

SJR

3

<TARGET><BILL>SJR 3</BILL><SUBJECT>SJR
3</SUBJECT><COMM>SRES28</COMM></TARGET>

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/4/13

FURTHER: RULES

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/28/13

Resources Committee considered SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 3

SJR 3 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; relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies.

and recommends:

- be replaced with CS SSSR 3 (RES) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
S.RES			✓	1

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	French	X			
	MICCICHE	X			
	Bishop	X			
	McBride	✓			
	FAIRCLOUGH	✓			
	Dysal	X			
CHAIR:	Biessel	X			



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 211
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email: senate.secretary@akleg.gov

FOR YOUR IMMEDIATE ATTENTION

DATE: 2/4/13

TO: Resources Committee
(Sharon, Room 427)

FROM: Office of the Senate Secretary

SUBJ: Sponsor Substitute

A Sponsor Substitute has been introduced on the following bill/resolution pending in your Committee:

RETRIEVE

SENATE JOINT RESOLUTION NO. 3

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; relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies.

Please pull this bill/resolution folder from your files and give to the page. The bill/resolution folder will be returned to you with the Sponsor Substitute.

Thank you.

ALASKA STATE LEGISLATURE

Sen. Cathy Giessel, Chair
Sen. Fred Dyson, Vice Chair
Sen. Lesil McGuire
Sen. Anna Fairclough
Sen. Click Bishop
Sen. Peter Micciche
Sen. Hollis French



State Capitol, Room 427
Juneau AK 99801-1182
907-465-4843
Fax: 907-465-3871
800-465-4843

Senate Resources Committee

Butrovich Room 205

Wednesday, February 27, 2013

3:30-5:00 p.m.

AGENDA

➤ **SB 21, Oil and Gas Production Tax**

Committee Discussion

➤ **SSSJR 3 Endorsing ANWR Leasing**

Teleconference



ALASKA STATE LEGISLATURE

Senator Peter A. Micciche

State Capitol, Room 125
Juneau, AK 99801-1182
(907) 465-2828 Fax 465-4779

MEMORANDUM

Date: February 4, 2013

To: Senator Cathy Giessel
Chair, Senate Resources Committee

From: Senator Peter Micciche *PM*

RE: SJR 3 Hearing Request

Please schedule the following resolution for a hearing in the Senate Resources Committee:

SS SJR 3 ENDORSING ANWR LEASING

Attached is the backup information.

SJR 3, Version U

Sponsor Statement

49 ANWR Points from the 49th State, source: Arctic Power

Top 10 Reasons for supporting ANWR Development, source: Arctic Power

HR 49 Rep. Don Young <http://thomas.loc.gov/cgi-bin/query/C?c113:./temp/~c1134PvBYA>

The Senate Resource Committee is the first committee of referral and therefore does not have a fiscal note yet.

If you have any questions or need additional information, please contact Mindy Rowland in my office at 465-4989.



ALASKA STATE LEGISLATURE

Senator Peter A. Micciche

State Capitol, Room 125
Juneau, AK 99801-1182
(907) 465-2828 Fax 465-4779

Sponsor Statement SS SJR 3 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 Alaska's coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and development. Such development is currently prohibited in the Arctic National Wildlife Refuge under The Alaska National Interest Lands Conservation Act of 1980.

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.

The one change to the resolution passed by the 27th Legislature relates to current pipeline construction activities connecting Port Thompson to the Trans Alaska Pipeline System. The new "Whereas" in this resolution 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.



ANWR:

**JOBS AND
ENERGY
FOR AMERICA**

ARCTIC POWER
P. O. Box 100220
Anchorage, AK 99510

425 8th Street NW
Ste. 540
Washington, DC
20004
202.248-4468
202.248-6123 FAX
<http://www.anwr.org>

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.

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.

