

SCOMM

1 44:2

HOUSE COMMITTEE REPC T

(7)

Date Referred to Committee: January 10, 2005

FURTHER REFERRALS: Finance

Date of Committee Action: Feb 1 2005

The HOUSE SPECIAL COMMITTEE ON OIL AND GAS considered:

HB 32

HOUSE BILL NO. 32

APPROP: GRANT TO ARCTIC POWER FOR ANWR

"An Act making a special appropriation for a grant to Arctic Power to promote the opening of the Arctic National Wildlife Refuge for oil and gas exploration and development; and providing for an effective date."

Recommends it be replaced with ☐ HCS or ☐ CS for _____ (_____)
For Senate Bills with new title: ☐ Technical Title ☐ New Title: HCR_____ ☐ Same Title ☐ New Title

☐ attach amendments

[] add new referral to _____Committee

[] Letter of Intent_____Committee

**List of
Abbrev
for**

Depts.:

ADM

CED

COR
CPT

**CRI
EED**

DEC

DFG

GOV

HSS

**LEG
LAW**

LAW
LWE

**LWF
MVA**

DNR

DPS

REV

DOT
U.S.**UA**[illegible][illegible]

Signing with recommendations		Printed Last Name	DP	DNP	NR	AM
Berta Gardner	Gardner				✓	
~~Robert~~	~~SAMUELS~~				X	
~~Robert~~	McClure				✓	
Tracy	Reilly	✓				
Chair: Vicki Downing		✓				
Chair:						

ALASKA STATE LEGISLATURE

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Session:

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Juneau, Alaska 99801-1182
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REPRESENTATIVE VIC KOHRING DISTRICT 14

*- meeting letters
of support.*

Sponsor Statement House Bill 32

A grant to Arctic Power to promote opening the Arctic National Wildlife Refuge (ANWR) for Oil and Gas Development.

House Bill 32 appropriates \$1,200,000 from the General Fund to Arctic Power for use in promoting the opening of the Arctic National Wildlife Refuge (ANWR) by Congress for oil and gas development. The legislation includes a General Fund appropriation of \$100,000 to the native village of Kaktovik for their community outreach effort to gain support for the opening of the refuge.

With declining oil revenues, it is imperative Alaska develops new fields. ANWR is the best prospect for future oil and gas development in the state and nation, and the U.S. Interior Department considers the Coastal Plain within ANWR to have the highest potential for discovery of significant oil and gas accumulations in North America, with an estimated 10,000,000,000 barrels of recoverable oil.

This appropriation will assist in reaching that goal of opening the region. In addition, oil and gas exploration and development of the Coastal Plain and adjacent land could result in major unforeseen discoveries that would help reduce our country's future need for imported oil, help balance the nation's trade deficit, and improve our national security.

Arctic Power will use this funding to advocate to Congress the importance of oil and gas production from Alaska's North Slope, demonstrate our state's history of environmentally responsible resource development, and convey the overwhelming support that exists among Alaskans and many Americans for opening ANWR.

Arctic Power is a non-profit private group that has been in existence for 12 years. They have received previous state funding for their efforts, including raising private funds to supplement their budget needs. The existing window of opportunity to open ANWR is considered the best in years, given the current make up of Congress in both the House and Senate, as well as the President's support of development in the refuge.

Presented
2-7-05

AMENDMENT NUMBER #1

BY REPRESENTATIVE REGGIE JOULE

TO HB 32

Amend page 1 lines 9-10 as follows:

Delete \$100,000 on line 9

Insert \$50,000 on line 9

Insert the following on line 10 between the words "Kaktovik" and "in": and \$50,000 for the City of Kaktovik

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB032-DNR-O&G-01-31-
 () Publish Date: _____

Revision Date/Time (Note if correction): _____

Dept. Affected: Natural Resources

Title Approp: Grant to Arctic Power for ANWR

RDU Resource Development

Component Oil & Gas Development

Sponsor Rep. Kohring

Requester House Oil and Gas

Component No. 439

Expenditures/Revenues

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact to DNR associated with passage of this legislation.

Prepared by: Mark D. Myers, Director

Division Oil and Gas

Approved by: Tom Irwin, Commissioner

Agency Natural Resources

Phone 269-8800

Date/Time 1/31/2005

Date 1/31/2005

RICHARD W. POMBO

11th District, California

CHAIRMAN, COMMITTEE ON RESOURCES

COMMITTEE ON AGRICULTURE

Congress of the United States

House of Representatives

Washington, DC 20515-0511

January 31, 2005

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Honorable Frank Murkowski
Alaska State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

Governor Murkowski,

I hope this letter finds you well and enjoying the New Year. As always, I look forward to working with you on behalf of the State of Alaska.

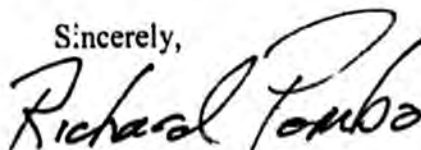
I write to you today to specifically thank you for continued support of Arctic Power. As you know, Arctic Power was an integral part of the 1995 campaign to open a portion of the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and production. Now, in 2005, with President George W. Bush in the oval office and increased support in both the House and the Senate, I believe we have the best chance yet to achieve our goal. Arctic Power will be critical to our success.

Arctic Power has played an integral role on this issue here in the halls of Congress. Its very capable staff has been invaluable over the years in educating members on all facets of this debate. The up to date information and statistics they have compiled and provided has not only allowed members to educate their fellow colleagues on this important issue, but has also afforded them justification for their votes. In addition, Arctic Power's vote analysis has been superb.

