

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 9, 2022

1:10 p.m.

**MEMBERS PRESENT**

Representative Josiah Patkotak, Chair  
Representative Grier Hopkins, Vice Chair  
Representative Zack Fields  
Representative Calvin Schrage  
Representative George Rauscher  
Representative Ronald Gillham  
Representative Tom McKay

**MEMBERS ABSENT**

Representative Sara Hannan  
Representative Mike Cronk

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 34

Supporting oil and gas leasing and development within the National Petroleum Reserve in Alaska.

- HEARD & HELD

HOUSE BILL NO. 347

"An Act relating to the confidentiality of certain state records relating to animals; and providing for an effective date."

- MOVED CSHB 347(RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 34

SHORT TITLE: NAT'L PETROLEUM RESERVE IN ALASKA

SPONSOR(S): REPRESENTATIVE(S) PATKOTAK

02/22/22	(H)	READ THE FIRST TIME - REFERRALS
02/22/22	(H)	RES
03/09/22	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 347

SHORT TITLE: CONFIDENTIALITY OF ANIMAL RECORDS

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

02/22/22 (H) READ THE FIRST TIME - REFERRALS  
02/22/22 (H) RES  
03/02/22 (H) RES AT 1:00 PM BARNES 124  
03/02/22 (H) -- MEETING CANCELED --  
03/04/22 (H) RES AT 1:00 PM BARNES 124  
03/04/22 (H) Heard & Held  
03/04/22 (H) MINUTE (RES)  
03/07/22 (H) RES AT 1:00 PM BARNES 124  
03/07/22 (H) Heard & Held  
03/07/22 (H) MINUTE (RES)  
03/09/22 (H) RES AT 1:00 PM BARNES 124

#### **WITNESS REGISTER**

TREVOR FULTAN, Staff  
Representative Josiah Patkotak  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered a question on behalf of Representative Patkotak, prime sponsor of HJR 34.

BRIDGET ANDERSON, Senior Vice President  
External Affairs  
Arctic Slope Regional Corporation  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 34.

MORRIE LEMEN, JR., Executive Director  
Inupiat Community of the Arctic Slope  
Barrow, Alaska

**POSITION STATEMENT:** Testified in support of HJR 34.

HARRY BROWER, JR., Mayor  
North Slope Borough  
Utqiagvik, Alaska

**POSITION STATEMENT:** Testified in support of HJR 34.

KARA MORIARITY, President & CEO  
Alaska Oil and Gas Association (AOGA)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 34.

#### **ACTION NARRATIVE**

[1:10:45 PM](#)

**CHAIR JOSIAH PATKOTAK** called the House Resources Standing Committee meeting to order at 1:10 p.m. Representatives McKay, Fields, Hopkins, Rauscher, Gillham, Schrage, and Patkotak were present at the call to order.

**HJR 34-NAT'L PETROLEUM RESERVE IN ALASKA**

[1:11:25 PM](#)

CHAIR PATKOTAK announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 34, Supporting oil and gas leasing and development within the National Petroleum Reserve in Alaska.

CHAIR PATKOTAK handed the gavel to Vice Chair Hopkins.

[1:11:59 PM](#)

CHAIR PATKOTAK, as prime sponsor of HJR 34, explained that the resolution urges responsible development of the National Petroleum Reserve - Alaska (NPR-A). He stated the resolution comes at an important time because in January 2022 the US Department of Interior announced that instead of staying with the NPR-A [Integrated Activity] Plan finalized in 2020, it was reverting to the more restricted plan of 2013, effectively removing about seven million acres (30 percent) of the reserve from oil and gas leasing. It causes him consternation that the department made the decision and set this policy from Washington, DC, without seeking feedback from those most affected by development in the NPR-A: the North Slope Borough and the tribes, Native corporations, and communities within the NPR-A, along with the State of Alaska.

