



Insight

Interior's Offshore Leasing Plan Limits Development

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This week, the Department of Interior released a draft proposal for the next offshore leasing plan. This 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Draft Proposed Program (DPP) lays out how Interior would govern the lease and management of resources along the coasts. The proposal would make available nearly 80 percent of undiscovered, technically recoverable resources, but denies the opportunity to study and discover new resources in a full 90 percent of OCS territory.

First, let's put this plan in context. The Obama Administration hardly has a clear record of promoting oil and gas development. Just two days before announcing this DPP, [the administration committed to close all development in an oil-rich portion of Alaska's North Slope over the vocal objection of Alaskans](#). Oil and gas leasing activity on federal lands has dropped off since the oil boom began in 2008; [despite increasing requests from industry, lease sales on federal lands have declined by a third](#). At the same time, offshore efforts for wind power have advanced more quickly. Since regulations were finalized in 2009, lease sales have been completed or are moving forward on more than 1.5 million acres in the Atlantic, alone.

Second, in the wake of the 2010 Deepwater Horizon incident, stakeholders have collaborated to improve oversight, best practices, and technology, and implement new regulations where appropriate. Offshore oil development is safer and more reliable than ever before. This is the first DPP with those improvements in place.

In this 2017-2022 DPP, Department of Interior proposes 14 potential lease sales in the OCS: ten in the Gulf of Mexico, one each in Alaska's Chukchi and Beaufort Seas and the Cook Inlet, and a first lease sale planned for the Mid- and South Atlantic along the coasts of Georgia, the Carolinas, and Virginia.

This plan could be improved in several ways.

Through exclusion from the DPP, the remaining 90 percent of the U.S. OCS will be closed to exploration and research, inhibiting the development of resources in the future. Interior should take steps to allow the discovery of resources in all of the OCS to enable a more informed long-range planning process.

This plan includes one less lease sale than the 2012-2017 leasing plan; a surprising move given the work industry has done to improve the safety of their operations. Limiting development opportunities is hardly the way to encourage continuous improvement by offshore development companies.

Though Alaska will see three lease sales, the DPP would also close up portions of both the Chukchi and Beaufort Seas. Federal efforts to limit oil and gas development in Alaska have repeatedly been decried by the state's representatives. Decisions about whether or not to develop resources must be made with the participation of state interests.

Mid- and South Atlantic states requested that Interior plan a lease sale in the region in the 2012-2017 plan but were denied. This DPP provides for just one lease sale in 2021. The leasing, permitting, building of infrastructure, and drilling of the area will push actual oil and gas production until at least 2031. These states are fully committed to the responsible development of their waters, but can't expect to reap the benefits for another 16 years.

It is important to note that this DPP is just a draft. Even Secretary Jewell has hedged her bets about whether the Atlantic lease sale will occur at all. This DPP, with all its shortcomings, may well be far more ambitious than the program Interior will have to finalize next year.