

SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 3

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATORS MICCICHE, French, McGuire, Meyer, Gardner, Giessel, Bishop, Fairclough, Stedman, Dunleavy, Dyson, Kelly

Introduced: 2/4/13

Referred: Resources

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; relating to oil and gas exploration, development, production, and royalties;**
4 **and relating to renewable and alternative energy technologies.**

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

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

10 **WHEREAS** the oil industry, the state, and the United States Department of the
11 Interior consider the coastal plain to have the highest potential for discovery of very large oil
12 and gas accumulations on the continent of North America, estimated to be as much as
13 10,000,000,000 barrels of recoverable oil; and

14 **WHEREAS** the "1002 study area" is part of the coastal plain located within the North
15 Slope Borough, and many of the residents of the North Slope Borough, who are

1 predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

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

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

11 **WHEREAS** domestic demand for oil continues to rise while domestic crude
12 production continues to fall, with the result that the United States imports additional oil from
13 foreign sources; and

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

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

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

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

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

31 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge now

1 allows sufficient time for planning environmental safeguards, development, and national
2 security review; and

3 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up only eight
4 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the
5 refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than
6 one-half of one percent of the area of the coastal plain; and

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

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

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

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

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

23 **WHEREAS** the continued competitiveness and stability of the state and its economy
24 require that the Alaska State Legislature consider national trends toward renewable energy
25 development; and

26 **WHEREAS** the Alaska State Legislature encourages the use of revenue from
27 development in the Arctic National Wildlife Refuge for the development of renewable and
28 alternative energy resources in the state;

29 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
30 Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge
31 to oil and gas exploration, development, and production; and be it

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

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

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

16 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
17 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
18 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
19 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
20 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
21 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,
22 Minority Leader of the U.S. Senate; the Honorable Ron Wyden, Chair of the Energy and
23 Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the
24 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
25 members of the Alaska delegation in Congress; and all other members of the 113th United
26 States Congress.