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 `EPAAct2005') and the Energy Independence and Security Act of 2007 (Public Law 110-140; in this section referred to as `EISAct2007'), as follows:

EPAAct2005:

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 EAct2005 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

Stay Connected with the Library [All ways to connect »](#)

Find us on



Subscribe & Comment

[RSS & E-Mail](#) [Blogs](#)

Download & Play

[Podcasts](#) [Webcasts](#) [iTunes U](#)

[About](#) | [Press](#) | [Site Map](#) | [Contact](#) | [Accessibility](#) | [Legal](#) | [External Link Disclaimer](#) | [USA.gov](#)

[Speech](#)

[Enabled](#)



ALASKA STATE LEGISLATURE

Senator Peter A. Micciche

State Capitol, Room 125
Juneau, AK 99801-1182
(907) 465-2828 Fax 465-4779

Sponsor Statement

SS SJR 3

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 Alaska's coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and development. Such development is currently prohibited in the Arctic National Wildlife Refuge under The Alaska National Interest Lands Conservation Act of 1980.

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.

The one change to the resolution passed by the 27th Legislature relates to current pipeline construction activities connecting Port Thompson to the Trans Alaska Pipeline System. The new "Whereas" in this resolution 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-LS0331\C
Bullock
2/27/13

CS FOR SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 3()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS MICCICHE, French, McGuire, Meyer, Gardner, Giessel, Bishop, Fairclough, Stedman, Dunleavy, Dyson, Kelly

A RESOLUTION

1 **Urging the United States Congress to pass legislation to open the coastal plain of the**
2 **Arctic National Wildlife Refuge to oil and gas exploration, development, and**
3 **production; relating to oil and gas exploration, development, production, and royalties;**
4 **and relating to renewable and alternative energy technologies.**

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

6 **WHEREAS, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands**
7 **Conservation Act), the United States Congress reserved the right to permit further oil and gas**
8 **exploration, development, and production within the coastal plain of the Arctic National**
9 **Wildlife Refuge; and**

10 **WHEREAS the oil industry, the state, and the United States Department of the**
11 **Interior consider the coastal plain to have the highest potential for discovery of very large oil**
12 **and gas accumulations on the continent of North America, estimated to be as much as**
13 **10,000,000,000 barrels of recoverable oil; and**

14 **WHEREAS the "1002 study area" is part of the coastal plain located within the North**
15 **Slope Borough, and many of the residents of the North Slope Borough, who are**

1 predominantly Inupiat Eskimo, are supportive of development in the "1002 study area"; and

2 **WHEREAS** oil and gas exploration and development of the coastal plain of the refuge
3 and adjacent land could result in major discoveries that would reduce our nation's dependency
4 on oil produced by hostile foreign nations, help balance the nation's trade deficit, and
5 significantly increase the nation's security; and

6 **WHEREAS** the state's and the nation's future energy independence would be
7 enhanced with additional natural gas production from the North Slope of Alaska including
8 what are expected to be significant gas reserves in the Arctic National Wildlife Refuge, and
9 the development of those reserves would enhance the economic viability of the proposed
10 Alaska Natural Gas Pipeline; and

11 **WHEREAS** domestic demand for energy continues to rise, and the United States
12 continues to depend on imports of oil from foreign sources; and

13 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
14 Milne Point has resulted in thousands of jobs throughout the United States, and projected job
15 creation as a result of coastal plain oil development will have a positive effect in all 50 states;
16 and

17 **WHEREAS** North Slope production is declining; and

18 **WHEREAS** the Trans Alaska Pipeline System, a national asset that would cost
19 billions of dollars to replace, would have its useful physical life extended for a substantial
20 period if the additional reserves of recoverable oil from the coastal plain were produced; and

21 **WHEREAS** the Trans Alaska Pipeline System currently is being extended to leases at
22 Point Thomson, an area bordering the Arctic National Wildlife Refuge, and oil produced in
23 the Arctic National Wildlife Refuge would only require the additional construction of a
24 pipeline to Point Thomson to deliver oil to market; and

