

Energy Insider by William Engdahl

A modest proposal

Along with new intelligence on who is destroying Alaska's energy potential

I have never personally met an Inupiat Eskimo. Nor, fortunately, have I ever personally met John Leshy, Associate Solicitor for Energy and Resources with Cecil Andrus's Interior Department. Yet, in this very specific instance, I feel confident the nation would benefit from a job change whereby the nature-and-wilderness champion Leshy was sent to the North Slope of Alaska and his Washington job taken by a representative from the Inupiat. It couldn't be any worse.

John Leshy was the person who inspired Andrus to make the unprecedented move last February to impose a total embargo on 97 percent of federal on-shore oil and gas leases. At the time, you may recall, we blasted the move as a politically inspired fraud designed to further restrict exploitation in underdeveloped Overthrust Belt lands in the Western States, which contain some of the most valuable oil and gas deposits in the world.

Further investigation of this has turned up some interesting confirmation of this analysis. Indeed, it so happens that it was an official memorandum from Leshy to Andrus some months back which triggered the whole dirty operation. Leshy recommended to Andrus that he impose the dramatic leasing moratorium to spark Congressional action on a bill introduced by Andrus last summer. That bill sought to revamp the entire traditional federal oil and gas leasing

program. Shortly thereafter, the Senate Energy Committee passed out of committee by 9-8 a modified version of the bill, S.1637.

This otherwise obscure federal bureaucrat, John Leshy, is worthy of note. Beginning in 1973, he became an attorney for the environmentalist Natural Resources Defense Council (NRDC). In that capacity, he guided the "environmentalist" strategy in the landmark case against the Department of the Interior in 1975, NRDC vs. Hughes, which challenged existing environmental impact assessment procedures of the department in the leasing of federal land for coal development. While that crucial case was still in litigation, Leshy was appointed the government's chief legal counsel defending the government against the suit he originally brought! Law schools tell us that a good lawyer should be able to argue both sides of a case.

For those of you who are not familiar with the NRDC, it was set up in 1969 with generous funding by the Ford Foundation Project on the Environment. NRDC lawyers have probably done more than any single group to abort the necessary development of nuclear, coal, water and now oil and gas resources.

As a result of Leshy's earlier actions against Interior coal leasing policy, all federal coal leasing has been frozen until at least 1981. Because of the uncertainties created by Interior, we have had a 10-year

shutdown of new coal leases. Some 95 percent of existing western states federal coal lease mining is on leases issued prior to the National Environmental Policy Act of 1970—another NRDC triumph.

Just so you have an idea of what is at stake, the Overthrust Belt and other federal lease lands are estimated to contain approximately one-third of the nation's remaining undiscovered crude oil and about 40 percent of its undiscovered oil and gas.

Add to this the case of Alaska. Carter's Interior Department has successfully locked up 41 million acres, under the 1906 Antiquities Act (sic) to protect bears and Eskimos by creating the Gates of the Arctic, Yukon Flats and Admiralty Island monuments.

Andrus, ever unsatisfied, sent Congress and the White House some weeks ago a revised schedule for leasing off-shore oil and gas in Alaska. The U.S. Geological Survey estimates that we have some 32 billion barrels of undiscovered oil off-shore in Alaska. This is some 5 billion barrels more than industry estimates of total current reserves. Although those figures themselves are drastically understated for political and economic reasons, 32 billion barrels is a hefty amount of hydrocarbon energy potential. The latest Andrus proposal delays any leasing in the promising Chukchi Sea until at least 1985.

Our modest proposal to swap John Leshy and his cohorts in Interior for Inupiat Eskimos may not be the ultimate answer, but I bet they would see the economic benefits to their fellow Eskimos of industry in that desolate part of the world a lot sooner than kooks like John Leshy.