Questions and Answers -- 2007-2012 Proposed Final Program (PFP):

1. **What is the proposed schedule of lease sales for the Alaska Region and how does it differ from what was included in the Proposed Program (PP)?**

In the Alaska Region, the program proposes multiple lease sales in the Beaufort and Chukchi Seas, one sale in the North Aleutian Basin, and up to two special interest sales in Cook Inlet--four areas of interest to Alaska, the MMS, and the oil and gas industry. Multiple sales are consistent with the Governor of Alaska's recommendations.

In the **Beaufort Sea**, the proposed final program includes two deferral areas for the protection of subsistence whaling. These areas were included at the lease sale stage in the current program.

In the **Chukchi Sea**, the proposed final program removes from leasing consideration a 25-mile buffer area from the coast, as in the proposed program. Also sale 193 was moved from 2007 to 2008.

For the **North Aleutian Basin**, on January 9, 2007, the President modified the 1998 withdrawal to allow leasing in the North Aleutian Basin planning area offshore Alaska in response to the requests from Alaska state and local officials. A portion of the North Aleutian Basin offered in Sale 92 in 1985 will be offered for leasing as requested by the Governor of Alaska and many local and tribal entities. There is only one sale scheduled in order to have time to complete the necessary studies and environmental analyses and reviews, development of appropriate lease stipulations and mitigation, and to continue the extensive public consultation activity begun during the 5-year process, as requested by the state and local governments.

The **Cook Inlet Planning Area** is included on the schedule for special interest sales. The sales are proposed for 2009 and 2011, but before the MMS proceeds, it will issue a request for nominations and comments and will move forward with the pre-sale process only if areas are nominated by industry. If this does not occur, the sale will likely be postponed and a request for nominations and comments may be issued again the following year and so on through the 5-year schedule until the sale is held or the schedule expires.

2. **What is the proposed schedule of lease sales for the Gulf of Mexico Region and how does it differ from what was included in the proposed program?**

In the Central and Western Gulf of Mexico Planning Areas, which remain the two areas of highest resource potential and interest, the PFP is the same as that of the PP. The program continues to schedule annual area wide lease sales–6 in the Central Gulf and 5 in the Western Gulf.

As a result of the reconfiguration of some planning areas to follow new administrative lines, some of the areas formerly included in the Eastern and Western Gulf Planning Area are now part of the Central Gulf Planning Area.

As in the PP, CGOM Sale 205 is expanded to include areas that would have been offered in Sale 201, which was cancelled as part of the Sale 200 litigation settlement of October 24, 2006

As a result of the Gulf of Mexico Energy Security Act (GOMESAct), Sale 224 is scheduled in the Eastern Gulf in 2008 in an area within the original Sale 181 area, west of the military mission line (86^{O} 41'W), and more than 125 miles from Florida. The sale is not subject to OCS Lands Act (OCSLA) section 18. The MMS is preparing a supplemental EIS to lease sale 181 EIS in 2001.

The GOMESAct also discontinued the moratorium on the 181 South Area, which had been included in the proposed program. With the Presidential withdrawal also modified, this area will be offered in the 2009 Central Gulf sale, following completion of a supplemental EIS.

The GOMESAct also established a moratorium within 125 miles of Florida to 2022 in most of the Eastern Gulf and a portion of the Central Gulf within 100 miles of Florida that had formerly been in the Eastern Gulf.

3. **What is the proposed schedule of lease sales for the Atlantic OCS Region and how does it differ from what was included in the proposed program?**

There are four planning areas in the Atlantic OCS—North Atlantic, Mid-Atlantic, South Atlantic, and Straits of Florida.

As in the PP, the PFP schedules a special interest sale in the Mid-Atlantic in late 2011, which may proceed based on comments received in response to the call for information and depends on whether the presidential withdrawal is lifted and the congressional moratorium is discontinued.

The area proposed for consideration is in the Mid-Atlantic Planning Area off the coastline of Virginia. The PFP area includes a 50-mile buffer as requested by Virginia instead of the 25-mile buffer in the proposed program. In addition, there will be no leasing in a wedge-shaped no-obstruction zone outside the Chesapeake Bay to protect navigation activities. As with any sale, pursuant to Section 19 of the OCS Lands Act, no sale will be proposed until all affected states have the opportunity to comment. This area is also under presidential withdrawal under is subject to congressional moratoria.

4. Why does the PFP include an area currently under presidential withdrawal and congressional moratoria?

The presidential withdrawal of certain areas of the OCS from leasing remains unchanged since the January 2007 modification. President Bush has made it clear that he will give great weight to the desires of states that do not want new oil and gas development off their coasts, as reflected in the existing presidential withdrawal and congressional moratoria. However, the Governor of Virginia has continued to express his desire to learn more about the resources off the coast. No pre-lease sale activity can take place until the presidential withdrawal is modified and the congressional moratorium discontinued.

