

HJR

7

Alaska State House of Representatives

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Sponsor Statement from:

Representative Charisse Millett R - District 30

RELEASED: January 26, 2009, v26-LS0400\A

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HJR7 - Endorsing ANWR Leasing

"Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration, development, and production."

Status: PREFILE RELEASED >> (H) RES : 2009-01-22

House Joint Resolution 7 urges the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and production.

ANWR remains a key component of our nation's effort to achieve energy independence. Combining environmentally responsible oil production with renewable energy sources like wind, solar and hydro will reduce and could someday even eliminate our dependence on crude oil from nations that are hostile to the United States.

New directional drilling technology will protect the delicate arctic ecosystem and shrink the size of the development footprint. Someday it may even be possible to drill outside the 1002 area.

All the reasons for opening ANWR are still valid. Failing to even address the issue only slows down America's effort to gain true energy security in the future.

Opening ANWR is more important for America's economy and national security than ever. HJR 7 expresses the Alaska Legislature's desire to see the 1002 area open as soon as possible and respectfully asks congress to pass legislation permitting oil and gas exploration and development to go forward.

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House Majority Press: <http://housemajority.org/spon.php?id=26HJR7>

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR 7
() Publish Date: _____

Identifier (file name): _____ Dept. Affected: _____
Title ENDORISING ANWR LEASING RDU _____
Sponsor Representatives Millett, Lynn, Dahlstrom, Johnson Component _____
Requester _____ Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
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	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Debra Higgins Phone 465-3715
Division: Committee Aide, House Resources Committee Date/Time 2/19/09 8:00 AM
Approved by: Representative Craig Johnson, Co-Chair Date 2/19/2009
House Resources Committee

HR 49 IH

HJR 7

111th CONGRESS

1st Session

H. R. 49

To direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain of Alaska, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES**January 6, 2009**

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committees on Energy and Commerce and Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of the Interior to establish and implement a competitive oil and gas leasing program that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain of Alaska, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'American Energy Independence and Price Reduction Act'.

SEC. 2. DEFINITIONS.

In this Act:

- (1) COASTAL PLAIN- The term 'Coastal Plain' means that area described in appendix I to part 37 of title 50, Code of Federal Regulations.
- (2) SECRETARY- The term 'Secretary', except as otherwise provided, means the Secretary of the Interior or the Secretary's designee.

SEC. 3. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

(a) In General- The Secretary shall take such actions as are necessary--

- (1) to establish and implement, in accordance with this Act and acting through the Director of the Bureau of Land Management in consultation with the Director of the United States Fish and Wildlife Service, a competitive oil and gas leasing program that will result in an environmentally sound program for the exploration, development, and production of the gas resources of the Coastal Plain; and
- (2) to administer the provisions of this Act through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, including, in furtherance of this goal, by requiring the application of the best commercially available technology for oil and gas exploration, development, and production to all exploration, development, and production operations under this Act in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased.

(b) Repeal-

- (1) REPEAL- Section 1003 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.
- (2) CONFORMING AMENDMENT- The table of contents in section 1 of such Act is amended by striking the item relating to section 1003.

(c) Compliance With Requirements Under Certain Other Laws-

- (1) COMPATIBILITY- For purposes of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and no further findings or decisions are required to implement this determination.
- (2) ADEQUACY OF THE DEPARTMENT OF THE INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT- The 'Final Legislative Environmental Impact Statement' (April 1987) on the Coastal Plain prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 102(2)(C) of the National

Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to prelease activities, including actions authorized to be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this Act before the conduct of the first lease sale.

(3) COMPLIANCE WITH NEPA FOR OTHER ACTIONS- Before conducting the first lease sale under this Act, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this Act that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall only identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for those two alternatives. The identification of the preferred action and related analysis for the first lease sale under this Act shall be completed within 18 months after the date of enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary's preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph is deemed to satisfy all requirements for the analysis and consideration of the environmental effects of proposed leasing under this Act.

(d) Relationship to State and Local Authority- Nothing in this Act shall be considered to expand or limit State and local regulatory authority.

(e) Special Areas-

(1) IN GENERAL- The Secretary, after consultation with the State of Alaska, the city of Kaktovik, and the North Slope Borough, may designate up to a total of 45,000 acres of the Coastal Plain as a Special Area if the Secretary determines that the Special Area is of such unique character and interest so as to require special management and regulatory protection. The Secretary shall designate as such a Special Area the Sadlerochit Spring area, comprising approximately 4,000 acres.

(2) MANAGEMENT- Each such Special Area shall be managed so as to protect and preserve the area's unique and diverse character including its fish, wildlife, and subsistence resource values.

(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY- The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of oil and gas exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(4) DIRECTIONAL DRILLING- Notwithstanding the other provisions of this subsection, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases located outside the Special Area.

(f) Limitation on Closed Areas- The Secretary's sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is that set forth in this Act.

(g) Regulations-

(1) IN GENERAL- The Secretary shall prescribe such regulations as may be necessary to carry out this Act, including rules and regulations relating to protection of the fish and wildlife, their habitat, subsistence resources, and environment of the Coastal Plain, by no later than 15 months after the date of enactment of this Act.

(2) REVISION OF REGULATIONS- The Secretary shall periodically review and, if appropriate, revise the rules and regulations issued under subsection (a) to reflect any significant biological, environmental, or engineering data that come to the Secretary's attention.

SEC. 4. LEASE SALES.

(a) In General- Lands may be leased pursuant to this Act to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) Procedures- The Secretary shall, by regulation, establish procedures for--

(1) receipt and consideration of sealed nominations for any area in the Coastal Plain for inclusion in, or exclusion (as provided in subsection (c)) from, a lease sale;

(2) the holding of lease sales after such nomination process; and

(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

(c) Lease Sale Bids- Bidding for leases under this Act shall be by sealed competitive cash bonus bids.

(d) Acreage Minimum in First Sale- In the first lease sale under this Act, the Secretary shall offer for lease those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

(e) Timing of Lease Sales- The Secretary shall--

(1) conduct the first lease sale under this Act within 22 months after the date of the enactment of this Act;

(2) evaluate the bids in such sale and issue leases resulting from such sale, within 90 days after the date of the completion of such sale; and

(3) conduct additional sales so long as sufficient interest in development exists to warrant, in the Secretary's judgment, the conduct of such sales.

SEC. 5. GRANT OF LEASES BY THE SECRETARY.

(a) In General- The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted pursuant to section 4 any lands to be leased on the Coastal Plain upon payment by the lessee of such bonus as may be accepted by the Secretary.

(b) Subsequent Transfers- No lease issued under this Act may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consult with, and give due consideration to the views of, the Attorney General.

SEC. 6. LEASE TERMS AND CONDITIONS.

(a) In General- An oil or gas lease issued pursuant to this Act shall--

(1) provide for the payment of a royalty of not less than 12 1/2 percent in amount or value of the production removed or sold from the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and other species of fish and wildlife;

(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted under the lease and within the Coastal Plain by the lessee or by any of the subcontractors or agents of the lessee;

(4) provide that the lessee may not delegate or convey, by contract or otherwise, the reclamation responsibility and liability to another person without the express written approval of the Secretary;

(5) provide that the standard of reclamation for lands required to be reclaimed under this Act shall be, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as approved by the Secretary;

(6) contain terms and conditions relating to protection of fish and wildlife, their habitat, subsistence resources, and the environment as required pursuant to section 3(a)(2);

(7) provide that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obligation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for the Operation of the Trans-Alaska Pipeline, of employment and contracting for Alaska Natives and Alaska Native Corporations from throughout the State;

(8) prohibit the export of oil produced under the lease; and

(9) contain such other provisions as the Secretary determines necessary to ensure compliance with the provisions of this Act and the regulations issued under this Act.

(b) Project Labor Agreements- The Secretary, as a term and condition of each lease under this Act and in recognizing the Government's proprietary interest in labor stability and in the ability of construction labor and management to meet the particular needs and conditions of projects to be developed under the leases issued pursuant to this Act and the special concerns of the parties to such leases, shall require that the lessee and its agents and contractors negotiate to obtain a project labor agreement for the employment of laborers and mechanics on production, maintenance, and construction under the lease.

SEC. 7. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) No Significant Adverse Effect Standard To Govern Authorized Coastal Plain Activities- The Secretary shall, consistent with the requirements of section 3, administer the provisions of this Act through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that--

(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

(2) require the application of the best commercially available technology for oil and gas exploration, development, and production on all new exploration, development, and production operations; and

(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for support of pipelines, does not exceed 2,000 acres on the Coastal Plain.

(b) Site-Specific Assessment and Mitigation- The Secretary shall also require, with respect to any proposed drilling and related activities, that--

(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, subsistence resources, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect identified under paragraph (1); and

(3) the development of the plan shall occur after consultation with the agency or agencies having jurisdiction over matters mitigated by the plan.

(c) Regulations To Protect Coastal Plain Fish and Wildlife Resources, Subsistence Users, and the Environment- Before implementing the leasing program authorized by this Act, the Secretary shall prepare and promulgate regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure that the activities undertaken on the Coastal Plain under this Act are conducted in a manner consistent with the purposes and environmental requirements of this Act.

(d) Compliance With Federal and State Environmental Laws and Other Requirements- The proposed regulations, lease terms, conditions, restrictions, prohibitions, and stipulations for the leasing program under this Act shall require compliance with all applicable provisions of Federal and State environmental law, and shall also require the following:

(1) Standards at least as effective as the safety and environmental mitigation measures set forth in items 1 through 29 at pages 167 through 169 of the 'Final Legislative Environmental Impact Statement' (April 1987) on the Coastal Plain.

(2) Seasonal limitations on exploration, development, and related activities, where necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration.

(3) That exploration activities, except for surface geological studies, be limited to the period between approximately November 1 and May 1 each year and that exploration activities shall be supported, if necessary, by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods, except that such exploration activities may occur at other times if the Secretary finds that such exploration will have no significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

(4) Design safety and construction standards for all pipelines and any access and service roads, that--

(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species such as caribou; and

(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

(5) Prohibitions on general public access and use on all pipeline access and service roads.

(6) Stringent reclamation and rehabilitation requirements, consistent with the standards set forth in this Act, requiring the removal from the Coastal Plain of all oil and gas development and production facilities, structures, and equipment upon completion of oil and gas production operations, except that the Secretary may exempt from the requirements of this paragraph those facilities, structures, or equipment that the Secretary determines would assist in the management of the Arctic National Wildlife Refuge and that are donated to the United States for that purpose.

(7) Appropriate prohibitions or restrictions on access by all modes of transportation.

(8) Appropriate prohibitions or restrictions on sand and gravel extraction.

(9) Consolidation of facility siting.

(10) Appropriate prohibitions or restrictions on use of explosives.

(11) Avoidance, to the extent practicable, of springs, streams, and river system; the protection of natural surface drainage patterns, wetlands, and riparian habitats; and the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling.

(12) Avoidance or minimization of air traffic-related disturbance to fish and wildlife.

