

Cook Inlet Outer Continental Shelf
Oil and Gas Lease Sale 244
Record of Decision

May 2017

U.S. Department of the Interior

Washington, D.C.

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1. INTRODUCTION

The purpose of the federal action is to offer for lease certain Outer Continental Shelf (OCS) blocks located in the Cook Inlet Planning Area adjacent to Alaska that may contain economically recoverable oil and gas resources. The Cook Inlet Lease Sale 244 is the final lease sale under the 2012-2017 OCS Oil & Gas Leasing Program and will provide qualified bidders the opportunity to bid on blocks to explore for, develop, and produce oil and natural gas. The potential environmental effects of this oil and gas lease sale were evaluated in the Alaska Outer Continental Shelf, Cook Inlet Planning Area, Oil and Gas Lease Sale 244 in the Cook Inlet, Alaska, Final Environmental Impact Statement (FEIS) (OCS/EIS EA BOEM 2016-069).

2. DECISION

The Department of the Interior (DOI) selects the Preferred Alternative, as identified and analyzed in the Lease Sale 244 FEIS. As a result of this decision, DOI will hold Lease Sale 244 and offer for lease 224 OCS blocks subject to mitigation measures designed to, among other things, reduce potential impacts to beluga whales and their critical habitat and feeding areas, sea otters and their critical habitat, and the gillnet fishery. The Lease Sale Area encompasses approximately 442,500 hectares or 1.09 million acres. The OCS blocks within Cook Inlet that the Bureau of Ocean Energy Management (BOEM) will offer for lease are listed in the document entitled "List of Blocks Available for Leasing," which is included in the Final Notice of Sale for Cook Inlet Lease Sale 244. The estimated resource potential of Lease Sale 244 is 215 million barrels of oil and 571 billion cubic feet of natural gas. The Preferred Alternative was developed by the BOEM Alaska OCS Region after considering public comments on the Draft EIS, the oil and gas resource potential in the Cook Inlet area, the likelihood of industry to develop those oil and gas resources, and the social, economic, and environmental values, impacts, and concerns described in the Draft EIS.

3. MITIGATIONS AND LEASE STIPULATIONS

As part of the decision to hold Cook Inlet Lease Sale 244, BOEM is adopting all practicable means at the lease sale stage to avoid or minimize environmental harm from the Preferred Alternative. In addition, any post-lease activities (for example, those activities described in exploration plans and development and production plans) which may be proposed by lessees would undergo additional environmental analyses, and BOEM retains discretion to impose additional project-specific mitigating measures as conditions of individual plan approvals.

I have decided for the reasons described below in Section 4. “Alternatives Analyzed in the FEIS But Not Selected” not to adopt Stipulation No. 10, Prohibition of Drilling Discharges, which was included in the Proposed Notice of Sale for Cook Inlet 244. As described below, the stipulation is not necessary to protect the environment, given that a robust permitting program is already in place to regulate such discharges.

The various mitigation measures adopted for this Lease Sale are summarized below. The full text of the lease stipulations implementing these measures and the list of blocks to which the individual stipulations apply are available in the Final Notice of Sale Package for Lease Sale 244. The Final Notice of Sale Package is available on BOEM’s website at: <https://www.boem.gov/Sale-244/>.

My selection of the Preferred Alternative combines the Proposed Action (Alternative 1) with several mitigation measures analyzed as alternatives in the FEIS. The mitigation measures being adopted for Lease Sale 244 were analyzed as Alternative 3B (Beluga Whale Critical Habitat Mitigation), Alternative 3C (Beluga Whale Nearshore Feeding Areas Mitigation), Alternative 4B (Northern Sea Otter Critical Habitat Mitigation), and Alternative 5 (Gillnet Fishery Mitigation):

Beluga Whale Critical Habitat Mitigation (Alternative 3B):

This mitigation measure applies to the 10 OCS blocks that overlap with the “Area 2” beluga whale critical habitat at the northern tip of the Lease Sale Area. Lessees will be prohibited from conducting on-lease seismic surveys or exploration drilling from November 1 through April 1 in the affected blocks. The Protection of Beluga Whale Critical Habitat Stipulation will be included in any leases issued for those blocks.

Beluga Whale Nearshore Feeding Areas Mitigation (Alternative 3C):

This mitigation measure creates temporal restrictions for on-lease seismic survey activities within the Lease Sale Area. On all 224 OCS blocks, no on-lease marine seismic surveys may be conducted between November 1 and April 1, when beluga whales are most likely to be present and distributed across the Lease Sale Area. The Protection of Beluga Whales Stipulation will be included in any leases issued through Lease Sale 244.

