

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON THE ARCTIC

February 17, 2017

3:31 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Pete Kelly
Senator Mike Dunleavy
Senator Donald Olson

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

CS FOR HOUSE JOINT RESOLUTION NO. 5(AET)

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas development; urging the United States Department of the Interior to recognize the private property rights of owners of land in and adjacent to the Arctic National Wildlife Refuge; relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies.

- MOVED SCS CSHJR 5(ARC) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HJR 5

SHORT TITLE: ENDORSING ANWR LEASING; RELATED ISSUES

SPONSOR(S): REPRESENTATIVE(S) WESTLAKE

01/18/17	(H)	READ THE FIRST TIME - REFERRALS
01/18/17	(H)	RES
01/20/17	(H)	AET REFERRAL ADDED BEFORE RES
01/20/17	(H)	BILL REPRINTED 1/20/17
01/24/17	(H)	AET AT 11:30 AM BARNES 124
01/24/17	(H)	Heard & Held
01/24/17	(H)	MINUTE(AET)
01/26/17	(H)	AET AT 11:30 AM BARNES 124
01/26/17	(H)	Moved CSHJR 5(AET) Out of Committee

01/26/17 (H) MINUTE(AET)
 01/27/17 (H) AET RPT CS(AET) 4DP
 01/27/17 (H) DP: TUCK, JOSEPHSON, TALERICO, WESTLAKE
 01/27/17 (H) RES AT 1:00 PM BARNES 124
 01/27/17 (H) Heard & Held
 01/27/17 (H) MINUTE(RES)
 02/08/17 (H) RES AT 1:00 PM BARNES 124
 02/08/17 (H) Moved CSHJR 5(AET) Out of Committee
 02/08/17 (H) MINUTE(RES)
 02/08/17 (H) RES AT 6:00 PM BARNES 124
 02/08/17 (H) -- MEETING CANCELED --
 02/10/17 (H) RES RPT CS(AET) 6DP 1NR 1AM
 02/10/17 (H) DP: BIRCH, TALERICO, DRUMMOND, JOHNSON,
 RAUSCHER, JOSEPHSON

 02/10/17 (H) NR: TARR
 02/10/17 (H) AM: PARISH
 02/15/17 (H) BEFORE HOUSE IN THIRD READING
 02/15/17 (H) TRANSMITTED TO (S)
 02/15/17 (H) VERSION: CSHJR 5(AET)
 02/17/17 (S) ARC AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE DEAN WESTLAKE
 Alaska State Legislature
 Kiana, Alaska
POSITION STATEMENT: Sponsor of HJR 5.

JESSE LOGAN, staff to Representative Dean Westlake
 Alaska State Legislature
 Juneau, Alaska
POSITION STATEMENT: Commented on HJR 5 for the sponsor.

PAMELA MLLER, representing herself
 Fairbanks, Alaska
POSITION STATEMENT: Opposed HJR 5.

JOHN BOST, representing himself
 Fairbanks, Alaska
POSITION STATEMENT: Opposed HJR 5.

ENEI PETER, representing herself
 Fairbanks, Alaska
POSITION STATEMENT: Opposed HJR 5.

CHARLOTTE BASHAM, representing herself
 Fairbanks, Alaska

POSITION STATEMENT: Strongly opposed HJR 5.

FRAN MAUER, representing himself
Fairbanks, Alaska

POSITION STATEMENT: Opposed HJR 5.

JULIA YORK, representing herself
Fairbanks, Alaska

POSITION STATEMENT: Opposed to HJR 5.

JOHN STRASENBURGH, representing himself
Talkeetna, Alaska

POSITION STATEMENT: Opposed HJR 5.

RUTH WOOD, representing herself
Talkeetna, Alaska

POSITION STATEMENT: Opposed HJR 5.

BRIANNA YONKER, representing herself
Fairbanks, Alaska

POSITION STATEMENT: Opposed HJR 5.

MISTY NICKOLI, representing herself
Fairbanks, Alaska

POSITION STATEMENT: Opposed HJR 5.

CARL PORTMAN, Deputy Director
Resourced Development Council
Anchorage, Alaska

POSITION STATEMENT: Supported HJR 5.

ACTION NARRATIVE

[3:31:46 PM](#)

CHAIR CATHY GIESSEL called the Senate Special Committee on the Arctic meeting to order at 3:31 p.m. Present at the call to order were Senators Olson, Kelly, Dunleavy, and Chair Giessel.