(13) Treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including an annual waste management report, a hazardous materials tracking system, and a prohibition on chlorinated solvents, in accordance with applicable Federal and State environmental law.

(14) Fuel storage and oil spill contingency planning.

(15) Research, monitoring, and reporting requirements.

(16) Field crew environmental briefings.

(17) Avoidance of significant adverse effects upon subsistence hunting, fishing, and trapping by subsistence users.

(18) Compliance with applicable air and water quality standards.

(19) Appropriate seasonal and safety zone designations around well sites, within which subsistence hunting and trapping shall be limited.

(20) Reasonable stipulations for protection of cultural and archeological resources.

(21) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

(e) Considerations- In preparing and promulgating regulations, lease terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consider the following:

(1) The stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement.

(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

(3) The land use stipulations for exploratory drilling on the KIC-ASRC private lands that are set forth in Appendix 2 of the August 9, 1983, agreement between Arctic Slope Regional Corporation and the United States.

(f) Facility Consolidation Planning-

(1) IN GENERAL- The Secretary shall, after providing for public notice and comment, prepare and update periodically a plan to govern, guide, and direct the siting and construction of facilities for the exploration, development, production, and transportation of Coastal Plain oil and gas resources.

(2) OBJECTIVES- The plan shall have the following objectives:

(A) Avoiding unnecessary duplication of facilities and activities.

(B) Encouraging consolidation of common facilities and activities.

(C) Locating or confining facilities and activities to areas that will minimize impact on fish and wildlife, their habitat, and the environment.

(D) Utilizing existing facilities wherever practicable.

(E) Enhancing compatibility between wildlife values and development activities.

(g) Access to Public Lands- The Secretary shall--

(1) manage public lands in the Coastal Plain subject to subsections (a) and (b) of section 811 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3121); and

(2) ensure that local residents shall have reasonable access to public lands in the Coastal Plain for traditional uses.

SEC. 8. EXPEDITED JUDICIAL REVIEW.

(a) Filing of Complaint-

(1) DEADLINE- Subject to paragraph (2), any complaint seeking judicial review of any provision of this Act or any action of the Secretary under this Act shall be filed--

(A) except as provided in subparagraph (B), within the 90-day period beginning on the date of the action being challenged; or

(B) in the case of a complaint based solely on grounds arising after such period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(2) VENUE- Any complaint seeking judicial review of any provision of this Act or any action of the Secretary under this Act may be filed only in the United States Court of Appeals for the District of Columbia.

(3) LIMITATION ON SCOPE OF CERTAIN REVIEW- Judicial review of a Secretarial decision to conduct a lease sale under this Act, including the environmental analysis thereof, shall be limited to whether the Secretary has complied with the terms of this Act and shall be based upon the administrative record of that decision. The Secretary's identification of a preferred course of action to enable leasing to proceed and the Secretary's analysis of environmental effects under this Act shall be presumed to be correct unless shown otherwise by clear and convincing evidence to the contrary.

(b) Limitation on Other Review- Actions of the Secretary with respect to which review could have been obtained under this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.

SEC. 9. FEDERAL AND STATE DISTRIBUTION OF REVENUES.

(a) In General- Notwithstanding any other provision of law, of the amount of adjusted bonus, rental, and royalty revenues from Federal oil and gas leasing and operations authorized under this Act--

(1) 50 percent shall be paid to the State of Alaska; and

(2) except as provided in section 12(d), the balance shall be transferred to the ANWR Alternative Energy Trust Fund established by this Act.

(b) Payments to Alaska- Payments to the State of Alaska under this section shall be made semiannually.

SEC. 10. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

(a) In General- The Secretary shall issue rights-of-way and easements across the Coastal Plain for the transportation of oil and gas--

(1) except as provided in paragraph (2), under section 28 of the Mineral Leasing Act (30 U.S.C. 185), without regard to title XI of the Alaska National Interest Lands Conservation Act (30 U.S.C. 3161 et seq.); and

(2) under title XI of the Alaska National Interest Lands Conservation Act (30 U.S.C. 3161 et seq.), for access authorized by sections 1110 and 1111 of that Act (16 U.S.C. 3170 and 3171).

(b) Terms and Conditions- The Secretary shall include in any right-of-way or easement issued under subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does not result in a significant adverse effect on the fish and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

(c) Regulations- The Secretary shall include in regulations under section 3(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

SEC. 11. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding the provisions of section 1302(h)(2) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey--

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under sections 12 and 14 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611 and 1613) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the United States Fish and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation effective January 22, 1993; and

(2) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

SEC. 12. LOCAL GOVERNMENT IMPACT AID AND COMMUNITY SERVICE ASSISTANCE.

(a) Financial Assistance Authorized-

(1) IN GENERAL- The Secretary may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (d) to provide timely financial assistance to entities that are eligible under paragraph (2) and that are directly impacted by the exploration for or production of oil and gas on the Coastal Plain under this Act.

(2) ELIGIBLE ENTITIES- The North Slope Borough, the City of Kaktovik, and any other borough, municipal subdivision, village, or other community in the State of Alaska that is directly impacted by exploration for, or the production of, oil or gas on the Coastal Plain under this Act, as determined by the Secretary, shall be eligible for financial assistance under this section.

(b) Use of Assistance- Financial assistance under this section may be used only for--

(1) planning for mitigation of the potential effects of oil and gas exploration and development on environmental, social, cultural, recreational, and subsistence values;

(2) implementing mitigation plans and maintaining mitigation projects;

(3) developing, carrying out, and maintaining projects and programs that provide new or expanded public facilities and services to address needs and problems associated with such effects, including fire-fighting, police, water, waste treatment, medivac, and medical services; and

(4) establishment of a coordination office, by the North Slope Borough, in the City of Kaktovik, which shall--

(A) coordinate with and advise developers on local conditions, impact, and history of the areas utilized for development; and

(B) provide to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate an annual report on the status of coordination between developers and the communities affected by development.

(c) Application-

(1) IN GENERAL- Any community that is eligible for assistance under this section may submit an application for such assistance to the Secretary, in such form and under such procedures as the Secretary may prescribe by regulation.

(2) NORTH SLOPE BOROUGH COMMUNITIES- A community located in the North Slope Borough may apply for assistance under this section either directly to the Secretary or through the North Slope Borough.

(3) APPLICATION ASSISTANCE- The Secretary shall work closely with and assist the North Slope Borough and other communities eligible for assistance under this section in developing and submitting applications for assistance under this section.

(d) Establishment of Fund-

(1) IN GENERAL- There is established in the Treasury the Coastal Plain Local Government Impact Aid Assistance Fund.

(2) USE- Amounts in the fund may be used only for providing financial assistance under this section.

(3) DEPOSITS- Subject to paragraph (4), there shall be deposited into the fund amounts received by the United States as revenues derived from rents, bonuses, and royalties from Federal leases and lease sales authorized under this Act.

(4) LIMITATION ON DEPOSITS- The total amount in the fund may not exceed \$11,000,000.

(5) INVESTMENT OF BALANCES- The Secretary of the Treasury shall invest amounts in the fund in interest bearing government securities.

(e) Authorization of Appropriations- To provide financial assistance under this section there is authorized to be appropriated to the Secretary from the Coastal Plain Local Government Impact Aid Assistance Fund \$5,000,000 for each fiscal year.

SEC. 13. ANWR ALTERNATIVE ENERGY TRUST FUND.

(a) Establishment of Trust Fund- There is established in the Treasury of the United States a trust fund to be known as the 'ANWR Alternative Energy Trust Fund', consisting of such amounts as may be transferred to the ANWR Alternative Energy Trust Fund as provided in section 9.

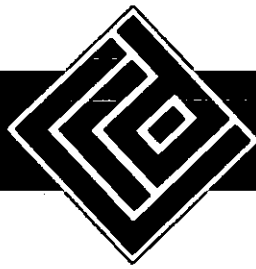
(b) Expenditures From ANWR Alternative Energy Trust Fund-

(1) IN GENERAL- Amounts in the ANWR Alternative Energy Trust Fund shall be available without further appropriation to carry out specified provisions of the Energy Policy Act of 2005 (Public Law 109-58; in this section referred to as 'EPAct2005') and the Energy Independence and Security Act of 2007 (Public Law 110-140; in this section referred to as 'EISAct2007'), as follows:

EPAct2005:	
Section 210	1.5 percent
Section 242	1.0 percent
Section 369	2.0 percent
Section 401	6.0 percent
Section 812	6.0 percent
Section 931	19.0 percent
Section 942	1.5 percent
Section 962	3.0 percent
Section 968	1.5 percent
Section 1704	6.0 percent
EISAct2007:	
Section 207	15.0 percent
Section 607	1.5 percent
Title VI, Subtitle B	3.0 percent
Title VI, Subtitle C	1.5 percent
Section 641	9.0 percent
Title VII, Subtitle A	15.0 percent
Section 1112	1.5 percent
Section 1304	6.0 percent.

(2) APPORTIONMENT OF EXCESS AMOUNT- Notwithstanding paragraph (1), any amounts allocated under paragraph (1) that are in excess of the amounts authorized in the applicable cited section or subtitle of EPAct2005 and EISAct2007 shall be reallocated to the remaining sections and subtitles cited in paragraph (1), up to the amounts otherwise authorized by law to carry out such sections and subtitles, in proportion to the amounts authorized by law to be appropriated for such other sections and subtitles.

END



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Bill Jeffress
Mike Jungreis
Diane Keller
Frank V. Kelly
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Thomas G. Krzewinski
John MacKinnon
David L. Matthews
Karen Matthias
Mary McDowell
Ron McPheters
James Mery
Denise Michels
Lance Miller
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Tom Panamaroff
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Debbie Reinwand
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Ralph Samuels
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Lorna Shaw
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Jim Taro
John Williams
John Zager

Ex-Officio Members
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Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

February 20, 2009

Representative Craig Johnson and Representative Mark Neuman, Co-Chairmen
House Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: HJR7, Urging the U.S. Congress to open the Coastal Plain of ANWR to oil and gas exploration, development, and production

Dear Representative Johnson and Representative Neuman:

On behalf of the Resource Development Council for Alaska, Inc., (RDC), I am writing in support of HJR7, which urges Congress to open the Coastal Plain of ANWR to oil and gas exploration, development, and production.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The 1002 Area of ANWR is considered the nation's most promising onshore oil and gas prospect, and there is strong support across Alaska for environmentally-responsible development of the oil and gas resources beneath the Coastal Plain. Such development could play a large role in Alaska's future prosperity, create hundreds of thousands of jobs across America, and reduce our reliance on foreign oil.

We encourage the Committee to vote in favor of this resolution. Thank you for your consideration.

