



3-Mar-2010

Ms. Kaja Brix  
Assistant Regional Administrator  
National Marine Fisheries Service  
Protected Resources Division  
Alaska Region NMFS  
Attn: Ellen Sebastian  
PO Box 21668  
Juneau, AK 99802-1668

RE: RIN 0648-XT72

Dear Ms. Brix:

I am writing to oppose the proposed designation of Upper Cook Inlet as critical habitat for Beluga whales. Fairweather E&P Services, Inc. is an Alaskan company that has been conducting oil and gas related contracting services in Cook Inlet Basin and throughout Alaska for the past 16 years. We believe that the critical habitat designation, as proposed, could negatively impact our company and the economy of Alaska while providing little or no benefit to the Beluga whales in the Inlet.

It is our understanding that the proposed critical habitat area is a result of the depressed numbers for the Cook Inlet Beluga whale population and that most people agree that Beluga whale populations declined into the 1990's due to unsustainable subsistence harvesting. Since this practice was largely halted in 1999, the population data also shows that Beluga whales have been steadily recovering in recent years after cessation of subsistence harvesting. The population growth data is a success story in the making and presents a strong argument against the need to take such a drastic measure as designating a critical habitat area that encompasses 3000 square miles. Upper Cook Inlet hosts major economic, transportation, recreational and resource development areas of Southcentral Alaska and the costs associated with the proposed designation are likely to far outweigh any benefit achieved.

Of particular concern is the claim by NMFS that if enacted, the proposed critical habitat area would amount to approximately \$600,000 in costs to various impacted entities over 10 years. Anyone familiar with large scale capital projects knows that this is likely a severe

underestimation. The associated costs to Inlet players such as the Port of Anchorage, Municipality of Anchorage, Anchorage International Airport, offshore oil and gas operators and others may be several orders of magnitude higher than claimed by NMFS. Thus, it is important that the true costs of the proposed critical habitat designation be more robustly estimated by NMFS.

We believe the majority of Alaskans will be adversely affected if the proposed designation goes forward. Many geological experts agree that there are still significant oil and gas reserves to be discovered in Cook Inlet Basin, much of which will be offshore. Under the proposed critical habitat designation, exploration for new oil or gas fields offshore Cook Inlet could be severely restricted resulting in minimal offshore exploration in the future. For example, if offshore activities were restricted between April and November, which is the ice free season, exploration (both seismic and drilling) would effectively be cancelled as these activities must be conducted during ice free conditions. If this situation were to occur, Fairweather E&P Services, Inc. and our colleagues in the Southcentral Alaska oil and gas service sector would be adversely affected and share in the State's loss of jobs and revenue due to curtailed industry activity. Furthermore, with a pending gas supply crisis in Cook Inlet, additional exploration is needed in Cook Inlet Basin to meet the near to mid term energy needs of the majority of the State's population in Southcentral Alaska.

Fairweather E&P Services, Inc. appreciates the opportunity to comment on this issue and supports reasonable and effective efforts to increase Beluga whale populations in the Inlet. At the same time, we do not believe that NMFS has demonstrated sufficient information to justify a blanket critical habitat area over all of Upper Cook Inlet with unknown economic and social impacts to the region.

Sincerely,

FAIRWEATHER E&P SERVICES, INC.

A handwritten signature in blue ink, appearing to read "Jesse Mohrbacher", written in a cursive style.

Jesse Mohrbacher  
President and CEO