



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7599

Toll-free within the Borough: 1-800-478-4441, Ext. 2150

PHONE: (907) 714-2150 • **FAX:** (907) 262-1892

www.borough.kenai.ak.us

**JOHN J. WILLIAMS
BOROUGH MAYOR**

April 5, 2006

Mr. John Goll
Regional Director, Alaska Region
U.S. Minerals Management Service
3801 Centerpoint Drive, Suite 500
Anchorage, AK 99503

Re: 5-Year Draft Proposed Program

Dear Mr. Goll:

The Kenai Peninsula Borough supports the inclusion of Cook Inlet Outer Continental Shelf (OCS) special interest oil and gas lease sales 211 and 219 for inclusion in the proposed 2007-2012 OCS oil & gas leasing program currently under consideration by the Federal government. This support is based on KPB Resolution 2001-127 that adopted the five provisions of the Tri-Borough Position Paper that represent five critical issues that the Kenai Peninsula Borough believes were initially addressed through the OCS Environmental Impact Statement, and that must continue to be addressed by the provisions of any resulting OCS lease agreements and permits issued by all federal agencies, and through current and future Congressional legislation. These positions include:

1. No offshore loading of tankers
2. Specific plans to minimize and avoid commercial fishing gear conflicts with the exploration and development of oil
3. The oil exploration company must have adequate spill prevention and response capability
4. Identification of critical habitat areas
5. Provision for local government revenue sharing

The Kenai Peninsula Borough also supports improved lease terms and incentives to encourage new oil & gas exploration within the OCS lease area. The economic and resource potential of the OCS is substantial and those resources should be explored and developed in a manner that benefits the economies of the Cook Inlet Basin while maintaining reasonable and appropriate environmental protection standards for OCS oil & gas exploration, development and production activities.

The Kenai Peninsula Borough has over 50 years of experience with the oil & gas industry, with a large part of that experience based in offshore exploration and development under less than perfect conditions. Major tidal flows, volcanoes, earthquakes and heavy pan ice flows in the winter are just a few of the adverse conditions the Cook Inlet oil & gas industry deals with on a frequent basis. And after having produced over 1.6 billion barrels of oil and over 7 trillion cubic feet of natural gas, the Cook Inlet still boasts a strong commercial fishing and tourism industry that has co-existed with the oil & gas industry for decades.

This is not to say that the oil & gas industry has performed flawlessly. The Cook Inlet has seen its share of oil & gas industry accidents. But in sum, we have learned important lessons from those accidents and have taken several steps to prevent a repeat of those incidents in the future. We have also seen the establishment of organizations such as the Cook Inlet Citizens Advisory Council (CIRCAC) and Cook Inlet Spill Responders Inc (CISPRI) that are models for research, citizen and community input, and spill prevention and response capabilities that other regions can learn from to afford their communities the same economic opportunities that have so greatly benefited the Kenai Peninsula Borough during the last 5 decades and that will continue to benefit our region in the decades to come.

Respectfully,

A handwritten signature in black ink, reading "John J. Williams". The signature is written in a cursive, flowing style with a period at the end.

John J. Williams
Borough Mayor