Additionally, for blocks within 10 miles of major anadromous streams, lessees are prohibited from conducting on-lease marine seismic surveys between July 1 and September 30, when beluga whales are migrating to and from their summer feeding areas. The Protection of Beluga Whale Nearshore Feeding Areas Stipulation will be included in any leases issued for these blocks.

Northern Sea Otter Critical Habitat Mitigation (Alternative 4B):

This mitigation measure prohibits lessees from discharging drilling fluids and cuttings, and from conducting seafloor-disturbing activities (including anchoring and placement of bottom-founded structures), within 1,000 m of areas designated as northern sea otter critical habitat. The Protection of Northern Sea Otter Critical Habitat Stipulation will be included in any leases issued on the 14 OCS blocks that are located within 1,000 m of areas designated as northern sea otter critical habitat.

Gillnet Fishery Mitigation (Alternative 5):

This mitigation measure applies to the 117 OCS blocks (whole or partial) located north of Anchor Point within the Lease Sale Area to reduce the potential for conflicts with the drift gillnet fishery. Lessees are prohibited from conducting on-lease seismic surveys during the drift gillnetting season as designated by the Alaska Department of Fish and Game (ADF&G) (approximately mid-June to mid-August). Lessees are required to notify the United Cook Inlet Drift Association (UCIDA) of any temporary or permanent structures planned during the drift gillnetting season. Lessees are required to coordinate with the UCIDA to avoid conflicts. The Protection of Gillnet Fishery Stipulation will be included in any leases issued for these blocks.

As described above, each of the above mitigations will be implemented through lease stipulations, which would apply to all or some of the OCS blocks offered for lease. For each of the mitigation measures described above, lessees may request a waiver from or variance to these stipulations at the time of filing an ancillary activities notice, an exploration plan, or a development and production plan with BOEM's Alaska Regional Supervisor, Leasing and Plans. Such requests must identify alternative methods for providing commensurate protection and analyze the effectiveness of those methods.

In addition to the stipulations discussed above, I am applying four additional lease stipulations to Cook Inlet Sale 244, which were identified and evaluated as mitigation, but not evaluated as alternatives in the Final EIS. These stipulations will be added as lease terms to all OCS blocks being offered for lease, and will be enforceable as part of the lease.

Protection of Fisheries Stipulation:

Exploration, development, and production operations must be conducted in a manner that minimizes or prevents conflicts with fishing communities and gear (including, but not limited to subsistence, sport, and commercial fishing). The Exploration Plan (EP) or Development and Production Plan (DPP) must include a summary of fishing activities in the area of proposed operations, an assessment of effects on fishing from the proposed activity, and measures to be taken by the lessee/operator to minimize or prevent conflicts. The assessment of effects and measures to minimize or prevent conflicts must be described in the environmental impact analysis required by 30 CFR 550.227 for EPs and 30 CFR 550.261 for DPPs. BOEM may restrict lease-related activities if the Regional Supervisor, Leasing and Plans (RSLP) determines that the lessee's/operator's proposed measures will not minimize or prevent conflicts. The RSLP will work with directly affected parties, if necessary, to ensure that potential conflicts are identified and efforts are taken to minimize or prevent these conflicts.

Protection of Biological Resources Stipulation:

If biological populations or habitats that may require additional protection are identified by BOEM in the leased area, the RSLP may require the lessee/operator to conduct biological surveys to determine the extent and composition of such biological populations or habitats. Based on any surveys that the RSLP required of the lessee/operator, or based on other information available to the RSLP regarding special biological resources, the RSLP may require the lessee/operator to:

- relocate the site of operations;
- establish to the satisfaction of the RSLP, on the basis of a site-specific survey, either that such operations will not have a significant adverse effect upon the resource identified or that a special biological resource does not exist;
- operate only during those periods of time, as established by the RSLP, that do not adversely affect the biological resources; and/or
- modify operations to ensure that significant biological populations or habitats deserving protection are not adversely affected.

If populations or habitats of biological significance are discovered during the conduct of any operations on the lease, the lessee/operator must immediately report such findings to the RSLP and make every reasonable effort to preserve the biological resource and protect it from damage. The lessee/operator may take no action that might affect the biological populations or habitats surveyed until the RSLP provides written directions to the lessee/operator with regard to permissible actions. The RSLP will provide a written response outlining permissible actions within 30 days.

