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Governor Sean Parnell
STATE OF ALASKA

October 31, 2011

The Honorable Ken Salazar
Secretary
Department of the Interior
United States Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Mr. Secretary,

The Obama Administration has taken positive steps on several fronts to increase coordination between the federal government and the State of Alaska, which has improved our working relationship. We appreciate these efforts.

In the spirit of open communication between State and federal government, I am writing to convey my significant concern over the preliminary Draft Environmental Impact Statement (DEIS) for ExxonMobil's Point Thomson development project, which the Corps of Engineers recently circulated to the State and other Cooperating Agencies for comment.

First some background. The Point Thomson field is on State land near the 1002 Area of the Arctic National Wildlife Refuge (ANWR). This field is one of the largest undeveloped oil and gas fields in North America. This area is estimated to have well over 400 million barrels of oil and gas condensates and over eight trillion cubic feet of natural gas. Point Thomson's timely development will provide enormous benefits to the State and country and will lead to more jobs, significant revenue, and enhanced energy security. Furthermore, increased domestic production from Point Thomson will extend the life of the Trans Alaska Pipeline System (TAPS). The field's development is also a necessary prerequisite for a natural gas pipeline from the North Slope. For these reasons, I have taken a personal interest in ensuring that ExxonMobil diligently moves forward with production in a manner that advances the State's interests.

Unfortunately, the Point Thomson DEIS is another example of federal overreach on State lands. It has come to my attention that the Point Thomson DEIS includes ANWR in its evaluation "due to its proximity to the project" and assumes that activities occurring outside refuge boundaries could impact ANWR's "wilderness values." Indeed, based on the Department of the Interior's input, the DEIS spends considerable effort evaluating the potential impacts of the Point Thomson project on refuge "values," including wilderness, aesthetic, and national values, which are very subjective and difficult to quantify.

It is disconcerting that the DEIS places so much emphasis on the proposed project's proximity to ANWR and implies that the State should manage its adjacent lands as if they were part of the refuge. We have serious issues with the appropriateness of the DEIS assessing such impacts when the project is located on State lands designated for oil and gas development, well outside refuge boundaries. Moreover, a huge portion of ANWR already includes over eight million acres that are designated as "wilderness", and ANWR also encompasses vast ecosystems that are specifically designed to protect fish, wildlife, and wilderness values. Therefore, there is no reason to extend ANWR's reach beyond its boundaries.

The DEIS also conflicts with the Department of the Interior's 1988 "Arctic Refuge Comprehensive Conservation Plan", which stated that the Fish and Wildlife Service has no authority to regulate lands outside of the refuge:

What impact will the comprehensive conservation plan have on impacts from developments on adjacent lands?

This is not a significant issue for the plan. The plan cannot address this question because *the Service has no authority to regulate the use of lands outside the refuge or the activities that occur on those lands*. In all of the alternatives, however, the Service will work with adjacent landowners to minimize the potential for impacts from their activities and developments. If refuge resources are adversely affected by off-refuge development, the Service would have the same remedies under state and federal law that any landowner would have. The Service would cooperate with the appropriate agency(ies) to resolve the problem. The Service will rely on the U.S. Environmental Protection Agency, State of Alaska Department of Environmental Conservation, and other appropriate local, state and federal agencies to enforce compliance with environmental laws and pollution control standards (Page 39).

The current Point Thomson DEIS, however, is a backdoor way to allow the Fish and Wildlife Service to regulate oil and gas activities on State lands. Thus, the State has requested, and is still requesting, that the DEIS clarify that the Fish and Wildlife Service's authority to manage the Refuge stops at ANWR's boundary.

Finally, the DEIS contains an additional fatal flaw – it inaccurately states that the Alaska National Interest Lands Conservation Act (ANILCA) stipulated the 1002 coastal plain "*was to be managed as a wilderness study area*" (page ES-52). As my administration has repeatedly stated in letters and conversations with your agency, this is not what ANILCA says.

ANILCA Section 1002(a) directed the Secretary of Interior to study the ANWR coastal plain "to provide for a comprehensive and continuing inventory and assessment of the fish and wildlife resources of the coastal plain of the Arctic National Wildlife Refuge; an analysis of the impacts of oil and gas exploration, development and production, and to authorize exploratory activity within the coastal plain in a manner that avoids significant adverse effects on the fish and wildlife and other resources."

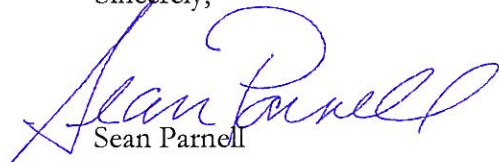
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ANILCA Section 1002(c) and (h) directs the Secretary to publish the results of the study, which concluded the Secretary should recommend that Congress authorize oil and gas development in the coastal plain.

In short, the State has already submitted detailed comments to the Corps regarding the apparent attempt to bootstrap a wide range of ANWR issues into the Point Thomson DEIS. It is unclear how the Corps of Engineers will respond to the State's concerns. My hope is that the Corps removes all of the objectionable language from the DEIS identified in the State's comments, and we can remove this contentious issue early in the process.

Finally, because timely development at Point Thomson is critical to State and country, I would also like to request that ExxonMobil's Point Thomson project be included in Deputy Secretary Hayes' Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska.

Sincerely,



Sean Parnell
Governor

cc: David Hayes, Deputy Secretary, United States Department of the Interior
Kim Elton, Director, Office of Alaska Affairs, United States Department of the Interior