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SENATE CS FOR HOUSE JOINT RESOLUTION NO. 4(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/23/15

Referred: Rules

Sponsor(s): REPRESENTATIVES SADDLER, Herron, Millett, Chenault, Hawker, Gattis, Johnson, Josephson, LeDoux, Hughes, Vazquez, Tilton

SENATORS Costello, McGuire, Dunleavy, Gardner, Coghill, Stevens, Micciche, Bishop, Giessel, MacKinnon, Stedman, Meyer

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; urging the**
6 **United States Congress to reject any proposal to divert or otherwise reduce revenue**
7 **sharing to the coastal states and their political subdivisions under the Gulf of Mexico**
8 **Energy Security Act of 2006; and urging the President of the United States to direct, to**
9 **the maximum extent possible, federal funds received from outer continental shelf**
10 **development, and not dedicated to states or other federal programs, to federal**
11 **infrastructure in the affected states.**

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

13 **WHEREAS** the state, which has more coastline than the rest of the United States

1 combined, requests that the United States Congress pass legislation that allows the state to
2 equitably share revenue generated on the outer continental shelf of the state; and

3 **WHEREAS**, under the Outer Continental Shelf Lands Act, the federal government
4 recognizes the effect oil and gas development in federal near-shore areas has on states by
5 sharing with those states 27 percent of revenue collected from federal oil and gas leases
6 within three miles of the states' coastlines; and

7 **WHEREAS**, under the Gulf of Mexico Energy Security Act of 2006, the federal
8 government recognizes the effect that oil and gas development in federal offshore areas has
9 on the states of Alabama, Louisiana, Mississippi, and Texas, and recognizes the contributions
10 to national energy, security, and economic interests made by sharing with those states 37.5
11 percent of revenue from leases covered under phase one of the Gulf of Mexico Energy
12 Security Act of 2006; phase two of the Gulf of Mexico Energy Security Act of 2006 expands
13 the definition of "qualified outer continental shelf revenue" and continues to share revenue on
14 an adjacency factor but includes an annual revenue-sharing cap of \$500,000,000 that applies
15 through 2055; and

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

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

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

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

30 **WHEREAS** outer continental shelf revenue sharing would allow states to build
31 infrastructure such as marine ports, airports, utilities, and housing, and increase state services,

1 such as oil spill and emergency response and environmental monitoring and mitigation, which
2 would likely lead to expanded, safer exploration and development activity and increase
3 overall revenue to the federal government; and

4 **WHEREAS** additional state infrastructure and increased availability of state and local
5 government resources would likely increase interest in and bids during future federal outer
6 continental shelf oil and gas lease sales, which have generated over \$2,750,000,000 in
7 revenue for the federal government in the Alaska outer continental shelf region alone since
8 2005; and

9 **WHEREAS** outer continental shelf revenue sharing could provide a stable funding
10 source for and help fulfill the mission of the Land and Water Conservation Fund, a national
11 fund created to safeguard natural areas, water resources, and cultural heritage and to provide
12 recreation opportunities or, alternatively, could be used for deficit reduction;

13 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
14 Congress to provide a means for consistently and equitably sharing with all oil and gas
15 producing states adjacent to federal outer continental shelf areas a portion of revenue
16 generated from outer continental shelf oil and gas production to ensure the states develop
17 necessary infrastructure to support outer continental shelf development and preserve
18 environmental integrity; and be it

19 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
20 Congress to reject any proposal to divert or otherwise reduce revenue sharing to the coastal
21 states and their political subdivisions under the Gulf of Mexico Energy Security Act of 2006;
22 and be it

23 **FURTHER RESOLVED** that the Alaska State Legislature urges the President of the
24 United States to direct, to the maximum extent possible, federal funds received from outer
25 continental shelf development, and not dedicated to states or other federal programs, to
26 federal infrastructure in affected states.

27 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
28 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
29 President of the U.S. Senate; the Honorable Sally Jewell, United States Secretary of the
30 Interior; the Honorable John Boehner, Speaker of the U.S. House of Representatives; the
31 Honorable Kevin McCarthy, Majority Leader of the U.S. House of Representatives; the

1 Honorable Nancy Pelosi, Minority Leader of the U.S. House of Representatives; the
2 Honorable Mitch McConnell, Majority Leader of the U.S. Senate; the Honorable Harry Reid,
3 Minority Leader of the U.S. Senate; the Honorable Lisa Murkowski, Chair of the U.S. Senate
4 Committee on Energy and Natural Resources; the Honorable Dan Sullivan, U.S. Senator, and
5 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
6 Congress; and all other members of the 114th United States Congress.