Again, I believe we are within striking distance of success. With your help and that of Arctic Power, ANWR legislation will pass this Congress for the good of your state and our nation.

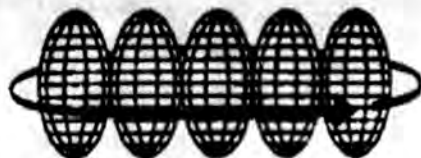
Once again, thank you for your continued support of this valuable organization. Arctic Power has served its cause and the State of Alaska well.

Sincerely,



Richard W. Pombo (R-CA)

Cc: Alaska State Legislature



TRANSPORTATION INSTITUTE

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January 25, 2005

Senator Thomas Wagoner
State Capitol, Room 427
Juneau, AK 99801-1182
Alaska State Senate
Juneau, AK 99801

Senator Wagoner:

As an advocate of environmentally responsible oil exploration and development in the Coastal Plain of ANWR, I urge you to provide adequate funding for Arctic Power in the FY 2005 Budget and to support **SB 69/HB 32** so that they may continue their efforts to assure our Nation has the ability to maintain its own production of oil.

As an advocate of the U.S.-Flag Maritime industry, my job responsibilities include addressing policy issues with the Pacific Northwest Congressional delegation. I often use Arctic Power materials in developing my arguments for why it is imperative for Congress to allow the Coastal Plain to be open for oil exploration and development. I have personally given Arctic Power promotional material to most of the Senators and congressional representatives in Washington and Oregon. Having access to such material is an invaluable tool in combating much of the inaccurate and misleading missives distributed by extremists in the environmental movement or the prototypical editorial found in the print media.

Moreover, other Arctic Power supporters and I encourage our congressional delegation to avail themselves of the occasional tours that Arctic Power sponsors and several of our PNW members of Congress have taken the opportunity to visit the Section 1002 Area to get their own perception of the ANWR debate and view the great care expended to assure that oil exploration and development on the North Slope is conducted in strict accord to environmental regulation. These tours serve as an invaluable tool to educate policymakers.

In conclusion, I'm afraid without your support for Arctic Power, along with the assistance of many organizations like my own, we will lose the expertise and momentum we have so carefully crafted over the last decade.

A small investment by the legislature for Arctic Power on behalf of Alaskans is both proper and necessary. Thank you for your consideration of this request.

Sincerely yours,

Richard Berkowitz
Director, Pacific Coast Operations

October 2004 Crude Oil Prices - Bloomberg
\$ per barrel

Date	ANS West Coast	West Texas Intermediate
October 1, 2004	46.87	50.12
October 2, 2004	-	-
October 3, 2004	-	-
October 4, 2004	46.66	49.91
October 5, 2004	46.44	51.09
October 6, 2004	47.37	52.02
October 7, 2004	48.02	52.67
October 8, 2004	48.66	53.31
October 9, 2004	-	-
October 10, 2004	-	-
October 11, 2004	48.99	53.64
October 12, 2004	47.86	52.51
October 13, 2004	48.99	53.64
October 14, 2004	50.11	54.76
October 15, 2004	50.28	54.93
October 16, 2004	-	-
October 17, 2004	-	-
October 18, 2004	49.02	53.67
October 19, 2004	48.64	53.29
October 20, 2004	50.27	54.92
October 21, 2004	50.62	55.27
October 22, 2004	51.52	56.17
October 23, 2004	-	-
October 24, 2004	-	-
October 25, 2004	48.54	55.94
October 26, 2004	49.17	55.17
October 27, 2004	46.46	52.46
October 28, 2004	44.92	50.92

October 29, 2004	45.78	51.78
October 30, 2004	-	-
October 31, 2004	-	-

November 2004 Crude Oil Prices - Bloomberg
\$ per barrel

Date	ANS West Coast	West Texas Intermediate
November 1, 2004	43.88	50.13
November 2, 2004	43.37	49.62
November 3, 2004	44.63	50.88
November 4, 2004	42.50	48.82
November 5, 2004	43.29	49.61
November 6, 2004	-	-
November 7, 2004	-	-
November 8, 2004	42.77	49.09
November 9, 2004	41.05	47.37
November 10, 2004	42.54	48.86
November 11, 2004	41.10	47.42
November 12, 2004	41.00	47.32
November 13, 2004	-	-
November 14, 2004	-	-
November 15, 2004	40.55	46.87
November 16, 2004	39.79	46.11
November 17, 2004	40.52	45.84
November 18, 2004	39.90	46.22
November 19, 2004	42.12	48.44
November 20, 2004	-	-
November 21, 2004	-	-
November 22, 2004	42.12	48.44
November 23, 2004	42.42	48.74
November 24, 2004	42.94	49.26
November 25, 2004	holiday	holiday
November 26, 2004	holiday	holiday
November 27, 2004	-	-
November 28, 2004	-	-

November 29, 2004	43.44	49.76
November 30, 2004	42.81	49.13

December 2004 Crude Oil Prices - Bloomberg
\$ per barrel

Date	AMS West Coast	West Texas Intermediate
December 1, 2004	38.76	45.49
December 2, 2004	36.52	43.25
December 3, 2004	35.81	42.54
December 4, 2004	-	-
December 5, 2004	-	-
December 6, 2004	36.25	42.98
December 7, 2004	34.73	41.46
December 8, 2004	35.21	41.94
December 9, 2004	35.80	42.53
December 10, 2004	33.98	40.71
December 11, 2004	-	-
December 12, 2004	-	-
December 13, 2004	34.28	41.01
December 14, 2004	35.09	41.82
December 15, 2004	37.46	44.19
December 16, 2004	37.45	44.18
December 17, 2004	39.55	46.28
December 18, 2004	-	-
December 19, 2004	-	-
December 20, 2004	38.91	45.64
December 21, 2004	38.81	45.54
December 22, 2004	37.31	44.04
December 23, 2004	37.30	44.03
December 24, 2004	holiday	holiday
December 25, 2004	-	-
December 26, 2004	-	-
December 27, 2004	34.59	41.32
December 28, 2004	35.04	41.77

