



Executive Memorandum

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TAPPING OIL RESERVES IN A SMALL PART OF ANWR: ENVIRONMENTALLY SOUND, ENERGY WISE

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The U.S. House of Representatives is expected to vote this week on oil and gas exploration in the Arctic National Wildlife Refuge (ANWR) as a provision of the Securing America's Future Energy Act of 2001 (H.R. 4), a comprehensive energy package. The proposal, H.R. 2436 (the Energy Security Act), already has been approved by the House Resources Committee. Regrettably, some Members of Congress are hoping to delete the provision that authorizes drilling in ANWR. Such a move would be shortsighted and misguided. U.S. dependence on foreign oil rose after the Arab oil embargo in 1973 from approximately 35 percent to more than 52 percent last year. The U.S. Energy Information Administration (EIA) predicts that this figure will increase to 64 percent by 2020 if domestic supplies do not increase.

Drilling in the ANWR will not threaten that natural preserve and will increase U.S. energy independence. Studies by the U.S. Geological Survey (USGS) estimate that drilling in ANWR could yield up to 16 billion barrels of oil—an amount roughly equal to 30 years of oil imports from Saudi Arabia. Such a resource would increase the nation's energy security as well. Members of Congress should resist any effort to delete oil and gas exploration in ANWR from H.R. 4.

How much of ANWR is involved? The Arctic National Wildlife Refuge, located within the Arctic

Circle in northeast Alaska, consists of 19 million acres. Oil and gas development in the refuge is prohibited by the Alaska National Interest Lands Conservation Act of 1980 (P.L. 96-487) unless Congress specifically authorizes such activity. In Section 1002 of this act, Congress set aside 1.5 million acres of the refuge's coastal plain section for potential exploration and development of oil and gas. In 1995, Congress approved exploration in the so-called 1002 Area, but President Clinton vetoed that measure. The debate in Congress today centers solely on this small section; the remaining 17.5 million acres of ANWR lie in the protected enclave that cannot be developed.

Moreover, only a tiny amount of the section proposed for exploration actually would be involved in drilling. New production technology—including multilateral wells as well as directional drilling and other horizontal underground drilling—would

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require the use of only 2,000 acres in the 1002 Area, a parcel no bigger than Dulles Airport near Washington, D.C., leaving 99.99 percent of ANWR untouched.

Section 1002 is not a pristine area. Opponents of drilling in ANWR claim it is the nation's last true wilderness, a hallowed place, and a pristine environmental area. Though such attributes describe much of ANWR, they do not accurately portray the 1002 Area. In a July 20 *Washington Times* article titled "Hardly a Pretty Place: Use ANWR for Oil Exploration," Jonah Goldberg, editor of *National Review Online*, described it this way: "[I]f you wanted a picture to go with the word 'Godforsaken' in the dictionary, ANWR would do nicely." He is not referring to the ANWR parcels often highlighted in the media and on postcards with picturesque landscapes and endearing wildlife scenes. Rather, he is describing the flat, treeless, coastal plain area at the top corner of ANWR where the oil is located. As he notes in the article, winters on the coastal plain last for nine months; there is total darkness for 58 consecutive days; and temperatures drop to 70 degrees below zero *without* the wind chill. Summers are not much better. The thick ice melts, but it creates puddles on the flat tundra and attracts thousands of mosquitoes.

Drilling in the 1002 Area would occur during the harsh winter months, when operations would require the use of iced airstrips, iced roads, and iced platforms. The 16 billion barrels of oil that lie untapped there would be more than enough to replace the oil Americans would purchase from Iraq over 58 years.

The Energy Information Administration, in a May 2000 report titled *Potential Oil Production from the Coastal Plain of the Arctic National Wildlife Refuge: Updated Assessment*, states that the coastal plain region harboring the 1.5 million-acre 1002 Area is "the largest unexplored, potentially productive onshore basin in the United States."

Drilling in Section 1002 would not threaten wildlife. Opponents also allege that drilling in the 1002 Area would adversely affect the porcupine

caribou. These same naysayers predicted similar results for Arctic caribou in the nearby oil fields of Prudhoe Bay. Since drilling began there over 20 years ago, the Arctic caribou herd has grown from 3,000 to 27,500. Nor is there a threat to the polar bear. Alaska's polar bear population is healthy and unthreatened. No polar bear has been injured or killed as a result of extracting oil in Prudhoe Bay. Furthermore, the Marine Mammals Protection Act, which protects the polar bear in existing oil fields, also would do so on ANWR's coastal plain.

As Donald Lambro notes in "Meeting Demands for Energy," a July 23 article in *The Washington Times*, oil production and wildlife have coexisted side-by-side for years. For example, there are 46 oil wells in the wetlands of Louisiana's Atchafalaya National Wildlife Refuge, where endangered species such as the American bald eagle and the Louisiana black bear are thriving.

Conclusion. The debate over drilling in Section 1002 of ANWR is not about destroying one of America's national treasures. The magnificent mountains, beautiful lakes, and precious wildlife will not be disturbed. Nor is it about enriching oil companies. Irresponsible federal policies and indifference by policymakers to the growing domestic shortages of oil, not the actions of oil companies, have made the United States more than 50 percent dependent on foreign oil sources and subject to price volatility. At issue is whether to use merely 2,000 acres out of a total of 19 million acres in ANWR to ensure the nation's energy security. When it takes up H.R. 4, the full House should follow the lead of its Resources Committee, which approved oil and gas exploration and development in Section 1002 of ANWR's coastal plan, and resist efforts to delete that provision from the bill. America has much at stake—most importantly, its national energy security.

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