5. What sort of revenue comes back to the states if energy is developed off their shores? What other benefits might states receive from OCS energy developed off their shores?

The state retains all revenue from activities within state waters, which are generally the first 3 miles off the coast (9 miles in the case of Texas and the Gulf Coast of Florida). States also receive 27 percent of revenues from the 8(g) zone which extends out the next 3 miles from the state/federal boundary. States also benefit from OCS monies that come through the Historic Preservation Fund, Land and Water Conservation Fund, and the new Coastal Impact Assistance Program. As a result of the Energy Policy Act of 2005, the Coastal Impact Assistance Program will distribute nearly $250 million annually over the next 4 years to the 6 states with offshore activity and their coastal political subdivisions. The GOMESAct established a revenue sharing process with 4 Gulf coast states and their coastal political subdivisions in new Gulf areas through 2016 and all Gulf areas thereafter.

6. When does the Department plan to lift any withdrawals that are involved?

The Secretary honors all current leasing withdrawals and moratoria. The leasing withdrawals were presidential actions, and could be lifted only at the direction of the President. The leasing moratoria are congressional actions, and may or may not be extended annually. The only area included in the proposed final program subject to these restrictions is the portion of the Mid-Atlantic off the coast of Virginia.

14. What is being done to protect the endangered right whale?

MMS is well aware that the endangered right whale is one of the most endangered species of whales on the earth. It is also aware that information must be collected on this species before decisions are made on going ahead with leasing. So MMS is planning a 3 1/2 year study of the right whale and in the interest of being timely for a proposed sale late in the 5 year program will propose to begin the study this year.

- The NOAA National Marine Fisheries Service National Marine Mammal Laboratory is working with MMS to develop a study of right whale distribution, abundance and habitat use in the southeastern Bering Sea.
- The research will involve detailed, integrated field studies of North Pacific right whales with methods and advanced technologies that have been used with success in North Atlantic right whale research. In addition, the distribution and movements of right whales in the southeastern Bering Sea will be assessed through concurrent visual and aerial surveys, satellite tagging, and acoustic monitoring.
- NMML has indicated interest and support toward accomplishing the objectives of the project in the form of joint funding, bearing approximately 25% of the total costs, in the form of ship time and salaries for senior scientists.
- The research is planned to begin this summer and should continue for three and one half years.
- The MMS cost is projected to be $3.9 million. The total cost, including NOAA’s contribution, is about $5 million.

15. How is MMS dealing with the concerns about fisheries, endangered species and other resources in this area?

We are very aware of the concerns raised about the valuable fisheries, endangered species, and other living resources in this area. We are continuing to work closely with local governments, Native villages, Federally recognized tribes, the state of Alaska, industry, and others. As part of issuing this 5 Year leasing plan we are pledging to work further to:

- Closely work with the local governments, Native villages, federally recognized tribes, industry, and others to understand and address issues and concerns.
- Conduct environmental studies on a range of topics pertinent to identified issues. Potential studies would be in the disciplines of physical oceanography, fate and effects of pollutants, endangered and protected species, biology, marine ecology, social science and economics, and environmental monitoring.
- In conjunction with local governments, Native villages, federally recognized tribes, industry, and others work to develop appropriate mitigating measures.

Questions and Answers -- Final Environmental Impact Statement (FEIS)

1. What is an Environmental Impact Statement (EIS)?

An Environmental Impact Statement (EIS) is a publicly-available document issued by a Federal agency to declare how its actions are consistent with the goals and policies defined in the National Environmental Policy Act of 1969 (NEPA). The process of developing an EIS is designed to provide a full and fair discussion of significant environmental impacts and to inform decision makers and the public of reasonable alternatives and measures to mitigate impacts upon the environment.

2. What are the steps in the EIS process?

The steps in the process include notifying the public of the intent to prepare an EIS, soliciting input on the proposal from the public and other interested parties, issuing a draft document (DEIS), soliciting and addressing comments on the DEIS, and incorporating appropriate revisions into a Final EIS (FEIS). The document is then provided to the public again and to decision makers before a decision on the proposed action is made. The Draft EIS was published and distributed on August 24, 2006. MMS received over 9,000 written comments on the DEIS. MMS held 17 public hearings in 6 states in September, October and November 2006 on the DEIS.

3. Who are the players in the EIS process?

The EIS process involves the lead federal agency responsible for implementing the proposal; any other federal, state, or local governmental agencies with interest or special expertise; and any interested members of the public including non-governmental organizations. Federal agencies often retain the services of private sector consultants to ensure the quality of environmental analysis. MMS received input from the following entities during the 5-year program EIS scoping process: EPA, FWS, NOAA, the US Congress, the states of Mississippi, Louisiana, Texas, Alaska, Virginia, California, and Georgia, industry associations, environmental groups and private citizens.

