Summary of Comments by
Frances Ulmer
at Pew Trust panel on Arctic Ocean Energy Development,
February 24, 2012

- Michael Bromwich described some of the accomplishments of the Administration following the first year and a half following the Deepwater Horizon Oil Spill. I commend him for the work he and his colleagues were able to get started. Many of the reforms he discussed were also recommendations of the President’s Deepwater Horizon Oil Spill Commission, which I served on. Some of those include: reform of MMS, now BOEM and BSEE, improved interagency cooperation and data sharing, additional investment in oil spill response and well containment capabilities and increasing attention to safe operations.

- The Commission made recommendations for the industry and Congress, in addition to the federal agencies. Fortunately, a number of initiatives have begun by industry as well as the agencies. Examples: The American Petroleum Institute has initiated a safety institute in the Gulf of Mexico to focus on best practices, research and sharing information. The International Association of Drilling Contractors Global Industry Response Group has issued new guidelines on capping and containment.

- Unfortunately Congress has not adopted legislation to address lessons learned by the spill and recommended by the DWH commission and many others. Examples: increase liability responsibility, restore the Gulf of Mexico, increase payments under the oil spill liability trust fund, make additional funds available for oil spill research, codify the new reforms put in place by the administration. This lack of action contrasts rather dramatically with the response after the 1989 Exxon Valdez Oil Spill which prompted Congress to adopt several significant pieces of legislation including the Oil Pollution Act of 1990. Examples: requiring double hulled tankers and increased vessel escorts, creating the oil spill liability trust fund, establishing regional citizens advisory committees.

- Much more work needs to be done to implement the recommendations of the Deepwater Horizon Oil Spill Commission including adapting the safety case approach and improving oil spill response planning and response standards. Former Oil Spill commissioners have decided to produce a report card annually which will grade the industry, the agencies and Congress on steps taken to make the industry safer and improve our nation’s ability to produce offshore oil responsibly. You’ll be hearing more about that soon.

- Today I will focus on the DWH Commission’s recommendations regarding the Arctic Ocean and some of the gaps that I believe still need to be filled.
• We recognized that oil drilling in the Arctic Ocean was likely, given the leases that were sold between 2003-2008, and the volume of oil and gas projected to be found there. Given the special challenges associated with drilling and producing in the Arctic, we decided to address this region specifically.

• The Deepwater Horizon Oil Spill Commission recommended the following for the Arctic:
  ○ An immediate, comprehensive federal research effort to provide a foundation of scientific information with periodic review by the National Academy of Sciences and annual stock assessments of wildlife. The information generated should be available to inform decision-making related to oil and gas leasing, exploration and development;
  ○ An Arctic Regional Citizens Council to help assure the active participation of the people who know the region the best in planning and response (similar to what was done in Prince William Sound and Cook Inlet after the Exxon Valdez);
  ○ A comprehensive, interagency research program to address oil spill containment and response issues and spill trajectory and weather models based on the Arctic Ocean (ERMA, ICCOPR, etc).
  ○ To deal with the extreme weather, remote location and lack of infrastructure, we recommended:
    ○ DOI should review containment and response plans for adequacy at each stage of development and assure that required financial and technical capabilities have been satisfactorily demonstrated;
    ○ The Agencies and the Oil Companies should carefully delineate their respective responsibilities and build and deploy the necessary capabilities, and
    ○ Congress should provide the resources to establish Coast Guard capabilities in the Arctic (note recent Healy Nome fuel example).
    ○ Some of the general recommendations that were particularly important in the Arctic included moving away from area-wide leasing, improving interagency coordination, and increased funding for spill technology research.
    ○ Finally we recommended that strong international standards related to Arctic oil and gas activities be established among the countries in the Arctic.

• It is clear that bringing the potentially large oil resources of the Arctic outer continental shelf into production safely will require an especially delicate balancing of economic, human, environmental and technological factors. Both industry and government will have to demonstrate standards and a level of performance higher than ever achieved before.

• Since serving on the Oil Spill Commission, I have spent time reviewing science coordination mechanisms as the Chair of the US Arctic Research Commission. That Commission’s mission is to recommend Arctic research priorities and to assist the agencies and Congress in improving coordination of research efforts so that decision makers have best available information for important decisions.
• We are focused on the need for an integrated, comprehensive research and monitoring program and attempting to help develop the best approach for using science to guide decision-making on oil and gas exploration and development. I have been coordinating with the Deputy Secretary’s Permitting Team and we are planning to hold a workshop this spring.

• In the area of Arctic spill response, Arctic specific standards are essential to assure adequate trained personnel and arctic grade equipment are available to respond to a catastrophic spill including along the shoreline. The Arctic Council adopted search and rescue agreement in May. The Council is now working on oil spill response; the task force will meet in Alaska in March to continue work on international guidelines to focus all the nations in the Arctic, including Russian, Canada, Denmark/Greenland and others where development is proceeding, just as it is in the Chukchi and Beaufort off the coast of Alaska.

• The concept of a spill response gap analysis should be considered as a tool for planning in the Arctic. A response gap analysis was conducted in the Canadian Beaufort to analyze the circumstances under which any spill response is realistic. Factors like wind speed, wave height, temperature, icing conditions, visibility, ice cover, etc. are factored into the calculation and compared with the limitations of various response tools and equipment, and the safety of responders. This might be a useful next step in the US Arctic to determine the limits in the time response is possible, and to identify prevention and response requirements necessary to accommodate those gaps for both the Chukchi and the Beaufort Seas.

• Finally, I want to remind us all that 4 million people live in the Arctic. For many of those people, living close to the land and water means that their lives and livelihoods depend upon the continued health and well-being of the natural systems that could be forever changed by increased industrialization. Those of us who live in urban landscapes may have forgotten where our food comes from, but I can assure you that the Inupiat of Alaska, who are both culturally and nutritionally dependent on subsistence foods, are intimately connected to the whales and seals and fish and birds. As we make decisions about exploring and developing oil and gas in the Arctic Ocean, the concerns of the Inupiat people must be incorporated into decision-making about where and how drilling can go forward. Before the entire Beaufort and Chukchi Seas are made available for leasing, important ecological and subsistence areas should be evaluated--- including critical feeding, birthing and migratory areas important to marine mammals and birds--- and considered for either deferral or at a minimum, mitigated with seasonal restriction during key times.