

SJR

3

<TARGET><BILL>SJR 3</BILL><SUBJECT>SJR
3</SUBJECT><COMM>HRES28</COMM></TARGET>



ALASKA STATE LEGISLATURE

Senator Peter A. Micciche

State Capitol, Room 125
Juneau, AK 99801-1182
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Sponsor Statement CS SS SJR 3 (RES) Endorsing ANWR Leasing

Senate Joint Resolution 3 closely mirrors and endorses multiple previous resolutions in urging the United States Congress to pass legislation to open a portion of Alaska's coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and development. The Alaska National Interest Lands Conservation Act of 1980 (or ANILCA) requires such congressional approval.

It is in the national interest to become less dependent on foreign sources for energy. It is in the interest of Alaska to have that energy produced within the state. All oil and gas activities conducted in the Arctic National Wildlife Refuge will be continuously monitored to ensure wildlife populations and the environment remains healthy. Industry technology has demonstrated that this is possible.

This resolution updates the resolution passed by the 27th Legislature. For example, it adds a new "Whereas" to reflect the current pipeline construction activities connecting Port Thompson to the Trans Alaska Pipeline System. This language points out that transportation of oil to the TAPS would only require a pipeline connection linking to the Port Thompson extension.

Passage of this resolution by the 28th Legislature continues the message echoed by previous legislatures, our current and past governors, and past and present members of Alaska's congressional delegation.

28-LS0324\P
Bullock
4/8/13

HOUSE CS FOR CS FOR SENATE JOINT RESOLUTION NO. 8(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS MCGUIRE, Gardner, Ellis, Wielechowski, Kelly, Dyson, Dunleavy, Micciche, French, Bishop, Coghill, Fairclough, Stedman, Giessel, Meyer, Egan

REPRESENTATIVES Costello, Lynn, Isaacson, Peggy Wilson

A RESOLUTION

1 **Supporting the continued and increased exploration, extraction, processing, and**
2 **production of rare earth elements in the state; and urging the United States Congress to**
3 **support efforts of the state to develop rare earth elements in the state for the benefit of**
4 **the economic and national security of the United States.**

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

6 **WHEREAS** rare earth elements, those elements consisting of lanthanum through
7 lutetium on the periodic table, plus scandium and yttrium, possess unique chemical, electrical,
8 and physical properties that make them indispensable for a wide variety of emerging critical
9 technologies needed for defense, clean energy, and other consumer and industrial uses; and

10 **WHEREAS** dysprosium and terbium are among the scarcest, most valuable, and most
11 sought-after rare earth metals needed for green technology and military applications; and

12 **WHEREAS,** in the past, the United States was largely self-sufficient in rare earth
13 elements but today has become almost entirely dependent on foreign sources of yttrium,
14 niobium, tantalum, zirconium, and other rare earth elements; and

15 **WHEREAS** the value-added technology and skill to allow both the recovery of rare
16 earth elements from mineral forms in ore and the manufacture of finished products, including

1 powerful magnets, from rare earth elements has almost entirely migrated to China along with
2 the actual mining of rare earth element ores; and

3 **WHEREAS** China currently produces 95 percent of the world's rare earth elements
4 but reduced the export of rare earth elements by 54 percent from 2005 to 2010 and by nearly
5 50 percent from 2010 to 2011; and

6 **WHEREAS** a future in which manufacturing of high-tech military equipment takes
7 place only outside of the United States poses a risk to national security, and the manufacturing
8 of wind turbines, solar panels, advanced batteries, and geothermal steam turbines produced
9 only outside of the United States poses a risk to energy security; and

10 **WHEREAS** the development and expansion of extraction, processing, refining, and
11 production are needed to provide the United States with self-reliance in technologies that
12 depend on rare earth elements; and

13 **WHEREAS** mineral resources make up a major portion of the state's economic assets,
14 and the deposits discovered at Bokan Mountain on the southern end of Prince of Wales Island
15 are rich in the heavy rare earth elements of europium, gadolinium, terbium, dysprosium,
16 thulium, holmium, erbium, ytterbium, lutetium, and yttrium; and

17 **WHEREAS** the Bokan Mountain deposits are the only known deposits in the world
18 that have deep water access, accessible labor, and prospective power sources; and

19 **WHEREAS** the Tongass National Forest Land and Resource Management Plan
20 designates the Bokan Mountain area for mineral development, and the state's Prince of Wales
21 Island Area Plan classifies the Kendrick Bay area for mineral and forestry access and
22 development; and

23 **WHEREAS** economic opportunities on Prince of Wales Island and throughout the
24 state have significantly decreased; and