CHAIR PATKOTAK elaborated on the negative implications of that decision. He related that according to the 2020 Record of Decision (ROD) for the NPR-A Integrated Activity Plan, the reserve holds the potential to: generate over \$4.75 billion in state, federal, and local government revenues, create over 3,600 direct and 2,750 indirect jobs annually, increase throughput and extend the life of the Trans Alaska Pipeline System (TAPS), strengthen national security, bolster the US economy, and provide affordable energy to US customers. The NPR-A is of interest to him because it is in his backyard and falls wholly within the jurisdiction of the North Slope Borough. The borough oversees some of the permitting aspects of development and strives to set a balance between the economic benefits brought by development and the protection of sensitive land and cultural subsistence resources. The economic benefits include positive

direct financial impacts and indirect impacts generationally for those who live within these impacted communities and who would potentially be below the poverty line without the resource development. Aside from the jobs and wages is the ability for the local municipality to provide basic services and funding for schools, hospitals, and water/sewer systems.

CHAIR PATKOTAK stated that, overall, HJR 34 asks that things don't lean too far in the direction of either development or conservation. If development is overly restricted, the opportunity is missed to meet the needs of rural communities on the North Slope and other areas of the state. If critical areas are not protected, valuable subsistence resources could be endangered. The 2020 plan struck that balance and was done by working with those who know the area best. He pointed out that the resolution's "BE IT RESOLVED" clauses do not advocate for either the 2020 plan or 2013 plan but ask that the benefits of development be weighed against the potential impacts with the input of the entities he has mentioned.

[1:19:31 PM](#)

REPRESENTATIVE RAUSCHER stated he supports the resolution. He asked whether there is a breakdown of the state, federal, and local government revenues, so it can be known how much the state would take in from the \$4.75 billion in revenue.

CHAIR PATKOTAK replied he doesn't have that breakdown with him. He deferred to Trevor Fultan to respond further.

[1:20:11 PM](#)

TREVOR FULTAN, Staff, Representative Josiah Patkotak, Alaska State Legislature, on behalf of Representative Patkotak, prime sponsor of HJR 34, explained that the numbers provided in the resolution itself come from the draft environmental impact statement (EIS). He said he will provide those to the committee as a follow up.

[1:20:38 PM](#)

REPRESENTATIVE FIELDS said he supports the resolution. He requested more insight into the most proximate communities on the North Slope and how development within the NPR-A has promise for these communities.

REPRESENTATIVE PATKOTAK responded that the closest community to any development would be Nuiqsut. Past exploration has been around the Nuiqsut area where hunters from Anaktuvuk Pass have come across industry operators. Depending on the season lots of summer hunting is done from Barrow and Nuiqsut eastward and westward. Regarding Teshekpuk Lake, the next phase is the Willow Project where development and infrastructure will move westward. A positive direct impact is the NPR-A [Impact] Mitigation Fund, which is "kind of" the state's share of royalty that is federally obligated to be held in an account and NPR-A affected communities can apply for grants. It is in the legislature's capital budget each year and grants have been given for tribal operations, village operations, playground equipment, water and sewage, and other opportunities for villages. He pointed out that he is using the term villages because not every community is represented by an organized city, Point Lay being an example.

[1:24:11 PM](#)

VICE CHAIR HOPKINS opened invited testimony.

[1:24:54 PM](#)

The committee took a brief at-ease.

[1:25:28 PM](#)

BRIDGET ANDERSON, Senior Vice President, External Affairs, Arctic Slope Regional Corporation (ASRC), testified in support of HJR 34. She said ASRC is one of the 12 land-owning Alaska Native corporations created through the [1971] Alaska Native Claims Settlement Act (ANCSA) and represents the business interests of more than 13,000 Inupiaq shareholders. She expressed ASRC's gratitude for the legislature's willingness to highlight the strategic importance and purpose of the NPR-A to decisionmakers in Washington, DC, through HJR 34. For years ASRC and other North Slope entities have advocated for the responsible development of natural resources in this region, including the NPR-A. This is not always the case, as this region was the only one to oppose the passage of ANCSA because the region's leaders did not believe the land allocation formulas considered the viewpoint of the region's people. Despite this opposition to the law that created ASRC, early leaders worked to build the corporation.

