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HOUSE CS FOR CS FOR SS FOR SENATE JOINT RESOLUTION NO. 3(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 4/8/13

Referred: Rules

Sponsor(s): SENATORS MICCICHE, French, McGuire, Meyer, Gardner, Giessel, Bishop, Fairclough, Stedman, Dunleavy, Dyson, Kelly, Olson, Wielechowski, Hoffman, Coghill, Egan, Stevens

REPRESENTATIVES Gattis, Peggy Wilson, Saddler, Hughes, Tuck, Johnson, Hawker, Kawasaki, Lynn, Costello, Pruitt, Keller, Stoltze, Josephson, LeDoux, Neuman, Thompson, Muñoz, Isaacson, Drummond, Chenault, Feige

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; urging the United States Department of the Interior to recognize the private**
 4 **property rights of owners of land in and adjacent to the Arctic National Wildlife Refuge;**
 5 **relating to oil and gas exploration, development, production, and royalties; and relating**
 6 **to renewable and alternative energy technologies.**

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

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

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

1 10,000,000,000 barrels of recoverable oil; and

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

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

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

14 **WHEREAS** domestic demand for energy continues to rise, and the United States
15 continues to depend on imports of oil from foreign sources; and

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

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

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

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

28 **WHEREAS**, while new oil field developments on the North Slope of Alaska may
29 temporarily slow the decline in production, only allowing access to the state's coastal plain
30 fields would enable the production volume of Alaska oil to increase to a significant degree;
31 and

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

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

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

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

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

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

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

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

27 **WHEREAS** the state promotes the development of renewable and alternative energy
28 resources and created the Alaska Energy Authority to assist the state in advancing new energy
29 projects and technology; and

30 **WHEREAS** the Alaska State Legislature encourages the use of revenue from
31 development in the Arctic National Wildlife Refuge for the development of renewable and

1 alternative energy resources in the state;

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

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

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

15 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
16 Department of the Interior to recognize and respect the rights of Native landowners in and
17 adjacent to the Arctic National Wildlife Refuge 1002 study area, including the rights of the
18 Arctic Slope Regional Corporation and the Kaktovik Inupiat Corporation to develop their land
19 and resource entitlements received under the Alaska Native Claims Settlement Act and other
20 agreements; and be it

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

26 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
27 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
28 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
29 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
30 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
31 Honorable Harry Reid, Majority Leader of the U.S. Senate; the Honorable Mitch McConnell,

1 Minority Leader of the U.S. Senate; the Honorable Ron Wyden, Chair of the Energy and
2 Natural Resources Committee of the U.S. Senate; the Honorable Lisa Murkowski and the
3 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
4 members of the Alaska delegation in Congress; and all other members of the 113th United
5 States Congress.