

SURR 1

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 8, 1991

FURTHER REFERRALS:

Date of Committee Action: 4-24-91

The FINANCE Committee considered:

CSSJR 21(O&G)

CS FOR SENATE JOINT RESOLUTION NO. 21 (OIL AND GAS)

ENDORISING ANWR LEASING W/O ROYALTY CHANGE

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

RECOMMENDATIONS:

be replaced with HCS CSSJR 21(Fin) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>ROBERT GALL</i>	<input checked="" type="checkbox"/>	<i>Ronald J. ...</i>		<input checked="" type="checkbox"/>	
<i>Robert ...</i>	<input checked="" type="checkbox"/>	<i>Best ...</i>		<input checked="" type="checkbox"/>	
<i>Kopara</i>	<input checked="" type="checkbox"/>	<i>...</i>			
<i>Stan ...</i>	<input checked="" type="checkbox"/>	<i>J. Ulmer</i>		<input checked="" type="checkbox"/>	
<i>Mark Boyer</i>	<input checked="" type="checkbox"/>				
<i>E. Dee P. Meekins</i>	<input checked="" type="checkbox"/>				
<i>Mike Youane</i>	<input checked="" type="checkbox"/>				

Mike Youane E. Dee P. Meekins
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
Bill ✓ on: SJR 21
(S) Publish Date: 3/27/91

Revision Date: 11-Mar-91 Department Affected: Natural Resources
Title: Oil & Gas Exploration and State's BRU: Management and Administration
Royalty Share in ANWR Components: Commissioner's Office
Sponsor: Senator Uehling
Requestor: Senate Oil and Gas and Resources COMPONENT SERIAL NO. 423

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact: None

ANALYSIS: (Attach a separate page if necessary)

See Attached

Changes in SSJR 21 (O&G)
have no fiscal impact. This
fiscal note is appropriate.

3/26 DV
date Comptroller (initial)

Prepared by: Carol Wilson Phone: 465-2406
Division: Commissioner's Office Date: 11-Mar-91

Approved by Commissioner: Harold Heinze Date: 11-Mar-91
Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB,
& Impacted Agency(ies).

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:

Referred:

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.

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SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

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32 Committee on Energy and Natural Resources; the Honorable George Miller, Vice-chair and Acting chair

WORK DRAFT

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3 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

4/22/91

AMENDMENT

by BROWN

IN THE HOUSE
TO: CS SJR 21 (O&G)

page 1, line 11: after "that"

insert ", together with cost-effective energy efficiency and conservation investments,"

page 2, line 19: after "Refuge"

"as an essential part of a comprehensive national energy strategy that also recognizes the need for a commitment to energy efficiency and conservation investments"



Resource Development Council

for Alaska, Inc.

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3/8/91

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SJR 21-ANWR Development Position Paper

The Resource Development Council for Alaska, Inc., has long been a supporter of responsible oil and gas leasing, exploration and development within the coastal plain of the Arctic National Wildlife Refuge. RDC joins with the majority of Alaskans who believe the potential for discovering a significant source of oil is there and who believe it is in the best interests of the nation to pursue development in that region as an avenue to reduce America's dependence on unstable foreign sources of oil.

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Alaska is a resource-rich state and in recent decades residents of this state have worked hand-in-hand with resource corporations on numerous successful projects that have ultimately provided a benefit to all who live and work here - through an extended network of state services, infrastructure and quality-of-life improvements - most of which were funded directly from resource revenues the state has culled. At the same time, Alaska has been a model of conservation, setting aside more than 56 million acres in wilderness and other preservation areas. ANWR is a classic example, with more than 40 percent of the refuge set aside as federally-designated wilderness.

RDC supports the goal of SJR 21 regarding oil and gas exploration and development and strongly urges the Legislature send a message to Washington, D.C. and the rest of the nation regarding the significance of environmentally responsible domestic oil production.

Further, RDC urges the state to join efforts with private sector organizations in an attempt to positively influence Congress regarding the passage of ANWR legislation.

EX-OFFICIO MEMBERS
 Senator Ted Stevens
 Senator Frank Murkowski
 Congressman Don Young

PLEASE MICROFILM TOP PAGE ONLY

DOCUMENTS WHICH HAVE NOT BEEN
FILMED BUT ARE AVAILABLE IN THE
ORIGINAL FILE INCLUDE:

- news articles - ANWR development
- Resource Development Council, Feb. 1991
- "Why not drill for oil in Alaska's Arctic National
Wildlife Refuge?"