MS. ANDERSON stated that during its five decades of existence, ASRC has found ways to work together with its in-region partners, the State of Alaska, industry, and the federal government to meet the mandates and directives in ANCSA. One of those directives is to provide benefits to shareholders. To that end, ASRC uses the land it was conveyed through ANCSA for the cultural and economic benefit of its shareholders. Some of ASRC's lands are within the boundaries of the NPR-A. Despite the intent of ANCSA, ASRC has been blocked from developing some of its lands by the legislative and executive branches in Washington, DC. Over the years ASRC has put significant resources toward engaging with the federal government to share its perspective on responsible resource development in its region. Despite ASRC's sustained efforts and willingness to work with the federal government, ASRC's perspectives are often drowned out by entities that have no ties to the region nor any understanding of the nuances of the ANCSA model of indigenous representation.

MS. ANDERSON related that the choice by members of Congress and the administration to ignore ASRC's voice is frustrating and insulting. She said ASRC is keenly aware that advances in responsible resource development on the North Slope and in the NPR-A have benefitted the region, the state, and the nation. She offered ASRC's support for HJR 34 and said ASRC stands ready to be part of the solution for the nation's energy independence and national security, and to support Alaskans and Americans.

[1:28:42 PM](#)

REPRESENTATIVE FIELDS said he thinks people sometimes fail to appreciate the broad benefits of development for ASRC and its subsidiaries as well as for other regional corporations. He stated it would be nice to see a map of how other Alaska Native corporations (ANCs) are involved in development and pipeline maintenance given that the jobs and shareholder impacts go beyond the North Slope and are of statewide importance.

[1:30:10 PM](#)

MORRIE LEMEN, JR., Executive Director, Inupiat Community of the Arctic Slope, testified in support of HJR 34 and stated he agrees with ASRC's testimony. He said the Inupiat Community of the Arctic Slope (ICAS) is one of two regional tribes, encompassing 97,000 square miles of service area within its constitution and having dominion over those lands.

MR. LEMEN related that the mission of ICAS is to support reasonable oil and gas development, which can and will be done safely within NPR-A. He said ICAS supports economic development to sustain a future within its region. He stated that ICAS has a responsibility to stand up for the indigenous people in the Arctic who have a right to healthy living and that development will get them there. Multi-generational families live in single dwelling homes and without development ICAS is not able to give them the quality of life they need to sustain themselves in the Arctic. They end up leaving their homes in the Arctic to find a way to live elsewhere; that is not by choice, it's because without development ICAS is unable to help them along the way. He thanked the committee for hearing ICAS's cries for help in making responsible development happen on the North Slope.

[1:34:41 PM](#)}

HARRY BROWER, JR., Mayor, North Slope Borough, testified in support of HJR 34. He said the North Slope Borough represents roughly 10,000 residents in eight communities, and the borough's jurisdiction includes the entire NPR-A. Over the years the borough, staff, and residents have spent countless hours attending public meetings and commenting on proposals about the NPR-A because the NPR-A is their living room and ancestral home. The borough formed to ensure that the Inupiat people of the North Slope have input over the development of the North Slope.

MAYOR BROWER specified that the borough exercises zoning and other oversight in partnership with the state, which has led to some of the strictest environmental regulations in the nation and one of the best examples of responsible development in the world. The borough makes sure that the benefit of North Slope development flows not just to the state and federal government, corporations, and shareholders, but also to the people of the North Slope. In his lifetime amazing progress has been made with reduced poverty, expanded services, and increased wellbeing of the borough's people. But now the federal government wants to take the borough backwards by throwing out its input and rewriting the plan that was just adopted in 2020, effectively sanctioning the land within the borough and the opportunities for all Alaskans. Meanwhile the federal government looks to reduce sanctions on countries like Venezuela or Iran so they can add more oil to the global market.

MAYOR BROWER stated that Alaskans, and especially indigenous Alaskans, have always answered the call to service for their country. In the public process [the borough] has offered its

voice, has asked for the opportunity to responsibly develop the borough's resources while protecting the subsistence resources that its people depend on, but has been ignored. He thanked the committee for showing with HJR 34 that it is listening and urged that the resolution be passed.

