

**HOUSE CS FOR CS FOR SENATE JOINT RESOLUTION NO. 21 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/26/91**

**Referred: Rules**

**Sponsor(s): SENATORS UEHLING, Jones, Halford, Sturgulewski, Frank, Eliason, Collins, Pearce, Shultz, Adams, Fischer, Rodey, Menard, Zharoff**

**REPRESENTATIVE Gruenberg**

**A RESOLUTION**

**1 Relating to oil and gas exploration and production within, and the state's royalty shares  
2 in the development of, the Arctic National Wildlife Refuge.**

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

**4 WHEREAS the United States Congress has reserved the right to permit further oil and gas  
5 exploration, development, and production within the coastal plain of the Arctic National Wildlife Refuge,  
6 Alaska; and**

**7 WHEREAS the oil industry, the state, and the United States Department of the Interior consider  
8 the coastal plain of the refuge to have the highest potential for discovery of very large oil and gas  
9 accumulations on the continent of North America; and**

**10 WHEREAS oil and gas exploration and development of the coastal plain of the refuge and  
11 adjacent land could result in major discoveries that, together with cost-effective energy efficiency and  
12 conservation investments, would reduce the nation's future needs for imported oil, help balance the  
13 nation's trade deficit, and significantly increase the nation's security; and**

**14 WHEREAS the Alaska State Legislature has previously recognized the importance of reasonable  
15 exploration and development of the coastal plain of the Arctic National Wildlife Refuge (ANWR) and  
16 has adopted resolutions supporting federal legislation to authorize oil and gas leasing, exploration, and**

1 development on the coastal plain; and

2       **WHEREAS** the coastal plain of the Arctic National Wildlife Refuge comprises a core calving  
3 ground of the Porcupine Caribou herd; and

4       **WHEREAS** the Gwich'in Athabascan Indians of northeastern Alaska and northwestern Canada  
5 have relied on caribou for their main source of subsistence for thousands of years, and continue to  
6 subsist on the Porcupine Caribou herd, a herd that is essential to meet the nutritional, cultural, and  
7 spiritual needs of the Gwich'in people; and

8       **WHEREAS** the Congress recognized the environmental importance of the coastal plain by  
9 placing it in the national wildlife refuge system in 1980, and the wildlife and habitat deserve a high  
10 standard of protection if oil exploration and development proceed; and

11       **WHEREAS** the Alaska Statehood Act, a compact between the federal government and the people  
12 of Alaska, provides that the state will receive 90 percent of all oil, gas, and mineral royalties from  
13 federal land in Alaska; and

14       **WHEREAS** the federal government has both a moral and a legal obligation to honor this  
15 provision in the Alaska Statehood Act, not only as part of its duty to Alaska, but because of the  
16 precedent on other statehood acts and treaties; and

17       **WHEREAS** the people of the State of Alaska relied on that royalty sharing provision in ratifying  
18 the Alaska Statehood Act; and

19       **WHEREAS** the United States Congress included that royalty sharing provision in the compact  
20 because Alaska, unlike all other public land states, was not covered by the federal Reclamation Act and  
21 derived no benefits from that Act; and

22       **WHEREAS** the Congress also intended in the Alaska Statehood Act to compensate Alaska for  
23 the large federal land reservations that had the effect of stifling beneficial economic development; and

24       **WHEREAS** 65 percent of the remote communities in Alaska still lack piped water and other  
25 essential services and the people of Alaska rely on that royalty sharing provision to address this and  
26 other grave health, social, and economic problems; and

27       **WHEREAS** the President of the United States has announced a National Energy Plan that  
28 includes provisions allocating 100 percent of any revenue derived from leasing, exploration, and  
29 development of the coastal plain of the Arctic National Wildlife Refuge to the federal government, in  
30 violation of the Alaska Statehood Act; and

31       **WHEREAS** the Congress is considering other legislation that authorizes oil and gas leasing in  
32 the coastal plain of the Arctic National Wildlife Refuge that

1 (1) provides that only 50 percent of royalty revenue from the wildlife refuge would be  
2 shared with Alaska, and

3 (2) contains so called "blackmail clauses" that would void any lease sale should the  
4 revenue division and sharing provisions be successfully challenged in court; and

5 WHEREAS the "blackmail clauses" infringe on our state's constitutional rights because they  
6 penalize Alaska if it tries to protect its rights under the Statehood Act;

7 BE IT RESOLVED by the Alaska State Legislature that the Legislature supports federal  
8 legislation authorizing oil and gas leasing, exploration, and development on the coastal plain of the  
9 Arctic National Wildlife Refuge as an essential part of a comprehensive national energy strategy that also  
10 recognizes the need for a commitment to energy efficiency and conservation investments, if the federal  
11 legislation and leasing practices will ensure maximum participation and job opportunity for Alaska  
12 residents in coastal plain exploration and development, but opposes any unilateral reductions in royalty  
13 revenue from that exploration and development and any attempts by the Congress or the President to  
14 coerce the State of Alaska into accepting less than was promised at statehood; and be it

15 FURTHER RESOLVED that the Congress join with the state in providing strict standards for  
16 the protection of land, water, and wildlife resources, including the habitat of the Porcupine Caribou herd,  
17 during the exploration and development of the coastal plain of the Arctic National Wildlife Refuge; and  
18 be it

19 FURTHER RESOLVED that the United States Congress should include language in any coastal  
20 plan legislation that addresses indemnification for subsistence users in Alaska, as it did in 43 U.S.C.  
21 1653 (Trans-Alaska Pipeline Authorization Act); and be it

22 FURTHER RESOLVED that there be no reduction in the 90 - 10 royalty revenue sharing split  
23 between the State of Alaska and the United States unless the voters of the state approve a reduction in  
24 the revenue sharing due the state from oil development in the Arctic National Wildlife Refuge; an  
25 approval by the voters of a reduction of the state share of royalty payable from oil development in the  
26 Arctic National Wildlife Refuge may not be construed as precedent for other changes in the royalty  
27 revenue sharing due the state under the Alaska Statehood Act.

28 COPIES of this resolution shall be sent to the Honorable George Bush, President of the United  
29 States; the Honorable Dan Quayle, Vice-President of the United States and president of the U.S. Senate;  
30 the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; the Honorable George  
31 Mitchell, U.S. Senate Majority Leader; the Honorable J. Bennett Johnston, Chair of the Senate  
32 Committee on Energy and Natural Resources; the Honorable George Miller, Vice-chair and Acting chair

1 of the House Committee on Interior and Insular Affairs; the Honorable Manuel Lujan, Jr., Secretary of  
2 the Interior; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
3 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.