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Bullock
2/27/13

CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 3()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS MICCICHE, French, McGuire, Meyer, Gardner, Giessel, Bishop, Fairclough, Stedman, Dunleavy, Dyson, Kelly

A RESOLUTION

1 **Urging the United States Congress to pass legislation to open the coastal plain of the**
2 **Arctic National Wildlife Refuge to oil and gas exploration, development, and**
3 **production; relating to oil and gas exploration, development, production, and royalties;**
4 **and relating to renewable and alternative energy technologies.**

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

6 **WHEREAS, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands**
7 **Conservation Act), the United States Congress reserved the right to permit further oil and gas**
8 **exploration, development, and production within the coastal plain of the Arctic National**
9 **Wildlife Refuge; and**

10 **WHEREAS the oil industry, the state, and the United States Department of the**
11 **Interior consider the coastal plain to have the highest potential for discovery of very large oil**
12 **and gas accumulations on the continent of North America, estimated to be as much as**
13 **10,000,000,000 barrels of recoverable oil; and**

14 **WHEREAS the "1002 study area" is part of the coastal plain located within the North**
15 **Slope Borough, and many of the residents of the North Slope Borough, who are**

1 predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

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

6 **WHEREAS** the state's and the nation's future energy independence would be
7 enhanced with additional natural gas production from the North Slope of Alaska including
8 what are expected to be significant gas reserves in the Arctic National Wildlife Refuge, and
9 the development of those reserves would enhance the economic viability of the proposed
10 Alaska Natural Gas Pipeline; and

11 **WHEREAS** domestic demand for energy continues to rise, and the United States
12 continues to depend on imports of oil from foreign sources; and

13 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
14 Milne Point has resulted in thousands of jobs throughout the United States, and projected job
15 creation as a result of coastal plain oil development will have a positive effect in all 50 states;
16 and

17 **WHEREAS** North Slope production is declining; and

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

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

25 **WHEREAS**, while new oil field developments on the North Slope of Alaska may
26 temporarily slow the decline in production, only allowing access to the state's coastal plain
27 fields would enable the production volume of Alaska oil to increase to a significant degree;
28 and

29 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge now
30 allows sufficient time for planning environmental safeguards, development, and national
31 security review; and

1 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up less than eight
2 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the
3 refuge's coastal plain would affect an area of not more than 2,000 acres, which is less than
4 one-tenth of one percent of the area of the coastal plain; and

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

7 **WHEREAS** the oil industry has shown at Prudhoe Bay, as well as at other locations
8 along the Arctic coastal plain, that it is capable of conducting oil and gas activity without
9 adversely affecting the environment or wildlife populations; and

10 **WHEREAS** the state will continue to strive to ensure the ongoing health and
11 productivity of the Porcupine and Central Arctic caribou herds and the protection of land,
12 water, and wildlife resources during the exploration and development of the coastal plain of
13 the Arctic National Wildlife Refuge; and

14 **WHEREAS** the oil and gas industry has developed directional drilling technology that
15 will allow horizontal drilling in a responsible manner by minimizing the development
16 footprint within the Arctic National Wildlife Refuge, and this directional drilling technology
17 may be capable of drilling from outside of the boundaries of the 1002 study area; and

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

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

24 **WHEREAS** the state promotes the development of renewable and alternative energy
25 resources and created the Alaska Energy Authority to assist the state in advancing new energy
26 projects and technology; and

27 **WHEREAS** the Alaska State Legislature encourages the use of revenue from
28 development in the Arctic National Wildlife Refuge for the development of renewable and
29 alternative energy resources in the state;

30 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
31 Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge

1 to oil and gas exploration, development, and production; and be it

2 **FURTHER RESOLVED** that the Alaska State Legislature urges that oil and gas
3 exploration, development, and production activity be conducted in a manner that protects the
4 environment and the naturally occurring population levels of the Porcupine caribou herd on
5 which the Gwich'in and other local residents depend, that uses directional drilling and other
6 advances in technology to minimize the development footprint in the 1002 study area, and
7 that uses the state's work force to the maximum extent possible; and be it

8 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
9 Congress to pass legislation opening the 1002 study area for oil and gas development while
10 continuing to work on measures for increasing the development and use of renewable and
11 alternative energy technologies; and be it

12 **FURTHER RESOLVED** that the Alaska State Legislature opposes any unilateral
13 reduction in royalty revenue from exploration and development of the coastal plain of the
14 Arctic National Wildlife Refuge and any attempt to coerce the State of Alaska into accepting
15 less than the 90 percent of the oil, gas, and mineral royalties from the federal land in the state
16 that was promised to the state at statehood.

17 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
18 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
19 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
20 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
21 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
22 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,
23 Minority Leader of the U.S. Senate; the Honorable Ron Wyden, Chair of the Energy and
24 Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the
25 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
26 members of the Alaska delegation in Congress; and all other members of the 113th United
27 States Congress.