December 29, 2004	36.91	43.64
December 30, 2004	36.72	46.45
December 31, 2004	holiday	holiday



ANWR:

JOBS AND ENERGY FOR AMERICA

ARCTIC POWER

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202.544.1121 FAX

www.anwr.org

Memorandum

To: House Oil & Gas Committee
Alaska State Legislature

Fr: Kevin Hand, Executive Director

Date: February 1, 2005

RE: ANWR Education Funding Request – HB 32

Arctic Power is requesting expedited state funding for on-going education and advocacy efforts to open the coastal plain of the Arctic National Wildlife Refuge to responsible oil and gas development.

The appropriation request would support continuous Congressional education programs and grass roots advocacy efforts already underway nationwide and in Washington D.C.

As in years past, the state funds will be used to conduct ANWR tours, continue our Capital Hill Education Program, provide advocacy materials, maintain union and coalition outreach, and respond to media campaigns.

The 2005 program budget for Arctic Power, including private funds, in-kind contributions, and coalition support is greater than \$3 Million. The state portion is an important facet to this cause, and is integral to the success of the Open ANWR campaign.

The attached documents provide a synopsis of the program costs of each component as funded under this legislation. Additionally, a synopsis of Arctic Power historical grant appropriations and the component expenditures are attached for your information.

Despite recent gains in Washington, the success of ANWR in Congress is far from assured. Once again, we are witnessing zealous opposition from unrelenting environmental organizations who have the capability to raise and spend resources many times greater in their aim of locking up ANWR forever.

The State of Alaska must not sit idle at this important time. Alaska, being dependent upon oil for a significant portion of state revenues, cannot ignore the future potential of ANWR revenue generation for both the Permanent Fund and the GF. Alaska simply cannot afford to have ANWR taken off the table by obstructionist groups who care little about Alaska or its residents.

The people of Alaska must have a voice in this debate. There are alarmingly few groups promoting Alaskans' thoughts and feelings on this issue. Alaska cannot afford to sit on the sidelines; the future ramifications may be too great.

Arctic Power Board of Directors' believes strongly that the large revenue potential (in Billions) of ANWR makes the advocacy funding by the Legislature a very small, wise investment in Alaska's future.

If you have any questions, please feel free to contact Kevin Hand at #907-274-2697 (ANWR).

**ANWR:**

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FOR AMERICA**

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2005 PROGRAM BUDGET SUMMARY

GRANT ALLOCATION - HB 32

<u>2005 Program Components</u>	<u>TOTAL</u>
Capital Hill Education \$600,000 ; Contractual Services, Delegation Travel, Education Materials, Communications	
Coalition Building Coordination of Coalitions, Network of Grass-Roots Advocacy Organizations	\$60,000
ANWR Tours	\$60,000
Targeted States Target Mailers, Phone Program Advocacy/Education State Trips	\$290,000
Union Outreach Continuation of Union ANWR Advocacy, Congress Outreach, JOBPOWER advocacy efforts	\$72,000
Media Response Public/Media Relations, Rapid Response Program Media ANWR Education	\$58,000
Communications/Education Mats. Production of Education/Advocacy Materials Website Maintenance/Updates/Equipment	\$60,000
<u>TOTAL – Arctic Power Program</u>	<u>\$1,200,000</u>
Native Village of Kaktovik	\$100,000
<u>TOTAL</u>	<u>\$1,300,000</u>

FY 1996 - FY 2004
Grant Expenditures

Grant Year	Approp.	DC Ed.	Target St.	Tours	Union	Media	Documents	St. Officials	Misc.	Kaktovik	Total
FY 96	431,800	81,465	129,187	221,148							431,800
FY 97	250,000	98,499	51,348	97,653					2,500		250,000
FY 98	550,000	280,767	100,897	42,284	66,014		58,737	1,301			550,000
FY 99	225,000	133,978	20,292		29,911		40,819				225,000
FY 00	250,000	183,123	31,915	16,143		8,869	9,950				250,000
FY 01	310,000	250,000								60,000	310,000
FY 01	1,500,000	1,178,062	56,000	155,618	34,738	5,782	69,770				1,499,970
FY 01	250,000	250,000									250,000
FY 02	2,000,000	1,858,992	57,269	37,891	20,140	13,782	11,926				2,000,000
FY 02	700,000	433,191	23,580			243,229					700,000
FY 02	400,000					300,000				100,000	400,000
FY 03	1,100,000	651,298	54,778	14,274	52,300	310,537	16,813				1,100,000
FY 04	800,000	421,960	2,858	13,388	56,700	193	17,559		3,627		516,285
										re-appropriated	-283,715

**ANWR:****JOBS AND ENERGY
FOR AMERICA****ARCTIC POWER**

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January 21, 2005

The Honorable Vic Kohring
Alaska State Legislature
State Capitol #427
Juneau, Alaska 99801

Dear Representative Kohring,

This letter is in support of and urging your fellow member's support of HB 32, *'An Act making special appropriation for a grant to Arctic Power to promote the opening of the Arctic National Wildlife Refuge for oil and gas exploration and development.'*

The resources necessary to continue the advocacy efforts to open a small portion of the coastal plain of the Arctic National Wildlife Refuge to responsible oil and gas development are needed immediately. Funds are needed to support the open ANWR legislation campaign already underway in Congress.