25 **WHEREAS**, while new oil field developments on the North Slope of Alaska may
26 temporarily slow the decline in production, only allowing access to the state's coastal plain
27 fields would enable the production volume of Alaska oil to increase to a significant degree;
28 and

29 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge now
30 allows sufficient time for planning environmental safeguards, development, and national
31 security review; and

Amd by
Fairclough
PASSED

1 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up less than eight
2 percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the
3 refuge's coastal plain would affect an area of not more than 2,000 acres, which is less than
4 one-tenth of one percent of the area of the coastal plain; and

[as limited by congress]

5 **WHEREAS** 8,900,000 of the 19,000,000 acres of the refuge have already been set
6 aside as wilderness; and

7 **WHEREAS** the oil industry has shown at Prudhoe Bay, as well as at other locations
8 along the Arctic coastal plain, that it is capable of conducting oil and gas activity without
9 adversely affecting the environment or wildlife populations; and

10 **WHEREAS** the state will continue to strive to ensure the ongoing health and
11 productivity of the Porcupine and Central Arctic caribou herds and the protection of land,
12 water, and wildlife resources during the exploration and development of the coastal plain of
13 the Arctic National Wildlife Refuge; and

14 **WHEREAS** the oil and gas industry has developed directional drilling technology that
15 will allow horizontal drilling in a responsible manner by minimizing the development
16 footprint within the Arctic National Wildlife Refuge, and this directional drilling technology
17 may be capable of drilling from outside of the boundaries of the 1002 study area; and

18 **WHEREAS** the oil industry is using innovative technology and environmental
19 practices in new field developments, and those techniques are directly applicable to operating
20 on the coastal plain and would enhance environmental protection beyond traditionally high
21 standards; and

22 **WHEREAS** the state recognizes that the economic prosperity of the state is dependent
23 on available, reliable, and affordable energy; and

24 **WHEREAS** the state promotes the development of renewable and alternative energy
25 resources and created the Alaska Energy Authority to assist the state in advancing new energy
26 projects and technology; and

27 **WHEREAS** the Alaska State Legislature encourages the use of revenue from
28 development in the Arctic National Wildlife Refuge for the development of renewable and
29 alternative energy resources in the state;

30 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
31 Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge

1 to oil and gas exploration, development, and production; and be it

2 **FURTHER RESOLVED** that the Alaska State Legislature urges that oil and gas
3 exploration, development, and production activity be conducted in a manner that protects the
4 environment and the naturally occurring population levels of the Porcupine caribou herd on
5 which the Gwich'in and other local residents depend, that uses directional drilling and other
6 advances in technology to minimize the development footprint in the 1002 study area, and
7 that uses the state's work force to the maximum extent possible; and be it

8 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
9 Congress to pass legislation opening the 1002 study area for oil and gas development while
10 continuing to work on measures for increasing the development and use of renewable and
11 alternative energy technologies; and be it

12 **FURTHER RESOLVED** that the Alaska State Legislature opposes any unilateral
13 reduction in royalty revenue from exploration and development of the coastal plain of the
14 Arctic National Wildlife Refuge and any attempt to coerce the State of Alaska into accepting
15 less than the 90 percent of the oil, gas, and mineral royalties from the federal land in the state
16 that was promised to the state at statehood.

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

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version SSSJR 3
Fiscal Note Number _____
() Publish Date _____

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

CHANGE IN REVENUES							

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

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SSJR 3

Analysis

No fiscal impact



ANWR:

49 ANWR points from the 49th State

JOB AND
ENERGY
FOR AMERICA

ARCTIC POWER
P. O. Box 100220
Anchorage, AK 99510

425 8th Street NW
Ste. 540
Washington, DC
20004
202.248-4468
202.248-6123 FAX
<http://www.anwr.org>

- 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 3.1 sq.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.

