

Alaska State Legislature

Session:
State Capitol Rm. 421
Juneau, AK 99801
Phone: (907) 465-3438
Fax: (907) 465-4565




Interim:
716 W 4th Avenue
Anchorage, AK 99501-2133
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Representative Lance Pruitt
Co-Chair, House Energy Committee

MEMORANDUM

To: Rep. Eric Feige
Rep. Paul Seaton

From: Rep. Lance Pruitt 

Date: February 17th, 2011

Re: Hearing Request for House Joint Resolution 9

I respectfully request that House Joint Resolution 9 be scheduled for a hearing in the House Resources Committee. Please feel free to contact me, or my aide Jenna Crouse, at 465-3438 with any questions, thoughts, or ideas. Attached you will find a background packet for House Joint Resolution 9 including a current version of the bill, a sponsor statement, and background information.

Thank you for your consideration.

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Co-Chair, House Energy Committee

Sponsor Statement

HJR 9 Endorsing ANWR Leasing

House Joint Resolution 9 urges the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and development.

The Alaska National Interest Lands Conservation Act of 1980 prohibited leasing or other development leading to production of oil and gas from the Arctic National Wildlife Refuge. Today domestic demand for oil continues to rise while domestic crude production continues to fall, with the result that the United States imports additional oil from foreign sources.

The oil industry has shown at Prudhoe Bay, as well as at other locations along the Arctic coastal plain, that it is capable of conducting responsible oil and gas activity without adversely affecting the environment or wildlife populations.

HJR 9 mirrors and endorses previous Legislature's resolutions in enthusiastically supporting the opening of ANWR for responsible development. It is paramount that the 27th Alaska Legislature joins these past efforts in sending a unified resolution to Congress.

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Summary of Changes from HJR 9 Version A to Draft CS Version B

HJR 9 Endorsing ANWR Leasing

The following language was added to the title paragraph on page 1 line 1:
“relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies.” This change was made to better reflect all of the language included in the resolution.

Removed “any” from page 3 line 21. This sounded redundant in its usage.

Added “and alternative” to page 3 line 22 and page 4 line 5. Alternative adds additional sources of energy generation that renewable alone does not.

“the Alaska State Legislature urges that oil and gas exploration, development, and production” added to page 3 line 29. This was added for clarification.

27-LS0379\B
Luckhaupt/Bullock
2/21/11

CS FOR HOUSE JOINT RESOLUTION NO. 9()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

**Sponsor(s): REPRESENTATIVES PRUITT, Stoltze, Lynn, Johnson, Costello, Hawker, Chenault,
Peggy Wilson, Thompson, Gardner**

A RESOLUTION

1 **Urging the United States Congress to pass legislation to open the coastal plain of the**
2 **Arctic National Wildlife Refuge to oil and gas exploration, development, and**
3 **production; relating to oil and gas exploration, development, production, and royalties;**
4 **and relating to renewable and alternative energy technologies.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **WHEREAS**, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands
7 Conservation Act (ANILCA)), the United States Congress reserved the right to permit further
8 oil and gas exploration, development, and production within the coastal plain of the Arctic
9 National Wildlife Refuge; and

10 **WHEREAS** the oil industry, the state, and the United States Department of the
11 Interior consider the coastal plain to have the highest potential for discovery of very large oil
12 and gas accumulations on the continent of North America, estimated to be as much as
13 10,000,000,000 barrels of recoverable oil; and

14 **WHEREAS** the "1002 study area" is part of the coastal plain located within the North
15 Slope Borough, and many of the residents of the North Slope Borough, who are

1 predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

2 **WHEREAS** oil and gas exploration and development of the coastal plain of the refuge
3 and adjacent land could result in major discoveries that would reduce our nation's future need
4 for imported oil, help balance the nation's trade deficit, and significantly increase the nation's
5 security; and

6 **WHEREAS** the state's future energy independence would be enhanced with
7 additional natural gas production from the North Slope of Alaska including what are expected
8 to be significant gas reserves in the Arctic National Wildlife Refuge, and the development of
9 those reserves would enhance the economic viability of the proposed Alaska Natural Gas
10 Pipeline; and

11 **WHEREAS** domestic demand for oil continues to rise while domestic crude
12 production continues to fall, with the result that the United States imports additional oil from
13 foreign sources; and

14 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
15 Milne Point has resulted in thousands of jobs throughout the United States, and projected job
16 creation as a result of coastal plain oil development will have a positive effect in all 50 states;
17 and

18 **WHEREAS** Prudhoe Bay production is declining; and

19 **WHEREAS** the Trans Alaska Pipeline System, a transportation facility that is a
20 national asset and that would cost billions of dollars to replace, would have its useful physical
21 life extended for a substantial period if the additional reserves of recoverable oil from the
22 coastal plain were produced; and

