CEQ Weighs Oil Exploration in the Atlantic, off Alaska

The Council on Environmental Quality (CEQ) last month delivered to President Nixon the result of a year-long environmental assessment of proposed development of oil and gas resources of the Atlantic outercontinental shelf (OCS) and in the Gulf of Alaska. The message is: It's all right to proceed—cautiously—with exploration in some areas, and less all right in others.

The report is somewhat unusual, according to CEQ chairman Russell Peterson, in that it was issued simultaneously with, and indeed between the same covers as, a critique by a panel of the Environmental Studies Board of the National Academy of Sciences (NAS). The panel thinks the report is pretty good—as it well might, since it has been closely involved in monitoring and supplying scientific expertise to the project since last September. However, it believes the council has based some conclusions on data which are clearly inadequate. As one NAS official observed, "the hard scientific evidence that bears on this problem just doesn't exist."

The CEQ took four large offshore areas under scrutiny: the Georges Bank Trough, which underlies a prime fishing area stretching between Cape Cod and Nova Scotia; the Baltimore Canyon Trough, extending down the coastline from New York to Delaware; the Southeast Georgia Embayment outlying South Carolina, Georgia, and Florida; and the Gulf of Alaska. Then it ranked them according to the environmental risks and onshore economic impacts that OCS development would entail. CEQ decided that the easternmost of four Georges Bank locations—about 140 miles off Massachusetts—is the lowest risk area, followed by the southern end of the Baltimore Canyon. Medium risk are central Baltimore and western Georges Bank. Highest risk are the northern Baltimore, southern Atlantic, and the Alaskan gulf. CEQ placed heavy reliance on studies it contracted with the Massachusetts Institute of Technology (MIT) on the probable incidence and behavior of oil spills. It concluded that leaked and spilled oil has the least chance of reaching shore from Georges Bank. It also concluded that some of the inland towns in Massachusetts with drooping economies would benefit by having a refinery or two.

Among the high risk areas, the council did not rule out the Gulf of Alaska altogether, on the grounds that new technology might change the picture, but it made it clear that drilling there is highly undesirable because of the weather and threats to marine and shore life. The southern Atlantic was also rated low because there the shelf is as close as 20 miles from shore, spills could damage delicate wetlands, and storms in the area are even worse than those in the North Sea where drillers are forced to close down rigs for weeks at a time.

The academy panel, headed by H. William Menard of the Scripps Institution of Oceanography, points out that CEQ operated under some constraints since it was not in a position to question fundamental assumptions of the Nixon Administration, such as the need for energy self-sufficiency as soon as possible. However, it says the report does not place enough weight on economic and social and "intangible" impacts of OCS development onshore, does not weigh costs and benefits on a national scale, and has insufficient data to make assumptions about the effect of oil seepage and spills on marine life. It also says MIT's calculations on oil spill behavior are too uncertain to justify the reliance CEQ places on them. NAS particularly questions the number one rating for eastern Georges Bank; it believes this area would not look so promising if its value as a commercial fishery were taken more into account.

The panel also complains that the report "accepts OCS development as an exclusive activity of the private sector." CEQ does not get into discussion of federal leasing policies, but NAS expresses the widely held concern that competitive bidding is going out of style because leases are getting so expensive that big companies have to combine to purchase them. Many observers say that if exploration could be publicly financed in advance of leasing, smaller companies could get into the act.

Nonetheless, both the council and the panel agree on measures to be taken if cautious and orderly development is to take place. A key requirement, for example, is that coastal states develop plans for their shore areas as provided for in (but not mandated by) the Coastal Zone Management Act of 1972. The CEQ emphasizes the need for federal-state coordination and believes that a state should be able to say no to any onshore facilities. Right now Delaware has the only fully operative plan, and Peterson, its former governor, is currently lobbying against its repeal. Rhode Island and Maine received federal grants for the purpose in March.

OCS Resources Not Known

The CEQ talks a lot about the need to balance environmental costs against economic benefits, but they are handicapped to the extent that no one has more than a vague idea of what's out there. The U.S. Geological Survey early this year reappraised its data and decided that previous estimates of oil and natural gas deposits in the Atlantic and off Alaska were about double what they should be. Current estimates are 5 to 20 billion barrels of oil and 35 to 110 trillion cubic feet of gas in the Atlantic OCS and 3 to 25 billion barrels and 15 to 30 trillion cubic feet off Alaska. There are no official estimates of the treasures underlying individual sites.

Both the CEQ and the NAS are pleased with themselves over the outcome of the report. Study director Steven Gage says, "We hewed a solid middle line," and the panel agrees. Criticism is expected from both environmentalists and oil companies. The former are disappointed because CEQ did not flatly rule out exploration of high risk areas, and complain that many commercial and recreational considerations were given short shrift. Oil people believe the council has overestimated the impact on employment and the economies of affected areas onshore and are expected to object to recommendations for expanded training and government certification of critical operating personnel and tighter regulatory and enforcement activities.—C.H.