

Trump Administration Finalizes Plan to Open Arctic Refuge to Drilling

The decision sets up a fierce legal battle over the fate of a vast, remote area that is home to polar bears, caribou and the promise of oil wealth.

By Brad Plumer and Henry Fountain

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WASHINGTON — The Trump administration on Monday finalized its plan to open up part of the Arctic National Wildlife Refuge in Alaska to oil and gas development, a move that overturns six decades of protections for the largest remaining stretch of wilderness in the United States.

The decision sets the stage for what is expected to be a fierce legal battle over the fate of the refuge's vast, remote coastal plain, which is believed to sit atop billions of barrels of oil but is also home to polar bears and migrating herds of caribou.

The Interior Department said on Monday that it had completed its required reviews and would begin preparations to auction off drilling leases. "I do believe there could be a lease sale by the end of the year," Interior Secretary David Bernhardt said.

Environmentalists, who have battled for decades to keep energy companies out of the refuge, say the Interior Department failed to adequately consider the effects that oil and gas development could have on climate change and wildlife. They and other opponents, including some Alaska Native groups, are expected to file lawsuits to try to block lease sales.

"We will continue to fight this at every turn," said Adam Kolton, executive director of the Alaska Wilderness League, in a statement. "Any oil company that would seek to drill in the Arctic Refuge will face enormous reputational, legal and financial risks."

Though any oil production within the refuge would still be at least a decade in the future, companies that bought leases could begin the process of seeking permits and exploring for oil and gas.

President Trump has long cast an increase in Arctic drilling as integral to his push to expand domestic fossil fuel production on federal lands and secure America's "energy dominance." Republicans have prized the refuge as a lucrative source of oil and gas ever since the Reagan administration first recommended drilling in 1987, but efforts to open it up had long been stymied by Democratic lawmakers until 2017, when the G.O.P. used its control of both houses of Congress to pass a bill authorizing lease sales.

"ANWR is a big deal that Ronald Reagan couldn't get done and nobody could get done," Mr. Trump said in an interview with Fox & Friends on Monday.

It remains unclear how much interest there will be from energy companies at a time when many countries are trying to wean themselves from fossil fuels and oil prices are crashing amid the coronavirus pandemic. Exploring and drilling in harsh Arctic conditions remains difficult and costly.

Nevertheless, by proceeding with the lease sales, the Trump administration has made the Arctic refuge a potential issue in the presidential campaign, and the region's fate may ultimately hinge on the election's outcome. The Democratic nominee for president, Joseph R. Biden Jr., has called for permanent protection of the refuge. However, even if he were to win the White House, it could prove difficult for his administration to overturn existing lease rights once they have been auctioned to energy companies.

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The administration's push to open up the refuge has been backed by lawmakers in Alaska, as well as by local energy firms and other Alaska Native groups, who have said that drilling could provide much-needed jobs and revenue for the state, where oil production has declined since the 1980s.

"Thousands of Alaskans are employed in our oil industry, and their livelihoods depend on the good-paying jobs created by our state's reserves," said Senator Dan Sullivan, Republican of Alaska. "Today, we are one step closer to securing a bright future for these Alaskans and their families."

The Arctic National Wildlife Refuge spans 19 million acres in northeastern Alaska. The fight over drilling centers on 1.5 million acres in the refuge's coastal plain, which is believed to contain the largest onshore reserves of oil in North America that remain untapped.

Opponents say that opening the refuge to development would be a step backward in an era when the world should be burning less oil in order to avoid drastic global warming. They also say drilling could harm vulnerable wildlife in the area, including polar bears, which are already struggling because of climate change, and Porcupine caribou herds that use the coastal plain as a calving area.

"There's no good time to open up America's largest wildlife refuge to drilling and fracking, but it's absolutely bonkers to endanger this beautiful place during a worldwide oil glut," said Kristen Monsell, a senior attorney with the Center for Biological Diversity, an environmental group.



David Bernhardt, the interior secretary, at the White House in January. "I do believe there could be a lease sale by the end of the year," he said on Monday. Al Drago for The New York Times

For decades, Democrats in Congress had blocked proposals to open the refuge. But in 2017 the Trump administration and Republicans in Congress included a section in a tax bill authorizing the Interior Department to establish a plan to sell leases in the coastal plain. Under the law, the agency must conduct at least two lease sales of 400,000 acres each by the end of 2024.

As part of the process, the Department of Interior was required to conduct a review of the potential environmental effects of drilling. The final version of that environmental impact statement was released in September and recommended that oil and gas leasing be allowed in the 1.5 million acres of the coastal plain.

In its review, the agency said that activities associated with oil and gas development — including new roads and truck traffic, as well as air, noise and water pollution — could potentially harm wildlife. But it suggested that there were ways to blunt the effects, such as limiting the use of heavy equipment for one month of the year during caribou calving season.

Environmentalists have criticized the agency's review as insufficient, saying it was largely based on older research and failed to address several concerns. For instance, critics have noted, the environmental impact statement does not provide an estimate of how many polar bears could potentially be killed or harmed by exploration in the coastal plain.

Drilling opponents have also said that the Interior Department downplayed the risks of climate change in its review. For example, the agency estimated that the refuge could produce as many as 10 billion barrels of oil over its lifetime, but argued that the effect on greenhouse gas emissions would be minimal, since most of that oil would simply displace oil being produced elsewhere in the country. In comments submitted to the agency, the attorneys general from 15 states, including New York, called this displacement theory "completely unsupported."

Under pressure from environmental groups and the Gwich'in, an Alaska Native group that opposes drilling because of the potential impact on caribou, several major banks, including Goldman Sachs and JPMorgan Chase, have said they would not directly finance any oil and gas drilling in the Arctic.

The Trump administration's efforts to open the refuge are part of a broader push for development in Alaska. Earlier this year, the Interior Department proposed to open almost all of the National Petroleum Reserve, far to the west of the refuge, to oil and gas development. And the Army Corps of Engineers is soon expected to decide whether to allow the Pebble Mine project, a huge open-pit copper and gold mine in Southwest Alaska, to proceed.

One big unknown is how many companies will actually bid for rights to explore the Arctic refuge. "There's no way to accurately predict how much interest there will be until there's an actual lease sale," said Kara Moriarty, president and chief executive of the Alaska Oil and Gas Association. "Companies simply do not talk about where they intend to bid beforehand."

It is also unclear whether the lease sale program will generate much revenue for the federal government as intended. Already an estimate by the Trump administration that it would produce a \$1.8 billion windfall for the treasury has been reduced by half. A New York Times analysis last year suggested it could be even lower, totaling just \$45 million.

One complicating factor is that relatively little is known about exactly how much oil lies under the coastal plain. A Times investigation found evidence that the only well ever drilled within the refuge's boundaries was a disappointment.

And the only seismic studies — which can give strong clues as to the location and size of oil and gas reservoirs — were performed in the 1980s, when the technology was relatively primitive compared with today. A plan to conduct a new, more sophisticated seismic study was shelved last winter.

On Monday, Mr. Bernhardt said he did not see that as an obstacle. "I think a lot of people will bid for leases without seismic data," he said.

Even if oil companies do decide to purchase leases, that is still just the first step in a long, uncertain process. "You've got a lot of tripwires ahead," said David Hayes, who served as a deputy interior secretary under President Barack Obama and is now executive director of the State Energy and Environmental Impact Center at the New York University School of Law. "Anyone buying a lease is potentially buying years of litigation along with that lease."

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