25 **WHEREAS** increased exploration for rare earth elements along with the
26 establishment of secondary processing and research facilities related to rare earth elements in
27 the state will create new career opportunities for Alaskans; and

28 **WHEREAS** development of rare earth element deposits in the state is critical to the
29 economic and military security of the state and the nation;

30 **BE IT RESOLVED** that the Alaska State Legislature supports the continued and
31 increased exploration, extraction, processing, and production of rare earth elements in the

1 state; and be it

2 **FURTHER RESOLVED** that the Alaska State Legislature urges agencies that
3 administer permits required for the development of the rare earth elements in the state to
4 expedite consideration and issuance of permits required for the development of rare earth
5 element deposits in the state; and be it

6 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
7 Geological Survey, the United States Department of Commerce, and the United States
8 Department of Defense to work closely with the governor and the director of the division of
9 geological and geophysical surveys in the Department of Natural Resources to explore for and
10 identify deposits of rare earth elements in the state, develop an information database on rare
11 earth elements in the state, and promote the development of the rare earth elements extraction,
12 processing, and production industry in the state; and be it

13 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
14 Congress to support the efforts of the state to develop rare earth elements in the state for the
15 benefit of the economic and national security of the United States.

16 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
17 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
18 President of the U.S. Senate; the Honorable Ken Salazar, United States Secretary of the
19 Interior; the Honorable Chuck Hagel, United States Secretary of Defense; the Honorable John
20 Boehner, Speaker of the U.S. House of Representatives; the Honorable Nancy Pelosi,
21 Minority Leader of the U.S. House of Representatives; the Honorable Harry Reid, Majority
22 Leader of the U.S. Senate; the Honorable Mitch McConnell, Minority Leader of the U.S.
23 Senate; the Honorable Ron Wyden, Chair of the Energy and Natural Resources Committee of
24 the U.S. Senate; the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S.
25 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
26 delegation in Congress; and all other members of the 113th United States Congress.

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version CSSSSJR 3(RES)
 Fiscal Note Number 1
 (S) Publish Date 2/28/13

Identifier (file name) _____ Dept. Affected _____
 Title SJR 3 ENDORSING ANWR LEASING Appropriation _____
 _____ Allocation _____
 Sponsor Senator Micciche
 Requester Senate Resources Committee OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates				
			FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY14	FY15	FY16	FY17	FY18	FY19
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Prgm (DGF)						
1037 GF/MH (UGF)						
1178 temp code (UGF)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

	FY14	FY15	FY16	FY17	FY18	FY19
Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

	FY14	FY15	FY16	FY17	FY18	FY19

Estimated **SUPPLEMENTAL (FY13) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY14) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Senate Resources Committee Phone 465-4843
 Division _____ Date/Time 2/26/13 12:00 AM
 Approved by /s/ Senator Giessel, Chair Date 2/26/2013

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSSSJR 3(RES)

Analysis

No fiscal impact

Top ten reasons to support ANWR development



Arctic Winter Exploration

1. Only 8% of ANWR would be considered for exploration. - Only the 1.5 million acre 10-02 Area (8% of ANWR's total area), is being considered for exploration. The remaining 17.5 million acres of ANWR is permanently off limits to any exploration. If oil is discovered, current legislation allows only allows 2000 acres of the 10-02 Area can be used for surface structures. That's less than half of 1% of ANWR's total area

can be impacted by an oil field.

2. Revenues to the State and Federal Treasury - Federal revenues would be enhanced by billions of dollars from bonus bids, lease rentals, royalties and taxes. Lease sale revenues alone are estimates by the Office of Management and Budget at between \$4-6 billion. Royalties and taxes are estimated @\$100per barrel to be between \$84.6-237.5 billion.

3. Jobs to be Created – Materials, services and infrastructure needed for oil production in the 10-02 will create hundreds of thousands of manufacturing and high skilled service jobs nationwide. Every state in the nation would be impacted by this.

4. Economic Impact – Between 1977 and 2004 the Arctic oil industries spent over \$50 billion within the nation's economy. Almost all products and infrastructure used in Arctic oil field production come from the lower 48 states.

5. America's Best Chance for a Major Discovery – The United States Geological Survey (USGS) 1998 study on ANWR shows the 10-02 Area Coastal Plain of ANWR has the highest potential for a super-large oil field of any other place on the North American continent. If you are going to explore for oil, the best chance to find it, in the largest quantity, with the smallest footprint would be the 10-02 Area.

6. North Slope Production in Decline – Oil from Prudhoe Bay oil fields only 50 miles to the west of ANWR have been in decline for nearly a decade. The Trans-Alaska Pipeline (TAPS) is 1/3rd full at 630,000 bpd. Alaskan North Slope oil supplies the West Coast of America and without new oil the TAPS will eventually be shut down and removed by law, thus stranding all Arctic oil. TAPS has the capacity to supply 1/10th of the nations daily consumption of oil.

