

Obama floats offering first-ever drilling lease in Atlantic

January 27 2015, by Dina Cappiello



Senate Energy and Natural Resources Committee Chair Sen. Lisa Murkowski, R-Alaska, voices her opposition after President Barack Obama waded into a decades-long fight over drilling in Alaska's Arctic National Wildlife Refuge, announcing that his administration would pursue a wilderness designation for 12.28 million acres, barring drilling in most of the refuge, Tuesday, Jan. 27, 2015, during a news conference on Capitol Hill in Washington. She is joined by the Senate Republican leadership, from left, Sen. John Barrasso, R-Wyo., Sen. John Thune, R-S.D., Senate Majority Whip John Cornyn of Texas, and Senate Majority Leader Mitch McConnell of Ky. (AP Photo/J. Scott Applewhite)

The Obama administration floated a plan Tuesday that for the first time would open up a broad swath of the Atlantic Coast to drilling, even as it moved to restrict drilling indefinitely in environmentally-sensitive areas off Alaska.

The proposal envisions auctioning areas located more than 50 miles off Virginia, North and South Carolina, and Georgia to oil companies no earlier than 2021, long after President Barack Obama leaves office. For decades, oil companies have been barred from drilling in the Atlantic Ocean, where a moratorium was in place up until 2008.

The plan also calls for leasing 10 areas in the Gulf of Mexico, long the epicenter of U.S. offshore oil production, and three off the Alaska coast.

"This is a balanced proposal that would make available nearly 80 percent of the undiscovered technically recoverable resources, while protecting areas that are simply too special to develop," Interior Secretary Sally Jewell said in a conference call with reporters. "The areas off the table are very small in comparison to areas on the table."

The plan, which covers potential lease sales in the 2017-2022 time frame, drew immediate reaction from Capitol Hill, where Sen. Lisa Murkowski, R-Alaska, called it a war on her home state, and where Northeastern Democrats objected to the proposal for the Atlantic Ocean, saying an oil spill knows no boundaries. The proposal comes as the U.S. is in the midst of an oil boom and when oil prices, and pump prices, are at near-historic lows.

"Opening up the Atlantic coast to drill for fossil fuel is unnecessary, poses a serious threat to coastal communities throughout the region, and is the wrong approach to energy development in this country," said New Jersey Sens. Cory Booker and Robert Menendez, and Rep. Frank Pallone, in a statement.

But many politicians from Southeastern states support offshore drilling, and had lobbied the administration to open federal waters off their coasts.



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"Exploring for energy off the coast is a critical economic development issue," said South Carolina Gov. Nikki Haley, a Republican. "It will

mean jobs and investment for our state, and, while we will always make safeguarding our rich natural resources a priority, it's encouraging to see the federal government finally acknowledge what we've been fighting for with our federal delegation for years."

Interior Department officials cautioned that they were in the early stages of a multi-year process, with Jewell saying they were only "considering" a lease sale in the Atlantic and that areas could be "narrowed or taken out entirely in the future."

For Alaska, President Barack Obama issued a memorandum Tuesday placing 9.8 million acres of the state's offshore resources off limits indefinitely. The memorandum withdraws from leasing parts of the Beaufort and Chukchi seas, as well as a shallow 30-mile shelf in northwestern Alaska called Hanna Shoal, citing their importance to Alaska natives and the sensitive environmental resources.

"There are some places that are too special to drill, and these areas certainly fit that bill," Jewell said.

Obama in early 2010 announced his intention to allow drilling 50 miles off the Virginia coast, only to scrap it after the BP oil spill in the Gulf of Mexico. But the administration has allowed oil and gas companies to explore for oil and gas in the Atlantic in the meantime, which is the initial step prior to drilling.

Environmental groups were quick to criticize the proposal, saying offshore drilling had not gotten safer in the years after the BP disaster. Congress, despite recommendations, has not passed any new laws to deal with the lapses identified in the wake of the spill, which was the largest offshore incident in U.S. history.

"This 5-year plan could destroy our coastal economies for decades to

come, costing future generations the fishing livelihoods that have been part of their local fabric for generations," said Oceana's vice president Jacqueline Savitz.

But the oil industry applauded the move, saying much of the U.S.'s offshore potential remains untapped. Production from offshore areas accounts for 16 percent of the oil produced in the U.S. now.

The Independent Petroleum Association of America said in a statement that while the proposal is a step in the right direction, it "urges the administration to keep all offshore areas available to exploration."

According to documents obtained by The Associated Press through the Freedom of Information Act, at least four firms have filed applications with federal fisheries managers to conduct wide-scale seismic imaging surveys in the Atlantic to explore for oil and gas deposits.

The applications for "incidental harassment" of marine animals including endangered right whales are currently being reviewed by NOAA Fisheries.

The projects involve towing seismic air guns behind vessels for hundreds of miles, over months and years. The guns emit strong bursts of air and sound, which allow crews to create two-and-three-dimensional images of the seafloor.

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