

The Arctic Regulatory and Stakeholder Experience: Gene Pavia; Shannon Blue; Lindsay Renkert; James Burkhart, UMIAQ

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UMIAQ was formed in 2006 to meet the growing service demands of the oil and gas industry in Alaska. UMIAQ professionals have decades of experience with strategic planning, permitting, response operations, oilfield services, architecture, engineering and surveying. Our knowledge of the Arctic's operating and logistical challenges; federal, state, and local permitting processes; and the importance of active local, regional, and national regulatory stakeholder engagement has played a key role in advancing onshore and offshore energy projects.

APPLICATION

This abstract is based on our successful navigation of the stringent regulatory environment Alaska's oil and gas industry. Common issue management and stakeholder management tools have been applied to onshore and offshore state and federal oil and gas lease activities in Alaska. Understanding the unique Social, Political, Operational, Regulatory, and Technical (SPORT) drivers that shape oil and gas exploration and development projects is imperative to working in Alaska's Arctic. Increased regulatory and stakeholder scrutiny and efforts to increase transparency of approval processes after the Macondo Blowout will introduce additional delays and regulatory burdens.

RESULTS, OBSERVATIONS, AND CONCLUSIONS

Alaska energy project approvals are negotiated with regulatory decision makers, driven by political and potentially impacted stakeholder influences. Laws, regulations, policies, and people dictate successful and timely project approval acquisitions. Changing laws, regulations, and policies to specifically reflect operational realities of Arctic onshore and offshore settings takes a long time, with focused and significant effort. To maintain most project schedules, operators are left working with people; land managers, regulators, and other stakeholders to secure imperfect, and sometime unusable project approvals. The absence of fit-for-purpose policies, regulations and laws results in few approvals. The long-lead nature of many key approvals contributes to frustrating permitting experiences and promotes the sentiment that the process restricts operations.

Mapping stakeholders and issues can help gauge and manage expectations associated with each project. A regulatory road map that includes front-loading pre-application processes and active approval facilitation identifies project constraints early, and allows proactive issue management, including definition of baseline data requirements and ultimate project approval criteria, design basis, and appropriate construction standards. Projects driven by regulatory and stakeholder elements alone typically experience construction delays while project

approvals are revised to reflect technical and operational drivers.

Operators need to drive and steer projects to secure the approvals necessary to do their work by balancing each project's approval mitigation framework to support technical and operational realities and regulatory compliance demonstrations and meet stakeholder expectations. When applied systematically, regulatory and stakeholder engagement approaches have proven to be successful in securing usable and operationally sound regulatory approvals for Alaska energy projects, while minimizing risk of delays from procedural appeals and litigation challenges.

SIGNIFICANCE OF SUBJECT MATTER

Executing a robust regulatory plan that integrates SPORT drivers with proactive issue management and stakeholder outreach plays a key role in advancing energy projects in Alaska.