

STATE OF ALASKA THE LEGISLATURE

2017

Source

SCS CSHJR 5(ARC)

**Legislative
Resolve No.**

2



Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas development; 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

WHEREAS the oil industry, the state, and the United States Department of the Interior consider the coastal plain to have the highest potential for discovery of very large oil and gas accumulations on the continent of North America, estimated to be as much as

10,000,000,000 barrels of recoverable oil; and

WHEREAS, in 1998, the United States Geological Survey estimated the central North Slope and 1002 study area combined could contain up to 46,000,000,000,000 cubic feet of natural gas; and

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

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

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

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

WHEREAS North Slope production has declined significantly in the last decade and is forecasted to continue to decline; and

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

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

WHEREAS, while new oil field developments on the North Slope of Alaska may temporarily slow the decline in production, only allowing access to the state's coastal plain

fields would enable the production volume of Alaska oil to increase by up to 700,000 barrels a day; and

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

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

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

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

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

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

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

WHEREAS, in December 2016, President Barack Obama, through executive action, closed 125,000,000 acres of the Arctic Ocean, a vast majority of the United States Arctic offshore water, from future leasing consideration, thus preventing extraction of an estimated 27,000,000,000 barrels of oil; and

WHEREAS the Alaska Congressional delegation decried the executive action; and

WHEREAS the executive action threatens future development and national energy security; and

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

WHEREAS the state promotes the development of renewable and alternative energy resources; and

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 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 Donald J. Trump, President of the United States; the Honorable Michael R. Pence, Vice President of the United States and President of the U.S. Senate; the United States Secretary of the Interior; 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 Charles E. Schumer, Minority Leader of the U.S. Senate; the Honorable Lisa Murkowski, Chair of the U.S. Senate Committee on

Energy and Natural Resources; the Honorable Dan Sullivan, U.S. Senator, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all other members of the 115th United States Congress.