas-offshore-resources/> to urge the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM) to accept the conclusions of the SEIS and move forward with all due speed to ensure exploration and production in the Chukchi proceeds.
 - BOEM is holding five public meetings in early November to solicit comments on the SEIS from the public. For more information on attending, please reference the [federal register notice](#).