Orientation Program Stipulation:

An EP or DPP submitted under 30 CFR 550.211 or 30 CFR 550.241, respectively, must include a proposed orientation program for all personnel involved in the proposed action (including personnel of the lessee's/operator's agents, contractors, and subcontractors). The program must be designed in sufficient detail to inform individuals working on the project of specific types of environmental, safety, social, and cultural concerns that relate to the area that could be affected by the operation or its personnel. The program must address the importance of not disturbing archaeological and biological resources and habitats, including endangered species, fisheries, bird colonies, and marine mammals, and provide guidance on how to avoid or minimize disturbance. The program must address Safety and Environmental Management System elements including, but not limited to: Stop Work Authority; Ultimate Work Authority; Employee Participation Program (Safety); and Reporting Unsafe Working Conditions. The program must be designed to increase the sensitivity and understanding of personnel to community values, customs, and way-of-life in areas where such personnel will be operating. The orientation program also must include information concerning avoidance of conflicts with subsistence, sport, and commercial fishing activities.

Transportation of Hydrocarbons Stipulation:

Pipelines may be required for transporting produced hydrocarbons to shore if BOEM determines that: (a) pipeline rights-of-way can be determined and obtained; (b) laying such pipelines is technologically feasible and environmentally preferable; and (c) pipelines can be laid without net social loss, taking into account any incremental costs of pipelines over alternative methods of transportation and any incremental benefits in the form of increased environmental protection or reduced multiple-use conflicts.

I have concluded that the Preferred Alternative, with the associated mitigation measures (i.e., lease stipulations), meets the purpose and need for the Proposed Action, balances regional and national policy considerations, and includes measures to minimize potential environmental and socioeconomic impacts. While not all environmental impacts can be avoided, the lease

stipulations adopted for this sale will help protect important species, including but not limited to beluga whales and northern sea otters, as well as ensure competing uses of the OCS, such as fisheries, are appropriately considered when OCS oil and gas activities are proposed. I have also concluded that the Preferred Alternative is subject to adequate environmental safeguards and is consistent with maintenance of industry competition for potential resource development and national needs.

The decision to hold Cook Inlet Lease Sale 244 provides an opportunity to address national and regional demand for domestic energy resources, and to create economic benefits through oil and gas exploration and development in Cook Inlet. This decision promotes domestic energy production, which can reduce oil imports. Production from Cook Inlet OCS leases is expected to be processed and consumed locally, reducing imports from other sources. Additional benefits flowing from OCS leasing include additional employment, labor income, tax revenues, and other economic impacts, both in Alaska and across the United States.

Since the Deepwater Horizon explosion, oil spill, and response, BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) have raised standards for OCS drilling safety and environmental protection to reduce the risk of oil spills and improved the ability of the Federal government and industry to respond in the unlikely event of another large oil spill. While OCS exploration and development cannot be made risk free, OCS oil and gas-related activities can be conducted safely and responsibly with strong regulatory oversight and appropriate measures to protect human safety and the environment.

4. ALTERNATIVES ANALYZED IN THE FEIS BUT NOT SELECTED

Under Alternative 2 (No Action) in the FEIS, Cook Inlet Lease Sale 244 would not be held. Alternative 2 was not selected because the opportunity for additional domestic energy sources and consequent positive economic impacts from exploration and production, including employment, would be deferred or lost. Furthermore, no revenue from the Lease Sale 244 would be collected by the Federal government or subsequently distributed to the State of Alaska. Although other sources of energy may substitute for lost production, these sources may have similar or, depending on the nature of the energy substitute, greater negative environmental impacts of their own but in a different geographic and temporal context. Therefore, I did not select Alternative 2 because the potential benefits from oil and gas exploration and development outweigh the potential environmental impacts of those activities, which can be reduced or avoided through the chosen mitigation measures.

Alternative 3A (Beluga Whale Critical Habitat Exclusion) would exclude from leasing the 10 OCS blocks that overlap with the “Area 2” beluga whale critical habitat at the northern tip of the Lease Sale Area. After reviewing the effects analyses and the science used to conduct those analyses, I have concluded that the mitigation measures implemented through the Preferred Alternative pursuant to Alternatives 3B and 3C will afford beluga whales and their critical habitat a similar level of protection as this exclusion alternative. Alternative 3B restricts certain activities to months when beluga whales are less likely to be present. The mitigation alternative was based on an analysis scrutinizing the “primary constituent elements” (PCEs) deemed essential to the conservation of the Cook Inlet Distinct Population Segment of beluga whale, as

identified in the critical habitat designation (76 FR 20180, April 11, 2011). Alternative 3C offers additional restrictions further limiting impacts to beluga whales. The November 1 through April 1 timing restriction will prevent seismic surveys from occurring in lower Cook Inlet at the time beluga whales are likely to be present, and the July 1 through September 30 restriction would prevent seismic surveys from inadvertently blocking beluga whales from potential feeding habitats when anadromous fish aggregate near stream mouths along lower Cook Inlet. For these reasons, I have decided not to select Alternative 3A, which would exclude the 10 OCS blocks at issue from the Lease Sale.