23 **WHEREAS**, while new oil field developments on the North Slope of Alaska, such as
24 Alpine, Northstar, and West Sak, may temporarily slow the decline in production, only giant
25 coastal plain fields have the theoretical capability of increasing the production volume of
26 Alaska oil to a significant degree; and

27 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge now
28 allows sufficient time for planning environmental safeguards, development, and national
29 security review; and

30 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up only eight
31 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the

1 refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than
2 one-half of one percent of the area of the coastal plain; and

3 **WHEREAS** 8,900,000 of the 19,000,000 acres of the refuge have already been set
4 aside as wilderness; and

5 **WHEREAS** the oil industry has shown at Prudhoe Bay, as well as at other locations
6 along the Arctic coastal plain, that it is capable of conducting oil and gas activity without
7 adversely affecting the environment or wildlife populations; and

8 **WHEREAS** the state will strive to ensure the continued health and productivity of the
9 Porcupine Caribou herd and the protection of land, water, and wildlife resources during the
10 exploration and development of the coastal plain of the Arctic National Wildlife Refuge; and

11 **WHEREAS** the oil and gas industry is developing directional drilling technology that
12 will allow horizontal drilling in a responsible manner by minimizing the development
13 footprint within the Arctic National Wildlife Refuge and this directional drilling technology
14 may be capable of drilling from outside of the boundaries of the 1002 study area; and

15 **WHEREAS** the oil industry is using innovative technology and environmental
16 practices in the new field developments at Alpine and Northstar, and those techniques are
17 directly applicable to operating on the coastal plain and would enhance environmental
18 protection beyond traditionally high standards; and

19 **WHEREAS** the continued competitiveness and stability of the state and its economy
20 require that the Alaska State Legislature consider national trends toward renewable energy
21 development; and

22 **WHEREAS** the Alaska State Legislature encourages the use of revenue from
23 development in the Arctic National Wildlife Refuge for the development of renewable and
24 alternative energy resources in the state;

25 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
26 Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge
27 to oil and gas exploration, development, and production; and be it

28 **FURTHER RESOLVED** that the Alaska State Legislature urges that oil and gas
29 exploration, development, and production activity be conducted in a manner that protects the
30 environment and the naturally occurring population levels of the Porcupine Caribou herd on
31 which the Gwich'in and other local residents depend, that uses directional drilling and other

1 advances in technology to minimize the development footprint in the 1002 study area, and
2 that uses the state's work force to the maximum extent possible; and be it

3 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
4 Congress to pass legislation opening the 1002 study area for oil and gas development while
5 continuing to work on measures for increasing the development and use of renewable and
6 alternative energy technologies; and be it

7 **FURTHER RESOLVED** that the Alaska State Legislature opposes any unilateral
8 reduction in royalty revenue from exploration and development of the coastal plain of the
9 Arctic National Wildlife Refuge and any attempt to coerce the State of Alaska into accepting
10 less than the 90 percent of the oil, gas, and mineral royalties from the federal land in the state
11 that was promised to the state at statehood.

12 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
13 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
14 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
15 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
16 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
17 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,
18 Minority Leader of the U.S. Senate; the Honorable Jeff Bingaman, Chair of the Energy and
19 Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the
20 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
21 members of the Alaska delegation in Congress; and all other members of the 112th United
22 States Congress.

HOUSE JOINT RESOLUTION NO. 9

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PRUITT, Stoltze, Lynn, Johnson, Costello, Hawker, Chenault, Peggy Wilson, Thompson, Gardner

Introduced: 1/18/11

Referred: Resources

A RESOLUTION

1 **Urging the United States Congress to pass legislation to open the coastal plain of the**
2 **Arctic National Wildlife Refuge to oil and gas exploration, development, and**
3 **production.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS**, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands
6 Conservation Act (ANILCA)), the United States Congress reserved the right to permit further
7 oil and gas exploration, development, and production within the coastal plain of the Arctic
8 National Wildlife Refuge; and

9 **WHEREAS** the oil industry, the state, and the United States Department of the
10 Interior consider the coastal plain to have the highest potential for discovery of very large oil
11 and gas accumulations on the continent of North America, estimated to be as much as
12 10,000,000,000 barrels of recoverable oil; and

13 **WHEREAS** the "1002 study area" is part of the coastal plain located within the North
14 Slope Borough, and many of the residents of the North Slope Borough, who are
15 predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

1 **WHEREAS** oil and gas exploration and development of the coastal plain of the refuge
2 and adjacent land could result in major discoveries that would reduce our nation's future need
3 for imported oil, help balance the nation's trade deficit, and significantly increase the nation's
4 security; and

5 **WHEREAS** the state's future energy independence would be enhanced with
6 additional natural gas production from the North Slope of Alaska including what are expected
7 to be significant gas reserves in the Arctic National Wildlife Refuge, and the development of
8 those reserves would enhance the economic viability of the proposed Alaska Natural Gas
9 Pipeline; and