7. Imported Oil Too Costly – Today the US imports 61% of our oil from abroad. That represents over \$400 billion dollars a year being sent abroad. Oil imports are the single largest contributor to our national debt. Every barrel of ANWR oil would replace a barrel imported from abroad. With ANWR oil the jobs, the money, and the infrastructure stay at home.

8. No Negative Impact to Animals – Oil and gas development and wildlife are successfully coexisting in Alaska's Arctic. The Central Arctic Caribou Herd migrates directly through the Prudhoe Bay oil field has grown from 5000 animals in the early 70s to well over 66,000 animals today. The Arctic oil fields are monitored daily by State and Federal wildlife specialists and are home to a very healthy brown bear, fox, musk oxen, bird and fish populations equal or better to the surrounding area.

9. Arctic Technology = Advanced Technology – Arctic exploration technology is the most advanced in the world. It represents the cutting edge in minimal impact with maximum return. Advanced drilling technology has allowed the footprint of development to shrink over 64% in the past 30 years while doubling technical rates of return to over 60%. ANWR development would increase and better this trend.

10. Alaskans Support – Over 78% of Alaskans favor exploration and production on the Coastal Plain of ANWR. Over the past 30 years almost every member of the democratically elected Alaska State Legislature, every single Alaskan Congressional delegate, and every single Alaskan Governor has supported environmentally sensitive development of the 10-02 Area of ANWR. ANWR development is not a partisan issue in Alaska, it is strongly supported by all.



ANWR:

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49 ANWR points from the 49th State

- 1) The 10-02 Area has more conventional oil potential in one spot than any single or collective regional onshore location in North America.
- 2) ANWR has been the most continually active energy issue on Capitol Hill for the past 30 years.
- 3) To date Alaskan oil saved America importing 16,058,674,205 barrels of oil since 1977 when the Trans-Alaska Pipeline opened.
- 4) In 2010 alone the Trans-Alaska Pipeline, operating at 1/3rd capacity, saved America importing \$15,207,988,866 worth of oil.
- 5) Importing oil is the single largest contributor to our national debt. In 2011 a full TAPS would save America \$195,300,000 per day.
- 6) At \$90 pb the mean value of ANWR oil is \$936 billion. At 100\$pb it is worth over \$1.3 Trillion
- 7) Every Alaskan State Legislature, every single Alaskan Congressional delegate, and every single Alaskan Governor has supported opening the 10-02 every year since the debate began. In a 2008 poll 78% of Alaskans supported exploration in ANWR.
- 8) Alaska Federation of Natives (AFN), Alaska's Native governing body, supports exploration; the North Slope Borough (the Government of the Arctic) supports exploration, the Village of Kaktovik (ANWR's only settlement) supports exploration, the Arctic Slope Regional Corporation (representing all natives in the Arctic) supports exploration.
- 9) The State of Alaska position on ANWR is echoed by hundreds of national organizations from all walks of life.
- 10) A majority of Americans support opening the 10-02. This has been proven in a number of independent public polls in 2008 and 2009.
- 11) When told the fact that Alaskans support this issue, more than half of all doubters on ANWR convert.

- 12) Millions more Americans will benefit from the oil and gas from ANWR in one day than will ever visit ANWR in a lifetime.
- 13) No species of animal, fish, insect, or bird has declined in population within the oil fields of Prudhoe Bay since development began negating doomsday claims by environmentalists.
- 14) A job created is better than a job lost! Declining production and an empty pipeline means one thing, jobs lost and lost state, federal and private revenue.
- 15) ANWR has the potential to double Prudhoe Bay's current output. This output could last over 30 years.
- 16) The predictions on Prudhoe Bay was 9 billion barrels; we surpassed 16 billion barrels in 2009.
- 17) The USGS estimates for ANWR now used by all in this debate are based on 37% recovery rate; today we recover over 60%.
- 18) Green organizations will raise more money and spend more money on the ANWR issue in one year than any other environmental issue. It is their golden goose and egg.
- 19) In its first 20 years Prudhoe Bay development has caused well over \$50 billion to be spent by industry buying goods and services nationwide.
- 20) Even after exploration begins, over 90% of ANWR will always be completely off limits to any development.
- 21) 30 years have past since the first, "it will take 10 years to develop" argument was raised in Congress.
- 22) ALL energy provisions in the National Stimulus plan now being implemented could be paid for with ANWR oil royalties / taxes, costing Americans nothing.
- 23) You cannot conserve your way into energy independence. Conservation produces no energy. Production produces energy.
- 24) ANWR is a part of the solution, no one has ever argued that it is the whole solution.
- 25) Saying theoretical "NO" to fossil fuels, leaves us to find other alternative energy sources, not one of which has the current capacity to sustain us or supply us with the products oil does. ALL "alternative energies" use oil and gas to make their component parts.
- 26) The fact is, "oil is where you find it". Roughly 14% of the onshore Arctic areas has strong oil and gas potential. All of which are opposed by greens.

