STATE OF ALASKA THE LEGISLATURE

2015

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Urging the governor and the attorney general to pursue all legal and legislative options to open the coastal plain of the Arctic National Wildlife Refuge and areas of the Chukchi and Beaufort Seas to oil and gas exploration, development, and production; and urging the governor and the Legislative Budget and Audit Committee to work with the United States Congress to enact measures necessary to prevent President Barack Obama and federal agencies from implementing regulations that place landscape characteristic restrictions on the Arctic National Wildlife Refuge that are equivalent to the restrictions placed on land given a wilderness designation.

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

WHEREAS the state is experiencing steep declines in revenue from oil and gas production taxes and royalties on the North Slope as a result of decreasing oil production and plummeting oil prices; and

WHEREAS 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands Conservation Act) prohibits oil and gas production as well as leasing or other development

leading to production of oil and gas from the Arctic National Wildlife Refuge until the activity is authorized by an Act of Congress; and

WHEREAS, on April 3, 2015, the United States Department of the Interior, United States Fish and Wildlife Service, issued its Record of Decision on the Arctic National Wildlife Refuge Revised Comprehensive Conservation Plan, recommending that the United States Congress designate the coastal plain of the Arctic National Wildlife Refuge and other core areas of the refuge as wilderness, the highest level of protection, prohibiting oil and gas development in the refuge; and

WHEREAS, on April 3, 2015, the United States Department of the Interior, United States Fish and Wildlife Service, issued its Record of Decision on the Arctic National Wildlife Refuge Revised Comprehensive Conservation Plan, which provides for the continued prohibition of oil and gas leasing, drilling, and extraction of oil and gas for commercial purposes, including all associated above and below ground facilities; and

WHEREAS President Barack Obama and the United States Fish and Wildlife Service express the intention not only to block oil and gas exploration and development on the coastal plain of the Arctic National Wildlife Refuge, but also to permanently block any future oil and gas exploration and development in that area by asking the United States Congress to designate the coastal plain as wilderness by an Act of Congress; and

WHEREAS, on January 27, 2015, President Barack Obama signed a presidential memorandum providing for the withdrawal from disposition by leasing for a time period without specific expiration of (1) the areas of the Outer Continental Shelf currently designated by the Bureau of Ocean Energy Management as leasing deferral areas within the Chukchi Sea Planning Area and the Beaufort Sea Planning Area in the five-year oil and gas leasing program for 2012-2017; and (2) the Hanna Shoal region of the Chukchi Sea Planning Area lying within the contours of the 40-meter isobath; and

WHEREAS the withdrawal from disposition by leasing prevents consideration of those areas for any future oil or gas leasing for purposes of exploration, development, or production; and

WHEREAS sec. 6(i) of the Alaska Statehood Act (P.L. 85-508) recognizes the critical importance of revenue from natural resource development to the economic viability of the state by including all mineral deposits in land conveyed to the state and requiring the state to

reserve its right in mineral deposits in all land received from the federal government; and

WHEREAS 30 U.S.C. 191 requires that 90 percent of the money received from sales, bonuses, and royalties, including interest charges collected under 30 U.S.C. 1701 et seq. (Federal Oil and Gas Royalty Management Act of 1982), be paid to the state for disposition by the legislature; and

WHEREAS the leasing of the coastal plain of the Arctic National Wildlife Refuge for oil and gas development would provide a source of funds for the costs of providing state services to the people of the state; and

WHEREAS, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands Conservation Act), the United States Congress authorized nondrilling exploratory activity within the coastal plain of the Arctic National Wildlife Refuge; and

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

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

WHEREAS the state recognizes and respects the right of Native landowners in and adjacent to the Arctic National Wildlife Refuge 1002 study area, including the rights of the Arctic Slope Regional Corporation and the Kaktovik Inupiat Corporation to develop their land and resources entitlements under the Alaska Native Claims Settlement Act and other agreements; and

WHEREAS oil and gas exploration and development of the coastal plain of the refuge, of adjacent land, and in the Chukchi and Beaufort Seas could result in major discoveries that would reduce our nation's dependency on oil produced by hostile foreign nations, help balance the nation's trade deficit, and significantly increase the nation's security; and

WHEREAS the state's and the nation's future energy independence would be enhanced with additional natural gas production from the North Slope of Alaska, including what are expected to be significant gas reserves in the Arctic National Wildlife Refuge and

the Chukchi and Beaufort Seas, and the development of those reserves would enhance the economic viability of the proposed Alaska liquefied gas project; and

WHEREAS domestic demand for energy continues to rise, and a reliable and secure source of domestic oil and gas ensures ongoing economic security for the state and the nation; and

WHEREAS development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point has resulted in thousands of jobs throughout the United States, and projected job creation as a result of oil and gas development on the coastal plain and in the Chukchi and Beaufort Seas will have a positive effect in all 50 states; and

WHEREAS the Trans Alaska Pipeline System, a national asset that would cost billions of dollars to replace, would have its useful operating life extended for a substantial period if the additional reserves of recoverable oil from the coastal plain and Chukchi and Beaufort Seas were produced; and

WHEREAS the Trans Alaska Pipeline System is currently being extended to leases at Point Thomson, an area bordering the Arctic National Wildlife Refuge, and oil produced in the Arctic National Wildlife Refuge would require only the additional construction of a pipeline to Point Thomson to deliver oil to market; and

WHEREAS opening the coastal plain of the Arctic National Wildlife Refuge and allowing leasing and exploration in the Chukchi and Beaufort Seas would permit sufficient time for planning environmental safeguards, development, and national security review; and

WHEREAS the 1,500,000-acre coastal plain of the refuge makes up less than eight percent of the 19,000,000-acre refuge, and development of the oil and gas reserves in the refuge's coastal plain would affect a limited area as defined by the United States Congress; and

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

WHEREAS 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 oil and gas activity without adversely affecting the environment or wildlife populations; and

WHEREAS the oil and gas industry has developed directional drilling technology that will allow horizontal drilling in a responsible manner by minimizing the development

footprint within the Arctic National Wildlife Refuge, and that directional drilling technology is capable of drilling from outside of the boundaries of the 1002 study area; and

WHEREAS the oil industry is using innovative technology and environmental practices in new field developments, and those techniques are directly applicable to operating on the coastal plain and in the Chukchi and Beaufort Seas and would enhance environmental protection beyond traditionally high standards; and

WHEREAS the state recognizes that the economic prosperity of the state and nation is dependent on available, reliable, and affordable energy;

BE IT RESOLVED that the Alaska State Legislature urges the governor to work with the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge and the Chukchi and Beaufort Seas to oil and gas exploration, development, and production; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the governor and the Legislative Budget and Audit Committee to work with the United States Congress to enact measures necessary to prevent President Barack Obama, the United States Fish and Wildlife Service, the Department of the Interior, and other federal agencies from implementing regulations that place landscape characteristic restrictions on the Arctic National Wildlife Refuge that are equivalent to the restrictions placed on land given a wilderness designation; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the governor and the attorney general to take all legal action necessary to prevent President Barack Obama, the United States Fish and Wildlife Service, the United States Department of the Interior, and other federal agencies from unlawfully blocking oil and gas leasing, exploration, and development on the coastal plain of the Arctic National Wildlife Refuge and in the Chukchi and Beaufort Seas.