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[Drilling off Alaska can't proceed without further environmental review](#)

An appeals panel rules that the Interior Department didn't adequately analyze a Bush administration plan to auction off leases in the Arctic seas.

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Reporting from Washington and Nuiqsut, Alaska - A federal appeals court dealt a blow Friday to oil and gas industry efforts to allow drilling in the fertile energy-producing regions in the icy seas north of Alaska.

FOR THE RECORD: Arctic drilling: An A Section article Saturday about a federal court ruling that blocked oil leases off the Alaska coast identified Michael LeVine as an Ocean Conservancy lawyer. LeVine is a lawyer with the environmental group Oceana.

The Bush administration had started to auction off leases in the Arctic waters along Alaska's coast, which are expected to produce billions of barrels of oil. But a three-judge U.S. Court of Appeals panel in Washington [ruled](#) that the Interior Department had failed to properly assess the environmental impact of the leases. The court halted the program pending a full review. The decision comes at a time of increased pressure to tap new sources of oil and gas globally. The Bush White House had pursued the leasing program after Congress thwarted its efforts to drill in Alaska's Arctic National Wildlife Refuge.

"It would be a disservice to all Americans -- and a devastating blow to the economy -- if this decision were to delay further the development of vital oil and natural gas resources," [the American Petroleum Institute, a leading industry trade group, said](#) in a statement Friday. The Arctic may hold 90 billion barrels of oil, more than the known reserves of Nigeria, Kazakhstan and Mexico combined and enough to supply U.S. demand for 12 years, according to the U.S. Geological Survey. But in Inupiat Eskimo communities preparing to go on their spring hunt for whales near some of the areas targeted for drilling, there was a sense of relief Friday. "That's great news. We've been requesting a moratorium until more research is done," said Doreen Lampe of Barrow, Alaska, a whaling town on the far northern tip of the continent, on the Beaufort and Chukchi seas. "I truly hope they will do a better job of studying this." Native groups and conservationists have argued that it is reckless to drill in the relatively unexplored northern seas without knowing how imperiled they are by climate change and the rapid shrinking of the Arctic ice pack. An oil spill there, they argue, would be difficult to clean and could wipe out wildlife's toehold in the region. Environmental groups also hailed the decision, saying it would allow the Interior Department to thoroughly study the effects offshore drilling could have on the Arctic ecosystem. "Really what this does is provide an opportunity for the new administration to look holistically at all the decisions about oil and gas that the Bush administration did," said Michael LeVine, an Ocean Conservancy lawyer. The court held that the Interior Department's five-year plan, initiated in 2005, did not "properly consider the environmental sensitivity" of different areas of the Outer Continental Shelf beyond the Alaska coast. President Obama has wrestled with the issue of offshore drilling since it surfaced prominently in the presidential campaign last year, when gas prices were spiking. At the time, he pledged to consider drilling as part of a comprehensive energy plan. Since taking office, Obama's Interior secretary, Ken Salazar, has overseen lease auctions for drilling in the Gulf of Mexico. But the department also froze another five-year Bush administration plan to open even more areas -- including potential swaths of the California, Atlantic and Gulf coasts -- to drilling. Salazar instead called for months of public comments and launched a [four-state listening tour](#) on offshore energy issues, which wrapped up in San Francisco this week. Interior spokeswoman Kendra Barkoff said Friday that the department was

carefully reviewing the court ruling: "Secretary Salazar believes that we need a comprehensive approach to an offshore energy plan, based on sound information about our resources and extensive public input."

This year, Sen. Lisa Murkowski (R-Alaska) proposed a bill that would allow oil exploration in the Arctic National Wildlife Refuge, provided the drilling originated outside refuge boundaries. Salazar said he would consider such a policy if the region's environment and wildlife went undisturbed. Murkowski criticized the court's decision Friday, saying it "may now cause a further delay in the development of the oil and gas resources that America still requires to fuel its economy."
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