As you know, energy is a topic attracting much attention nationwide. The debate becomes focused on America's dangerous reliance on foreign oil, the ever-growing global demand for energy and the costs borne by society to utilize that energy. It is critical that ANWR be a part of this national energy debate.

Politically speaking, ANWR legislation may be at one of the most favorable positions in recent history. The recent gain among supporters has ANWR receiving renewed attention in Congress, in the media and among the American public. A positive outcome, however, is far from assured.

We will continue to encounter heavy opposition every step of the way. Alaska must advocate its position in this debate in order for ANWR to become a reality. Arctic Power can assist by sustaining our relentless efforts to cultivate support among policy makers and educate the public on the benefits of opening ANWR.

Arctic Power will utilize these state funds for continued advocacy, including the multiple advantages of production from Alaska's North Slope, Alaska's historical experience of environmentally responsible resource development and the overwhelming support among Alaskans for ANWR.

Program components include:

Capital Hill Education – Effective and continuous lobbying of members of Congress by Alaskans. Coordinating with and assisting the Alaska delegation in education and advocacy efforts for members of Congress.

Union Outreach – Securing and maintaining national and state level organized labor support for the opening of ANWR.

Coalition Building – Continued efforts to build and foster a network of organizations and governments to further the grass-roots support of legislation containing ANWR provisions.

ANWR Tours – Alaska tours for members of Congress, the media, and other national opinion leaders to showcase Alaska's knowledge of responsible oil development; including the exploration, production, and transportation systems. Participants have in the past visited Valdez, Prudhoe Bay, Barrow, and Kaktovik.

Targeted States Education Program – Delegations of Alaskans and ANWR supporters who undertake education trips to states to provide information on responsible ANWR development and the benefits to both the nation and their state.

Communications Materials – Continue the production and distribution of ANWR informational documents nationwide. Includes maintaining the ANWR.org website, providing continuous information and materials to meet growing demand – currently averaging over 1,000,000 hits per month.

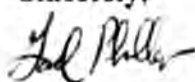
Arctic Power continues our private fundraising efforts to match state appropriations. Private funding is attained through fundraising events, membership and contributions, direct mail requests and other means. The Arctic Power Board of Directors is committed and confident that these private funds can and will continue to be raised in a timely manner to augment these efforts.

As always, we are witnessing a very aggressive and well-organized effort from obstructionist environmental groups that have the ability to raise and spend considerable resources. These organizations will surely wage an assault of multi-million dollar campaigns of professional media and lobbying groups with the aim of blocking ANWR legislation and instituting a permanent Wilderness designation.

Arctic Power is there as Alaska's primary voice advocating ANWR as a safe supply of domestic energy while creating jobs and revenue for America and the state of Alaska. Immediate action is required if Alaska is going to take advantage of this opportunity.

As Alaska's citizen organization charged with coordinating Alaska's efforts to open the coastal plain to development, Arctic Power believes strongly that this is a small, wise investment in Alaska's future.

Sincerely,



Gail Phillips
Co-chair



Al Adams
Co-chair



About Arctic Power

ANWR:

**JOBS AND ENERGY
FOR AMERICA**

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Formed in 1992, Arctic Power is a 501(c)6 non-profit organization advocating jobs and energy for Americans through development of the Arctic National Wildlife Refuge's (ANWR) resources. We seek congressional and presidential approval of legislation to allow responsible oil and gas exploration and production within ANWR's promising Coastal Plain.

Arctic Power is a grassroots coalition of citizens from Alaska and across the nation who hail from a full economic spectrum: miners, fishermen, loggers, tourism operators, retail and service businesses, transportation companies, labor unions, financial institutions, educational systems, the legal community, Alaska Native Corporations, elected officials and more. Many trade and business associations have joined our ranks through membership and participation on the Arctic Power board of directors. These include the Alaska Support Industry Alliance, Alaska State Chamber of Commerce, Alaska State Home Builders Assn., Alaska Forest Assn., Alaska Oil & Gas Assn., Alaska Miners Assn., Resource Development Council for Alaska, Alaska Trucking Assn., Alaska Outdoor Council, Associated General Contractors, Bristol Bay Driftnetters Assn., Anchorage Convention & Visitors Bureau, People for the USA and National Federation of Independent Businesses.

Arctic Power is governed by a board of directors representing all regions of the state...from Barrow to Kodiak. The board works closely with Alaska's U.S. congressional delegation, who have endorsed Arctic Power's purpose. Outreach efforts in Washington, D.C. are the product of cooperative efforts between Arctic Power, the State of Alaska and our congressional leaders. Arctic Power is based in Anchorage but maintains an office in Washington, D.C. when ANWR is being debated in Congress.



ANWR - IMPORTANT DATES

ANWR:

JOBS AND ENERGY FOR AMERICA

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10/12

President Theodore Roosevelt established the National Wildlife Refuge System.

The National Park Service began a recreational survey in Alaska to identify areas with special natural values.

The National Park Service recommended that the undisturbed lands in the northeastern corner of Alaska be preserved for their wildlife, wilderness, recreation, scientific, and cultural values.

The Department of the Interior announced plans to ask Congress to establish an 8,000 square-mile wildlife reserve in the area identified by the National Park Service study.

