

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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BREAKFAST MEETING

Thursday, March 5, 2015

1. Call to order – Ralph Samuels, President
2. Head Table Introductions
3. Staff Report – Carl Portman, Deputy Director
4. Program and Keynote Speaker:

Oil Spill Response

Barkley Lloyd
 President and General Manager,
 Alaska Clean Seas

Next Meeting:

Thursday, March 19: State Operating Budget: Critical Crossroads, Cheryl Frasca, Board Member, Commonwealth North, Eric Wohlforth, Past Board President, Commonwealth North

Please add my name to RDC's contact list:

Name/Title: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

E-mail: _____ Phone: _____

ACTION ALERT

New Five-Year OCS Plan: Comment Deadline March 30, 2015

Overview

The Bureau of Ocean Energy Management (BOEM) is taking public comments on its draft five-year Outer Continental Shelf (OCS) oil and gas lease sale plan for the period 2017-2022. The plan proposes one sale each in the Chukchi Sea, the Beaufort Sea, and Cook Inlet.

The proposed plan places 9.8 million acres of the Beaufort and Chukchi seas permanently off-limits to leasing, including the Hanna Shoal area of the Chukchi Sea. The offshore withdrawals came two days after the Obama administration announced it plans to ask Congress to designate nearly all of the Arctic National Wildlife Refuge as Wilderness, including the energy-rich coastal plain. These moves come at a time when oil production in Alaska is declining and the Trans-Alaska Pipeline System is running at one-fourth capacity.

The draft proposed offshore leasing program includes 11 potential lease sales in the Lower 48, including 10 in the Gulf of Mexico and, for the first time, one in the mid-to-south Atlantic region.

Action Requested

A 60-day comment period is currently underway and it will end on March 30, 2015. Comments may also be submitted online: Go to <http://www.regulations.gov>. In the search tab on the main page, enter BOEM-2014-0096. Locate the document, then click "Submit a Comment."

By Mail: Ms. Kelly Hammerle, Five-Year Program Manager, BOEM (HM-3120), 381 Elden Street, Herndon, Virginia 20170.

Points to consider for your comments:

Please make the talking points your own, and tell your story and why this is important to you.

Cook Inlet:

- Urge the federal government not to restrict access to development, or to take any areas off the table.
- Despite its enormous resource potential, Alaska does not have the same number of lease sales as other areas of the country, only three in a five-year plan.
- Oil and gas development is the backbone of Alaska's economy.
- The discovery of oil in the Cook Inlet led to Alaska's statehood, and has remained

as a vital resource for energy security for 80% of homes in Alaska.

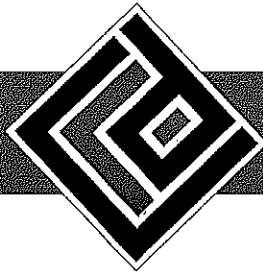
- Oil and gas development and production has coexisted with other industries, including fishing and tourism, for more than 50 years in Cook Inlet.
- Access through lease sales is the first step to development and subsequent production.

Arctic:

- Urge the Bureau of Ocean Energy Management to keep all of the proposed leasing areas in the Beaufort and Chukchi Seas, and to deny additional restrictions on leasing in the final program
- The Arctic OCS holds enormous oil and gas resources, greater than any other undeveloped energy basin in the United States.
- The Department of the Interior estimates that the Arctic OCS holds approximately 27 billion barrels of oil and 132 trillion cubic feet of natural gas.
- It is estimated that the OCS off Alaska holds approximately one-third of the global OCS reserves.
- Development of the Arctic OCS would produce nearly 55,000 jobs nationwide, with greater than 35,000 direct and indirect jobs in Alaska alone.
- Alaskan jobs would generate over \$70 billion in total payroll, and a cumulative payroll amounting to an estimated \$145 billion nationwide.
- Arctic OCS development would provide money to the federal government as well. In 2008, Lease Sale 193 brought in greater than \$2.6 billion, and further OCS development could amount to nearly \$200 billion in federal, state, and local government revenue.
- Offshore development would help extend the longevity of the Trans-Alaska Pipeline System , which is a critical link to the nation's energy security.
- Over its 30-year span, TAPS has transported more than 17 billion barrels of oil from Prudhoe Bay to Valdez to tankers for west coast distribution.
- At one point, TAPS carried more than 2 million barrels per day, but over the last 20 years an annual decline in production from Alaska's North Slope has resulted in TAPS transporting just over 500,000 barrels of oil a day now.
- Arctic OCS development could feed into TAPS and maintain its viability, and employment for Alaskans, for years to come.
- Oil and gas development is the backbone of the economy in Alaska.

