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Nauman
2/18/15

CS FOR SENATE JOINT RESOLUTION NO. 13(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR COGHILL

A RESOLUTION

Supporting oil and gas exploration and development on the outer continental shelf offshore of the state; opposing attempts to prohibit future oil and gas development in the Beaufort and the Chukchi Seas, including the Hanna Shoal area; and requesting that the federal Administration cease and desist from restrictions that adversely affect active or future leases in high petroleum potential areas in the Beaufort and Chukchi Seas, including the Hanna Shoal area.

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

WHEREAS residents of the state, concerned with the economy of the state for this generation and generations to come, vehemently oppose the action taken by President Barack Obama on January 27, 2015, under the alleged authority of 43 U.S.C. 1341(a) (sec. 12(a) of the Outer Continental Shelf Lands Act), to withdraw significant oil-rich portions of the Beaufort Sea Planning Area and the Chukchi Sea Planning Area from consideration for any future oil or gas leasing for purposes of exploration, development, or production; and

WHEREAS, while portions of the Beaufort Sea Planning Area and the Chukchi Sea

1 Planning Area were deferred in previous lease sales, the new plan would block new leases in
2 high petroleum potential areas, including the Hanna Shoal area; and

3 **WHEREAS** the Outer Continental Shelf Lands Act, created on August 7, 1953,
4 defined the outer continental shelf as the submerged land lying seaward of state coastal
5 waters, which is three miles offshore, that is under United States jurisdiction; and

6 **WHEREAS**, under the Outer Continental Shelf Lands Act, the United States
7 Secretary of the Interior is responsible for the administration of mineral exploration and
8 development of the outer continental shelf; and

9 **WHEREAS**, under the Outer Continental Shelf Lands Act, the United States
10 Secretary of the Interior may grant leases to the highest qualified responsible bidder based on
11 sealed competitive bids and adopt regulations as necessary to carry out the provisions of the
12 Act; and

13 **WHEREAS** meeting national energy needs was a primary purpose of the Outer
14 Continental Shelf Lands Act Amendments of 1978 (P.L. 95-372); and

15 **WHEREAS** the Outer Continental Shelf Lands Act Amendments of 1978 established
16 criteria for the outer continental shelf leasing program and required the United States
17 Secretary of the Interior to formulate an outer continental shelf leasing program that would
18 "best meet national energy needs for the five-year period following its approval or
19 reapproval"; and

20 **WHEREAS** the Bureau of Ocean Energy Management, United States Department of
21 the Interior, is responsible for managing oil and gas resources on the outer continental shelf
22 and developing a five-year schedule of lease sales; and

23 **WHEREAS** the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Draft
24 Proposed Program issued by the Bureau of Ocean Energy Management is the first in a series
25 of three proposals in the staged development process of the program; and

26 **WHEREAS** the Alaska Region is the largest region of the outer continental shelf and
27 covers over 1,035,000,000 acres, including offshore areas such as the Beaufort Sea, the
28 Chukchi Sea, Cook Inlet, and the Gulf of Alaska; and

29 **WHEREAS** the Alaska Region of the outer continental shelf consists of 15 planning
30 areas; and

31 **WHEREAS** sales have been held in eight of the planning areas over the years, the

1 most recent of which was held in 2008; and

2 **WHEREAS** there are existing federal leases in two planning areas, the Beaufort Sea
3 and the Chukchi Sea, and both planning areas can be developed in an environmentally
4 responsible manner; and

5 **WHEREAS** the Beaufort and Chukchi Seas are two outer continental shelf areas that
6 have the potential to provide oil to extend the operation of the Trans Alaska Pipeline System
7 for the benefit of all resident workers; and

8 **WHEREAS**, in public comments on the 2012-2017 program, the state and others
9 stated that extending operations of the Trans Alaska Pipeline System is a priority; and

10 **WHEREAS** the Trans Alaska Pipeline System is currently operating at approximately
11 one-quarter of its capacity, and the continued operations of the system depend on new
12 discoveries; and

13 **WHEREAS**, in the Chukchi Sea Planning Area, Sale 193, the most recent sale in this
14 area, was held in February 2008 and generated more than \$2,600,000,000 in revenue; and

15 **WHEREAS** there are 460 existing leases in the Chukchi Sea Planning Area, all issued
16 in Sale 193; and

17 **WHEREAS** the 2012-2017 program scheduled one sale in the Chukchi Sea Planning
18 Area for 2016; and

19 **WHEREAS** the Chukchi Sea Planning Area has the greatest potential to provide the
20 hydrocarbons necessary to extend the operations of the Trans Alaska Pipeline System and
21 provide the volumes of gas needed to make construction of a North Slope natural gas pipeline
22 economically viable; and

23 **WHEREAS** the state continues to express its support of oil and gas activity on the
24 outer continental shelf offshore of the state; and

25 **WHEREAS** the state has expressed a preference for more lease sales on an area-wide
26 basis, rather than by targeted leasing;

27 **BE IT RESOLVED** that the Alaska State Legislature continues to support oil and gas
28 exploration and development on the outer continental shelf offshore of the state; and be it

29 **FURTHER RESOLVED** that the Alaska State Legislature vehemently opposes any
30 attempt by the federal Administration to prohibit, without adequate public process, the future
31 option for oil and gas development in oil-rich portions of the Beaufort Sea Planning Area and

1 the Chukchi Sea Planning Area, including the Hanna Shoal area; and be it

2 **FURTHER RESOLVED** that the Alaska State Legislature requests that the federal
3 government cease and desist from restrictions that adversely affect active or future oil leases
4 in oil-rich portions of the Beaufort and Chukchi Seas, including the Hanna Shoal area.

5 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
6 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
7 President of the U.S. Senate; the Honorable John Boehner, Speaker of the U.S. House of
8 Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of
9 Representatives; the Honorable Mitch McConnell, Majority Leader of the U.S. Senate; the
10 Honorable Harry Reid, Minority Leader of the U.S. Senate; the Honorable Eric H. Holder, Jr.,
11 Attorney General of the United States; the Honorable Sally Jewell, United States Secretary of
12 the Interior; the Honorable Hilary Tompkins, Solicitor, U.S. Department of the Interior; the
13 Honorable Daniel M. Ashe, Director of the U.S. Fish and Wildlife Service; Robert Dreher,
14 Acting Assistant Attorney General for the Environment and Natural Resources Division; and
15 the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S. Senators, and the
16 Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.