

# ALASKA STATE LEGISLATURE

## Session

State Capitol, Rm. 419  
Juneau, AK 99801  
(907) 465-2435  
Fax: (907) 465-6615

## Interim

716 W. 4<sup>th</sup> Ave, Ste. 430  
Anchorage, AK 99501  
(907) 269-0120  
Fax: (907) 269-0122



State Affairs Committee

Joint Armed Services Committee

Judiciary Committee

In-State Energy Committee

Senator.Bill.Wielechowski@akleg.gov

## SENATOR BILL WIELECHOWSKI

### Sponsor Statement: SJR 5

### Sharing Revenue from Oil Development off Alaska's Coast

Senate Joint Resolution 5 calls on Congress to provide Alaska and other coastal states with a fair share of revenue from oil and gas leasing and development in the outer continental shelf, or OCS.

Under the Mineral Lands Leasing Act of 1920, the federal government shares with states 50 percent of revenue generated from mineral production on federal lands within each state's boundaries. The shared mineral revenue is distributed to the states automatically, outside of the budget process. Unfortunately, there is no comparable authority for the federal government to automatically share revenue from oil and gas activities occurring 6 miles or more offshore with adjacent coastal states.

For years coastal states have argued that they deserve a share of OCS revenues because they provide the infrastructure that supports offshore operations and bear the environmental risks of offshore development. On several occasions, Congress has recognized this vital contribution and has created revenue sharing programs, most of which have been temporary or extended to only a handful of states.

Under the most recent of these, the federal government agreed to give Alabama, Louisiana, Mississippi, and Texas 37.5 percent of revenue from oil and gas leasing and development in newly opened federal waters in the Gulf of Mexico. This Act is expected to distribute more than \$60 billion to those 4 states over the next 25 years. Alaska was excluded from this program despite the efforts of our congressional delegation.

This resolution supports the position that all coastal states with adjacent OCS development should receive, on a regular and ongoing basis, a fair share of revenue from OCS activities as compensation and reward for their contribution to the nation's energy security.

Since statehood, oil and gas activities from Alaska's OCS have generated billions for the federal government. If a revenue sharing program like that in the Gulf of Mexico had been in place in 2008 when the latest Chukchi Sea sale took place, Alaska would have received \$975 million from this sale alone.

And more leasing and development are likely to occur in the future as 2/3 of the nation's OCS is off our coast with as much as 55 billion barrels of technically recoverable oil and 280 trillion cubic feet of technically recoverable gas.

Revenue sharing as advocated by this resolution has the support of Alaska's congressional delegation, the Administration, and representatives of those coastal communities most affected by offshore oil and gas development. I urge you to give it your full support.