Top ten reasons to support ANWR development

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 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.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Founded 1975
Executive Director
Rick Rogers
2012-2013 Executive Committee
Phil Cochrane, President
L.F. "Len" Horst, Sr. Vice President
Ralph Samuels, Vice President
Eric Fjelstad, Treasurer
Lorna Shaw, Secretary
Tom Maloney, Past President
Bob Berto
Patty Bielawski
J.B. "Bill" Brackin
Pat Carter
Steve Denton
Ella Ede
Stan Foo
Paul Glavinovich
Bill Jeffress
Scott Jepsen
Wendy Lindskoog
Lance Miller
Kara Moriarty
Ethan Schutt
John Shively
Jeanine St. John
Scott Thorson
Cam Toohy
Directors
Todd Abbott
Greg Baker
John Barnes
Dave Benton
Jason Bergerson
Allen Bingham
Rick Boyles
Dave Chaput
Steve Connelly
Bob Cox
Dave Cruz
Allan Dolynny
Paula Easley
Brad Evans
Corri Feige
Jeff Foley
Carol Fraser
Tim Gallagher
Ricky Gease
Matt Gill
Dan Graham
Chuck Greene
Scott Habberstad
Karl Hanneman
Rick Harris
Paul Henry
Steve Hites
Larry Houle
Teresa Imm
Mike Jungreis
Frank Kelty
Thomas Krzewinski
John Lau
Tom Lovas
Thomas Mack
John MacKinnon
Stephanie Madsen
Karen Matthias
Sam Mazzeo
Ron McPheters
James Mery
Denise Michels
Hans Neidig
Lisa Parker
Judy Patrick
Charlie Powers
Glenn Reed
Mike Satre
Keith Silver
Lorali Simon
John Sturgeon
Jan Trigg
Ex-Officio Members
Senator Mark Begich
Senator Lisa Murkowski
Congressman Don Young
Governor Sean Parnell

February 22, 2013

Senator Peter Micciche
State Capitol, Room 125
Juneau, AK 99801

Re: SJR 3, Urging the U.S. Congress to open the Coastal Plain of ANWR to oil and gas exploration, development, and production and relating to renewable and alternative energy technologies

Dear Senator Micciche:

The Resource Development Council for Alaska (RDC) is writing to support SJR 3, which advocates for opening the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and development.

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. Our membership includes all of the Alaska Native Regional Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to expand the state's economic base through the responsible development of our natural resources.

RDC has consistently supported opening the "1002 area" of ANWR's coastal plain to oil and gas development. The coastal plain is considered America's best onshore prospect for major oil and gas discoveries.

SJR 3 advocates for the State of Alaska's and, indeed, our nation's interests in recommending the 1002 area be opened to responsible oil and gas development, as was recommended by the Department of Interior and Congress in the 1980s and 1990s.

The 1002 area was excluded from the Wilderness designation in a compromise struck under the Alaska National Interest Lands Conservation Act (ANILCA) over 30 years ago. In exchange, Congress doubled the size of the refuge and designated eight million acres outside the 1002 area as Wilderness. In recognizing the 1002 area's enormous oil and gas potential, Congress mandated a study of the 1002 area's petroleum resources, as well as its wildlife and environmental values. In 1987, the Department of the Interior recommended the 1002 area be opened "to an orderly oil and gas leasing program." A 1987 Environmental Impact Statement (EIS) noted in its summary that impacts from "exploration and development drilling were minor or negligible on all wildlife resources on the 1002 area" and that production would

directly "affect only 0.8 percent of the 1002 area." In 1995, Congress voted to open the area to responsible oil and gas development, but President Bill Clinton vetoed the bill.

According to the Energy Information Administration, ANWR oil and gas development could result in new domestic production ranging from 510,000 to 1.45 million barrels per day for a period extending for approximately 12 years, with additional production for many years following. Such production would save the nation billions of dollars in imported oil while creating thousands of new jobs and generating billions of dollars in new revenues to the federal and Alaska treasuries. It's time we bring these opportunities to American soil where environmental oversight and protection are second to none, and the 1002 area is the most prospective onshore prospect in our country with an estimated 5.7 to 16 billion barrels of technically recoverable oil.

