
From: Rotterman, Lisa
Sent: Tuesday, December 13, 2005 3:17 PM
To: Cranswick, Deborah; Goll, John; Stang, Paul; Lima, James
Cc: King, Fred
Subject: Scenario for 193

Debbie et al.:

I was not asked specifically to comment on this, but, as I am in this email chain and have a different opinion, I ask that you consider the following:

We are going ahead with a full areawide lease sale because of response from industry to our "special interest" Fed. Register call for information and nominations. We took them seriously and changed the area to be considered for leasing.

We are on the schedule we are on because of industry interest in the area- they want it available for leasing and soon. Again- we took them seriously and their input changed our preferred action.

We then issued a Notice of Intent to prepare an EIS. In this we solicited "input on the scope of the EIS—specifically the issues, alternatives, and mitigation measures."

While I have not seen their comments back, it is my understanding that Shell has indicated that they believe, if the Chukchi Sea were to be developed, it will contain certain elements (e.g., tankering, an LNG facility, and icebreaker supply vessels) that they think are likely elements of development of this area. These elements can be associated with different (from those in the current scenario) and important environmental impacts that we could analyze in the EIS and in our ESA consultation documents. And Shell, a major world-wide developer of oil and gas fields, apparently thinks this is a likely scenario.

If this were input on some environmental resource that was from a recognized expert in the field (e.g., on sea lion biology from a well-known and acknowledged sea lion biologist) , I would feel an obligation to at the very least mention the input and critically evaluate such information as part of my analyses. Is Shell not an expert on the issue of the development of oil and gas fields?

I do not understand how we can, in good faith, solicit this input and then effectively ignore it in determining the scope of issues we will analyze in the EIS. It seems to me that we would want to consider and analyze these activities. At the very least, we could note that this is what they said but that we don't think many of the activities they discuss are likely to be a component of exploration, development and production of this planning area (if this is the case) because.....(and then specify why we don't think it is the case). However, we could still say: "BUT, here would be the environmental consequences if it turns out that this scenario occurs."

If we did this, we would be evaluating the scenario provided by an expert source. I question that we think we know better than a company that develops oil and gas fields world-wide what a likely scenario will be. Even if we do, is their opinion discountable? I understand the issue of being arbitrary and capricious. However, it seems that a valid argument can be made that it is arbitrary to incorporate the information in some cases (e.g., in our response to the Feb. call for information) and not in others.

My recommendation is that we analyze the potential activities, or at the very least, include a discussion in the EIS of these points:

1) We received the following information from Shell.

2a) We think these elements of Shell's scenario are unrealistic because....".

Thus, we do not analyze it further.

or

2b) These would be the consequences if these were to be elements of how oil and gas activities were to proceed in this area. (My recommended option)

I hope these comments are helpful.

Lisa

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From: Lima, James
Sent: Tuesday, December 13, 2005 8:14 AM
To: Goll, John; Cranswick, Deborah; Burwell, Michael; Childs, Jeff; Craig, James; Hartung, Daniel; Holder, Tim; Johnston, David; Lima, James; Monkeliën, Kyle; Newbury, Thomas; Newman, Richard; Rotterman, Lisa; Sherwood, Kirk; Smith, Caryn; Thurston, Dennis; Tremont, John
Cc: Wall, Rance; Walker, Jeffrey; Stang, Paul; Rotterman, Lisa
Subject: RE: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc
Importance: High

Based on John's decision, continue to use Version 11 of the scenario in your analysis. There will be no revision of multiple platforms, LNG terminals, or the Alaska Natural Gas Pipeline or gas production in the scenario suggested by Shell.

James Lima, Ph.D.
EIS Coordinator
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"The difficulty lies not in new ideas, but in escaping from the old ones."

From: Goll, John
Sent: Tuesday, December 13, 2005 7:55 AM
To: Cranswick, Deborah
Cc: Lima, James; Wall, Rance; Walker, Jeffrey; Stang, Paul; Rotterman, Lisa
Subject: RE: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc

Your reasoning seems reasonable. I concur.

jg

*John Goll
RD-MMS Alaska Region
907-334-5200*

From: Cranswick, Deborah
Sent: Monday, December 12, 2005 4:28 PM
To: Goll, John
Cc: Lima, James; Wall, Rance; Walker, Jeffrey; Stang, Paul; Rotterman, Lisa
Subject: RE: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc

John,

We would do an EIS on this possibility if such activities are ever proposed.

