

Administration Proposes New Energy Drilling

The New York Times, By [EDMUND L. ANDREWS](#)

WASHINGTON, April 30 — The Bush administration proposed on Monday leasing out millions of acres along the coasts of [Alaska](#) and [Virginia](#) to oil and gas drillers, a move that would end a longstanding ban on drilling in those environmentally sensitive areas.

Both areas have been closed to new drilling for many years. The areas off Virginia are still covered by laws that prohibit new drilling in all areas along the Atlantic and Pacific seaboards. But Congress lifted the prohibition on Bristol Bay off Alaska in 2003, and President Bush lifted an executive order in January that had blocked drilling there through 2012.

In the case of Virginia, administration officials are hoping to capitalize on interest in drilling expressed by the state legislature, which passed a bill last year asking the federal government to allow exploration for **natural gas** in waters 50 miles or farther from the state coastline.

Both proposals are part of a broader five-year plan to open up 48 million acres along the outer continental shelf to oil and gas drilling. Unless Congress objects within 60 days, most of the five-year plan will go into effect, though resistance has been voiced. Starting this year, the [Interior Department](#) plans to offer leases on about 8.3 million acres in the central region of the Gulf of Mexico, which Congress specifically approved for offshore drilling late last year.

But the department hopes to open up far more than that. It would offer leases on 37 million acres off Alaska, starting as early as 2008, in vast new areas in the Beaufort Sea, the Chukchi Sea and the Cook Inlet. None of those areas have been subject to a drilling ban, but none have been tapped before.

Starting in 2011, the Interior Department would also lease out 5.6 million acres in Bristol Bay along the Alaska Peninsula, an area that Congress closed off after the [Exxon Valdez](#) oil spill in 1989. If the plan can get approval from Congress, it would offer up three million acres off the coast of Virginia, starting in 2012.

“The outer continental shelf is a vital source of domestic oil and natural gas for America, especially in light of sharply rising energy prices,” said Dirk Kempthorne, secretary of the interior.

But Democrats in Congress criticized the plans for Alaska and Virginia, and they are likely to extend the current ban on drilling off Virginia. Gov. Tim Kaine of Virginia, a Democrat, said he supported limited drilling for exploration but has refused to endorse production.

“Whatever pressing energy issue comes before the American people, the Bush administration always responds with the same oil answer: more oil,” said Representative Nick J. Rahall II, Democrat of West Virginia and chairman of the House Natural Resources Committee.

The proposal includes measures to protect against damage to coastal areas from oil spills and other accidents. It would not allow drilling within 50 miles of the Virginia shore and would wall off an additional “obstruction zone” near the mouth of Chesapeake Bay.

Some environmental advocates said, however, that the proposed protections would be inadequate and could jeopardize fishing areas.

“The Bush administration is zeroing in on the most environmentally sensitive areas for offshore drilling,” said Richard Charter, a lobbyist for Defenders of Wildlife and co-chairman of the National Outer Continental Shelf Coalition. “These areas that they are characterizing as buffer zones are woefully inadequate when you consider that the Exxon Valdez oil spill traveled hundreds of miles in a matter of weeks.” It is not clear how much fuel lies in the areas that would be made available. Interior Department officials estimated that the entire plan could produce 10 billion barrels of additional oil and 45 trillion cubic feet of additional natural gas over the next 40 years. That would be equal to about 16 months of the United States’ current oil consumption and about two years of its current consumption of natural gas.

The oil industry’s two big trade associations, the [American Petroleum Institute](#) and the Independent Petroleum Association of America, both praised the administration plan and urged Congress to open even more areas to drilling.

[Royal Dutch Shell](#) has been particularly eager to explore and develop the areas in Alaska, and has hired a number of former state and federal officials to help build popular support in communities near the proposed drilling areas.

If the administration does lease out areas in Alaska, companies may be entitled to a special reprieve from paying royalties to the government. In passing the Energy Policy Act of 2005, Congress extended what is known as “royalty relief” for deepwater drillers to cover oil and gas produced in “frontier areas” that are far from transportation centers. The administration plan could encounter heavy resistance. New Jersey’s two senators, [Frank R. Lautenberg](#) and [Robert Menendez](#), both Democrats, warned in a joint statement that the plan to allow drilling near Virginia was unacceptable because it “starts us down the slippery slope that could lead us to drilling off New Jersey’s coast.”

Congress has extended an annual moratorium on leasing along the Atlantic and Pacific Coasts for more than 20 years. Speaker [Nancy Pelosi](#), Democrat of California, has been a staunch supporter of the drilling bans and has protested Mr. Bush’s decision in January to lift the prohibition for Bristol Bay.