

# STATE OF ALASKA THE LEGISLATURE

## 2015

### THIRD SPECIAL SESSION

**Source**

CSSJR 301(RES) am

**Legislative  
Resolve No.**

30



Opposing the recent decisions to cancel future lease sales in the Chukchi and Beaufort Seas and to deny the suspension of Shell and Statoil's leases; urging the United States Department of the Interior to continue to promote oil exploration in the Chukchi and Beaufort Seas; urging the United States Bureau of Safety and Environmental Enforcement to reconsider and approve requests from Shell and Statoil for lease suspensions in the Chukchi Sea Planning Area and Beaufort Sea Planning Area; urging the Alaska Congressional delegation to continue its efforts to achieve consistent and equitable outer continental shelf revenue sharing for the state; urging the United States Congress to provide a means for equitable outer continental shelf revenue sharing across all coastal oil and gas producing states to ensure the states develop necessary infrastructure to support outer continental shelf development and preserve environmental integrity; and urging the ongoing efforts to develop offshore oil and gas in the Arctic Outer Continental Shelf.

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

**WHEREAS** the state contains a world-class hydrocarbon basin holding over 30 percent of the nation's technically recoverable oil and gas resources; and

**WHEREAS** Arctic Outer Continental Shelf oil and gas development would supply natural gas to the Alaska liquefied natural gas project, ensuring the long-term success of the project; and

**WHEREAS** the United States Bureau of Ocean Energy Management estimates the existence of 4,300,000,000 barrels of oil in the Chukchi Sea; and

**WHEREAS** the state has a rich history of developing its resources in a sustainable and responsible manner; and

**WHEREAS** the state can demonstrate its history of safely developing its fisheries, timber, and oil and gas resources; and

**WHEREAS** it is in the best interests of the state to continue the safe and responsible development of resources in the state; and

**WHEREAS**, before the sale, lease, or other disposition of state land, resources, or property, the state, through the division of oil and gas, issues a best interest finding that considers and discusses certain topics, including the reasonably foreseeable effects of the disposal on the area's fish and wildlife, historic and cultural resources, and communities, and incorporates mitigation measures that are designed to protect the landscape; and

**WHEREAS** the design and evolution of the best interest finding, in many cases, matches or, in some cases, exceeds federal standards imposed in federally controlled areas still available for oil and gas exploration and development; and

**WHEREAS** the state imposes standards to protect the landscape, including limiting the timing and intensity of travel on the tundra so that winter travel on temporary roads will do the least amount of damage; and

**WHEREAS** the state enforces strict requirements for oil discharge and contingency plans for all operators on the Alaska North Slope; and

**WHEREAS** the state has taken proactive measures, including deferring areas in the state's Beaufort Sea lease sale area where subsistence activity occurs, including areas immediately adjacent to Cross Island, where whaling crews from Nuiqsut have set up their whaling camp; and

**WHEREAS** the state will continue actively to address environmental standards, including modern mitigation standards that protect subsistence activities on the Alaska North Slope; and

**WHEREAS** the federal government has developed plans for leasing on a long-term basis, including plans for annual lease sales in the Chukchi Sea and Beaufort Sea Planning Areas in the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program; and

**WHEREAS** the United States Department of the Interior published a 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program, which proposes one lease sale each in the Chukchi Sea and Beaufort Sea Planning Areas; and

**WHEREAS** the federal government has limited immediate opportunities in several areas in the Arctic, including, most importantly, the Arctic National Wildlife Refuge, the National Petroleum Reserve - Alaska, and the Arctic Outer Continental Shelf; and

**WHEREAS**, under the Gulf of Mexico Energy Security Act of 2006, the federal government recognizes the effect that oil and gas development in federal offshore areas has on the states of Alabama, Louisiana, Mississippi, and Texas, and recognizes the contributions to national energy, security, and economic interests made by sharing with those states 37.5 percent of revenue from leases covered under phase one of the Gulf of Mexico Energy Security Act of 2006; phase two of the Gulf of Mexico Energy Security Act of 2006 expands the definition of "qualified outer continental shelf revenue" and continues to share revenue on an adjacency factor but includes an annual revenue-sharing cap of \$500,000,000 that applies through 2055; and

**WHEREAS** the federal government fails to recognize the same effects on and contributions made by other oil and gas producing states adjacent to federal outer continental shelf areas, such as this state; and

**WHEREAS**, had outer continental shelf revenue sharing of 37.5 percent been in place since 2003, the state would have benefitted from additional revenue, in an amount estimated to be between \$942,000,000 and \$1,300,000,000, for necessary infrastructure, such as marine ports, airports, utilities, and housing, and increased state services, such as oil spill and emergency response and environmental monitoring and mitigation; and

**WHEREAS**, on October 16, 2015, the United States Department of the Interior cancelled future outer continental shelf oil and gas lease sales in the Chukchi Sea Planning

Area and Beaufort Sea Planning Area, scheduled for 2016 and 2017, respectively; and

**WHEREAS**, on October 16, 2015, the United States Bureau of Safety and Environmental Enforcement denied requests from Shell and Statoil for lease suspensions in the Chukchi Sea Planning Area and Beaufort Sea Planning Area; and

**WHEREAS**, by actively managing its property, the state can induce the federal government to continue to pursue hydrocarbon resources in the Arctic; and

**WHEREAS** the state should form a strategic alliance with all affected local municipalities to identify the long-term needs of the state and local entities for rights-of-ways for critical infrastructure; and

**WHEREAS** the Department of the Interior needs guidance from the state on the number of lease sales and the timing of those lease sales;

**BE IT RESOLVED** that the Alaska State Legislature opposes the recent decisions of the Obama Administration to cancel future lease sales in the Chukchi and Beaufort Seas and to deny the suspension of Shell and Statoil's leases; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the United States Department of the Interior to reconsider its actions and continue to promote oil and gas exploration in the Chukchi and Beaufort Seas; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the Alaska Congressional delegation to continue its efforts to achieve consistent and equitable outer continental shelf revenue sharing for this state, as is granted the Gulf States of Alabama, Louisiana, Mississippi, and Texas; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the United States Congress to provide a means for equitable outer continental shelf revenue sharing across all coastal oil and gas producing states to ensure the states develop necessary infrastructure to support outer continental shelf development and preserve environmental integrity; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the United States Bureau of Safety and Environmental Enforcement to reconsider and approve requests from Shell and Statoil for lease suspensions in the Chukchi Sea Planning Area and Beaufort Sea Planning Area; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the Obama Administration to support ongoing efforts to develop offshore oil and gas in the Arctic Outer

Continental Shelf responsibly and acknowledge the need for equitable revenue sharing with oil and gas producing states adjacent to federal outer continental shelf areas.

**COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Paul D. Ryan, Speaker of the U.S. House of Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the Honorable Mitch McConnell, Majority Leader of the U.S. Senate; the Honorable Harry Reid, Minority Leader of the U.S. Senate; the Honorable Loretta Lynch, Attorney General of the United States; the Honorable Sally Jewell, United States Secretary of the Interior; the Honorable Hilary Tompkins, Solicitor, U.S. Department of the Interior; the Honorable Daniel M. Ashe, Director of the U.S. Fish and Wildlife Service; the Honorable John C. Cruden, Assistant Attorney General for the Environment and Natural Resources Division; Brian Salerno, Director of the Bureau of Safety and Environmental Enforcement; Richard L. Trumka, President of the AFL-CIO; James P. Hoffa, General President of the International Brotherhood of Teamsters; and the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.