- 27) Oil spills in the Arctic are reported and cleaned up by law. Oil spills in any regular city business' parking lot are not.
- 28) A growing economy means increased energy consumption. The two are directly correlated. This is true, even with increased technological efficiencies.
- 29) An increasing population means increased energy consumption. The two are directly correlated. This is true, even with increased technological energy efficiencies.
- 30) The EIA estimates oil to reach \$106 pb by 2014 and remain above that line thereafter.
- 31) America imports 60% of its oil from abroad.
- 32) In 2010 the US imported over 13.2 million barrels of oil and petroleum products a day (EIA)
- 33) In 2009 we imported an average 12.9 million barrels of oil and petroleum products a day (EIA). The oil alone cost us \$922,072,320 per day, or \$38 million dollars an hour....just for raw crude alone.
- 34) ANWR is not an oil bank. It takes years and years to do exploration and then produce oil. Currently we do not even have any hard data on what is exactly there.
- 35) Given the timeline to produce oil, waiting for a shortage of supply caused by war, hurricane or politics, before approving exploration is a "too little, too late" strategy that will only lead us into a worse economic and social crisis.
- 36) America is perhaps the only nation, developed or otherwise that deliberately refuses to access its own natural resources, preferring instead to play NIMBY and buy from abroad.
- 37) In testimony to Congress during the debate to construct the Trans-Alaska Pipeline (1972) Sierra Club biologists argued to build the pipeline east along the Coastal Plain through (now) ANWR's 10-02 Area and down through Canada, stating it would travel with the flow of the caribou's migration and that the area had no scenic beauty or value.
- 39) ANWR oil production, under current legislation, can take up no more than 2000 acres, or 3.1sq.miles.
- 40) ANWR oil production demands use of "best technology available" and a "take in- take out" policy. This is not an option but the law.
- 41) ANWR oil production would be monitored 24/7 by local hire Wildlife Monitors who have the power to mitigate exploration activity if negative environmental effects are seen.
- 42) Wilderness designation will be near permanent in a political sense. It is nearly impossible to undo it.

- 43) The battle to undo a Wilderness designation will be larger than the battle to open up ANWR.
- 44) The environmental movement is openly against any exploration in the Arctic north of the Brooks Range. This was formally codified in a letter to the President by their main leaders, Sen. Inslee and Rep. Markey in 2009.
- 45) The 10-02 Area contains private land that is effectively locked up by the ANILCA bill that created ANWR's current shape. Private property rights are thus being ignored in the ANWR debate.
- 46) The villagers of Kaktovik in the 10-02 consider it a great insult that they are often ignored in this debate and that their land is considered "pristine" and uninhabited. To them, it is used and an important part of their daily operating lives.
- 47) ANWR's 10-02 is the "dinner plate" for the Inupiat of Kaktovik. They would not support this issue if they felt their source of daily sustenance would be at risk.
- 48) The Inupiat villagers of the Arctic who's sacred land this has been for over 10,000 years, for the past 30 years of development has worked together with the State and the Industry to mitigate a beneficial and positive social, environmental, and economic solution to the development of Prudhoe Bay, America's largest oil field situated on their land. The great success of this effort has made them strong supporters of the fight to open ANWR.
- 49) ANWR is not an "either / or" situation. The choice is not black or white, yes or no. ANWR is a case of responsible management and governance. It is a case of careful planning, environmental sensitivity and compromise. All Alaskans are aware of this and promote this and believe this can be done right. That is precisely why we overwhelmingly support this cause.

HR 49 IH

113th 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 3, 2013

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, Space, 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 oil and 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-

(1) IN GENERAL- Bidding for leases under this Act shall be by sealed competitive cash bonus bids, except as provided in paragraph (2).

(2) LEASE SALE BIDS- Lease sales under this Act may be conducted through an Internet leasing program, if the Secretary determines that such a system will result in savings to the taxpayer, an increase in the number of bidders participating, and higher returns than oral bidding or a sealed bidding system.

(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. TREATMENT OF REVENUES.

Notwithstanding any other provision of law, 50 percent of the amount of bonus, rental, and royalty revenues from Federal oil and gas leasing and operations authorized under this Act shall be deposited in the ANWR Alternative Energy Trust Fund established by section 12.

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. 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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