

U.S. Comments to PAME II 2014 Agenda Item 8.1 Concept Paper

Background: The PAME I 2014 Record of Decisions included

The Oil and Gas Contact Group discussed possible future activities and decided to prepare a concept paper for consideration at PAME II-2014 on collaboration with SDWG and EPPR on a possible project to follow up or expand guidance in Chapter 2 of the 2009 Arctic Offshore Oil and Gas Guidelines on engagement of Arctic Communities and Indigenous Peoples in offshore oil and gas activities.

Reference Documents:

- Agenda 8.1-Concept Paper on Meaningful Engagement of Local Communities and Indigenous Peoples
- Agenda 8.1 Annexed table to Concept Paper
- Annotation to agenda 8.1-Concept Paper on Meaningful Engagement of Local Communities and Indigenous Peoples

United States Views:

For updating and strengthening of the Arctic Offshore Oil and Gas Guidelines, the United States supports a project on engagement with local communities and indigenous people for offshore oil and gas activities.

The importance of local communities and indigenous residents in managing offshore oil and gas activities was recognized by Arctic States in the AOOGG 2009, and considerable attention was devoted to these issues. However, this important guidance is substantially unchanged since the original guidelines were developed in 1996, nearly 20 years ago. The Guidelines state:

“These Guidelines should undergo periodic review and amendment, as necessary, to take into consideration experiences in the management and control of offshore oil and gas operations. The Guidelines must remain current if they are to support timely and effective measures for protection of the Arctic environment.” (AOOGG, 2009)

Therefore, it is appropriate to review the relevant guidance in the AOOGG and other guidance and recommendations of the Arctic Council.

In addition, the AOOGG recognized the importance of, but did not elaborate guidance on, socioeconomic issues and effects from offshore oil and gas activities.

“While these guidelines do not address socio-economic aspects in any detail, nor do they set standards for assessment of potential socio-economic effects of offshore oil and gas activities, these are nonetheless important to consider and integrate into the planning and conduct of exploration and development.” (AOOGG, 2009)

Since serious consideration of socioeconomic issues cannot be successfully accomplished without meaningful engagement or participation of local Arctic communities and indigenous

residents in the processes, this seems to indicate a possible gap in Arctic Council guidance worthy of exploring.

The United States feels that a successful project proposal depends heavily on involvement of the Permanent Participants.

The United States is willing to co-lead with one or more other countries and/or with Permanent Participants, if a project is determined to be useful and is defined.

The United States does not see a project as being constrained to “advising Ministers” (regulators as in AOOGG 2009), and is open to making recommendations to industry and other stakeholders. This could include an update to the AOOGG, but breaking from the AOOGG approach of providing guidance only to Arctic States through the Ministers, if this change of approach is deemed appropriate by the PAME Chair.

The US is open to all of the possible project frameworks identified in the Concept paper but favors a measured approach that could unfold in two phases:

Phase I: Could consist of a combination of the suggested project frameworks – the “Compendium” and “Best Practice” approaches. This could include summaries of the existing relevant Arctic Council recommendations (as listed in the Annex Table), National and regional legislation and regulations, community guidance, industry and NGO guidance. The project could also build upon the findings of the relevant OGA Chapter 3 case studies on socioeconomic effects of oil and gas activities, where appropriate, and other studies, to find and present examples of best practices.

Phase II (if decided): A possible multiple-working group or PP effort based on the Phase I report that would make recommendations on best practices and approaches for meaningful engagement of local communities and indigenous people in offshore oil and gas activities. Phase II could strive for updated guidance on the full scope of issues for meaningful engagement that would involve other working groups (SDWG, EPPR, CAFF) as described in the Concept paper. The scope of this second phase could include all marine activities, not just oil and gas, and might add to work on implementing AMSA recommendation IIB. The focus of this phase could be industry or the regulators—and that would have to be determined.

For a Workshop, the U.S. supports option #3 from the Concept paper of having it after the PAME I 2015 meeting as part of the project execution and after the project is approved.