HJR 5-ENDORSING ANWR LEASING; RELATED ISSUES

CHAIR GIESSEL announced consideration of HJR 5. [CSHJR 5(AET) labeled 30-LS0314\J, was before the committee.] She stated that opening the Arctic National Wildlife Refuge (ANWR) 1002 Area has been the subject of countless efforts by this legislature. A product of the compromise of the Alaska National Interest Lands Conservation Act (ANILCA), this area was specifically set aside

for potential exploration and resource development. This resolution supports the efforts of the Alaska congressional delegation to complete the compromise fashioned all those years ago to preserve the industry and infrastructure that keeps Alaska great.

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REPRESENTATIVE DEAN WESTLAKE, Alaska State Legislature, Kiana, Alaska, sponsor of HJR 5, stated that the resolution is about the coastal plain of ANWR, which is in his district. His constituents rely heavily on subsistence, but they also need jobs, meaning resource development jobs, and this measure urges the U.S. Congress to pass legislation to open the coastal plains of ANWR to oil and gas development. It would be beneficial to both Alaska and the United States creating thousands of jobs across the nation. He concluded that he interested in jobs, jobs, and subsistence.

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JESSE LOGAN, staff to Representative Dean Westlake, Alaska State Legislature, Juneau, Alaska, said HJR 5 signifies a unified voice from the State Legislature to Congress prioritizing the opening of the coastal plain of ANWR. It recognizes that the state has made efforts in developing renewable energy and is not focusing solely on fossil fuels. In the end, this resolution is mostly about self-determination for the state in developing its own resources and being able to pay its own way, and having jobs and a thriving economy.

SENATOR KELLY thanked Representative Westlake for bringing the resolution forward and commented that he would move it from committee now if he could, but it has to go through the process.

SENATOR OLSON asked what kind of opposition the other body had to this resolution.

REPRESENTATIVE WESTLAKE replied that the other body heard a lot of testimony, and there is great concern for both the availability of subsistence caribou and recreational activities. In looking at both sides of recreation versus perpetuation of a culture and standard of living, one must weigh which one should be more substantial. In this case, the cultures should be perpetuated.

SENATOR OLSON asked what kind of opposition he heard from other from elected officials who are representing a large population.

REPRESENTATIVE WESTLAKE replied that there was a vote of 31 to 4.

SENATOR DUNLEAVY said this is a fantastic bill. It benefits his district, but it also benefits the entire State of Alaska. More oil in the pipeline benefits the treasury and the more people put to work benefits Alaskans. "I agree with you. We can do both..."

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At ease

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CHAIR GIESSEL called the meeting back to order at 3:30:56 p.m.

SENATOR OLSON said the two of them represent many of the same people and asked Representative Westlake for a feeling of what the local people want to happen in that area.

REPRESENTATIVE WESTLAKE deferred that answer to Mr. Logan and the role the Alaska Arctic Policy Commission had on that concern.

MR. LOGAN answered that during the two years the Alaska Arctic Policy Commission traveled around the state, it had several meetings: one was in Barrow. They had a complete day of "listening sessions" when representatives, elders, and prominent individuals from all the villages on the North Slope mostly said they would much rather see opening of oil and gas developing in ANWR onshore rather than the offshore OCS [Outer Continental Shelf], because one, it was closer to them and they wanted the jobs and two, because it could be done safely.

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CHAIR GIESSEL opened public testimony.

[3:40:35 PM](#)

PAMELA MLLER, representing herself, Fairbanks, Alaska, opposed HJR 5. She is a former bird biologist, seismic monitor biologist who studied impacts in Prudhoe Bay, wilderness guide, and now a small business owner. She spends time in the refuge in the summer and winter. They are talking about "the real Alaska" and a sustainable future for the state. A new vision is needed to look for the new economies well beyond oil, and now is a good time to do that, she said.

The Arctic Refuge was established before statehood, including the coastal plain "1002" area. It is an integral part of the refuge and has a rich cultural dependence by Inupiat and Gwich'in.

One common falsehood about the refuge: the so-called 2,000-acre impact is a hoax. She said 1.5 million acres would be open to leasing, but the United States Geological Survey (USGS) said that the potential prospects precluded accumulations as large as Prudhoe Bay.

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She believes that tourism is a far better way to go. Fairbanks has a growing tourism market and it is a vital part of its economy. The state has much more oil remaining in the Prudhoe Bay field, both conventional and unconventional, and that oil is much more valuable.

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JOHN BOST, representing himself, Fairbanks, Alaska, supported protection of the ANWR and opposed HJR 5. A refuge is supposed to provide protection and shelter, and the wildlife in the refuge needs to be protected. Oil and gas drilling in the refuge would be devastating to the wilderness and wildlife and it seems incompatible with the refuge. Aside from that, the state needs to transition away from fossil fuels and develop and use alternative and renewable energy resources.