Alternative 4A (Northern Sea Otter Critical Habitat Exclusion) would exclude from leasing the 7 OCS blocks that overlap with the Northern Sea Otter Southwest Distinct Population Segment Critical Habitat. After review of the FEIS and the science used in the analysis, I have determined that the mitigation measure provided by the inclusion of Alternative 4B in the Preferred Alternative will afford northern sea otters and their critical habitat a similar level of protection as this exclusion alternative. Alternative 4B would prohibit drilling discharges and seafloor-disturbing activities, including anchoring and placement of bottom-founded structures within 1,000 m of areas designated as northern sea otter critical habitat within the affected OCS blocks. In particular, this alternative focuses on protecting kelp beds and associated prey resources such as sea urchins from drilling discharges and seafloor-disturbing activities. Given the mitigation measures available to protect sea otter critical habitat in Alternative 4B, incorporated in the Preferred Alternative, I have therefore decided not to select Alternative 4A, which would exclude the 7 OCS blocks at issue from the Lease Sale.

Alternative 6 (Prohibition of Drilling Discharges) would prohibit the discharge of all drilling fluid and cuttings on the seafloor with respect to any leases issued as a result of Lease Sale 244. This would have been applied through a lease stipulation (Stipulation No. 10 in the Proposed Notice of Sale Package). After review of the FEIS and the science used in the analysis, I have determined that the potential adverse effects from such discharges are minimal. I have also determined that the increase in environmental impacts associated with barging muds and cuttings to shore would outweigh the minimal benefits of this Alternative. The U.S. Environmental Protection Agency under the National Pollution Discharge Elimination System (NPDES) already regulates discharges of drilling muds and cuttings. EPA permits such discharges only if it finds that they would not cause an undue degradation of the marine environment. Nothing in the FEIS suggested the need for an additional layer of regulation or restriction of drilling discharges; therefore I have determined that such mitigation is not necessary to protect the environment, in light of the existing NPDES permit program.

5. ENVIRONMENTALLY PREFERABLE ALTERNATIVE

I have identified Alternative 2, referred to as the No Action Alternative in the Cook Inlet Lease Sale 244 FEIS, as the environmentally preferable alternative. The environmentally preferable alternative is the alternative that causes the least damage to the biological and physical environment in Cook Inlet and best protects, preserves, and enhances historical, cultural, and natural resources (43 CFR 46.30). Identifying the environmentally preferable alternative involves weighing of long-term environmental impacts against short-term impacts in evaluating what is the best protection of these resources.

The No Action Alternative is considered environmentally preferable because not holding an individual lease sale could delay the timing of, and likely reduce the potential for, certain OCS oil and gas-related activities that could adversely affect environmental resources in the Cook Inlet region. However, oil and gas-related activity is expected to continue under existing State of Alaska leases, and a decision not to hold Lease Sale 244 would not reduce environmental impacts associated with ongoing oil and gas activities in State waters. As stated previously, Alternative 2 was not selected because consideration of the relevant factors weighs in favor of holding Lease Sale 244. This decision is reinforced by potential negative environmental impacts of substitute energy sources (e.g., risks from tankers transporting imported oil) and the ability to mitigate impacts of Lease Sale 244 through lease stipulations and conditions of approval adopted pursuant to subsequent, plan-specific reviews. Canceling the lease sale under Alternative 2 would not “achieve an appropriate balance between population and resource use that [would] permit high standards of living and a wide sharing of life’s amenities” (42 U.S.C. 4331(b)(5)), nor would it best satisfy the congressional policy provided in the Outer Continental Shelf Lands Act (OCSLA) “to make the OCS available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs” (OCSLA, 43 U.S.C. § 1332(3)).