Sincerely,

Jason Brune
Executive Director

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907/276-0700 Fax: 907/276-3887 Email: Resources@akrfdc.org Website: www.akrfdc.org

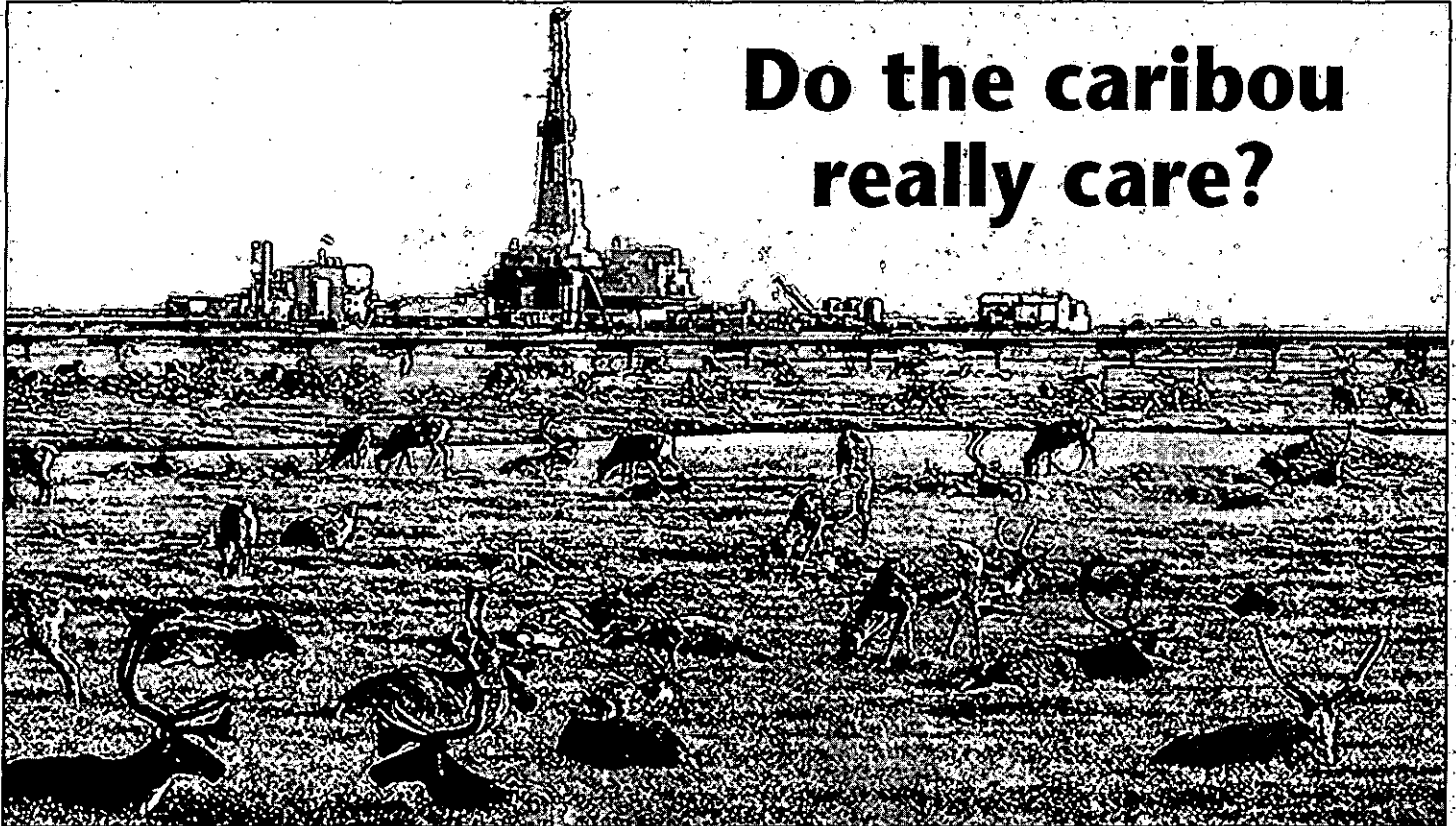


ANWR

INFORMATION BRIEF



Do the caribou really care?



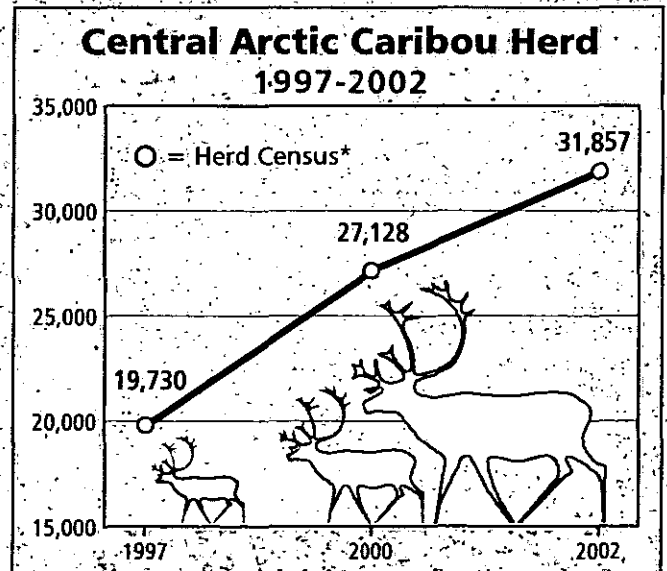
Central Arctic Herd near Prudhoe Bay on Alaska's North Slope.

Are caribou affected by oil development on the North Slope? It would appear not, based on the growing population of herds that use land in the existing oil fields in northern Alaska. The population of the Central Arctic caribou herd, which migrates north each summer into the oil fields near Prudhoe Bay, has been growing about 8.5 percent per year. Alaska Dept. of Fish and Game biologists counted 31,857 caribou in aerial surveys of this herd in July 2002. In July 2000, fish and game biologists counted 27,128. In 1997, the count was 19,730.

Caribou herd populations rise and fall with natural cycles, but one explanation biologists have for the increasing population of the Central Arctic Herd is good calf production and survival, and high survival of adults.

Pregnant caribou cows in the Central Arctic herd bear their calves on lands within or near operating oil fields. Some calves are born within a few hundred meters of oil field roads.

The Alaska Dept. of Fish and Game findings are backed by the Argonne National Laboratory. Argonne found no evidence that oil development harmed the Central Arctic Herd in the lab's work on the Environmental Impact Statement for an extension of the Trans-Alaska Pipeline System federal right-of-way.

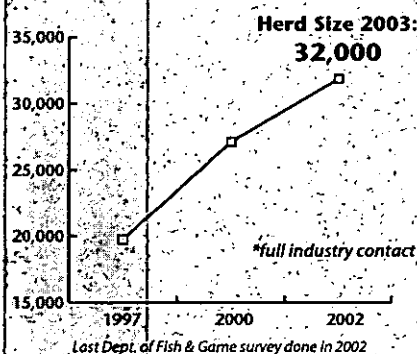


*Most recent survey taken in 2002.

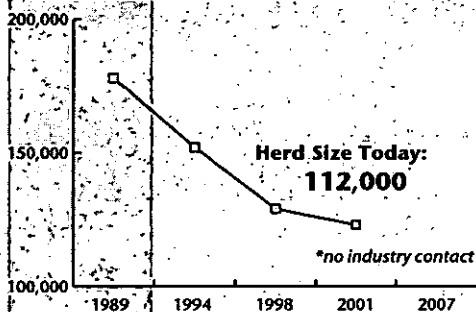
Arctic caribou herds

Caribou herds rise and fall in natural cycles, and it is interesting that while populations have been rising in the Central Arctic Herd (see chart) which use lands in the North Slope oilfields, populations have been declining in the Porcupine Herd (see chart) which do not use lands where there is oil and gas development. The fact is, caribou populations rise and fall with availability of good foraging ground, and influence from predators. NOT from contact with the industry. The environmentalist myth about caribou Armageddon caused by the oil industry's presence simply is a lie. It is interesting to note that in 6 out of the last 10 years the Porcupine Herd did not use the ANWR Coastal Plain as their main calving ground.

Central Arctic Herd*

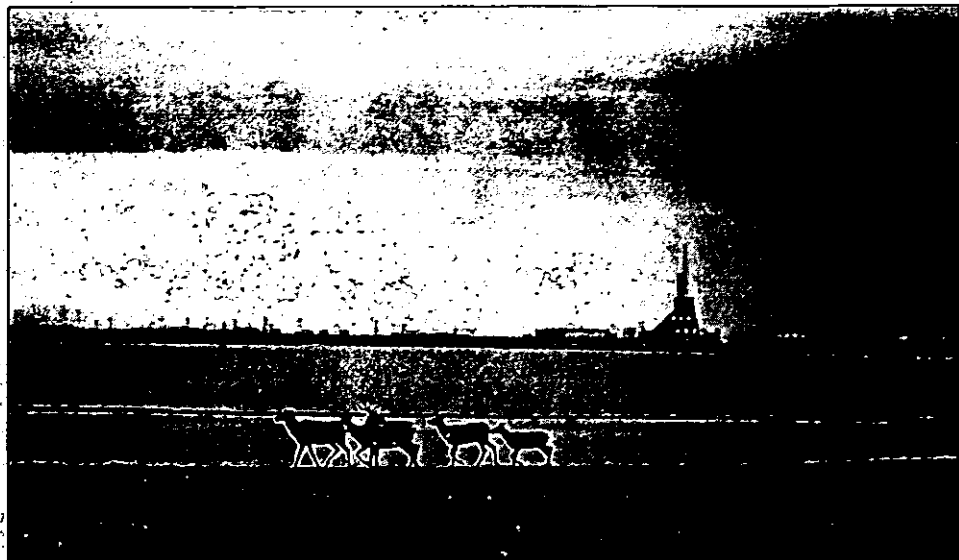


Porcupine Herd*



Central Arctic, Porcupine caribou mingle

There is now evidence that caribou mix between all of the North Slope caribou herds, the Porcupine, Central Arctic and Western Arctic herds. Using analysis of DNA, researchers from the University of Alaska, Texas A&M University and the U.S. Dept. of Agriculture found that caribou in the three herds are genetically related. This reflects migration of animals between the herds over many generations.



The truth on Arctic Caribou

- Caribou use of the 1002 Area of ANWR varies dramatically from year to year. In 1995, 92% of the Porcupine Caribou Herd used this area to calve. In 2006, none did so.
- In some years, the Porcupine Herd calves only in Canada.
- Choice of calving area depends on snow melt and early growth of forage plants.
- Caribou live a boom and bust cycle, due to predation, weather, and overhunting.
- During the summer, caribou frequently use oil field roads and gravel pads as insect relief habitat: they stand on the elevated gravel pads because fewer mosquitoes and flies harass them there.
- North slope oil facilities are specifically designed to allow caribou migration with elevated pipes to allow caribou to freely walk underneath and unlimited use of service roads.
- With 30 years of contact with oil development to go by, the industry has shown that caribou and oil fields can successfully co-exist. The Central Arctic Herd, which calves in the vicinity of the Prudhoe Bay, Kuparuk, and Milne Point oil fields, has increased 900% from an estimated 3,000 animals in the early 1970s to 32,000 in 2002.

ANWR Facts:

- Refuge totals 19.6 million acres.
- 8 million acres is classified as designated Wilderness.
- Coastal Plain, 1.5 million acres, set aside by Congress for study of oil potential;
- Only a small percentage, .01%, of Coastal plain, about 2,000 acres, would be allowed to be used for oil development.

