

Obama Details Plan to Open Offshore Areas to Oil Drilling

By John M. Broder

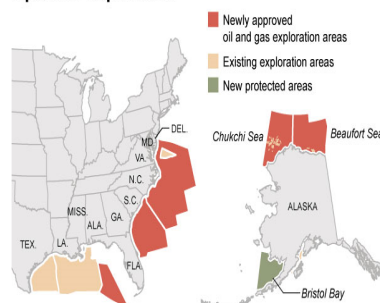


Luke Sharrett/The New York Times

President Obama, with an F-18 "Green Hornet" that will run partly on bio fuel, during his speech on energy security on Wednesday at Andrews Air Force Base in Maryland.

WASHINGTON — President Obama on Wednesday described his proposal to open vast expanses of American coastlines to oil and natural gas drilling, much of it for the first time, as a painful but necessary decision.

Open for Exploration



He said that his plan to allow drilling along the Atlantic coastline, the eastern Gulf of Mexico and the north coast of Alaska — ending a longstanding moratorium on exploration from the northern tip of Delaware to the central coast of Florida, covering 167 million acres of ocean — would balance the need to produce more domestic energy while protecting natural resources. But it is also intended to generate revenue from the sale of offshore leases and help win political support for comprehensive energy and climate legislation.

While Mr. Obama has staked out middle ground on other environmental matters — supporting nuclear power, for example — the sheer breadth of the offshore drilling decision will take some of his supporters aback. And it is no sure thing that it will win support for a climate bill from undecided senators close to the oil industry, like Lisa Murkowski, Republican of Alaska, or Mary L. Landrieu, Democrat of Louisiana.

“This is not a decision that I’ve made lightly,” the president said in prepared remarks in a speech on energy security. “But the bottom line is this: given our energy needs, in order to sustain economic growth, produce jobs, and keep our businesses competitive, we’re going to need to harness traditional sources of fuel even as we ramp up production of new sources of renewable, homegrown energy.”

But Jacqueline Savitz of the environmental group **Oceana** countered on Wednesday: “We’re appalled that the president is unleashing a wholesale assault on the oceans. Expanding offshore drilling is the wrong move if the Obama administration is serious about improving energy security, creating lasting jobs and averting climate change.”

Under the plan, the coastline from New Jersey northward would remain closed to all oil and gas activity. So would the Pacific Coast, from Mexico to the Canadian border.

The environmentally sensitive Bristol Bay in southwestern Alaska would be protected and no drilling would be allowed under the plan, officials said. But large tracts in the Chukchi Sea and Beaufort Sea in the Arctic Ocean north of Alaska — nearly 130 million acres — would be eligible for exploration and drilling after extensive studies.

To critics who already were branding the decision both unnecessary and a threat to the environment, Mr. Obama said in his remarks: “There will be those who strongly disagree with this decision, including those who say we should not open any new areas to drilling, But what I want to emphasize is that this announcement is part of a broader strategy that will move us from an economy that runs on fossil fuels and foreign oil to one that relies more on homegrown fuels and clean energy. And the only way this transition will succeed is if it strengthens our economy in the short term and long term. To fail to recognize this reality would be a mistake.”

On the other hand, oil industry officials and Republicans in Congress claimed the president did not go far enough in making domestic resources available for exploitation.

House Republican Leader John Boehner on Wednesday criticized the administration for keeping the vast majority of America’s offshore energy resources off limits at a time when, the Ohio representative said, Americans want an “all of the above” strategy for promoting American energy production and creating American jobs.

Mr. Obama tried to answer that criticism as well.

“They’d deny the fact that with less than 2 percent of oil reserves, but more than 20 percent of world consumption, drilling alone cannot come close to meeting our long-term energy needs,” he said, “and that for the sake of the planet and our energy independence, we need to begin the transition to cleaner fuels now.”

“Ultimately,” he concluded, “we need to move beyond the tired debates between right and left, between business leaders and environmentalists, between those who would claim drilling is a cure all and those who would claim it has no place. Because this issue is just too important to allow our progress to languish while we fight the same old battles over and over again.”

The Senate is expected to take up a climate bill in the next few weeks — the last chance to enact such legislation before midterm election concerns take over.