What we need in Alaska is more economic opportunities, and if the 1002 area is opened, not one acre of designated Wilderness would be disturbed by development. With advances in technology significantly diminishing the footprint of development, we do not have to choose between energy production and environmental protection. It is possible to develop the 1002 area's energy reserves while directly utilizing only a fraction of the area. This can be accomplished without significant disturbance to wildlife. In fact, wildlife populations have grown or remained stable in other areas of the North Slope where oil development is already occurring. One example at Prudhoe Bay shows the central arctic caribou population has grown from 5,000 animals in 1970 to more than 66,000 animals today. Development and protection of the environment do co-exist in Alaska and this environmental ethic will continue to be a priority.

In conclusion, the 1002 area of ANWR should be opened up to responsible onshore oil and gas exploration and development. Our national security and Alaska's economy depend on it. Moreover, we can have oil and gas development in a very small area of ANWR while maintaining the special values of the refuge.

With Alaskans consistently and overwhelmingly supporting oil and gas development in the 1002 area, RDC strongly encourages passage of SJR 3.

Sincerely,

Resource Development Council, Inc.



Carl Portman
Deputy Director

**ALASKA CENTER FOR THE ENVIRONMENT
ALASKA COMMUNITY ACTION ON TOXICS
ALASKA WILDERNESS LEAGUE
ALASKA QUIET RIGHTS COALITION
ARCTIC AUDUBON * AUDUBON ALASKA
FRIENDS OF ALASKA NATIONAL WILDLIFE REFUGES
GWICH'IN STEERING COMMITTEE
NATIONAL WILDLIFE FEDERATION
NORTHERN ALASKA ENVIRONMENTAL CENTER
PACIFIC ENVIRONMENT * SIERRA CLUB
RESISTING ENVIRONMENTAL DESTRUCTION
ON INDIGINOUS LANDS * THE WILDERNESS SOCIETY
SOUTHEAST ALASKA CONSERVATION COUNCIL**

February 27, 2013

Re: Opposition to HJR 7 and SJR 3 (that Urge Congress to Open the Coastal Plain of the Arctic National Wildlife Refuge for oil & gas exploration, development and production)

Dear Alaskan Legislator:

Over 50 years ago, Alaskans played a major hand in establishing the Arctic National Wildlife Refuge ("Refuge" or "Arctic Refuge") to preserve the wilderness and wildlife values of this corner of Alaska on an ecosystem scale. Today, it remains the only area of Alaska's North Slope protected by law from oil and gas exploration and development. The Refuge's value as an intact ecosystem is increasingly important in the face of a rapidly changing climate.

Our organizations, representing thousands of Alaskans, support protection for the Arctic Refuge Coastal Plain from oil and gas leasing, exploration, and development. This is in the best interest of Alaska and the nation for a number of reasons:

1) Oil and gas development and wilderness are not compatible. There is no safe way to explore and develop the biological heart of the Arctic National Wildlife Refuge, its Coastal Plain. Despite the oil industry's numerous assurances, the National Research Council found long-term, major impacts from oil and gas operations on Alaska's North Slope to tundra vegetation, migratory birds, caribou, bowhead whales, subsistence, and other cumulative effects. Despite technological advances in the oil industry, there are still large numbers of oil spills every year on Alaska's North Slope, roughly one a day on average. Directional drilling does not solve this problem. It would result in spills and pollution just like conventional drilling and the impacts of noisy development and pollution would inevitably extend into key wildlife and subsistence areas, including the nearly 100 miles of sensitive coastlines.

2) Protecting the Arctic Wildlife Refuge is important ecologically and culturally. The Arctic Refuge's narrow Coastal Plain is the center of wildlife activity for birds, fish, polar bears, marine mammals, caribou, and other wildlife. It deserves our nation's strongest protection. Oil development here would adversely affect the health of the Porcupine Caribou Herd, which the Gwich'in people rely on for their subsistence, cultural, and spiritual needs. The calving and

nursery grounds on the Coastal Plain of the Refuge – where up to 40,000 calves are born each summer – are referred to as "the sacred place where life begins." For the Gwich'in, it is a human rights issue that they be allowed to continue their way of life. Protecting the Coastal Plain upholds the UN Declaration on the Rights of Indigenous Peoples which states "In no case may a people be deprived of their own means of subsistence...". The Coastal Plain supports the subsistence way of life for the Inupiat and other Alaska Native people.

