

3/25/75

COMMITTEE REPORT

SENATE

Mr. President:

Date 3/25/75

The Committee on FINANCE has had SCR 27 requesting a competitive lease sale of tracts in the Beaufort Island regions under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

<u>Bill Key</u>	<u>John ...</u>	_____
<u>John ...</u>	<u>R. ...</u>	_____
<u>...</u>		_____
<u>...</u>		_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Bill Key Chairman

BY MILLER, BRADLEY, BUTROVICH,
COLLETTA, FERGUSON, HUBER, MELAND,
ORSINI, POLAND, SACKETT AND ZIEGLER

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 Requesting a competitive lease sale of
6 tracts in the Beaufort Island region.

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

8 WHEREAS various alternatives have been proposed to provide adequate
9 state revenues during the period before the operation of the trans-Alaska
10 pipeline; and

11 WHEREAS the most advantageous of these alternatives is the competitive
12 auction of leasable tracts in the Beaufort Island region, which would be an
13 extension of the Prudhoe Bay field; this alternative being most desirable for
14 the following reasons, among others:

15 (1) the leasable tracts are "highly attractive" to industry, and
16 the state can expect a very substantial bonus income;

17 (2) the legislature has recorded testimony to the effect that a
18 more favorable environment for leasing cannot be expected;

19 (3) production from leasable tracts would permit the trans-Alaska
20 pipeline to operate at capacity, thus increasing the value of oil at the
21 wellhead, wellhead value being the basis for computing state royalty income,
22 production tax receipts and certain payments to be made into the Alaska
23 Native fund;

24 (4) the leasable tracts are so located as to allow their develop-
25 ment without new transportation infrastructure construction since these
26 tracts can be serviced by the trans-Alaska pipeline and port facilities at
27 Valdez;

28 (5) development of new leases in the Beaufort Islands would have
29 marginal adverse environmental effect because of the shallow waters involved

1 inward from the Barrier Islands, and because existing airfields and camps now
2 at Prudhoe Bay could service such an extension of the Prudhoe field;

3 BE IT RESOLVED by the Alaska State Legislature that the Governor is
4 respectfully requested, subject to a satisfactory environmental assessment,
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6 in the autumn of 1975, except that before holding the lease sale he shall
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Introduced: 3/14/75
Referred: Resources and
Finance

BY MILLER, BRADLEY, BUTROVICH,
COLLETTA, FERGUSON, HUBER, MELAND,
ORSINI, POLAND, SACKETT AND ZIEGLER

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SCR 27
 Title: Competitive lease sale of tracts in the Beaufort Island Region
 Requested by: Senate Finance Date: March 25, 1975
 Return Date Requested: ASAP
 Agency: Natural Resources Program: Oil & Gas

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Oil & Gas

A. EXPENDITURES: (Thousands of dollars)

		NONE					
OBJECT		FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
TOTAL							

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Work necessary to be accomplished by existing staff with current funding.

Revenue projection estimated at from 0 to \$400,000,000. Most likely ranging from \$200 to \$300 million.

IV. ATTACHMENTS

V. DATE: March 26, 1975

PREPARED BY: O.K. Gilbreth, Jr.

O.K. Gilbreth, Jr.
Director, Division of Oil and Gas

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Introduced: 3/14/75
Referred: Resources and
Finance

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