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HOUSE JOINT RESOLUTION NO. 26

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES SADDLER, Nageak, Costello, Feige, Austerman, Holmes, Herron, Hughes, Johnson, Kawasaki, Josephson, Isaacson, Seaton, Kreiss-Tomkins, Pruitt, Peggy Wilson, Lynn, Stoltze, Thompson, Chenault

SENATORS Giessel, Meyer, Fairclough, McGuire, Coghill, Bishop, Dyson, Kelly, Egan, Stedman, French, Dunleavy, Micciche, Stevens, Wielechowski, Ellis, Gardner

Introduced: 2/17/14

Referred: Resources

A RESOLUTION

1 **Urging the United States Congress to provide a means for consistently and equitably**
 2 **sharing with all oil and gas producing states adjacent to federal outer continental shelf**
 3 **areas a portion of revenue generated from oil and gas development on the outer**
 4 **continental shelf to ensure that those states develop necessary infrastructure to support**
 5 **outer continental shelf development and preserve environmental integrity.**

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

7 **WHEREAS** oil and gas development in federal areas, both onshore and offshore,
 8 requires additional investment in state infrastructure and increases demand on state and local
 9 government resources; and

10 **WHEREAS**, under the Mineral Lands Leasing Act of 1920, the federal government
 11 recognizes the effects of oil and gas development in federal onshore areas by sharing with the
 12 states 50 percent of revenue from mineral production on federal land within each state's
 13 boundaries; and

14 **WHEREAS**, under the Outer Continental Shelf Lands Act, the federal government
 15 recognizes the effect oil and gas development in federal near-shore areas has on states by

1 sharing with those states 27 percent of revenue collected from federal oil and gas leases
2 within three miles of the states' coastlines; and

3 **WHEREAS**, under the Gulf of Mexico Energy Security Act of 2006, the federal
4 government recognizes the effect that oil and gas development in federal offshore areas has
5 on the states of Alabama, Louisiana, Mississippi, and Texas, and recognizes the contributions
6 to national energy, security, and economic interests made by sharing with those states 37.5
7 percent of revenue from federal oil and gas leases in outer continental shelf areas adjacent to
8 each state; and

9 **WHEREAS** the federal government fails to recognize the same effects on and
10 contributions made by other oil and gas producing states adjacent to federal outer continental
11 shelf areas, including this state and California; and

12 **WHEREAS** the Alaska outer continental shelf region encompasses the Beaufort,
13 Chukchi, and Bering seas, Cook Inlet, and the Gulf of Alaska, includes over 1,000,000,000
14 acres, and contains more than 6,000 miles of coastline, which is more coastline than the rest
15 of the United States combined; and

16 **WHEREAS** there are presently 607 active oil and gas leases and more than 3,300,000
17 acres of leased land in the Alaska outer shelf continental region; and

18 **WHEREAS** federal government grants do not adequately address the need for
19 additional investment in state infrastructure or the increased demands on state and local
20 government resources resulting from outer continental shelf development, especially in this
21 state, which has more coastline, more rural communities, and less infrastructure than any
22 other state; and

23 **WHEREAS** outer continental shelf revenue sharing would allow states to build
24 infrastructure such as marine ports, airports, utilities, and housing, and increase state services,
25 such as oil spill and emergency response and environmental monitoring and mitigation, which
26 would likely lead to expanded, safer exploration and development activity and increase
27 overall revenue to the federal government; and

28 **WHEREAS** additional state infrastructure and increased availability of state and local
29 government resources would likely increase interest in and bids during future federal outer
30 continental shelf oil and gas lease sales, which have generated over \$2,750,000,000 in
31 revenue for the federal government in the Alaska outer continental shelf region alone since

1 2005; and

2 **WHEREAS** outer continental shelf revenue sharing could provide a stable funding
3 source for and help fulfill the mission of the Land and Water Conservation Fund, a national
4 fund created to safeguard natural areas, water resources, and cultural heritage and to provide
5 recreation opportunities;

6 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
7 Congress to provide a means for consistently and equitably sharing with all oil and gas
8 producing states adjacent to federal outer continental shelf areas a portion of revenue
9 generated from outer continental shelf oil and gas production to ensure the states develop
10 necessary infrastructure to support outer continental shelf development and preserve
11 environmental integrity.

12 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
13 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
14 President of the U.S. Senate; the Honorable Sally Jewell, United States Secretary of the
15 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
16 Honorable Eric Cantor, Majority Leader of the U.S. House of Representatives; the Honorable
17 Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the Honorable Harry
18 Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell, Minority Leader
19 of the U.S. Senate; the Honorable Mary Landrieu, Chair of the U.S. Senate Committee on
20 Energy and Natural Resources; the Honorable Lisa Murkowski and the Honorable Mark
21 Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the
22 Alaska delegation in Congress; and all other members of the 113th United States Congress.