3) Tourism is vital to Alaska's economy and plays an important role in the health of Alaskan businesses. People visit Alaska because of its spectacular natural beauty and extraordinary wilderness opportunities. Eco-tourism is a sustainable economy dependent on intact ecosystems with high wilderness values such as the Arctic Wildlife Refuge. The Arctic Refuge represents wilderness at its wildest. Oil development would have long-term negative consequences on the recreation and tourism industries that rely on these wild lands.

4) We must pursue alternative ways to meet our energy needs in Alaska and America – drilling in the Refuge is not part of that equation. Nationally, increasing the fuel efficiency of our automobiles, developing renewable energy sources, and adopting energy efficiency and conservation technologies are safer, cleaner, and quicker alternatives to meeting our energy needs than opening the Arctic Refuge to oil and gas leasing and development. In fact, such measures are the only way to truly reduce our dependency on foreign oil. As Alaskans, we do not need to wait for federal action or speculative revenues to continue to support Alaska's strong program of funding renewable energy, energy efficiency, and weatherization programs or to promote measures for Alaskans' energy self-sufficiency. Not all Alaskans support opening the Coastal Plain of the Arctic Refuge to oil and gas. We oppose HJR 7 and SJR 3 and support continued protection of the Arctic Refuge.

To that end, we urge President Obama and Congress to defeat any efforts to allow any oil and gas leasing, exploration, or development in the Coastal Plain of the Arctic Refuge. Adopting a Wilderness designation for the Arctic Refuge Coastal Plain will protect this magnificent place for future generations of Alaskans and all Americans; it is that goal toward which we should all aim.

Sincerely,

Andy Moderow, Advocacy Director
Alaska Center for the Environment
Anchorage
andy@akcenter.org

Betsy Beardsley
Environmental Justice Program Director
Alaska Wilderness League
Anchorage
betsy@alaskawild.org

Pamela K. Miller, Executive Director
Alaska Community Action on Toxics
Anchorage
pamela@akaction.org

Brian Okonek, President
Alaska Quiet Rights Coalition
Talkeetna
Okonek@mtaonline.net

Gail Mayo, Vice President
Arctic Audubon
Fairbanks
mavogail@gmail.com

Kevin Harun, Arctic Program Director
Pacific Environment
Anchorage
kharun@pacificenvironment.org

Nils Warnock, Ph.D., Executive
Director
Audubon Alaska
Anchorage
nwarnock@audubon.org

Robert Thompson, Chair
**Resisting Environmental Destruction
on Indigenous Lands**
Kaktovik
bolothompson@hotmail.com

David C. Raskin, Ph.D.
Past President and Advocacy Chair
**Friends of Alaska National Wildlife
Refuges**
Homer
Davidc.raskin@me.com

Lindsey Hajduk, Assistant Regional
Representative
Sierra Club, Alaska Field Office
Anchorage
Lindsey.Hajduk@sierraclub.org

Princess Lucaj, Executive Director
Gwich'in Steering Committee
Fairbanks
princesslucaj@gmail.com

Lindsey Ketchel, Executive Director
Southeast Alaska Conservation Council
lindsey@seacc.org
Juneau

Tony Turrini, Senior Counsel
**National Wildlife Federation, Alaska
Office**
Anchorage
turrini@nwf.org

Nicole Whittington-Evans
Alaska Regional Director
The Wilderness Society
Anchorage
nicolewe@twes.org

Pamela A. Miller, Arctic Program Director
Northern Alaska Environmental Center
Fairbanks
pam@northern.org