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ENEI PETER, representing herself, Fairbanks, Alaska, opposed HJR 5. She is Navajo and married into the Gwich'in tribe. Many Alaskans don't want this area opened for drilling despite an "outdated" survey saying that many people want it. She opposed it for the cultural and subsistence impacts it will have on the Gwich'in people and because of climate change. "It is imperative that we don't take more fossil fuels out of the ground for our future generations." This is not a solution for our current fiscal crisis and there may not be anything substantially there.

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CHARLOTTE BASHAM, representing herself, Fairbanks, Alaska, strongly opposed HJR 5. The estimated amount of recoverable oil in the refuge is not worth the cost of the necessary infrastructure that would do irreparable harm to the fragile ecosystem. ANWR is a treasure to be preserved. She said a wide diversity of wildlife, especially caribou, is sacred to the Gwich'in people. It is important to preserve wilderness - just

knowing that it is there. "We do not need the oil. We should develop renewable energy, instead," she said. Developing renewable energy actually creates more jobs than developing oil.

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FRAN MAUER, representing himself, Fairbanks, Alaska, opposed HJR 5. He was fortunate to have worked as a wildlife biologist at ANWR for 21 years. One of the things he learned while working there is that the coastal plain of the refuge is the most heavily used as calving ground for the Porcupine caribou herd, and the impacts that happen there will influence a far greater area of Alaska and Canada than 2,000 acres or even 1.5 million acres.

Many people think that the coastal plain of the refuge is just like Prudhoe Bay where there are some caribou in proximity to oil development. However, the refuge is far different. The mountains in northeastern Alaska come very close to the coast line, leaving a narrow area for caribou to give birth and nurture their young. It has five times as many animals than at Prudhoe Bay and they are depending on one-fifth as much habitat for a critical part of their lives. Studies at Prudhoe Bay have shown that the females with young are displaced by development activity during the calving and post-calving seasons.

Studies of the caribou calving grounds in the refuge indicate that if caribou are displaced by oil field development, they will move nearer the mountains to areas of higher predation and mortality, and the herd will decline. This will affect more wildlife than just the caribou.

3:52:29 PM

JULIA YORK, representing herself, Fairbanks, Alaska, opposed to HJR 5. Ms. York was born and raised in Fairbanks and has a Master's degree in biology. Her family has been directly affected by the budgetary crisis in Alaska, and further developing oil infrastructure makes no economic sense. Oil prices will be maintained by OPEC or drop even further in the next several decades due to oversupply. Opening ANWR will only further tie Alaska to this failing global market.

China is investing \$50 trillion in renewable energies, and Alaska lawmakers would have the state give tens of millions in tax breaks to oil companies for the possibility of getting revenue more than a decade from now. Yet 31 towns and villages in Alaska require relocation at this moment due to rising sea levels, and each relocation is going to cost \$100 million. That

is over \$3 billion that is needed now. She believes that we are beyond the tipping point of climate change. Oil development of the tundra only exacerbates this problem, because disturbing the tundra thaws the permafrost and releases tons of stored carbon into the atmosphere multiplying the effects of climate change.

MS. YORK said the Arctic is warming more than twice as fast as any other place on earth, and because it is so cold, and the coastal plain ecosystem is already facing these enormous challenges. Further human disturbance would mean permanent destruction of this ecosystem.

One of the primary arguments for opening ANWR is that it will impact a very small area and that it can be done in an environmentally responsible manner. Unfortunately, the oil companies are misleading Alaskans about their ability to be environmentally responsible.

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JOHN STRASENBURGH, representing himself, Talkeetna, Alaska, opposed HJR 5. He has lived in Alaska for over 40 years and has visited the Arctic Refuge including on the coastal plain 1002 area many times on extended trips. He has many memorable and inspirational experiences there "that speak to my soul." He has long advocated for permanent wilderness protection of the 1002 area and he is asking them to do so by voting no on HJR 5.

MR. STRASENBURGH said it is more than personal; he is also very supportive of the Gwich'in people and the importance of the caribou to their subsistence and culture. He said the Arctic Refuge is, "a coherent whole, as true a wilderness as there is on this planet, Earth, and it is not possible to bring industrial civilization to this place without destroying what it is."

RUTH WOOD, representing herself, Talkeetna, Alaska, opposed HJR 5. She said, "The Arctic National Wildlife Refuge is a treasure." It is not just an economic opportunity to dig oil out of the ground. She has seen it and knows.

It is very misleading to talk about how many acres in the refuge are protected, but to leave out the fact that the plan is to open all the coastline in it. So, there will be no coastline that is still protected. It is important for the polar bear, the Porcupine caribou herd, and it's important for the people of Alaska who go there to experience a part of the world that can only be experienced there.

Further, she said there is a glut of oil and gas in the U.S. and the world right now. ANWR shouldn't be opened unless it's an "absolute emergency."

