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The Department of the Interior (DOI) released their final Arctic Rule regulating exploratory drilling on the Arctic Outer Continental Shelf (OCS). The rule was prepared by the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM).

The rule's stated objective is to "[protect] the unique and sensitive Arctic ecosystems, as well as the subsistence-based health and culture of nearby Alaska Native communities, while reducing reliance on imported oil and strengthening National energy security." The rule outlines extensive contingency plans, requiring companies to maintain a backup rig in case of a blowout, and requiring them to have access to control and containment equipment, such as capping stacks and containment domes. It also requires each applicant to submit an integrated OCS exploration plan 90 days before submitting a request to drill in the Arctic and to construct a plan to manage and oversee contractors.

According to Brian Salerno, Director of the Bureau of Safety and Environmental Enforcement, the rules reflect issues identified after Shell's 2012 rig accident, when Kulluk, an oil rig, ran aground off the coast of Alaska.

DOI estimates that complying with the regulations could cost the industry \$2.05 billion over ten years; however, an Arctic spill could be far more expensive than the \$40 billion spent on cleaning up the 2010 Deepwater Horizon spill due to the treacherous conditions.

The American Petroleum Institute's Upstream Operations Director, Erik Milito, said in a statement that the proposed requirements "may not improve safety and in fact may inhibit innovation and technological advancements," adding to existing concerns about over other regulatory activities related to offshore energy development.

Sources: American Petroleum Institute, Bureau of Safety and Environmental Enforcement, E&E Daily, National Ocean Industries Association, The New York Times, The Wall Street Journal, U.S. Department of Labor

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