The coastal plain is not a pristine wilderness:

- About 40 guide outfits offer hunting and recreation services in the coastal plain;
- A community, Kaktovik, exists in the Coastal Plain; Military installations operate on the Plain now and in the past.

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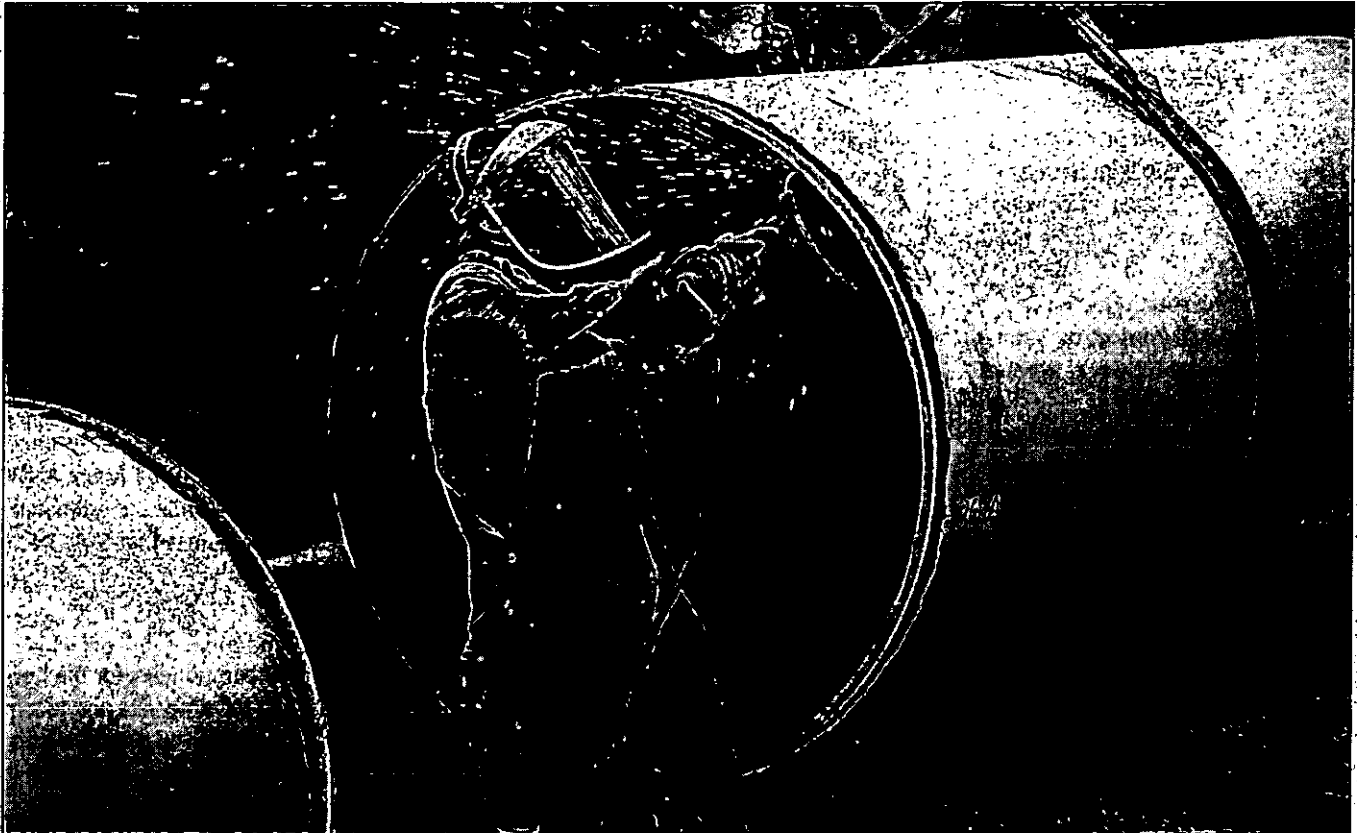


PHOTO Courtesy ALYESKA PIPELINE SERVICE CO./DAVID PREDEGER

ANWR could create 736,000 jobs

Development of oil reserves in the Coastal Plain of the Arctic National Wildlife Refuge could create as many as 736,000 new U.S. jobs, according to an economic analysis by Wharton Econometrics Forecasting Associates (WEFA).

Supplying equipment and services needed to develop the expected oil discoveries on ANWR's coastal plain means jobs for workers in every single US state. Geologists think ANWR's coastal plain has the best potential of any unexplored U.S. region for major new oil discoveries, on the scale of the Prudhoe Bay oil field, also on Alaska's North Slope.

Where the jobs are:

WEFA calculates the breakdown of types of employment

Category	Jobs
Manufacturing	128,000
Mining (incl. oil)	84,000
Trade	225,000
Services	145,000
Construction	135,000
FIRE*	19,000
Total	736,000

* Finance, Insurance, Real Estate

Source: Wharton Econometric Forecasting Associates

An example of potential benefits is seen in the \$22.5 billion spent between 1980 and 1994 for construction of production modules for Alaska's existing North Slope oil fields.

Seventy eight percent of this \$22.5 billion was spent outside of Alaska. Among the states, California received more than \$3.2 billion; Texas received more than \$6.8 billion; Washington received \$1.7 billion; Minnesota received almost \$84 million.

This money was spent for salaries, materials, design, engineering and construction services. To date an estimated \$51 billion has been spent to develop Alaska's oil. ANWR will create more jobs and money that stay in America!

ANWR = jobs and income for America

The employment effect of ANWR is created not only by direct new investment in oil and gas drilling but also the widespread economic stimulus created by a larger domestic US oil supply and fewer barrels of imported oil. The national debt is decreased and the nation has fewer unemployed workers and greater revenues to spend. The mean average estimate of ANWR oil is about 9.25 billion barrels of oil, resulting in new production peaking at about 1.9 million barrels daily. The national macroeconomic effect of this amount of production is an increase in the nation's annual Gross National Product by \$90 billion (based on the current world average price of oil @ \$130 a barrel).

Unions and Business support opening ANWR. Over 10,000 vendors have done business with Alaska's North Slope oil industry since operations began. This has affected over 1.5 million jobs nationwide! For this reason the International Brotherhood of Teamsters and other organized labor groups, the National Association of Counties, the National Grange, and the US Chamber of Commerce actively support responsible oil exploration of ANWR's coastal plain. The Energy Stewardship Alliance with over 90 participating organizations support opening the Coastal Plain of ANWR.

A job kept in America is better than a job sent abroad. A dollar kept in America is better than a dollar spent abroad. ANWR keeps the jobs and money home IN AMERICA!



ANWR Jobs and Investment in America

Since operations started in Prudhoe Bay over \$50 billion has been spent on construction and production. Over three-quarters of that \$50 billion was spent outside Alaska. Jobs such as manufacturing piping, designing and constructing production modules, building super tankers, ecological field research, oil field maintenance work such as wire lining and rig camp operations have been created. With future ANWR Coastal Plain development states such as New York, Texas, and California are estimated to benefit with more job creation than Alaska will. That's jobs and incomes that STAY IN AMERICA and don't get exported abroad.

Within 22 months of opening the Coastal Plain of ANWR, lease sales will bring in over \$2 billion in revenue to the Native land holders and State Government. This will be followed by 8 years of design manufacturing and construction of components for the new fields coming from businesses in all 50 states. That means solid full time jobs and income for hundreds of thousands of people across America. Once the field is in operation, oil tax revenue will flow to the State and Federal government and steady incomes to thousands who work to continue maintaining field operations.

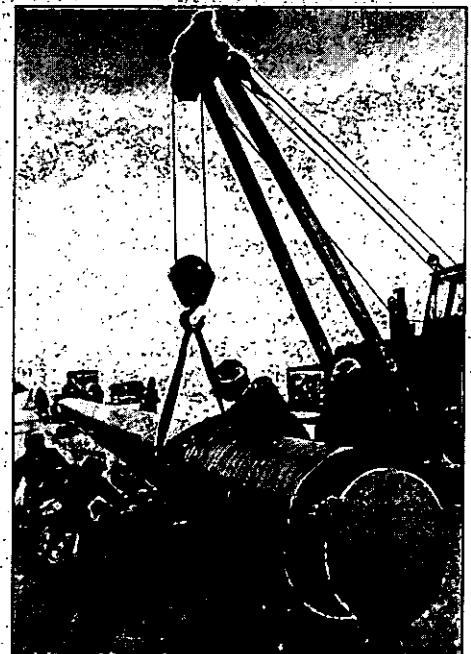
All of this revenue, income and work stays in America!

ANWR Facts:

- Refuge totals 19.6 million acres.
- 8 million acres designated Wilderness;
- Coastal Plain, 1.5 million acres, set aside by Congress for study of oil potential;
- Only 2,000 acres, .01% of the Coastal Plain could be used for oil development.

The coastal plain is not a pristine wilderness:

- A community, Kaktovik, exists in the Coastal Plain; Military installations operate on the Plain now and in the past.



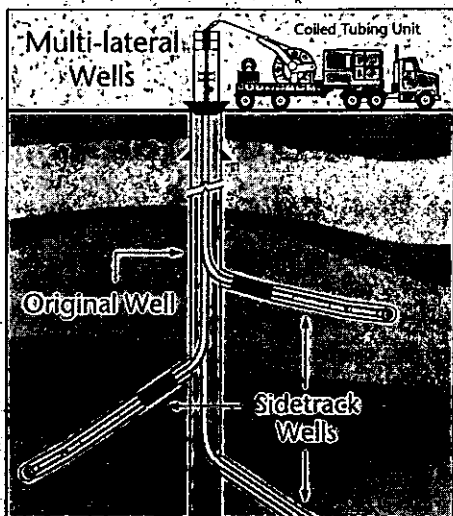
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Multi-lateral oil wells

An exciting new technology pioneered on the North Slope involved "multi-lateral" wells, or several new wells drilled underground from the vertical hole of a single well. This conserves resources used on the surface, since one wellhead could service many underground sources.

3-D seismic

New seismic technologies, aided by the powerful computers available today, more precisely and efficiently pinpoint promising oil and gas prospects. "Three-dimensional" seismology, is a new technique, involving conducting geophysical seismic surveys on a grid rather than in parallel "two dimensional" lines. The increased efficiency from 3D maps allows seismic crews to spend less time on the ground, and to more precisely pinpoint oil deposits. The result is that fewer exploration wells have to be drilled.

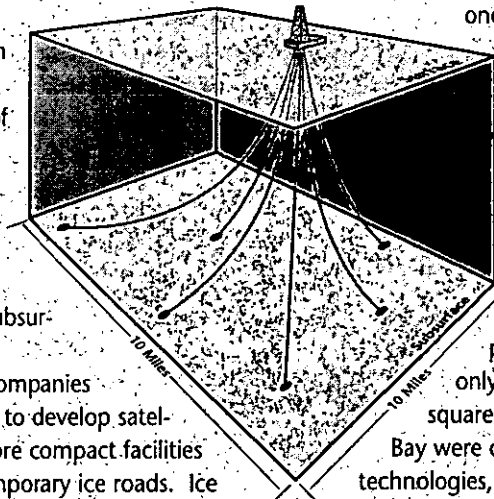
Using 3D technology will allow scientists to create more accurate maps to access the great oil and gas potential locked up beneath ANWR.

