

March 10, 2010

EPA Region 10
Shell Beaufort Air Permit
1200 6th Ave, Ste. 900
Mail Stop: AWT-107
Seattle, WA 98101



e-mail: R10ocsairpermits@epa.gov

Attention: Ms. Suzanne Skadowski

Subject: Comments on EPA Region 10 Proposed Outer Continental Shelf (OCS) Prevention of Significant Deterioration (PSD) Permit to Construct No. R10OCS/PSD-AK-2010-01 for Shell Offshore Inc. Frontier Discoverer Drillship Beaufort Sea Exploration Drilling Program, dated February 17, 2010

Ukpeaġvik Iñupiat Corporation (UIC) is the Alaska Native Village Corporation of Barrow. Officially incorporated on April 19, 1973 and representing over 2,200 shareholders, UIC is an Alaska Native Claims Settlement Act (ANCSA)-mandated corporation. Our mission is to optimize profits for the growth of the corporation and the socio-economic benefit of our shareholders. Today, we are proud to enrich the lives of our people in many ways. With the wisdom, energy, and ideas of everyone who has contributed to UIC over the last 35 years, we have blossomed into a strong, stable, multi-million dollar corporation with offices in Barrow, Anchorage, Seattle, and other cities across the United States, with virtually limitless opportunities for shareholders and their descendants.

UIC, its employees and their families have benefited from responsible resource extraction in Alaska. Natural resource development, in particular oil and gas exploration, development, and production, has been the lifeblood of Alaska's economy for the past 40 years. Today's declining North Slope oil production threatens Alaska's future economy, and the employment of residents on the North Slope, in Alaska, and across the United States. The greatest opportunity to keep Alaska's economy strong, providing employment to the residents of Barrow, rural villages, Alaska, as well as other citizens across the United States, lies in the culturally sensitive and environmentally responsible exploration and development of Alaska's federal OCS oil and gas leases.

We have confidence in EPA, as a regulator, and Shell, as a prudent and responsible operator, that air quality standards will be met. It is our understanding that EPA has set a high standard for Shell's OCS operations and that Shell has demonstrated substantial commitments to mitigate impacts to air quality in their OCS operations. Shell has estimated impacts using a conservative screening dispersion model based upon minimum dispersion screening meteorological data as baseline, maximized emission factors, and maximum source use emission scenarios. Using these parameters, which resulted in exaggerated impacts, Shell still meets all the National Ambient Air Quality Standards (NAAQS) & Prevention of Significant Deterioration (PSD) standards. Shell has

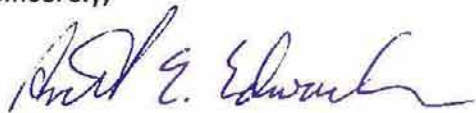
also agreed, and is required, to leave the Camden Bay drilling site to eliminate potential disturbance of the whale hunts so vital to our communities.

Local and shareholder employment and corporate opportunities that are crucial for future economic stability and growth are tied to OCS operations. To gain a better understanding of the actual emissions and potential impacts to air quality, we also request that EPA allow Shell to operate, gathering emission data, to define the actual operating conditions and emissions associated with OCS exploration operations. We also encourage EPA's development of a dispersion model and emission equations that more realistically reflect actual operating conditions and move away from these overly conservative estimates that present exaggerated impacts. All of this information is essential to adequately understand the impacts that may occur as Shell's drilling program progresses from coverage under a construction permit authorization in 2010 to coverage under an operating permit for the 2011 season and beyond.

We also encourage other stakeholders and interested parties to address their concerns in a constructive, not litigious manner during this comment period. Delay of this permit issuance threatens Shell's 2010 program along with employment and contracting opportunities for UIC companies, shareholders and shareholder descendants. Loss of another open water drilling season for Shell also sends a negative message to other operators who have been slow to initiate OCS activities, waiting to see the outcome of Shell's projects that have been stalled by regulatory uncertainty these past several years. Our North Slope communities cannot afford to miss these opportunities to further our sustainability and growth.

In summary, UIC adamantly supports EPA's expeditious issuance of Permit to Construct No. R10OCS/PSD-AK-2010-01 that authorizes air emissions associated with Shell's Beaufort Sea exploration drilling program starting in 2010 operating season. The program will benefit UIC, Barrow, neighboring communities, the North Slope Borough, Alaska, and the country as a whole.

Sincerely,



Anthony E. Edwardsen, President
Ukpeagvik Iñupiat Corporation