10 **WHEREAS** domestic demand for oil continues to rise while domestic crude
11 production continues to fall, with the result that the United States imports additional oil from
12 foreign sources; and

13 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
14 Milne Point has resulted in thousands of jobs throughout the United States, and projected job
15 creation as a result of coastal plain oil development will have a positive effect in all 50 states;
16 and

17 **WHEREAS** Prudhoe Bay production is declining; and

18 **WHEREAS** the Trans Alaska Pipeline System, a transportation facility that is a
19 national asset and that would cost billions of dollars to replace, would have its useful physical
20 life extended for a substantial period if the additional reserves of recoverable oil from the
21 coastal plain were produced; and

22 **WHEREAS**, while new oil field developments on the North Slope of Alaska, such as
23 Alpine, Northstar, and West Sak, may temporarily slow the decline in production, only giant
24 coastal plain fields have the theoretical capability of increasing the production volume of
25 Alaska oil to a significant degree; and

26 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge now
27 allows sufficient time for planning environmental safeguards, development, and national
28 security review; and

29 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up only eight
30 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the
31 refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than

1 one-half of one percent of the area of the coastal plain; and

2 **WHEREAS** 8,900,000 of the 19,000,000 acres of the refuge have already been set
3 aside as wilderness; and

4 **WHEREAS** the oil industry has shown at Prudhoe Bay, as well as at other locations
5 along the Arctic coastal plain, that it is capable of conducting oil and gas activity without
6 adversely affecting the environment or wildlife populations; and

7 **WHEREAS** the state will strive to ensure the continued health and productivity of the
8 Porcupine Caribou herd and the protection of land, water, and wildlife resources during the
9 exploration and development of the coastal plain of the Arctic National Wildlife Refuge; and

10 **WHEREAS** the oil and gas industry is developing directional drilling technology that
11 will allow horizontal drilling in a responsible manner by minimizing the development
12 footprint within the Arctic National Wildlife Refuge and this directional drilling technology
13 may be capable of drilling from outside of the boundaries of the 1002 study area; and

14 **WHEREAS** the oil industry is using innovative technology and environmental
15 practices in the new field developments at Alpine and Northstar, and those techniques are
16 directly applicable to operating on the coastal plain and would enhance environmental
17 protection beyond traditionally high standards; and

18 **WHEREAS** the continued competitiveness and stability of the state and its economy
19 require that the Alaska State Legislature consider national trends toward renewable energy
20 development; and

21 **WHEREAS** the Alaska State Legislature encourages the use of revenue from any
22 development in the Arctic National Wildlife Refuge for the development of renewable energy
23 resources in the state;

24 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
25 Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge
26 to oil and gas exploration, development, and production, and that the Alaska State Legislature
27 is adamantly opposed to further wilderness or other restrictive designation in the area of the
28 coastal plain of the Arctic National Wildlife Refuge; and be it

29 **FURTHER RESOLVED** that that activity be conducted in a manner that protects the
30 environment and the naturally occurring population levels of the Porcupine Caribou herd on
31 which the Gwich'in and other local residents depend, that uses directional drilling and other

1 advances in technology to minimize the development footprint in the 1002 study area, and
2 that uses the state's work force to the maximum extent possible; and be it

3 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
4 Congress to pass legislation opening the 1002 study area for oil and gas development while
5 continuing to work on measures for increasing the development and use of renewable energy
6 technologies; and be it

7 **FURTHER RESOLVED** that the Alaska State Legislature opposes any unilateral
8 reduction in royalty revenue from exploration and development of the coastal plain of the
9 Arctic National Wildlife Refuge and any attempt to coerce the State of Alaska into accepting
10 less than the 90 percent of the oil, gas, and mineral royalties from the federal land in the state
11 that was promised to the state at statehood.

12 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
13 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
14 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
15 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
16 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
17 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,
18 Minority Leader of the U.S. Senate; the Honorable Jeff Bingaman, Chair of the Energy and
19 Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the
20 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
21 members of the Alaska delegation in Congress; and all other members of the 112th United
22 States Congress.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version HJR 009
 () Publish Date _____

HJR009-LEG-COU-2-21-11
 Title "Endorsing ANWR Leasing" Dept. Affected Legislature
 Appropriation Legislative Council
 Allocation Session Expenses
 Sponsor Representative Pruitt
 Requester House Resources Committee OMB Component Number 782

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version

Prepared by Shane Miller, Finance Manager
 Division Administrative Services Division
 Approved by Pamela Varni, Executive Director
Legislative Affairs Agency

Phone 465-6626
 Date/Time 2/21/11 11:16 AM
 Date 2/21/2011

Analysis

This fiscal note has zero impact on the Legislative Affairs Agency.