- The taxes and royalties associated with the oil and gas industry supply approximately 90% of the state's general fund, paying for essential services such as public education, public safety, and health care systems.
- Since 1971, 84 wells have been drilled in the Arctic OCS- all without incident.
- Planned drilling in the Chukchi Sea is in rather shallow water, similar to near-shore Gulf of Mexico, where safe drilling practices have led to a long history of safe operations.
- The Arctic OCS has multiple limitations on exploration, including seasonal drilling limitations and subsistence hunting closures.
- Industry that is currently operating in Arctic Alaska have taken great strides to coexist with the people of the Arctic and subsistence hunters.
- Newly instituted regulations and technologies will further ensure that development and environmental protection can co-exist in the Arctic.
- In the past decade, over 250 studies have been funded in the Arctic, with the majority focused on the Beaufort and Chukchi Seas.
- As the sea ice stays open longer and other industries begin to explore new areas of the Arctic, Alaska's northern seas are left largely unattended with little infrastructure for response or rescue.
- Leasing of the Arctic OCS for exploration and development would bring much-needed infrastructure to a very rural on-shore area and would also provide additional response capabilities in an area where other countries and other industries are moving forward with exploration.
- For the benefit of Alaskans and the nation, BOEM is encouraged to continue to include Alaska leasing opportunities in the final plan.

Deadline for public comments: Monday, March 30, 2015



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March 2, 2015

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Kelly Hammerle
Five Year Program Manager
BOEM (HM-3120)
381 Elden Street
Herndon, Virginia 20170

Geoffrey Wikel, Acting Chief
Division of Environmental Assessment Office,
Office of Environmental Program (HM-3107), BOEM
381 Elden Street
Herndon, VA 20170-4817

RE: Draft Proposed 2017-2022 OCS Oil & Gas Leasing Program and Notice of Intent to Prepare a PEIS

Dear Ms. Hammerle and Mr. Wikel:

In response to the request for comments regarding the Draft Proposed 2017-2022 Outer Continental Shelf (OCS) Oil & Gas Leasing Program (DPP) and the preparation of a Programmatic Environmental Impact Statement, the Resource Development Council (RDC) urges the Bureau of Ocean Energy Management (BOEM) to maintain all of the proposed leasing areas off Alaska in the final program and resist additional restrictions on leasing in the region. In January alone, the Department of Interior moved to forever block energy development on the coastal plain of ANWR, our greatest onshore energy prospect, and closed nearly 10 million acres of offshore areas to development, essentially putting off limits more than 10 billion barrels of oil.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

These federal actions come at a time when Alaskans are facing a multi-billion deficit due to low oil prices and low production. Throughput in the Trans-Alaska Pipeline System (TAPS) peaked at 2.1 million barrels per day in 1988 and the pipeline is now running at three quarters empty. With its enormous resource potential, the Alaska OCS likely contains enough oil to at least double TAPS throughput, extend the longevity of the pipeline, and sustain our state's economy for decades.

TAPS has played a critical role in our nation's energy security, carrying more than 17 billion barrels of oil to West-Coast markets. It is the economic lifeblood of Alaska's economy and a critical link to the nation's long-term energy security.

One cannot overstate the importance of oil and gas to Alaska. Oil production accounts for more than one-third of the economic activity in the state. It provides and funds thousands of private and public sector jobs, as well as critical public services.