Technology allows industry to lessen "footprint" on land.

Industry now has technology to reduce the amount of land impacted by new oil development. North Slope drillers can now drill directional wells that reach out ten miles from the surface location of the rig. That means one production pad on the surface can access over 200 square miles of subsurface.

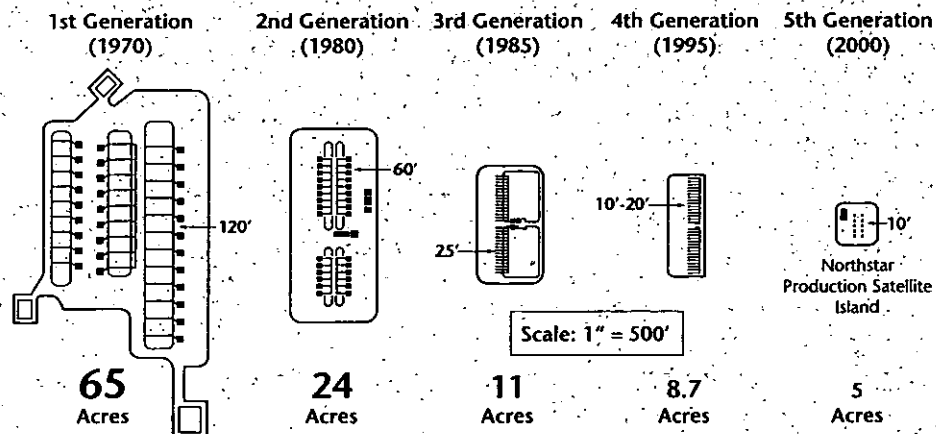
Alaskan oil companies have also learned to develop satellite fields with more compact facilities connected by temporary ice roads. Ice roads are constructed during the long winter, equipment is moved, and in the spring the roads melt away with minimal impact to the tundra. The reducing industry footprint on land is most noticeable

with the reduction of drill pad sizes. The best example of drill pad size reduction is the Northstar offshore oil field west of ANWR which is being produced from only one five acre island.

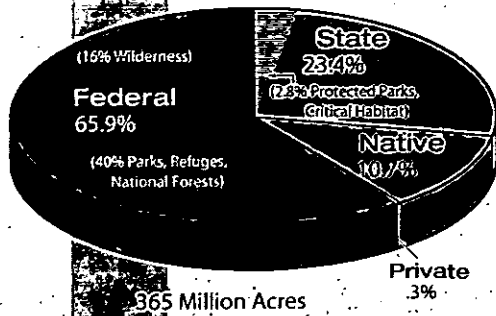


Future oil development to be used in ANWR will continue the trend toward smaller satellite micro pads. It is interesting to note that in the giant Prudhoe Bay field all roads, drill pads, and pipeline routes take up only 4% of the field's 250 square miles. In fact, if Prudhoe Bay were developed with today's technologies, the field would utilize an area of land 64% smaller. Any ANWR development will be limited to 2,000 acres and yet it is expected that only 1,600 acres will be used due to compact modern oil technologies.

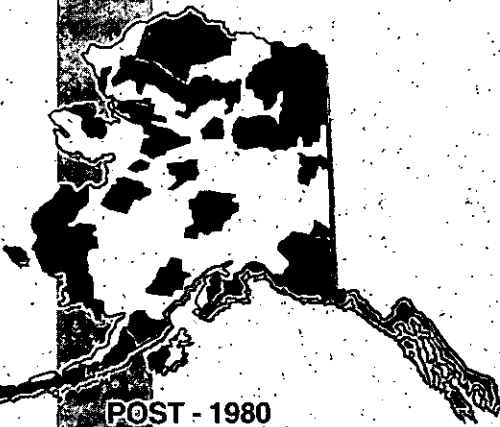
The Evolution of a Drillsite: 1970 to Present



EXPLORATION



Half of Alaska's lands are protected. 58 million acres have been given formal wilderness designation, a restriction that prevents any development and virtually all human use.

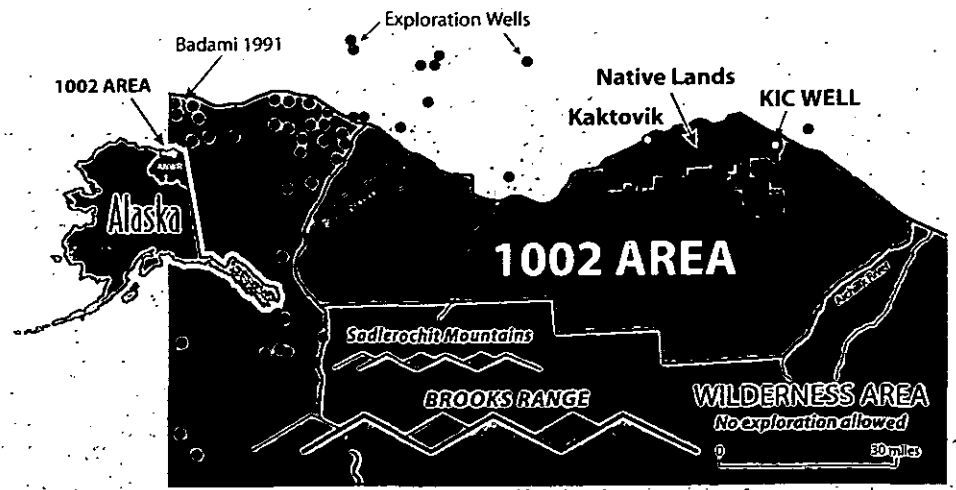


POST - 1980

- National Wildlife Refuges (closed to development)
- National Parks and Monuments (closed to development)
- National Forests (significant portion closed to development)
- National Petroleum Reserve (mostly closed to development)

Alaska's Parkland Overkill

The federal government currently owns about 235 million of Alaska's 365 million acres, about 65% of the state. That's bigger than the entire state of Texas. It's larger than Washington, Oregon and California combined. 58 million of these acres are designated as official wilderness, which accounts for 56% of the nation's total. About 40% of Alaska's land is in some sort of protected status, including wilderness land. Alaska has the largest state park system in the country. The notion that Alaska is somehow short on wild places is simply wrong. If Alaska's wilderness lands were made into a state it would be the 11th largest in the nation.



You can't find oil where there is none. "1002" is where the oil's at!

"Section 1002" of The Alaska National Interest Lands Conservation Act (ANILCA) passed by Congress in 1980, specifically sets aside 1.5 million acres of the northern tier of ANWR for investigation of its oil and gas potential. This 1.5 million acres, or the "1002 area", was chosen because it contains significant geologic evidence for major oil and gas deposits. Indeed, extensive USGS geologic studies on the area in 1998 confirm this assumption. The high potential 1002 area is well constrained geographically and geologically. The southern boundary of the 1002 area is the northern edge of the Sadlerochit Mountains, part of the vast Brooks Range which stretches across northern Alaska. Because of the heat and pressure generated in creating these rocks, the mountainous regions to the South are not prospective for oil or gas. *The 1.5 million acre 1002 area is the only part of ANWR that has any oil and gas potential.*

ANWR Coastal Plain Oil =
>60% recovery rates not 37%
>\$120 per barrel not \$25
17 billion barrels, not 10 billion.

The 1998 USGS report on the ANWR Coastal Plain oil resources estimated between 6 to 16 billion barrels of oil with a mean average of 10 billion barrels. The report is based on two premises:

*A technical recovery rate of only 37%
 an economic recovery rate based on a \$25 barrel of oil.*

Today Arctic oil field technical recovery rates now exceed 60%. Using this figure for the amount of technically recoverable oil changes the average mean to...

17 BILLION BARRELS.

At current (>\$120 per barrel), and reasonably forecast oil prices, ALL of this potential 17 billion barrels are economically recoverable.



Actual picture of ANWR Coastal Plain. Development restricted to 2,000 acres; less than .01% of ANWR.



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ALASKAN OIL POWERS AMERICA

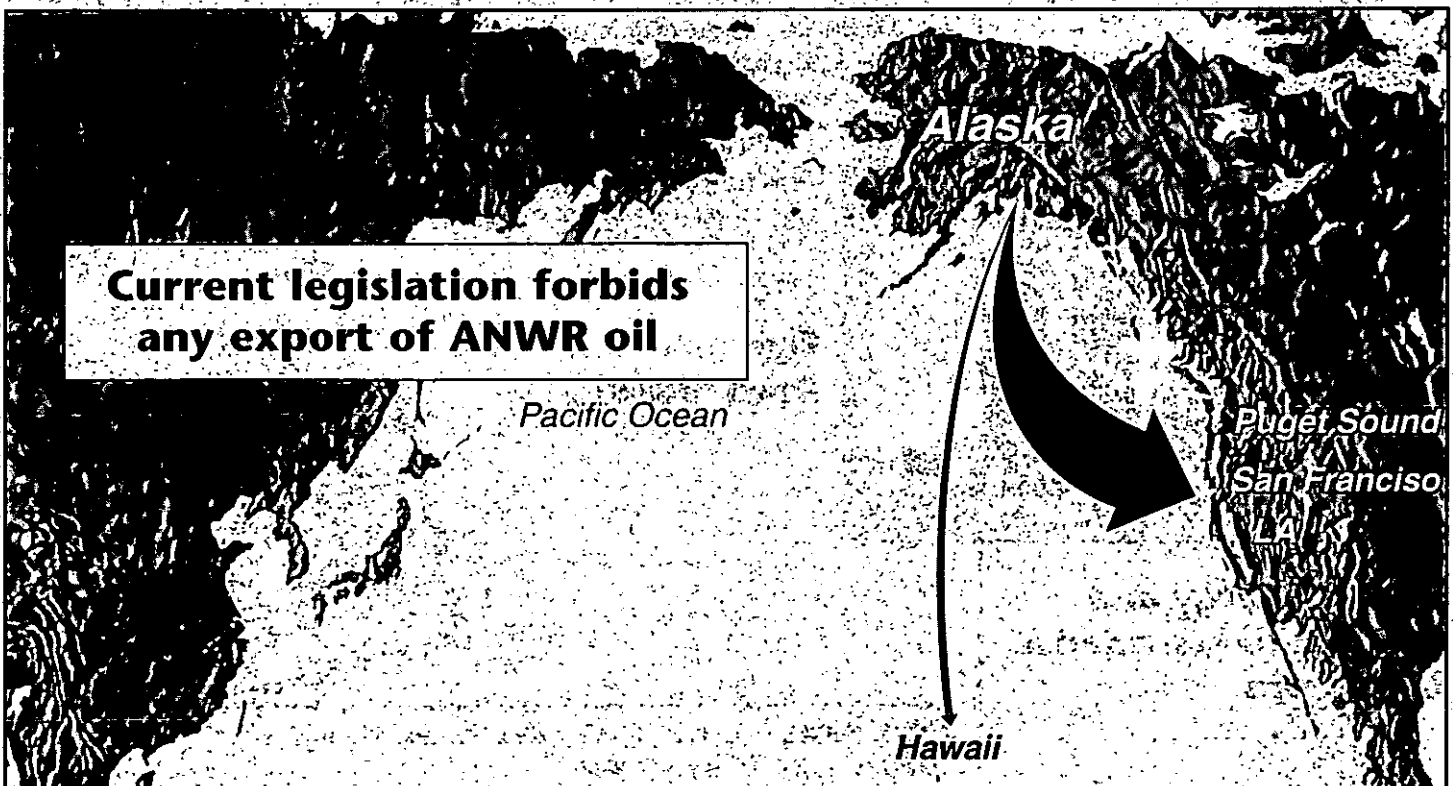
ALASKA EXPORTS NO OIL ABROAD

The Facts: 100% of Alaskan oil is kept in America. This has been the case for all but 4 years of the 3 decades of Alaskan oil production. Between 1996-1999 up to 5.5% of North Slope oil could be exported to Asian countries. These exports were overwhelmingly supported by the US Congress and by the Clinton Administration to offset an oil glut in California at the time. In June 2000 Alaskan oil again ceased to be exported, and 100% of Alaskan production has stayed in America.