Jan. 3, 1959

Alaska Statehood

Dec. 6, 1960
(acres)

Arctic National Wildlife Range Created (8.9 million

1964

President Lyndon Johnson signed the Wilderness Act, establishing the National Wilderness Preservation System and policies for wilderness management.

1969

The first manager was hired for ANWR.

Dec. 18, 1971

Alaska Native Claims Settlement Act. The Act gave the Kaktovik Inupiat Corporation (KIC) surface rights to 69,000 acres along the arctic coast within the Range.

June 20, 1977

Trans Alaska Pipeline Start-up

Dec. 2, 1980

Alaska National Interest Lands Conservation Act (ANILCA). The Act expanded the Arctic Range to approximately 18 million acres, renamed it the Arctic National Wildlife Refuge, designated eight million acres as Wilderness, designated three rivers as Wild, and called for wildlife studies and an oil and gas assessment of 1.5 million acres of the ANWR Coastal Plain (the "10-02 Area").

Gwich'in opt out settling for Indian Reservation status and thus not subject to ANILCA 7i revenue sharing of

natural resources. Likewise they don't receive benefit of other native natural resource royalties.

1983

The Chandler Lake land exchange agreement conveyed subsurface ownership of Kaktovik Inupiat Corporation lands to the Arctic Slope Regional Corporation.

1983 cont. ...

Nearly one million acres were added to the south side of the Refuge when the State of Alaska decided not to retain control of lands it had selected under the Statehood Act.

Winter, 1983-84

Approx. 600 line miles of 2D geophysical data acquired in ANWR

Winter, 1984-85

Approx. 580 line miles of 2D geophysical data acquired in ANWR

Dec. 2, 1985

ANWR closed to any further geophysical surveys

Sept. 2, 1986

Secretary of Interior's Report to Congress, as required by Sec. 1002 of ANILCA

Feb., 1987

Draft Environmental Impact Statement for ANWR Exploration Published

Sept, 1987

Dept. Of Interior recommends to Congress to open the coastal plain.

1988

House Merchant Marine & Fisheries Committee approves an open ANWR Bill.
Congress added 325,000 acres to the south side of the Refuge, bringing the total area managed by the Refuge to approximately 19.3 million acres and making ANWR the largest Refuge in the National Wildlife Refuge System.

early 1989

House Merchant Marine & Fisheries Committee again approves an ANWR Bill.

Mar. 24, 1989

Exxon Valdez aground in Prince William Sound.

Aug 2, 1990

Saddam Hussein invades Kuwait.

October 31, 1991

Congress debated National Energy Policy Act, Title 9 of which allowed for development of the Coastal Plain.

Senate Energy Committee approves Title 9.

Nov. 1991	Senate Roll-call vote on Sen. Wellstone amendment to cut off debate on ANWR, 50 to 44. (60 votes needed to defeat filibuster) National Energy Policy Act shelved.
October 1992 passed.	New National Energy Policy Act, without ANWR,
Nov. 1992	Mr. Clinton elected President
March 1995	ANWR resurrected as part of the Balanced Budget bill.
May 24, 1995	Senator Roth amendment to table ANWR from the Budget Resolution defeated 56 to 44 votes.
Sept. 1995	President Clinton tried to create a National Monument of ANWR under the Antiquities Act - this was prevented.
Sept. 19, 1995	Cong. Vento motion to strike ANWR from the Budget Reconciliation Bill in the House Resources Committee, defeated 27 to 14.
Oct., 1995	House vote on Budget Reconciliation plan including ANWR, passed 227 to 203 votes.
Oct. 25, 1995	Sen. Bumpers asset sale amendment (which would drop ANWR from the Reconciliation bill), defeated.
Oct. 26, 1995	Sen. Baucus anti-ANWR amendment defeated 51 to 48 votes.
Dec. 6, 1995	President Clinton vetoed the Balanced Budget Act which included a provision to open ANWR.
May, 1996	A new Budget Resolution was initiated by Congress.
May 24, 1996	Sen. Bumpers again tried an asset sale amendment on the floor of the Senate as a way of killing ANWR. The first amendment was modified and defeated 98 to 0, but a second attempt aimed directly at ANWR was defeated 52 to 46 votes.
1997	President William Clinton signed the "National Wildlife Refuge System Improvement Act." This Act provides specific guidance to the Refuge System, and establishes the mission of the National Wildlife Refuge System "to administer a national network of lands and waters for the conservation, management, and where appropriate,

restoration of fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future generations of Americans."

The U.S. Supreme Court affirmed that the barrier islands and the lagoons which they enclose, along the northeast coast of Alaska, are within the boundaries of the Arctic Refuge. The State of Alaska had hoped to claim ownership of these lagoons and to lease them for oil and gas exploration and development.