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BRIANNA YONKER, representing herself, Fairbanks, Alaska, opposed HJR 5. She lives on Eielson Air Force Base and is a student at the University of Alaska. She quoted from the Wilderness Act of 1964 that describes ANWR as: "where this earth and its community of life are untrammelled by man." She said this drilling would disrupt that community of life, and there is an ethical obligation that supersedes any economic value that can be added from drilling.

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MISTY NICKOLI, representing herself, Fairbanks, Alaska, opposed HJR 5. This is a pro-industry resolution and has zero economic benefit for Alaska for the first seven years. It threatens the main food source of 14 rural communities. As it is, subsistence hunting is estimated to be worth \$2.5 billion whereas imported food is valued at \$1.9 billion.

The best jobs "Up North" currently are outsourced to people from other countries and the Lower 48. Alaskans get the lower paying jobs and are first to be laid off regardless of their education background. "When big oil ruins our wilderness, they don't fix it," she said, as was seen in the Exxon Valdez oil spill.

She said it is their responsibility today to serve Alaskans and the Alaska economy, and the only way to do that is to vote "no" on HJR 5.

[4:02:48 PM](#)

CARL PORTMAN, Deputy Director, Resourced Development Council, Anchorage, Alaska, strongly supported HJR 5. He said the 1002 area is the most prospective area for oil and gas development in Alaska. According to the federal Energy Information Administration, oil and gas development in ANWR could result in new domestic production ranging from 510,000-1.5 million barrels/day for 12 years, with additional production for many years following that. Such production would save the nation billions of dollars in imported oil, create thousands of new jobs, refill the TransAlaska pipeline (TAPS), and generate billions of dollars in new revenues to the federal and state treasuries.

The 1002 area is the most prospective conventional onshore prospect in our country with an estimated 5.72-16 billion barrels of technically recoverable oil. If opened, not one acre of designated wilderness would be disturbed by development. With advances in technology significantly diminishing the footprint of development, the choice between energy production and environmental protection doesn't have to be made.

He stated, "It is possible to develop the energy reserves inside ANWR while directly utilizing less than 1 percent of the area. This can be accomplished without significant disturbance to wildlife."

MR. PORTMAN said the 1002 area of ANWR should be opened to responsible oil and gas development. Our nation's security in the Arctic and Alaska's economy depends on it, especially since the Arctic OCS has been taken off the table. He said 70 percent of Alaskans consistently support oil and gas development in the 1002 area in surveys dated as late as 2016.

He responded to the comment of a previous caller who said that if the coastal plain were opened, all the coastal area of ANWR would be open to development and none would be protected. This is inaccurate, because 500,000 acres of the coastal plain east of the 1002 area are designated "wilderness" all the way to the Canadian border and would not be open to development.

Further, he said, some people have indicated that new energy development is not needed in the Arctic, because of the shale renaissance production in the Lower 48, but the Department of Energy has indicated that shale production in the Lower 48 will decline beginning midway through the next decade, and ANWR production won't come on line for 10 years or longer.

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CHAIR GIESSEL thanked him and finding no further comments, closed public testimony on HJR 5. She said it was brought to their attention that some language needs to be removed to make the overall resolution a bit tighter.

[4:06:45 PM](#)

SENATOR OLSON moved conceptual Amendment 1.

CHAIR GIESSEL objected for explanation purposes.

SENATOR OLSON said he collaborated with the sponsor on this amendment, and explained that it has three parts. The first part

is on page 1, lines 2-4, that deletes "urging the U.S. Department of Interior to recognize the private property rights of owners of land in and adjacent to the Arctic national Wildlife Refuge."

The second part is on page 4, line 9, after, "resources" where "and created the Alaska Energy Authority to assist the state in" is deleted.

The third part is on page 4, that deletes the "Further resolve" on lines 24-29.

REPRESENTATIVE WESTLAKE said he supported the amendment and wanted to strengthen the language for the congressional delegation to use in Washington, D.C.

CHAIR GIESSEL removed her objection. Finding no further objection, she announced that conceptual Amendment 1 was adopted.

[4:09:31 PM](#)

SENATOR OLSON moved to report SCS HJR 5(AET), as amended, from committee with individual recommendations and attached fiscal notes. There were no objections and it was so ordered.

CHAIR GIESSEL commented that Representative Westlake had stated before that a good-paying job is the great equalizer in our society and that these kinds of jobs continue the vibrancy that makes Alaska great. These are transferable skills that people learn as they have these jobs, which mean dignity, helping make towns and villages richer, as a result. She thanked him for this resolution saying that multi-generations of Alaskans stand to benefit from this.

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CHAIR GIESSEL, finding no further business to come before the committee, adjourned the Senate Special Committee on the Arctic at 4:11 p.m.