6. CONSULTATIONS AND OTHER ENVIRONMENTAL REQUIREMENTS

Tribal: BOEM has engaged in a number of consultations with Alaska Native tribes and Alaska Native Claims Settlement Act (ANCSA) Corporations regarding Lease Sale 244. Consistent with Executive Order 13175 and implementing USDOJ and BOEM directives, BOEM participated in Government-to-Government meetings with the Seldovia Village Tribe, the Nanwalek Village Tribe, and (by teleconference) the Port Graham Tribal Council. BOEM initiated the Government-to-ANCSA corporation consultations through letters (following email and telephonic contacts) to ANCSA corporations potentially affected by activities related to the Lease Sale, including: English Bay Corporation; Port Graham Corporation; Seldovia Native Association, Incorporated; Ninilchik Natives Association, Incorporated; Kenai Natives Association, Incorporated; Salamatof Native Association, Incorporated; Tyonek Native Corporation; Chickaloon-Moose Creek Native Association, Incorporated; and, Eklutna, Incorporated.

Essential Fish Habitat (EFH): The Magnuson-Stevens Fishery Conservation and Management Act (as amended) requires Federal agencies to consult with the National Marine Fisheries Service (NMFS) regarding actions that may adversely affect designated EFH. EFH designations were updated for five species of Pacific salmon (Chinook, coho, pink, sockeye, and chum salmon) in the June 2012 NMFS Fishery Management Plan (FMP). In the February 2014 NMFS FMP, EFH was described for weathervane scallops. NMFS EFH designations for groundfish in the Gulf of Alaska were revised in August 2015. That revised FMP includes EFH for Pacific cod, walleye pollock, arrowtooth flounder, rock sole, sculpins, and skates. BOEM prepared an EFH assessment that identified adverse effects to designated EFH from potential oil and gas exploration activities in the Lease Sale Area. This assessment was provided to and accepted by NMFS, with NMFS providing no additional EFH conservation recommendations.

Endangered Species Act (ESA): BOEM consulted with U.S. Fish and Wildlife Service (USFWS) and NMFS (the Services) concerning potential impacts to listed species and their designated Critical Habitat. For ESA consultation on proposed lease sales in Alaska, BOEM and BSEE specifically requested incremental Section 7 consultations. The Services' regulations at 50 CFR 402.14(k) allow for consultation on part of the entire action as long as that step does not violate Section 7(a)(2); there is a reasonable likelihood that the entire action will not violate Section 7(a)(2); and the agency continues consultation with respect to the entire action, obtaining a Biological Opinion for each step. Accordingly, at the lease sale stage, BOEM evaluates the early lease activities (e.g., seismic surveying, ancillary activities, and exploration drilling) to ensure that activities under any leases issued will not result in jeopardy to a listed species or cause adverse modification of designated critical habitat. BOEM and BSEE would then reinitiate consultation for any proposed development and production activities. The biological assessments were provided to USFWS and NMFS prior to releasing the Final EIS.

BOEM has not yet received the Biological Opinions from USFWS or NMFS. They are expected during the summer of 2017. In their absence, BOEM has determined pursuant to Section 7(d) of the ESA that there are no irreversible or irretrievable commitment of resources in holding the Lease Sale that would have the effect of foreclosing the formulation or implementation of any reasonable and prudent alternative measures needed to avoid jeopardy or adverse modification of designated critical habitat. BOEM retains authority under OCSLA to apply additional mitigation measures on post-lease OCS activities as necessary to ensure protection of threatened and endangered species and their critical habitat, including measures consistent with the Biological Opinions. Throughout consultation, we will ensure the best available information related to listed species and critical habitat is fully considered. BOEM is consulting on Alaska-breeding Steller's eider, northern sea otter, northern sea otter critical habitat, beluga whale, fin whale, humpback whale, Steller sea lion, beluga whale critical habitat and Steller sea lion critical habitat. Moreover, no activity under a plan will be allowed to proceed under the leases without the completion of appropriate ESA consultation.

National Historic Preservation Act (NHPA): BOEM recognizes that a lease sale constitutes an undertaking under Section 106 of the NHPA, but it is not the type of activity that has the potential to cause effects on historic properties, and thus would not require formal State Historic Preservation Office consultation. Subsequent project- and site-specific consultations will occur if any activity proposed in the future is a type of activity that has the potential to cause effects on historic properties from any proposed exploration, development, and production activities.