- | | |
|-------------------|--|
| May 1998 | U.S. Geological Survey released the <u>Arctic National Wildlife Refuge, 1002 Area, Petroleum Assessment, 1998</u> containing the highest estimates ever for the region. The agency's mid-range estimate of oil in place rose from 13.8 billion barrels to 20.7 billion barrels of oil. |
| Jan. 2000 | Representative Vento's Morris Udall ANWR Wilderness Bill has 165 co-sponsors; while Senator Roth's Senate version has 25 co-sponsors. |
| March 31, 2000 | Assumptions about ANWR revenues were included in the FY2001 budget resolution (S. Con. Res. 101) as reported by the Senate Budget Committee. An amendment to remove the language was tabled. However, conferees rejected the language. |
| January 10, 2001 | Clinton announced that ANWR would not be declared a national monument. |
| May 24, 2001 | Vermont Senator James Jeffords changes party affiliate from Republican to Independent. Democrats take over Senate majority. |
| July 27, 2001 | Representative Billy Tauzin (D-SD) introduces HR4 that included a provision to open ANWR. |
| Aug. 1, 2001 | HR4 passed in the House of Representatives. |
| Dec. 5, 2001 | Senator Tom Daschle introduces S.1766. Bill does not move. |
| January 17, 2002 | The Interior Department concluded that the proposed Arctic drilling plan would not violate American treaty obligations to protect polar bears. |
| February 26, 2002 | As the energy bill begins to wind its way through the Senate, the White House considered a "scaled-back" |

version of the ANWR drilling plan, including only 500,000 of the original 1.5 million acres of the refuge's coastal plain.

Mar. 12, 2002	Senator Jeff Bingaman (D-NM) introduces S.517, The National Energy Policy Act.
Apr. 25 2002	S.517 passes Senate 88-11. It did not contain ANWR.
Nov 2002	Conference Committee fails to pass Comprehensive Energy Bill
Dec 2002	Energy Bill is shelved.
April 2003 House passes	Amendment vote to take ANWR language out of the Energy Bill. The vote did not pass. House votes and its version of the Energy Bill (H.R.6) that included ANWR. Senate votes 52-48 to strip from a budget resolution language to lift the longtime ban on the development of oil in the ANWR.
July 2003	Senate passed the 2002 Senate Energy Bill excluding ANWR language.
Sept 2003	Conference Committee convened and failed to reach agreement
2004	The House again passed a comprehensive energy bill that included authorization to open the Coastal Plain to exploration and development. No action occurred in the Senate.
Jan 2005	Sen. Domenici reappointed Chairman of Senate Natural Resources Committee and in inaugural speech announces opening the Coastal Plain of AN

JUNEAU/WASHINGTON, D.C.

Arctic Power: To fund or not to fund

Lawmakers ponder organization's request that Congressional leaders use group's research to make case for ANWR drilling

BY ROSE RAGSDALE

Petroleum News Contributing Writer

While Alaska lawmakers debate whether the state should appropriate funds for Arctic Power this year, top congressional leaders in Washington, D.C., are busy citing research gathered by the advocacy group to bolster their arguments in favor of opening the Arctic National Wildlife Refuge to oil drilling.

The Alaska House of Representatives passed a resolution Jan. 28, urging Congress to open ANWR's coastal plain to oil and gas exploration and production, but the show of solidarity may not extend to supporting Arctic Power, Alaska's chief lobbyist for opening ANWR for the past decade.

The grassroots group is seeking at least \$1.1 million in funding from the state this year. But some lawmakers are questioning whether they should approve the funding request.

"They're apprehensive about giving more money to Arctic Power at this time," Sen. Tom Wagoner, R-Kenai and chairman of the Senate Resources Committee, told the Anchorage Daily News recently.

Arctic Power is an organization supported by business and resource development interests and guided by a statewide board of directors. Alaska has invested nearly \$9 million in the organization's programs since 1992.

Wagoner said the Legislature likely would sit on a bill requesting the funding until state lawmakers received more news



In Washington, D.C., Rep. Richard Pombo, R-Calif. (left), and Sen. Pete V. Domenici, R-N.M. (right), have joined Alaska's congressional delegation in citing Arctic Power's research to promote ANWR drilling among their colleagues.

from Washington, D.C.

House Oil & Gas favors funding

But all five members present at a House Oil and Gas Committee hearing Feb. 1 voted in favor of H.R. Bill 35, which authorizes \$1.3 million in funding for Arctic Power and related programs. Two committee members were absent, including Rep. Beth Kertula, D-Juneau, who has opposed oil drilling in ANWR.

"Arctic Power may not have been as effective as they could have been in the past, but with Kevin Hand as executive director and Gail Phillips and Al Adams as co-chairs, we believe they have the horsepower now to really make a difference," said Oil and Gas Committee Chairman Vic Kohring, R-Wasilla.

Kohring said he has asked for a hearing in the House Finance Committee, which he believes will support the bill. "We've still got a long way to go, but we think we have the best shot we've had in a long time

of getting ANWR open to drilling," he said Feb. 2.

Polls show growing support for drilling in ANWR 1002 area

In Washington, D.C., Rep. Richard Pombo, R-Calif., and Sen. Pete V. Domenici, R-N.M., have joined Alaska's congressional delegation in citing Arctic Power's research to promote ANWR drilling among their colleagues.

Pombo, who chairs the House Resources Committee, cited results of two national polls Feb. 1 that show public opinion favoring resource development in the 1.5 million acre coastal plain of the refuge near the Arctic Ocean is on the rise.

More than half of Americans surveyed believe dependence on foreign oil is a direct threat to our national security and approved opening ANWR for oil exploration, according to a Luntz Research Group survey conducted on behalf of Arctic Power.

"The vast majority of Americans understand that our dependence on Middle East sources of oil is a direct threat to our national security," Pombo said. "They support the deployment of 21st century technology here at home, in energy-rich places like ANWR, to lessen the pressure of our dependence by becoming more self-sufficient."

In addition, the congressman cited an earlier independent poll conducted by Harris Interactive that found a strong majority of Americans believe the nation is in an energy crisis. "Nearly 60 percent of respondents supported 'energy reform to allow companies to drill for oil in certain areas such as ... ANWR,'" Pombo noted.

Letters reflect Arctic Power's influence

Pombo also defended efforts to open up ANWR in a recent letter to members of the House of Representatives.