“The Obama Administration continues to defy the will of the American people who strongly supported the bipartisan decision of Congress in 2008 to lift the moratorium on offshore drilling not just off the East Coast and in the Gulf of Mexico, but off the Pacific Coast and Alaskan shores as well. Opening up areas off the Virginia coast to offshore production is a positive step, but keeping the Pacific Coast and Alaska, as well as the most promising resources of the Gulf of Mexico, under lock and key makes no sense at a time when gasoline prices are rising and Americans are asking ‘Where are the jobs?’

“It’s long past time for this Administration to stop delaying American energy production off all our shores and start listening to the American people who want an “all of the above” strategy to produce more American energy and create more jobs. Republicans are listening to the American people and have proposed a better solution – the American Energy Act – which will lower gas prices, increase American energy production, promote new clean and renewable sources of energy, and encourage greater efficiency and conservation.

Mr. Obama and his allies in the Senate have already made significant concessions on coal and nuclear power to try to win votes from Republicans and moderate Democrats. The new plan now grants one of the biggest items on the oil industry’s wish list — access to vast areas of the Outer Continental Shelf for drilling.

But even as Mr. Obama curries favors with pro-drilling interests, he risks a backlash from some coastal governors, senators and environmental advocates, who say that the relatively small amounts of oil to be gained in the offshore areas are not worth the environmental risks.

The Obama administration’s plan adopts some drilling proposals floated by President George W. Bush near the end of his tenure, including opening much of the Atlantic and Arctic Coasts. Those proposals were challenged in court on environmental grounds and set aside by President Obama shortly after he took office.

Unlike the Bush plan, however, Mr. Obama’s proposal would put Bristol Bay, home to major Alaskan commercial fisheries and populations of endangered whales, off limits to oil rigs.

Actual drilling in much of the newly opened areas, if it takes place, would not begin for years.

Mr. Obama said several times during his presidential campaign that he supported expanded offshore drilling. He noted in his State of the Union address in January that weaning the country from imported oil would require “tough decisions about opening new offshore areas for oil and gas development.”

Perhaps in anticipation of controversy, the new policy has been closely held within the administration. White House and Interior Department officials began briefing members of Congress and local officials in affected states late Tuesday.

It is not known how much potential fuel lies in the areas opened to exploration, although according to Interior Department estimates there could be as much as a three-year supply of recoverable oil and more than two years’ worth of natural gas, at current rates

of consumption. But those estimates are based on seismic data that is, in some cases, more than 30 years old.

The first lease sale off the coast of Virginia could occur as early as next year in a triangular tract 50 miles off the coast that had already been approved for development but was held up by a court challenge and additional Interior Department review, officials said.

But as a result of the Obama decision, the Interior Department will spend several years conducting geologic and environmental studies along the rest of the southern and central Atlantic Seaboard. If a tract is deemed suitable for development, it is listed for sale in a competitive bidding system. The next lease sales — if any are authorized by the Interior Department — would not be held before 2012.

The eastern Gulf of Mexico tract that would be offered for lease is adjacent to an area that already contains thousands of wells and hundreds of drilling platforms. The eastern Gulf area is believed to contain as much as 3.5 billion barrels of oil and 17 trillion cubic feet of gas, the richest single tract that would be open to drilling under the Obama plan.

Drilling there has been strongly opposed by officials from both political parties in Alabama and Florida who fear damage to coastlines, fisheries, popular beaches and wildlife. Interior Department officials said no wells would be allowed within 125 miles of the Florida and Alabama coasts, making them invisible from shore.

The Interior Department and the Pentagon are discussing possible restrictions on oil and gas operations in some areas off Virginia and Florida, home to some of the nation's biggest Navy and Air Force facilities. States are also likely to claim rights to the revenues from oil and gas deposits within 3 to 12 miles of shore and to some portion of lease proceeds, officials said.

Interior Secretary Ken Salazar developed the offshore drilling plan after conducting four public meetings over the past year in Alaska, California, Louisiana and New Jersey. The Interior Department received more than 500,000 public comments on the issue.

Mr. Salazar has said that he hoped to rebalance the nation's oil and gas policy to find a middle ground between the "drill here drill now" advocacy of many oil industry advocates and the preservationist impulse to block oil exploration beneath virtually all public lands and waters.

He has called the offshore drilling plan a new chapter in the nation's search for a comprehensive energy policy that can open new areas to oil and gas development "in the right way and in the right places," according to an aide.

In many of the newly opened areas, drilling would begin only after the completion of geologic studies, environmental impact statements, court challenges and public lease sales. Much of the oil and gas may not be recoverable at current prices and may be prohibitively expensive even if oil prices spike as they did in the summer of 2008.

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