Coastal Zone Management Act (CZMA): As noted in the FEIS, the federally approved Alaska Coastal Management Program (ACMP) expired on June 30, 2011. As of July 1, 2011, the Federal consistency provision no longer applies in Alaska. Consequently, Federal agencies are not required to provide the State of Alaska with CZMA Consistency Determinations or Negative Determinations pursuant to 16 U.S.C. § 1456(c)(1) and (2), and 15 CFR part 930, subpart C. Similarly, persons or agencies seeking Federal authorizations or funding are not required to provide the State of Alaska with CZMA Consistency Certifications pursuant to 16 U.S.C. § 1456(c)(3)(A), (B) and (d), and 15 CFR part 930, subparts D, E and F (76 FR 39857, July 7, 2011).

Summary of Comments Received and Considered After Release of the Final EIS

BOEM received one public comment concerning the FEIS subsequent to its release to the public. That comment urged BOEM not to hold Lease Sale 244 until after it supplements the FEIS to account for a natural gas release from a subsea pipeline located in the State waters of Cook Inlet, and until formal consultation under ESA Section 7 is completed. BOEM's compliance with the ESA is explained above. BOEM has analyzed whether the natural gas release (as well as a subsequent small oil spill) in the State waters of Cook Inlet warrants supplemental analysis under NEPA. BOEM, in consultation with other Federal and State agencies, collected all available information concerning the natural gas release and small oil spill, and then reevaluated the conclusions of the FEIS in light of this new information. Based on this analysis, BOEM concluded that neither the natural gas release nor the small oil spill paint a seriously different picture of the likely environmental harms that could result from proposed Lease Sale 244, nor do they constitute significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts. As such, supplementing the FEIS is not required or warranted at this time. 40 C.F.R. § 1502.9(c).

7. POST-LEASE MITIGATION MEASURES


Post-Lease Mitigating Measures – Under the OCSLA staged decision process, BOEM and BSEE retain authority to review and approve post-lease activities (e.g., EPs, DPPs, permits to drill, pipeline permits, decommissioning permits). At the time of review and approval, the Bureau can condition approval of the permit or plan on implementation of site- or activity-specific mitigation. For example, additional mitigating measures may require post-lease surveys to detect and avoid archaeological sites and biologically sensitive areas. All of these requirements must be incorporated and documented in the approvals of plans and permit applications submitted to BOEM. While DOI has adopted mitigation at the lease sale stage (through the lease stipulations described above), the Bureaus may apply additional mitigations as specific post-lease OCS oil and gas activities are proposed.

Mitigation, Monitoring, and Adaptation – BOEM and BSEE regularly assess whether an operator/lessee is in compliance with the mitigation measures and also whether the mitigation measures are effective, to determine whether the Alaska OCS Region should adjust the mitigation measures. A primary focus of this effort is requiring submission of information within a specified timeframe or after a triggering event that is tracked by BOEM and/or BSEE (e.g., end of operations reports for plans, construction reports for pipelines, removal reports for structures or anchor removals). This information helps inform the Bureaus regarding potential impacts, effectiveness of mitigation, and potential modifications to operations or mitigations in the future through post-lease conditions of approval.

Operation Enforcement – BSEE has the authority to inspect operations and enforce the conditions of any lease terms, including stipulations and conditions of any plan approval (30 CFR part 250 subpart N). BOEM may also refer potential violations to BSEE for investigation and potential enforcement. BSEE may impose penalties or other remedies on any lessee or any operator that fails to comply with the terms of a lease, including stipulations and other mitigating measures, and conditions of any post-lease plan approvals or permits.

8. CONCLUSION

The OCS is a vital national resource held by the Federal government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner that is consistent with the maintenance of competition and other national needs (OCSLA 43 U.S.C. § 1332). I considered many factors in making my decision, including public input, comments from the Governor of the State of Alaska, the effects analysis in the FEIS, and the energy policies articulated in OCSLA. In keeping with the above congressional policy and the requirements of NEPA, BOEM has fully considered the potential effects of this action, has considered mitigation of these potential impacts through exclusion of sensitive OCS acreage and lease stipulations, and has rationally articulated the relevant factors in selecting the agency's Preferred Alternative. After considering the benefits and potential costs and for the reasons provided above, I have concluded that it is in the Nation's best interest to hold Cook Inlet Lease Sale 244 in the manner described herein. The Cook Inlet Lease Sale 244 will be held on June 21, 2017, and will offer for lease all 224 unleased OCS blocks in the Cook Inlet Lease Sale Area, subject to the lease stipulations described herein (identified as the Bureau Preferred Alternative in the Cook Inlet Lease Sale 244 FEIS).


Katharine S. MacGregor
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Land and Minerals Management

Date 05.11.2017