Separately, Rep. Don Young, R-Alaska, drafted a similar letter to House members.

Both congressmen said energy production and exploration in ANWR would take place on just 2,000 acres of its 1.5 million acre coastal plain, which amounts to a tiny fraction of Alaska's protected lands.

Plus, there's no shortage of "special places" in Alaska or America, Pombo said, noting that Alaska holds 16 national wildlife refuges, 13 national parks and 25 wild, scenic or recreational rivers.

His comments come as Senate Energy and Natural Resources Committee Chairman Domenici prepares to insert an ANWR resolution into the budget-reconciliation process and just a week after U.S. Energy Secretary nominee Samuel Bodman, who described himself as an "energetic advocate" for opening Alaska to drilling, also noted the "very small" area that would be needed for oil development.

In his letter, Young also said 75 percent of Alaskans consistently support oil drilling in ANWR, "development that would provide numerous benefits for the

ANWR defenders fear time is up

Members of Congress who have successfully blocked oil drilling in the Arctic National Wildlife Refuge for more than a decade vowed to do everything, including a Senate filibuster, to protect the preserve again this year. But they say there is a real possibility they will fail this time.

"If there ever was an occasion to support a filibuster, this is," said Sen. Joe Lieberman, D-Conn., who attended a rally Feb. 2 with environmental groups. "There are not 60 senators who will vote for drilling."

But he and others agreed that if Republicans put the drilling legislation in the budget resolution, which is not susceptible to a filibuster, there's a greater chance it will have the votes to pass.

Republican gains in the Senate give President Bush his best chance yet to win approval for oil drilling in the refuge, which is one of his top energy priorities. The GOP now has a 55-44-1 majority in the Senate, compared with a narrower margin last year - 51 Republicans, 48 Democrats and one Democratic-leaning independent.

Lieberman said he believes that "a couple" of the new senators could be persuaded to oppose the drilling. There are two new Democrats and seven new Republicans in the Senate.

—THE ASSOCIATED PRESS

nation including \$2.15 billion in immediate payments to the federal government, regardless of whether energy is ever discovered, and "an answer to your constituents when they ask what you are doing to help with the high cost of gasoline, diesel or home heating oil."

"As chairman of the Transportation and Infrastructure Committee, I know that for the foreseeable future, America's economy will run on conventional energy, including oil," Young said. "It also pays the taxes that build the bridges, roads and airports so important to our quality of life. Secure, affordable and reliable energy like that available from ANWR is thus, an energy and a transportation issue."

"Congressman Young uses Arctic Power's research because he believes the group provides a valuable and needed service with the work they do," Young Chief of Staff Michael Anderson said Feb. 1. "Somebody has to get out front and educate the public about ANWR."

Pro-ANWR group's reality check is needed

"(Arctic Power) provides factual information about what oil drilling would mean

see ARCTIC POWER page 8

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OIL COMPANY EARNINGS

Earnings from Top 35 North American E&P Capex Spenders
 Earnings fourth quarter 2004 • Change from fourth quarter 2003
 Liquids production fourth quarter 2004 • Change from fourth quarter 2003
 Natural gas production fourth quarter 2004 • Change from fourth quarter 2003

Company	Symbol	Earnings	%	Liquids	%	Gas	%
BP	BP						
BP/Shell	RO	\$4,478	+134	2,163,000	-9	9,710	+4
EnCana	ECA						
ExxonMobil	XOM	\$8,420	+27	2,565,000	-1	10,430	-4
Can. Natural	CNQ.TO						
ConocoPhillips	COP	\$2,432	+138	1,036,000	+2	2,360	-6
El Paso	EP						
Chevron/Texas	CVX	\$3,440	+98	1,056,000	-8	3,725	-11
Anadarko	APC	\$405	+38	223,000	-8	1,641	-7
Devon	DVN	\$673	+24	278,200	+22	2,433	+3
Dominion	D	\$408	+49	28,130	+24	1,012	-8
Burlington	BA	\$400	+3	157,600	+23	1,900	-3
Occidental	OXY	\$685	+74	427,000	-3	844	+8
Husky	HSE.TO	\$5218	-8	208,400	-4	687	-6
Newfield	NFX						
Petro-Canada	PCZ	\$5441	+23	288,700	-11	891	+1
Unocal	UCL	\$268	+49	171,000	+9	1,544	-2
Kerr-McGee	KMG	\$134	+166	184,700	+32	1,125	+51
EOG	EOG	\$204	+184	29,900	+19	1,143	+17
Nexen	NXY.TO						
Imperial	IMO	\$5338	+66	274,000	+8	578	-4
Talisman	TLM						
Pioneer	PXD						
Apache	APA	\$507	+95	242,611	+10	1,243	-1
Marathon	MRO	\$429	-11	162,300	-13	996	-11
Suncor	SUN.TO	\$5333	+10	226,900	+5	200	+7
Merit	Private company does not report results						
Williams	WMB						
Chesapeake	CHK						
Pogo	PPP	\$47	-14	41,821	-33	319	+7
Penn West	PWT.TO						
XTO	XTO						
Spinaker	SKL						
Forest	FST						
BNP Billiton	BNP						

Liquids production in barrels per day. Natural gas production in millions of cubic feet per day.
 NOTE: Top 35 is based on Petroleum News research

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MACKENZIE

mation before the end of March.
 In the meantime, the NGOs, indicating they are already overwhelmed by the volume of material, say they are concerned that the review panel is rushing the review process unnecessarily.
 The organizations include Ecology North, the Status of Women Council for the Northwest Territories and the

Northwest Territories Literacy Council.
 Ecology North has strongly advocated that the Northwest Territories should end its reliance on fossil-fuel based energy and move towards renewable energy such as wind, solar and run-of-river hydro electricity.
 The Status of Women, an advisory body to the Northwest Territories government, has also put a special focus on resource development projects.

