

**From:** Goll, John  
**Sent:** Thursday, June 22, 2006 9:50 AM  
**To:** Wilder, James  
**Cc:** King, Fred; Cranswick, Deborah; Walker, Jeffrey; Stang, Paul  
**Subject:** RE: Incidental Take Authorization for 202?

Jim,

The response from HQ was no. The law does not require companies to get an IHA, and so from an MMS-wide viewpoint, we cannot go there outright. (For the 2006 seismic surveys, because the companies applied for IHA's, we took advantage of that to state that they needed the IHA's before their activities could begin.)

However, the reality of what will be going on:

We have heard that FWS will be coming out with its Beaufort/North Slope rule for polar bear and walrus in early August. This will again allow companies to get LOA's. Shell has already applied for an LOA. Other operators on the OCS have done likewise in the past, and we will still verbally strongly suggest they get one.

One item we did not mention (came to mind this morning), MMS is preparing a final rule (it has already gone out as proposed and received comments) that will require companies to explain how they will be meeting ESA and MMPA requirements. Yes, the information must be provided with the exploration or development/production plans; but it clearly puts the companies on notice for the info. The final rule package is wending its way through the Department.

Companies come in and talk with us before they submit plans. During those discussions, we can discuss the polar bear issue, and facilitate meetings with FWS. We do need to talk with FWS about this, to see how they would like to proceed.

Come December, FWS should be coming up with its decision on the status of polar bears. If they decide to list them, then we will have to go through an ESA Section 7 consultation with them. That process can lead to requirements that we can put on operators.

Please work with Fred King, who volunteered to assist on developing an approach. Fred's group heads the leasing function in the office and has overall "project" lead for sale 202. Working with Leasing, plus FO who will be the facilitators of implementation, demonstrates good teamwork within the office on the groups that are involved in a solution. As we discussed this week, we have several viable pathways before us.

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