4. Why did MMS hold scoping meetings and public hearings in areas under presidential withdrawal or congressional moratoria?

The areas available for leasing on the OCS can change over time based on a variety of circumstances and are subject to the will of Congress and the President. Should Congress and the President alter the areas under presidential withdrawal or congressional moratoria, MMS needs to ensure that appropriate environmental analyses are conducted in a timely manner under the law.

5. How does the FEIS take into account global warming?

The FEIS describes what is known about global warming at the present time and how it may impact the environment in the future. We provide an estimate of the greenhouse gas emissions that would result from the offshore oil/gas exploration and development activities from the proposed lease sale program. In the EIS we discuss, to the extent that it is reasonably foreseeable, the cumulative effects of all human activities and natural factors, including climate change, on the environment. While it is agreed by most scientists that the global climate is changing due to human influence, there are uncertainties about the amount of change that may occur in the future globally and regionally. The ecological effects are very complex and we do not know the results of climate change with much certainty. Our discussions are therefore general by necessity.

6. How does the FEIS address potential oil spill and mitigation procedures?
While the probability of a significant oil spill is extremely small, it continues to be a major issue for MMS and the public. The FEIS analyzes impacts to biological, socioeconomic and physical resources from routine operations and from accidental oil spills. Potential impacts from minor, medium, and major spills are evaluated. The likely numbers of spill occurrences are estimated using historical information and models. In evaluating impacts MMS assumes existing mitigations and environmental safeguards that address spill prevention and spill response and containment will continue to be in place during the 2007-2012 program.

7. How safe are we from spills caused by OCS oil and gas activities?
The offshore energy industry has a remarkable safety record – two major hurricanes passed through the Gulf of Mexico in 2005 without causing a single significant spill from an OCS well. Natural cracks in the seabed cause oil seeps that are 150 times larger in volume than oil spilled due to OCS oil and gas activities.

8. Does the FEIS analyze impacts of potential LNG terminal siting?
The FEIS considers impacts from offshore and coastal LNG facilities and transportation in the cumulative analyses. Since MMS does not have regulatory authority over LNG terminals, the EIS does not include the NEPA analyses for the siting of specific terminals.

9. How does the FEIS approach the issue of wetland loss?
The potential impacts of the proposed program on wetlands and other coastal habitats are analyzed in the FEIS. Several activities associated with OCS development have the potential to affect wetlands including oil spills, pipeline landfalls, vessel traffic, and navigation channel dredging and maintenance. The cumulative analyses consider these effects along with other factors that impact wetlands not associated with OCS activity including coastal land development, onshore and coastal oil and gas development, land subsidence, sea level rise, diversion of sediment as a result of river stabilization projects and upstream dam construction, and others.

10. How does the FEIS assess coastal environmental impact?
The same way that wetlands loss is assessed. The impact factors associated with OCS activities are evaluated for coastal habitats, environmental justice, employment and population, archaeological resources, and sociocultural systems. In the cumulative analyses of these resources, other non-OCS impact factors are evaluated along with the OCS impacts.

11. What is your estimate of the oil and/or gas resources in the areas included in the PFP?
The EIS uses oil and gas estimates to develop a scenario of exploration and development activities and oil spills for use in environmental analyses. These numbers are not precise predictions of actual amounts of oil and gas that will be developed during the 2007-2012 leasing program. The actual amounts of oil and gas will not be known until leases are purchased and exploration and development activity starts to occur. This is particularly true in offshore areas that do not have a history of OCS activity, such as much of offshore Alaska and Virginia. Here our EIS estimates are more speculative than in proven oil and gas areas such as the Gulf of Mexico.

	Resources		
Program Area	**Oil (BBO)**	**Gas (Tcf)**	**BBOE**
Central Gulf of Mexico	5.604	23.707	9.822
Western Gulf of Mexico	2.021	16.200	4.903
Cook Inlet	0.200	0.200	0.236
Beaufort Sea	1.000	0.000	1.000
Chukchi Sea	1.000	0.000	1.000
North Aleutian Basin	0.200	5.000	1.090
Mid-Atlantic	0.056	0.327	0.114

12. Why is there a 100-mile exclusion from leasing around the state of Florida, yet leasing is being considered offshore Virginia within 50 miles of the Virginia coastline?

The GOMESAct included a 100 mile buffer off the coast of Florida in the Central Gulf of Mexico and 125 miles in the Eastern GOM. Based on scoping information, MMS included a 50 mile limit off Virginia in the Proposed Final Plan as requested by Virginia.

13. Is it possible to grant a lease for gas exploration but not oil?

No. At this time, the OCSLA only permits leases for “oil and gas.” In addition, a lease cannot be issued for exploration only.