Our EIS scenarios are based on MMS resources estimates and economic models. We know what data has been used, how the data has been interpreted, what models have been used, what the assumptions are, and what the limitations of scenario are. We have used MMS assessments, models, and E&D estimates consistently over many years and for many NEPA documents.

It would be arbitrary and capricious to change the scenario based on one company's "hopes." What data, models, and assumptions did Shell use in developing "their scenario"? What if Shell were to be outbid for key leases? What might other potential bidders suggest as "their scenarios"? Why would we choose Shell's scenario over ConocoPhillips' or some other company's? Shell offers a scenario but offers no supporting information or data for our consideration in deciding whether to change the scenario. (Our response to challenges to our analyses is often that the commenter does not provide supporting information or data.)

NEPA requires us to use a reasoned methodology. Changing the scenario based on one potential bidder's scoping comment violates our established methodology. If we were to change to consider bidders' scenario, we would specifically ask all potential bidders for their input and consider them equally.

As Paul Stang has responded, a change in the methodology in developing the scenario would have implications for the 5-Year Program EIS. There would also be major implications for our project-specific ESA consultations and the ARBO (delays, re-requests for species lists, expanded geographic scope for both NEPA and consultations).

I recommend that we use our current scenario and document the above reasoning.

Debbie

From: Goll, John
Sent: Monday, December 12, 2005 3:44 PM
To: Rotterman, Lisa; Cranswick, Deborah; Stang, Paul
Cc: Lima, James; Wall, Rance; Walker, Jeffrey
Subject: RE: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc

Let's get the letter going to be sure we at least get the seismic and the 202 work going.

Are we really talking a scenario change, or a discussion in the EIS on another possibility? No one knows what will actually happen. It is likely a decade or more away, from any real development occurring.

jg

*John Goll
RD-MMS Alaska Region
907-334-5200*

From: Rotterman, Lisa
Sent: Monday, December 12, 2005 2:58 PM
To: Cranswick, Deborah; Stang, Paul; Goll, John
Cc: Lima, James
Subject: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc
Importance: High

<< File: Final spp list ltr chukchi193beaufort202 (2) ps jg rev lr.doc >>

To all:

It is my understanding that there is internal discussion about whether we are changing our scenario regarding the Chukchi Sea to incorporate the recently received comments from Shell. I see merit in incorporating the best available information. I just want to give everyone a heads-up that we have implications to the ESA consultations as discussed briefly below.

With regards to the consultations with FWS and the attached pending, unsigned spp. list letter:

Please see the highlighted text on page 2 regarding tankering. If the potential modification includes tankering, we should probably remove the highlighted paragraph. Then, once we have a firm idea about whether tankering, icebreaking, and/or LNG plants in the south Chukchi are reasonable to include in a scenario, we could go back to FWS with a supplemental spp list to cover the Hope Basin, Bering Sea and Northern Pacific related to 193. As written, this letter would be fine for the Beaufort 202 sale and fine for the seismic survey work, but may not (depending on whether the scenario changes) be OK for 193. It will allow us to officially confirm species in the Chukchi and Beaufort and, thus, we can move forward on the seismic EA and 202 consultations.

Regarding work on the BE for the ARBO: I need to know **ASAP** whether the scenario for 193 is changing again. We may have to bring a lot more species into the consultation, and I may have to include more activities. If I have to bring in more species, I need to try to reach Brad Smith right away (he is at the conference in San Diego and I could get a message to him). We will need to agree verbally on which species to include.

If we are including tankering in the Pacific, we will probably need to get someone else working on the BE to NMFS with me to cover E&T fish and probably sea turtles. If the tankering goes through the Bering Sea through Unimak Pass, we will already pick up essentially every ESA marine mammal and bird in Alaskan waters.

Thus, as soon as the decision is made about whether the scenario is changing, please let me know so I can take whatever ESA consultation action is needed. In the meantime, I am working from the latest scenario (Version 11, dated 11/25/05) that Jim Lima sent out.

Thanks,

Lisa

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