The jobs, the revenue, and the oil from Alaska's North Slope Production ALL STAY IN AMERICA.

Here is the breakdown of where Alaskan oil goes: 50% goes to California refineries near San Francisco and Los Angeles; 42% goes to Puget Sound refineries; and 8% goes to Hawaii. A fractional amount stays in Alaska. Today Alaskan oil

provides America with 12% of its domestic oil needs. To put that in perspective, the 1973 oil crisis was caused by only a 3% drop in supply. *At peak production Alaskan oil supplied America with 25% of its needs and with the opening of a small portion of the Coastal Plain of ANWR it could do so again.* That's a big decrease in reliance of imports from abroad. America needs Alaskan oil. Opening the Coastal Plain of ANWR to oil exploration will ensure that America gets Alaskan oil.



ANWR and the balance of trade

Exploration and development of oil and gas reserves of the Coastal Plain of the Arctic National Wildlife Refuge enhances the economy in other ways than job-creation.

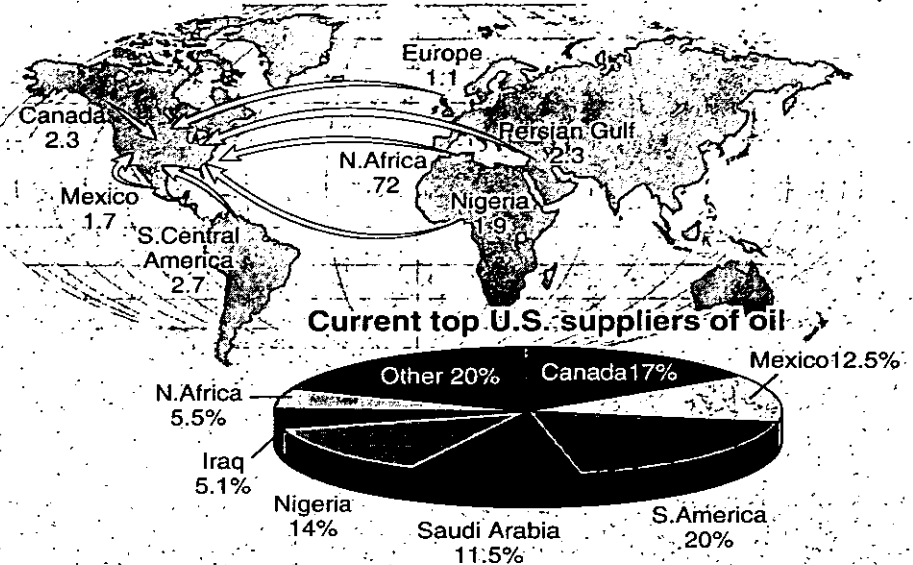
The importation of crude oil and refined products now cost the nation over \$650 billion annually and is the largest single commodity in the US Trade deficit. ANWR could add up to 1.5 million barrels of oil a day to our supply saving us up to \$195,000,000 every single day or over \$71 billion annually (@\$130 per barrel).

More imports of foreign oil are needed as our demand increases and the current domestic supply falls. ANWR represents the best geologic bet in North America to find oil and stem this decline.

Developing ANWR would keep jobs, and control of our energy supply here at home. Developing ANWR would mean over 30 years of production saving TRILLIONS of dollars from going overseas. Developing ANWR would mean economic, social and security benefits for the nation, all things lost when we buy from abroad.

Where does your oil come from?

2006 U.S. Imports
(million barrels per day)

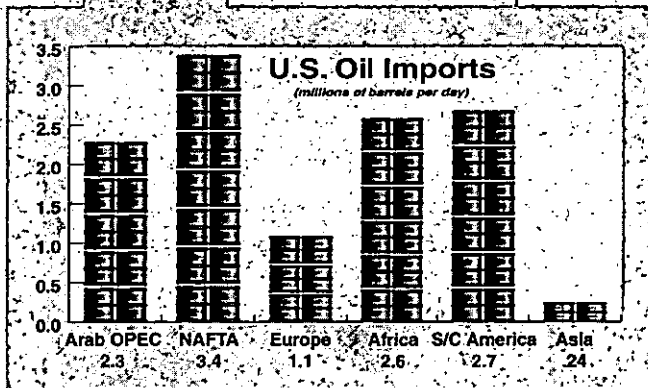


The U.S. spends \$500 billion annually for imported oil and that doesn't include the costs to defend those resources.

The real figures are much higher than you think. If you include refined oil products in 2007 the U.S. will directly spend over \$650 billion on imported petroleum! That's \$650 billion out the door. Just think of how many jobs and services we could have with that money. However the cost is even greater still. Think of the price we are paying in lives of our service men and women to defend our sources of oil. Then think of the cost to maintain that defense. Studies of the actual cost of imported oil and the defense of that oil runs over \$200 a barrel and the cost of our oil is really more than \$1 trillion. Yet is that anything compared to the lives we lose abroad to defend our foreign oil?

Oil from the Coastal Plain of ANWR could replace 50 years of Saudi Oil and save our economy billions of dollars a year. Think of that next time you fill up at the pump.

**Fight back!
Open ANWR!**



ANWR = Energy and Economic independence for America



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Inupiat children on the North Slope will share the benefits if ANWR's oil is developed.

A lot of us support ANWR development

We're the Inupiat people of the North Slope, and despite what you may have been told, a lot of us support responsible oil and gas development in the coastal plain of the Arctic National Wildlife Refuge.

About 6,500 of us live in small communities on the Arctic Slope.

We've watched the petroleum industry operate in the Prudhoe Bay area for more than 30 years, and if the companies discover oil in ANWR's coastal plain, we think they'll develop it with care for the environment.

We hope to be partners with the industry, in fact. Arctic Slope Regional Corporation, our Native regional corporation for the Arctic in which we're all shareholders, owns

subsurface rights in 94,000 acres of ANWR's coastal plain. If the rest of the plain is opened our lands can be explored too (federal law prohibits us from developing our lands until Congress approves exploration on the rest of the coastal plain.)

Our neighbors to the south talk sour grapes, however. Gwich'in Indians who live south of ANWR say they oppose development on our lands. But is that because they were unlucky when oil companies didn't find oil on their lands, after they leased them?

The fact is that oil development has brought many benefits to the people of northern Alaska. Living conditions were difficult in our villages before the oil companies

came. We didn't have much in the way of schools or basic public services.

But thanks to the industrial tax base created by the oil fields, our local government is able to offer many excellent public services. Thanks to oil development on the North Slope, we have opportunities we couldn't have dreamed of 30 years ago.

But development of ANWR's coastal plain is important for the country, not just for us. America is going to need that oil, sooner than we think.

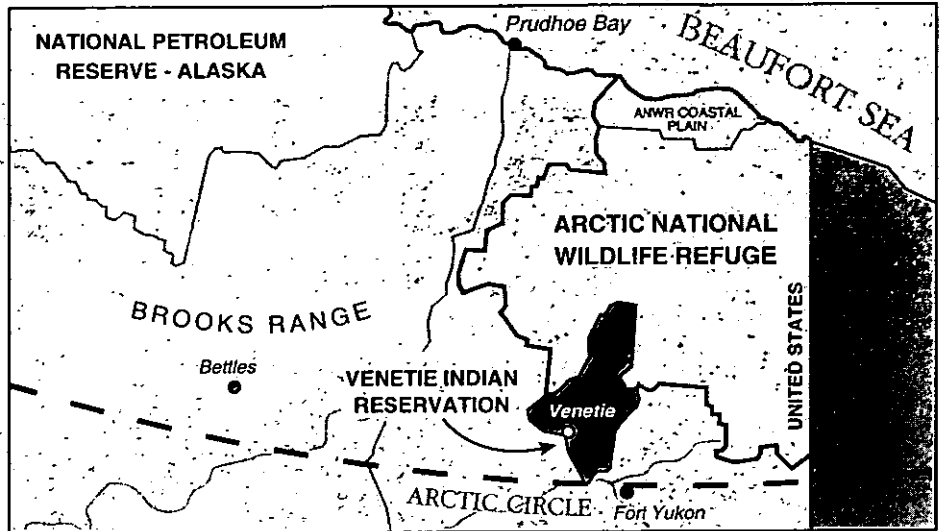
So don't let some people claim to speak for all Alaska Natives. If you want to know our opinions, come and ask us. We want ANWR developed responsibly, and we know it can be.



"The Borough supports the lifting of all restrictions on energy and other economic development of North Slope lands owned by the Arctic Slope Regional Corporations and village corporations, especially the 92,160 acres near our village of Kaktovik. We are puzzled by a federal policy that closes our land off to development while opening our seas to oil exploration and drilling. Depriving us of this development threatens to make us supplicants once again, begging for federal largesse to provide our people with the basic amenities taken for granted by a majority of the peoples of the rest of the country."