It's clear that Alaskans and our state's economy would benefit significantly from increased oil production. In fact, the very concept of Alaska's statehood is predicated on the development of our natural resources.

More than five decades ago when Alaska statehood was debated, many politicians in Washington, D.C. doubted this northern territory could build an economy and contribute to the union. Alaskans joined together to convince Congress that development of Alaska's vast resources could establish and sustain a strong private sector economy. Washington responded by adding a 49th star to the American flag.

We remind federal policy makers that Alaska was allowed to join the union because of the expectation that the development of our natural resources would sustain our economy.

Now, more than 50 years later, our economic lifeline, TAPS, is starved for oil. It's not because we have depleted our natural resources. In fact, there is more oil in place onshore and offshore the North Slope than what we have developed since statehood. The challenge is achieving access to the resource.

With America still importing more than a quarter of its oil, America needs Alaska oil. For the benefit of Alaskans and consumers across the country, we urge BOEM to continue to include Alaska leasing opportunities in the final plan.

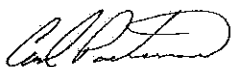
It is vital that the United States maintain and accelerate opportunities to develop offshore oil and gas, particularly in the resource-rich Beaufort and Chukchi Seas. The region holds an estimated 23.6 billion barrels of oil and 104 trillion cubic feet of natural gas, the development of which would create 54,700 jobs and \$193 billion in government revenue. As the DDP notes, "the Arctic areas are especially promising to help meet the country's energy needs." Resource development in the U.S. Arctic would also significantly bolster the nation's influence in a strategically critical area.

In order to advance our energy and economic interests in the Arctic, the federal government must allow opportunities for both current and future lessees to explore and responsibly develop these resources.

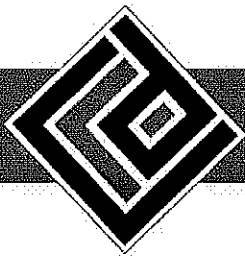
Industry and regulators continue to adapt to the challenges of operating in the Arctic, and forthcoming regulations and technologies will further ensure that development and environmental protection can coexist in the Arctic. Operators have taken great strides to implement lessons learned and enhance prevention and response capabilities. Finally, through smart planning, Arctic offshore energy development and subsistence lifestyles can be compatible.

For the benefit of Alaskans as well as businesses and consumers across the country, RDC respectfully urges BOEM to continue to include Alaska leasing opportunities in the final plan. Reasonable regulation and advancing technologies ensure that development of these resources can proceed safely.

Sincerely,



Carl Portman
Deputy Director



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Governor Bill Walker

March 3, 2015

Eastern Interior Field Office
Attn.: Eastern Interior RMP
Bureau of Land Management
1150 University Avenue
Fairbanks, AK 99709

Via email to EasternInterior@blm.gov

Re: Proposed ACECs in BLM's Eastern Interior RMP/EIS

To Whom It May Concern:

The Resource Development Council for Alaska, Inc. (RDC) is writing in response to the Bureau of Land Management's (BLM) proposal for two Areas of Critical Environmental Concern (ACECs) in the Draft Eastern Interior Resource Management Plan (RMP)/Environmental Impact Statement (EIS).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

It is a priority of RDC to advocate for increased access to and across public lands for resource and community development. RDC urges the BLM to implement the "no action" alternative, Alternative A.

RDC is concerned the proposed ACECs will add an unnecessary protection of BLM managed public land that already has protections and restrictions in place. Moreover, some of the existing ACEC and Research and Natural Area (RNAs) designations in Alaska are unwarranted as existing state and federal regulations provide protection for the resources that were used to initially justify the designations. For example, many of the existing ACECs were established to protect fish habitat, despite numerous existing state and federal laws and regulations that adequately protect fish habitat. RDC discourages additional land use restrictions inhibiting access to areas in Alaska.

In April 2013, RDC commented on the Eastern Interior RMP/EIS, discouraging the BLM from listing additional lands as ACECs, designating Wild and Scenic Rivers, or adding more Wilderness. Instead, RDC encouraged the BLM to incorporate responsible resource

management, such as opening the area to resource development, increased access for exploration, mineral leasing, mining, and oil and gas development. Much of Alaska's federally managed lands are closed to responsible resource development, and the RMP/EIS should include provisions to open more areas to resource development activity instead of proposing unwarranted ACECs.

