

ALASKA STATE LEGISLATURE

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Sponsor Statement – HJR 20

HJR 20 urges that the Bureau of Land Management (BLM) withdraw a proposed rule affecting the National Petroleum Reserve in Alaska (NPR-A). The Resolution also urges meaningful engagement with tribes, local governments and impacted communities.

There are many flaws with this proposed policy. In short, the rule lacks meaningful engagement, lacks legal durability and has flawed economics.

Lack of meaningful engagement. The timing and rollout of the rule-making was messy. The BLM disregarded the fall subsistence hunting and whaling seasons within my district, despite pleas from my constituents to extend the comment period and engage in formal consultation outside of traditional hunting and whaling times. Yet, BLM ignored those multiple requests. Inadequate time was granted for organizations to respond meaningfully during the public comment period and the BLM's engagement with impacted communities was woefully insufficient. The BLM failed to engage with impacted communities and organizations as required by federal law and agency policy. This all came at a time when Alaskans were asked to comment on multiple projects with overlapping public comment periods to include the cancellation of leases within the 1002 Area and Ambler Road projects.

Lack of legal durability. The proposed rule fundamentally alters NPR-A's purpose and contravenes both Naval Petroleum Reserves Production Act (NPRPA) and congressional intent. The NPR-A was originally created in 1923 for the purposes of oil and gas development. Later in 1980, the NPRPA amendments directed the Secretary of Interior to "conduct an expeditious program of competitive leasing" in the area. However, the BLM's proposed rule will treat 13.1 million acres of Special Areas in the NPR-A as defacto wilderness. This rule lacks legal durability because only Congress has the authority to set forth national energy policy, and this proposed rule seeks to usurp Congressional authority. Further, it has the potential to impact future development within the NPR-A because it shifts the national energy policy focus from responsible development to surface estate conservation. This has the potential to impact future leasing and development with the NPR-A, as well as potential tie-ins of satellite fields to the Trans Alaska Pipeline. That is unacceptable for Alaska.

Flawed economics. Finally, the BLM failed to adequately assess the economic impact this proposed rule would have on North Slope communities, the Federal Treasury, and the greater State of Alaska. They did not account for the lost revenue to the North Slope Borough, the Federal Treasury, and Alaskan businesses. Furthermore, they did not identify or assign value to the increased costs in services to Alaskans by the Federal or State governments as a result of the economic suffocation this proposed rule would impose.

If the proposed rule is published, our ability to continue exploring and producing for oil and gas in the NPR-A will be negatively impacted. It's important to say again, the NPR-A was set aside for the purpose of protecting our national energy security. This will negatively impact our ability to increase oil flowing through the Trans Alaska Pipeline from the NPR-A. Our governments, organizations and residents will be negatively impacted from the loss of revenue, jobs and the multiplier effect of the resource dollars.