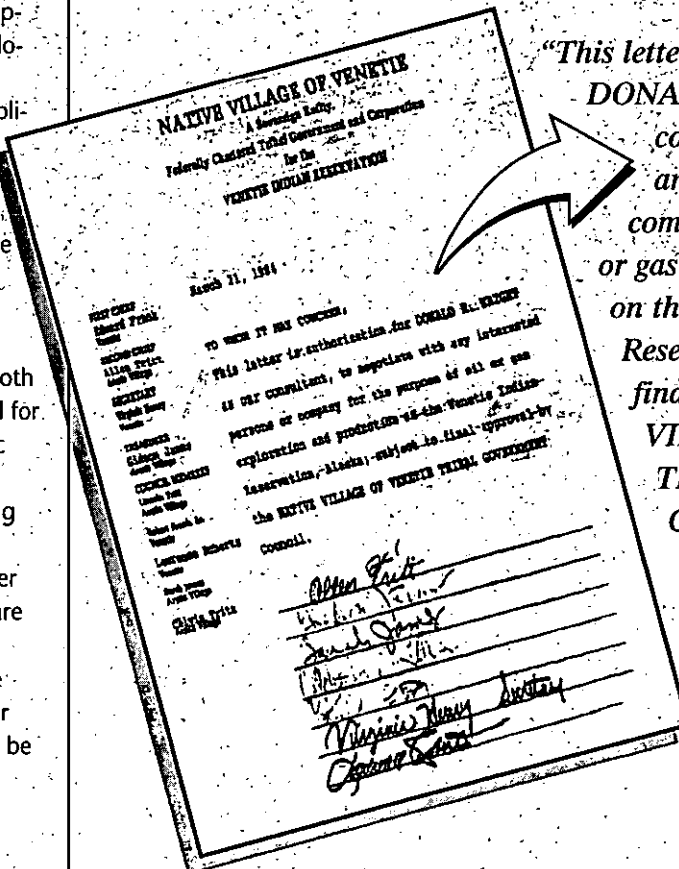
"Development of the Plains of ANWR is a sensible, viable solution to both the nation's energy needs and our need for continued jobs to protect our economic base. We feel this is an achievable goal with the North Slope Borough exercising its regulatory, permitting and zoning authority to advance development under strong environmental safeguards. We are not asking for the impossible or the improbable. We are only asking for the ability to use our land to provide for our residents. The result of our success will be of benefit not only to us but to all Americans."

Former Mayor George Ahmaogak Sr.
North Slope Borough



The biggest antagonists to safe, environmentally responsible development of the ANWR Arctic Coastal Plain have been the Gwich'in Indians of the Yukon Basin. They live over 150 miles away from the Arctic Coastal Plain, and yet wish to control oil drilling on land that is not theirs. Yet did you know that the Gwich'in leased their own land to oil companies 3 times. Only after unsuccessful attempts to find oil did they turn to try and prevent their neighbors from doing the same. The Mayor of the entire North Slope of Alaska calls this "SOUR GRAPES"

The Venetie Tribal Gov. offered 1,799,927 acres for Oil and Gas lease.



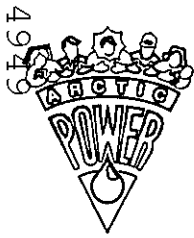
"This letter is authorization for DONALD R. WRIGHT as our consultant, to negotiate with any interested persons or company for the purpose of oil or gas exploration and production on the Venetie Indian Reservation, Alaska; subject to final approval by the NATIVE VILLAGE OF VENETIE TRIBAL GOVERNMENT Council..."

...The Native Village of Venetie Tribal Government hereby gives formal notice of intention to offer lands for competitive oil and gas lease."

Unlike the Inupiaq, the Gwich'in included little provision for protection of the environment or caribou in their leases.

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ANWR - Putting It in Perspective

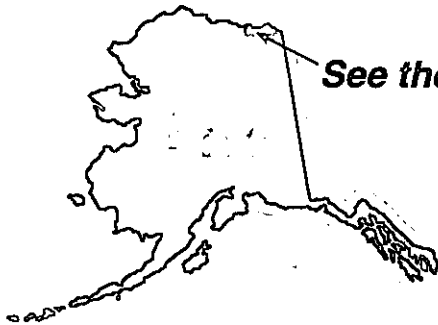
2,000 acres < .01%

Estimated footprint of development based on current Arctic technology

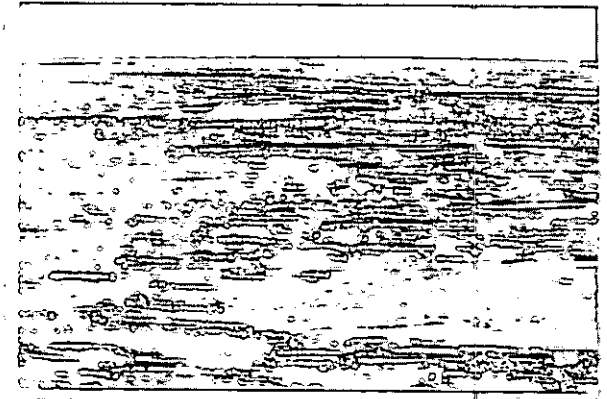
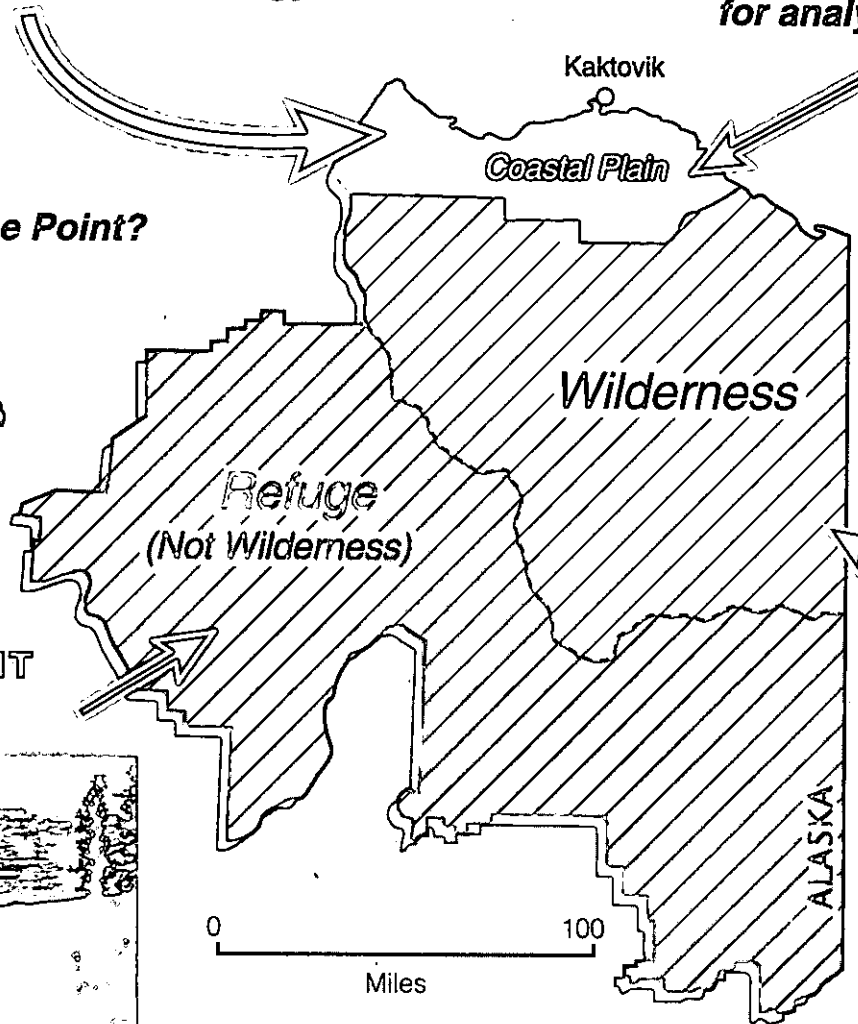
1.5 million acre 10-02 Area

Specifically set aside by Congress for analysis of oil and gas exploration

Drilling in ANWR
(2,000 Acres out of 19 million)

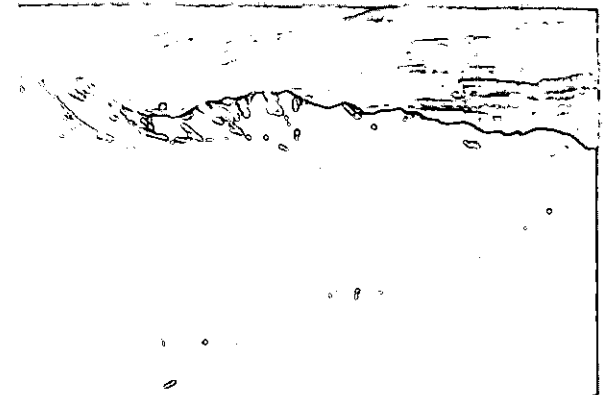


See the Point?



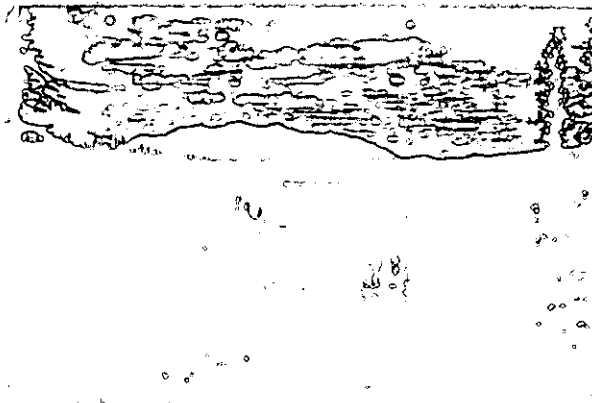
8 million acre
"Wilderness Area"

NO DEVELOPMENT
ALLOWED



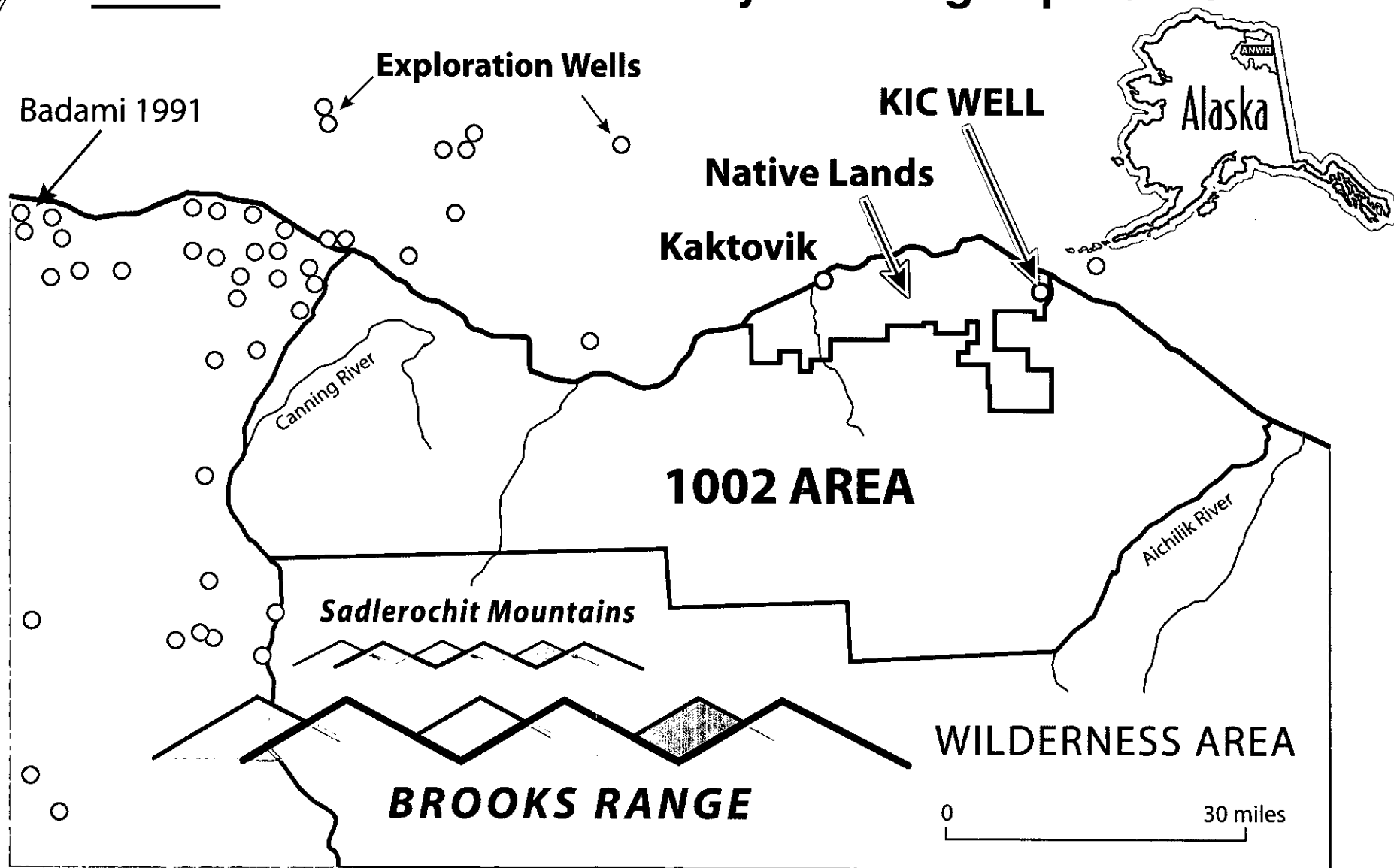
9.16 million acre
"Refuge Area"

