

CS FOR HOUSE JOINT RESOLUTION NO. 12(O&G)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 5/4/07

Referred: Resources

Sponsor(s): REPRESENTATIVES JOHNSON, Stoltze, Lynn, Gatto, Crawford, Doogan, Ramras, Samuels, Dahlstrom, LeDoux, Gardner

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.**

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

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

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

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

1 **WHEREAS** oil and gas exploration and development of the coastal plain of the refuge
2 and adjacent land could result in major discoveries that would reduce our nation's future need
3 for imported oil, help balance the nation's trade deficit, and significantly increase the nation's
4 security; and

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

10 **WHEREAS** domestic demand for oil continues to rise while domestic crude
11 production continues to fall, with the result that the United States imports additional oil from
12 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** Prudhoe Bay production is declining; and

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

22 **WHEREAS**, while new oil field developments on the North Slope of Alaska, such as
23 Alpine, Northstar, and West Sak, may temporarily slow the decline in production, only giant
24 coastal plain fields have the theoretical capability of increasing the production volume of
25 Alaska oil to a significant degree; and

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

29 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up only eight
30 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the
31 refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than

1 one-half of one percent of the area of the coastal plain; and

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

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

7 **WHEREAS** the state will strive to ensure the continued health and productivity of the
8 Porcupine Caribou herd and the protection of land, water, and wildlife resources during the
9 exploration and development of the coastal plain of the Arctic National Wildlife Refuge; and

10 **WHEREAS** the oil and gas industry is developing directional drilling technology that
11 will allow horizontal drilling in a responsible manner by minimizing the development
12 footprint within the Arctic National Wildlife Refuge and this directional drilling technology
13 may be capable of drilling from outside of the boundaries of the 1002 study area; and

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

18 **BE IT RESOLVED** by the Alaska State Legislature that the Congress of the United
19 States is urged to pass legislation to open the coastal plain of the Arctic National Wildlife
20 Refuge to oil and gas exploration, development, and production, and that the Alaska State
21 Legislature is adamantly opposed to further wilderness or other restrictive designation in the
22 area of the coastal plain of the Arctic National Wildlife Refuge; and be it

23 **FURTHER RESOLVED** that that activity be conducted in a manner that protects the
24 environment and the naturally occurring population levels of the Porcupine Caribou herd on
25 which the Gwich'in and other local residents depend, that uses directional drilling and other
26 advances in technology to minimize the development footprint in the 1002 study area, and
27 that uses the state's work force to the maximum extent possible; and be it

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

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

6 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
7 of the United States; the Honorable Richard B. Cheney, Vice-President of the United States
8 and President of the U.S. Senate; the Honorable Dirk Kempthorne, United States Secretary of
9 the Interior; the Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives; the
10 Honorable John Boehner, Minority Leader of the U.S. House of Representatives; the
11 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,
12 Minority Leader of the U.S. Senate; the Honorable Jeff Bingaman, Chair of the Energy and
13 Natural Resources Committee of the U.S. Senate; the Honorable Ted Stevens and the
14 Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
15 Representative, members of the Alaska delegation in Congress; and, by electronic
16 transmission, to all other members of the U.S. Senate and the U.S. House of Representatives
17 serving in the 110th United States Congress.