In addition, past federal government promises assured access for resource development in this area and others not set aside through the Alaska National Interest Lands Conservation Act (ANILCA). The passage of ANILCA in 1980 withdrew 106 million acres of federal lands in Alaska into conservation system units. Today, Alaska accounts for 70 percent of all national park lands in the United States, as well as 53 percent of federally designated Wilderness.

Fortymile Proposed ACEC

The proposed reconfiguration of the Fortymile ACEC is unwarranted and precludes activities, likely with no added benefit to the environment and wildlife. The proposal lacks science, and specifically targets mineral entry and leasing without justification. RDC asserts that any mineral entry and leasing will be required to provide a Plan of Operations to explore and develop in the area. Only at the time that a proposal or Plan of Operations be submitted should mitigation be considered and commented on by stakeholders.

Mosquito Flats Proposed ACEC

The proposed Mosquito Flats ACEC is not necessary and also unwarranted for the same reasons as the Fortymile listed above. Additionally, the proposal lists "the amount and rate of degradation" to the area as a reason for ACEC designation, however does not explain the cause of the "degradation," yet closes the area to mineral entry.

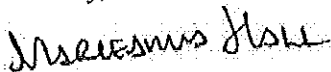
Native Corporation Land Access

Private land owners, like Doyon Limited, should not have access to inholdings blocked or further restricted by unnecessary BLM land designations. Access to native corporation lands has been promised in the "no more" clause of ANILCA, and an ACEC prohibiting or restricting access would violate ANILCA.

Lastly, RDC urges the BLM to fully address the comments and concerns submitted by the Alaska Miners Association (AMA) (March 3, 2015).

Thank you for the opportunity to comment.

Sincerely,



Marleanna Hall
Projects Coordinator

Press Release

BSEE, BOEM Issue Proposed Regulations to Ensure Safe and Responsible Exploratory Drilling Offshore Alaska

02/20/2015

Contact us

WASHINGTON – The Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM) today released proposed regulations to ensure that future exploratory drilling activities on the U.S. Arctic Outer Continental Shelf (OCS) are done safely and responsibly, subject to strong and proven operational standards.

The proposed Arctic-specific regulations released today focus solely on offshore exploration drilling operations within the Beaufort Sea and Chukchi Sea Planning Areas. Using a combination of performance-based and prescriptive standards, the proposed regulations codify and further develop current Arctic-specific operational standards that seek to ensure that operators take the necessary steps to plan through all phases of offshore exploration in the Arctic, including mobilization, drilling, maritime transport and emergency response, and conduct safe drilling operations while in theater.

"The Arctic has substantial oil and gas potential, and the U.S. has a longstanding interest in the orderly development of these resources, which includes establishing high standards for the protection of this critical ecosystem, the surrounding communities, and the subsistence needs and cultural traditions of Alaska Natives," said Secretary of the Interior Sally Jewell. "These proposed regulations issued today extend the Administration's thoughtful approach to balanced oil and gas exploration in the Arctic, and are designed to ensure that offshore exploratory activities will continue to be subject to the highest safety standards."

The proposed regulations codify requirements that all Arctic offshore operators and their contractors are appropriately prepared for Arctic conditions and that operators have developed an integrated operations plan that details all phases of the exploration program for purposes of advance planning and risk assessment. With an emphasis on safe and responsible exploration, the proposed rule also would require operators to submit region-specific oil spill response plans, have prompt access to source control and containment equipment, and have available a separate relief rig to timely drill a relief well in the event of a loss of well control. The proposed rule continues to allow for technological innovation, as long as the operator can demonstrate that the level of its safety and environmental performance satisfies the standards set forth in the proposed rule.

