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Nauman
2/12/15

SENATE CS FOR HOUSE JOINT RESOLUTION NO. 9(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES TALERICO, Colver, Lynn, Millett, Chenault, Saddler, Hughes, Hawker, Olson, Herron, Pruitt, Johnson, Thompson, Wilson, Reinbold, LeDoux, Stutes, Tilton

SENATORS Costello, Stoltze, Coghill, Kelly, Dunleavy, Olson, Stevens, Micciche, Bishop, MacKinnon, Giessel, Egan, Stedman, Huggins, Meyer

A RESOLUTION

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas development; urging the United States Department of the Interior to recognize the private property rights of owners of land in and adjacent to the Arctic National Wildlife Refuge; relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies.

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

WHEREAS, in 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands Conservation Act), the United States Congress reserved the right to permit oil and gas development and production within the coastal plain of the Arctic National Wildlife Refuge; 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 (the "1002 study area"); and

1 **WHEREAS** the oil industry, the state, and the United States Department of the
2 Interior consider the coastal plain to have the highest potential for discovery of very large oil
3 and gas accumulations on the continent of North America, estimated to be as much as
4 10,000,000,000 barrels of recoverable oil; and

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

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

12 **WHEREAS** the state's and the nation's future energy independence would be
13 enhanced with additional natural gas production from the North Slope of Alaska, including
14 what are expected to be significant gas reserves in the Arctic National Wildlife Refuge, and
15 the development of those reserves would enhance the economic viability of the proposed
16 liquefied natural gas project; and

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

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

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

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

29 **WHEREAS**, while new oil field developments on the North Slope of Alaska may
30 temporarily slow the decline in production, only allowing access to the state's coastal plain
31 fields would enable the production volume of Alaska oil to increase by up to 700,000 barrels a

1 day; and

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

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

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

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

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

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

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

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

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

31 **WHEREAS** the Alaska State Legislature encourages the use of revenue from

development in the Arctic National Wildlife Refuge for the development of renewable and alternative energy resources in the state;

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

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

FURTHER RESOLVED that the Alaska State Legislature urges the United States Department of the Interior to recognize and respect the rights 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 resource entitlements received under the Alaska Native Claims Settlement Act and other agreements; and be it

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

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 Sally Jewell, United States Secretary of the Interior; the Honorable John Boehner, 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 Lisa Murkowski, Chair of the Energy and Natural Resources Committee of the U.S. Senate; the Honorable Dan Sullivan, U.S. Senator,

- 1 and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
2 Congress; and all other members of the 114th United States Congress.