NO DEVELOPMENT
ALLOWED





The ANWR Coastal Plain, or 1002 Area, is the ONLY area of ANWR with any oil and gas potential.



The 1002 Area was specifically set aside by Congress for study of oil and gas exploration. Geologically, the Area has the best onshore potential in North America for a large oil discovery.



ANWR Creates Jobs and Revenue for Every State

Potential Jobs from ANWR Coastal Plain Development
 Money spent in each state so far from Alaskan oil development.



*Potential jobs created by ANWR Coastal Plain development for oil and gas resources as forecast by WEFA,
 **Dollar figures of estimated expenditures in America by BP Exploration, ConocoPhillips, and ARCO between
 1977 to the present for their Alaskan oil field activities.
 This excludes royalties, foreign purchases, and payments that could not be allocated to a single state.

 **Jobs Created***
 **Dollars Spent So Far****

ANWR Resource Estimates

The debate over oil and gas development in the Arctic National Wildlife Refuge (ANWR) is about as hot as it's ever been, thanks to soaring fuel prices, domestic energy shortfalls and political support in the nation's Oval Office. At the core of many arguments — pro and con — are results of the 1998 U.S. Geological Survey (USGS) study on ANWR's petroleum potential.

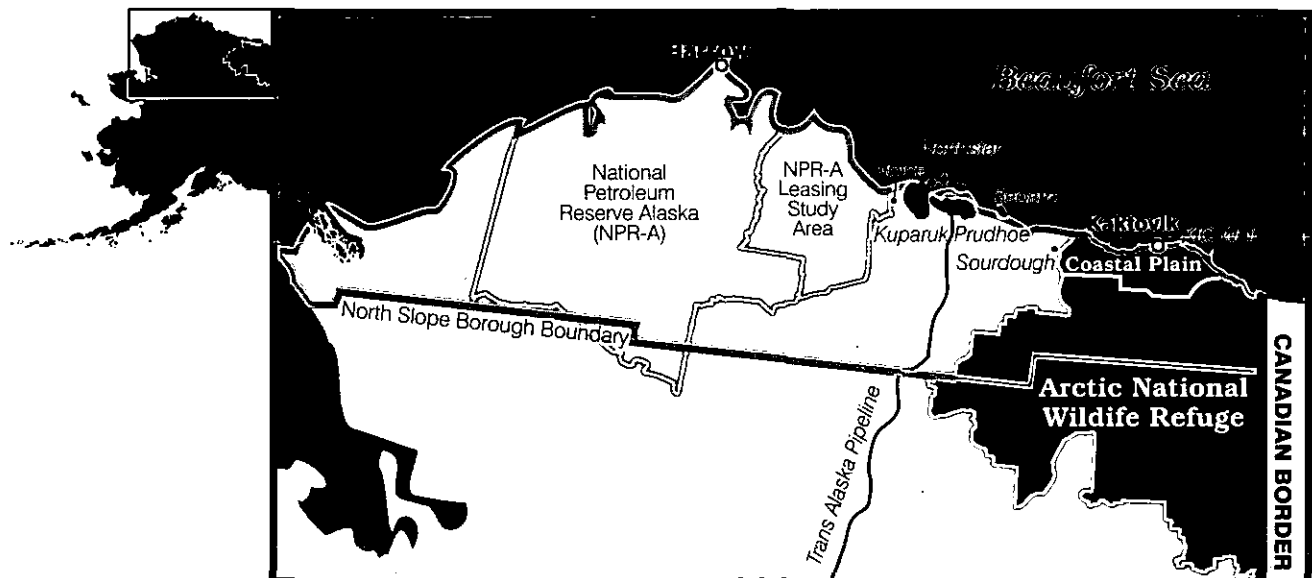
Pro-Development Resource Estimates: Defensible and Desirable

The USGS report is thorough, presenting estimates that use a number of alternative resource concepts. Industry is often accused of distorting ANWR's potential by focusing on the highest of these estimates. Not true. Numbers cited by advocates of ANWR drilling accurately characterize the USGS study conclusion — that ANWR contains undiscovered resource volumes of 5.7 to 16 billion barrels of crude oil, with an expected value of 10.4 billion barrels. Moreover, the USGS standard practice does not include any prospective effects of future technological change. One could argue, therefore, that USGS numbers are more likely to be conservative estimates of the true recovery potential of ANWR. On the flip side, several other numbers are cited by various opponents of development. Many are simply incorrect. An example is the 3.2 billion barrel estimate often attributed to the 1998 USGS study. This may have originated with the 1987 BLM EIS, or it may be based on a misinterpretation of data presented in the 1998 USGS report. In either case it is wrong.

1998 USGS study concludes that ANWR contains recoverable resource volumes of 5.7 to 16 billion barrels of crude oil, with a mean of 10.4 billion barrels. This is the range cited by industry.

Estimates are for the entire 1002 area, which includes federal and private lands. This geographical coverage is relevant, since none of the private lands within ANWR can be developed without opening federal lands.

Recovery from Prudhoe Bay was initially estimated at about 35%, but new technology applied since that time has progressed steadily, and recovery is now expected to exceed 60%.



Estimated Recoverable Resources: Understated and Justified

The table below presents the key resource estimates presented by USGS in its 1998 assessment. These estimates are for the entire Coastal Plain, including both federal property (1002 area) and private lands (Native owned). This geographical coverage is relevant, since none of the private lands within ANWR can be developed without opening federal lands. Within this area, USGS estimates that there are between 15.6 and 42.3 billion barrels of oil in place, with a mean of 27.8 billion barrels. From this, USGS derives the 5.7-to-16.0 billion barrel range as being recoverable using the technology of the mid-1990s. Anti-development groups

often criticize use of *technical* recoverable resource numbers, rather than the narrower concept of *economically* recoverable resources. But a closer look confirms that use of the technically recoverable numbers does not overstate the resource base. As seen in this Table, at extremely low price levels (\$12 on the West Coast), the commercially developable resources are only a small portion of the technically recoverable resource (0-11%).

ANWR 1002 Area Crude Oil Resource Estimates

(in billion barrels)

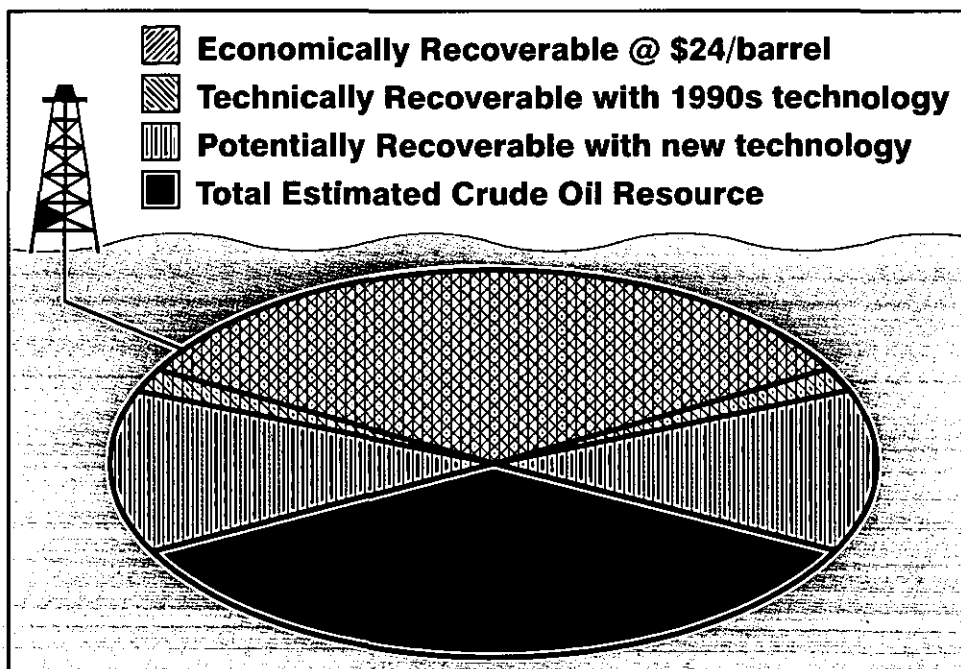
Estimate Range Probability	95%	Mean	5%
In-Place Resources	15.577	27.778	42.319
Technically Recoverable	5.724	10.36	15.955
Technically Recoverable as % of In-Place	37%	37%	38%
Economically Recoverable			
as a % of Technically Recoverable			
@ \$12/barrel West Coast	0%	5%	11%
@ \$18/barrel West Coast	48%	61%	71%
@ \$24/barrell West Coast	87%	88%	91%

However, at a more realistic price of \$24, the commercially developable portion of the resource approaches 90%, and at \$30, all of the technically recoverable resource is commercially viable.

The Technology Factor: Considerable and Real

Technically recoverable volumes cited in the USGS assessment are very conservative. Remember that USGS estimates assume only current technology. In this case, the agency assumes only about 37% of the oil in

place can eventually be recovered. Estimated recovery from Prudhoe Bay was initially estimated to be about 35%, but the application of new technology since that time has progressed steadily, and recovery is now expected to exceed 65%. Similar experience with ANWR could raise eventual recovery well beyond the USGS estimate. For example, 65% recovery would imply a range of 10 to 27 billion barrels, with a mean of 18 billion barrels.





The footprint of ANWR oil in comparison to equal amounts of energy.

