

STATE OF ALASKA THE LEGISLATURE

1993

Source
HCR 19

Legislative
Resolve No.
18



Relating to the sale of state royalty gas.

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

WHEREAS the state owns land located on the North Slope that contains vast proven reserves of oil and natural gas and that has the potential for discovery of additional reserves of oil and natural gas; and

WHEREAS the legislature has the constitutional obligation to provide for the use, development, and conservation of all natural resources belonging to the state for the maximum benefit of its people; and

WHEREAS in furtherance of that obligation, the legislature has provided for the issuance of oil and gas leases to develop the North Slope oil and gas reserves; and

WHEREAS the state's oil and gas leasing statutes require that the state receive a minimum royalty share of 12.5 percent of all oil and gas production from the leases; and

WHEREAS all citizens of the state have received tremendous additional benefits from the sale of oil produced from North Slope leases, including permanent fund payments, royalties, economic stimuli, substantial employment, and a tax base, which have benefited all people of the state; and

WHEREAS, although the state would receive tremendous additional benefits from the production and sale of North Slope gas, the North Slope lessees have neither sold nor entered into contracts to sell North Slope gas; and

WHEREAS under its North Slope leases, the state has a right to take its 12.5 percent royalty share in-kind and sell that share on its own behalf; and

WHEREAS by entering into long-term contracts with potential purchasers for the future sale of the state's royalty gas, the state would aid in the development of a gas transportation system and the production and sale of North Slope gas reserves, thereby benefiting all the people of the state; and

WHEREAS the export of North Slope gas to Pacific Rim countries would reduce our nation's trade deficit with those countries; and

WHEREAS the export of natural gas would aid the national economy by stimulating economic growth and employment, and contributing additional revenue to the federal government;

BE IT RESOLVED that the Alaska State Legislature supports and endorses the governor's efforts to sell worldwide, under long-term contracts, the majority of the gas to which the state is entitled as its royalty share from North Slope leases.