"The proposed rule codifies existing Arctic-specific standards and establishes the rules of the road for all companies interested in safe and responsible Arctic exploration," said Assistant Secretary for Land Minerals Management Janice Schneider. "In turn, these rules would facilitate exploration planning efforts and provide regulatory certainty, while ensuring that the U.S. maintains its leadership position in overseeing safe exploration operations that protect this unique and sensitive environment."

The proposed regulations have been developed with significant up-front public input from the State of Alaska, North Slope communities, industry and non-governmental organizations. The proposed regulations will be open for additional public comment to ensure transparency and solicit feedback from all stakeholders. Interior will continue rigorous stakeholder engagement as well as formal tribal consultation in the region. A draft Environmental Assessment, required by the National Environmental Policy Act, is also available for public comment.

The Alaska OCS is an integral part of the Nation's "all-of-the-above" domestic energy strategy. The Department in January released the Draft Proposed Program (DPP) for the Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017-2022, which is an early step in a multi-year process to develop a plan to guide the Nation's offshore oil and gas leasing. Offshore Alaska, the draft proposed plan continues to take a careful approach by utilizing the targeted leasing strategy set forth in the current program, and recognizing the substantial environmental, social and ecological concerns in the Arctic. The DPP proposes three potential lease sales offshore Alaska, including making available for leasing areas that contain 90% of undiscovered technically recoverable oil and gas resources in the Chukchi and Beaufort Seas.

"As we make the vast majority of the Arctic oceans offshore Alaska available for oil and gas leasing, we have an obligation to provide the American people with confidence that these shared resources can be developed responsibly," said Bureau of Ocean Energy Management Director Abigail Ross Hopper.

In January 2013, former Secretary Ken Salazar directed a high-level review of Shell's 2012 offshore drilling program in the Beaufort and Chukchi Seas – including the company's preparations for the 2012 drilling season and its maritime and emergency response operations – to identify challenges and lessons learned.

In March 2013, the Department released the findings of the assessment, which also included recommendations to guide future exploratory activities. The proposed regulations released today incorporate some of the lessons learned from Shell's 2012 operations and recommendations from the Department's review.

"This proposed rule is designed to ensure safe energy exploration in unforgiving Arctic conditions," said Bureau of Safety and Environmental Enforcement Director Brian Salerno. "It builds upon our existing Arctic-specific standards and experience with previous operations offshore Alaska, encourages further development of technology, and includes rigorous safeguards to protect the fragile environment."

The public may submit comments on the proposed Arctic regulations during the 60-day comment period that begins when the proposed rule is published in the Federal Register. The proposed regulations are available [HERE](#).

[<< Previous](#)

Secretary Jewell Applauds
President Obama's Action to
Establish Honouliuli National
Monument

[Next >>](#)

Secretary Jewell Signs Historic
Water Rights Agreement with
Shoshone-Paiute Tribes and State
of Nevada

Sen. Murkowski Comments on Interior's Draft Arctic Regulations

WASHINGTON, D.C. – U.S. Sen. Lisa Murkowski (R-Alaska) today issued the following statement on the Department of the Interior's new draft regulations for oil and natural gas activities in Alaska's Chukchi and Beaufort seas:

“We're still reviewing the draft regulations released today to see what impact they could have on the economic development of our vast Arctic resources. Responsible development of our Arctic resources is important the economic future of both Alaska and the nation as a whole. Given the opposition this administration has shown so far to responsible resource development, I'm reserving judgment until it's demonstrated that these regulations will not unnecessarily block investment,” Murkowski said.

“If this administration is truly committed to developing our Arctic resources then it's imperative that the Interior Department provide clear direction to Shell and the other leaseholders in the region on how they can proceed,” Murkowski said. “It's important that any changes to existing regulations covering the Chukchi and Beaufort seas allow companies the flexibility to respond to changing conditions and for the deployment of new drilling technologies.”

Alaska's Beaufort and Chukchi seas contain an estimated 23.6 billion barrels of oil and 104.4 trillion cubic feet of natural gas. Dozens of wells have been safely drilled in these areas since the 1970s. Interior estimates its new proposed regulations will add up to \$1.4 billion over 10 years to the cost of development.