

# Administration Takes Steps Toward More Oil Drilling

Ryan Tracy, Wall Street Journal, 3-28-12

WASHINGTON—With gas prices holding steadily higher, the Obama administration took steps toward oil and gas exploration off the coast of Alaska and in the Atlantic Ocean as it sought to combat criticism that it is hostile to fossil fuel development.

The Department of Interior on Wednesday approved Royal Dutch Shell's plan for responding to oil spills in Alaska's Beaufort Sea, news the company called "another major milestone" toward drilling there this summer.

An Interior official also set 2013 as a target for allowing new seismic surveys off much of the East Coast. Energy companies use the survey data to evaluate oil and gas resources, as well as potential sites for offshore wind farms. Current data for the Atlantic is decades old.

Interior Secretary Ken Salazar touted the moves at the Norfolk, Va., headquarters of Fugro Atlantic, a company that conducts seismic surveys.

"There is no silver bullet to high gas prices, but we must continue to reduce our reliance on foreign oil and reduce our vulnerability to the ups and downs of the international market," Mr. Salazar said, echoing recent statements from President Barack Obama. Mr. Obama has been pushing back against criticism from Republicans that his policies restrict U.S. oil production.

The national average price of a regular gallon of gasoline was \$3.91 on Wednesday, according to AAA, compared with \$3.59 a gallon a year ago.

Wednesday's announcements represented steps toward offshore drilling in areas outside the Gulf of Mexico, where the administration has allowed drilling and signaled it will allow more. Both moves were criticized by environmental groups.

Shell spokeswoman Kelly op de Weegh said the Beaufort Sea oil spill plan approval "is another major milestone achieved," but the company still needs several more permits before beginning to drill in July.

To secure the approval, Shell added cap and containment systems engineered specifically for Alaska, Ms. op de Weegh said.

Environmentalists insist the plans don't go far enough and that Arctic conditions will make it extremely difficult to clean up a spill. But Mr. Salazar said the response plans "have been significantly modified and improved to give us the kind of assurance they will work."

For the Atlantic, the administration released a draft environmental review of seismic surveys, outlining a 330,000 square-mile area from the Delaware Bay to Cape Canaveral, Fla. where they could be conducted.

Tommy Beaudreau, a Salazar deputy who oversees offshore development, said the department plans to finalize the review this year so that surveys could begin "as early as next year."

"There have been enormous technological advances in seismic surveys," Mr. Beaudreau said. "We need to find out what the resource is."

Environmental groups oppose the testing because they say it can injure or kill marine mammals and fish, impacting endangered species and fisheries.

The administration has no current plans to allow drilling in the Atlantic, though Mr. Salazar said that could change in light of the survey data.

Randall Luthi, president of the National Ocean Industries Association, which represents offshore drilling firms, said the seismic surveys were "a welcome step," but "it appears the Department has given the offshore industry a canoe with no oars, since there are no lease sales planned."