[1:39:13 PM](#)

VICE CHAIR HOPKINS opened public testimony on HJR 34.

[1:39:31 PM](#)

KARA MORIARITY, President & CEO, Alaska Oil and Gas Association (AOGA), testified in support of HJR 34 and thanked the sponsor for introducing the resolution. She noted that AOGA represents the majority of companies that have state and federal interests both onshore and offshore and that the industry is the single most important economic driver in the state, accounting for roughly 25 percent of all jobs and wages. It is estimated that the industry will provide local and state governments with over \$3 billion this year. Federal lands continue to provide some of the most promising opportunities for oil and gas leasing and development in Alaska, which is particularly essential to North Slope communities. For example, she related, she experienced the many benefits derived from oil and gas firsthand as a former teacher in Atkasuk, one of the villages in NPR-A. The village's schools, housing, community infrastructure, wages, and benefits were the best of all rural Alaska.

MS. MORIARITY said that despite clear federal policy by Congress in 1980 requiring the NPR-A to be administered in a manner that responsibly increases the development of production in US energy reserves, the first NPR-A lease sale did not occur until 1998 and the first oil development in NPR-A did not commence until 2015. At a time of global instability and rising energy costs, the benefits of energy independence could not be clearer. She said AOGA joins with Chair Patkotak in this resolution in urging the federal government to maximize the area available for development in the NPR-A so the benefits of development can continue to be realized by the state and federal governments and most importantly for the benefit of the local communities.

[1:42:01 PM](#)

VICE CHAIR HOPKINS invited Bryce Ward, mayor of the Fairbanks North Star Borough, to provide public testimony.

[1:42:37 PM](#)

The committee, unable to hear Mayor Ward, took a brief at-ease to address the technical difficulty with the audio system.

[1:42:42 PM](#)

VICE CHAIR HOPKINS again invited Mayor Ward to provide public testimony.

[1:44:15 PM](#)

The committee, still unable to hear Mayor Ward, took another brief at-ease to resolve the problem with the audio system.

[1:44:40 PM](#)

VICE CHAIR HOPKINS apologized for the continuation of the technical difficulty and invited Mayor Ward to submit written testimony.

[1:45:30 PM](#)

VICE CHAIR HOPKINS closed public testimony on HJR 34.

[1:45:45 PM](#)

VICE CHAIR HOPKINS returned the gavel to Chair Patkotak.

[1:46:17 PM](#)

CHAIR PATKOTAK announced that HJR 34 was held over.

**HB 347-CONFIDENTIALITY OF ANIMAL RECORDS**

[1:46:36 PM](#)

CHAIR PATKOTAK announced that the final order of business would be HOUSE BILL NO. 347, "An Act relating to the confidentiality of certain state records relating to animals; and providing for an effective date." [Before the committee, adopted as a working document on 3/4/22, was Version I, the proposed committee substitute (CS) for HB 347, labeled 32-LS1471\I, Bullard, 2/28/22.]

[1:46:53 PM](#)

REPRESENTATIVE RAUSCHER, prime sponsor of HB 347, made closing comments on the bill. He noted there is consensus on both sides of the argument regarding the problem that is faced. He urged committee members to vote yes on HB 347, an important bill that was several years in the making.

[Although a Version G had not been previously adopted as a working document, the following motion was made to report Version G out of committee.]

[1:47:33 PM](#)

REPRESENTATIVE HOPKINS moved to report CSHB 347, Version 32-LS1471\G, Bullard, 3/4/22, out of committee with individual recommendations and the accompanying [zero] fiscal note. There being no objection, CSHB 347(RES) was reported out of the House Resources Standing Committee.

[1:47:55 PM](#)

The committee took a brief at-ease.

[1:47:58 PM](#)

REPRESENTATIVE PATKOTAK noted the committee would hear HB 299 at its next meeting.

[1:50:11 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:50 p.m.