—GARY PARK

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TRUSTS

gy at CIBC World Markets, said some of the C\$35 billion of institutional money tied

up in the TSX benchmark index will be redirected into trusts.
 Facing that kind of upheaval, he said changes should be made in two stages, adding 30 trusts initially and the balance later. ■

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continued from page 4
ARCTIC POWER

and a reality check" that counters the misinformation from the other side, Anderson said.

Sen. Ted Stevens, R-Alaska, who works every day on ANWR, says Arctic Power has a purpose but not necessarily on Capitol Hill, according to his spokeswoman Courtney Schikora Boone.

"The senator believes that ANWR doesn't need anymore lobbyists in Congress because its members are so polarized on the issue," Boone said Feb. 2. What's needed is a grassroots campaign — winning the support of people outside of the Congress who can influence its members, she said.

Boone also said Stevens will not tell the Alaska Legislature whether or not to fund Arctic Power this year. He is scheduled to address the Legislature later in February, and the topic of ANWR is sure to come up, she said.

Anderson said Young also will defer any decision about Arctic Power's funding to Alaska Gov. Frank Murkowski.

Arctic Power is currently updating its numbers on the potential impact of oil drilling in ANWR in light of recent higher oil prices, a spokeswoman in the group's Washington, D.C., office said Feb. 1. Working with the University of Maryland, Arctic Power expects to complete the work in mid-February, she added.

The Arctic Power/Luntz survey examined respondents' attitudes upon learning that the U.S. imports more than 55 percent of its oil. Nearly 70 percent of

Americans were more "angered" by the United States' dependence on OPEC oil than by the actual cost of gasoline at the pump. Respondents were told that of ANWR's 19.6 million acres, less than 2,000 acres would be used for actual development — a statement not included in the Zogby/Wilderness Society poll. More than 60 percent said they were more likely to support production upon learning the facts.



"Congressman Young (pictured above) uses Arctic Power's research because he believes the group provides a valuable and needed service with the work they do," Young Chief of Staff Michael Anderson said Feb. 1. "Somebody has to get out front and educate the public about ANWR."

The Luntz Poll found that 84 percent of Americans believe we need to develop our domestic energy resources and 67 percent support the "exploration, development and production" of oil and natural gas in ANWR.

The Harris poll examined various domestic issues in anticipation of President Bush's State of the Union address, including drilling in ANWR.

Pombo also said environmental special interest groups have distorted the facts about ANWR energy production to raise money and advance political agendas.

The Committee on Resources is expected to vote Feb. 9 to revive a broad energy bill that would allow oil drilling in ANWR. ■

continued from page 7
ENCANA

oil and gas have attracted "substantial interest from potential buyers."

EnCana started unloading assets in a big way last year by divesting 76,000 barrels of oil equivalent per day of production for US\$3.5 billion, including the sale of its United Kingdom North Sea assets to cross-town rival Nexen for US\$2.1 billion.

The new round includes:

- An average 40 percent working interest in 1.4 million gross acres in the Gulf of Mexico, including a 25 percent working interest in the Chevron/Texasco operated Tahiti discovery.
- A Feb. 8 deadline for bids on the 15 Alberta properties that produce a combined 17,700 bpd of oil and natural gas liquids and 27 million cubic feet per day of gas.
- Three natural gas gathering and processing plants with capacity of 210 million cubic feet per day in Colorado and Utah.

Five blocks in Ecuador's Oriente Basin that produce 78,000 bpd and close to a one-third stake in the 450,000 bpd, 300-mile OCP pipeline to Ecuador's coast.

Ecuador has been a growing butt under EnCana's saddle over the last year, with Morgan conceding last year that operating in the South American country was "constantly a roller-coaster."

It has been embroiled in two fights with the government of Ecuador, taking one claim for US\$120 million in a wrangle over value-added taxes on exported oil to an international tribunal in London.

Major attention has been focused on In's Oil and Natural Gas Corp. and China National Petroleum Corp., both of them desperate to lock in long-term international oil supplies, as likely bidders for the Ecuador holdings.

—GARY PARK

continued from page 6
BROOKS RANGE

to get a well done this year," including raising more money, which Thompson is in charge of, Darrah said.

Edgar Durne, vice president of contracts and land for AVCG and Brooks Range, has worked with Houston-based First Diversified Financial Services on a private equity offering for the Gwydyr well.

"We're still optimistic Devon (Energy) is going to show up, however," Darrah said. "We're very hopeful we can drill this winter, but it's hard to make a call on obtaining additional funding until we meet with the institutional groups," Thompson said. "A number of private companies have also shown interest."

"We'll be meeting with potential

investors the second week of February. We'll know soon after that if they are interested in proceeding this winter. If not, we'll drill the well next winter," he said.

So why did AVCG back out of the first well with BP, let the leases expire and then pick them up again?

"The prospect did not get funded in 2002 because at that time we had not solved the oil marketing and facility sharing problems — getting the oil off the North Slope without utilizing Prudhoe assets and their associated production back-outs. Since then Thompson and AVCG have solved that problem," Darrah said.

"We're working with ASRC Energy Services and others ... on new concepts (to lower processing facility costs) such as smaller-scale and skid-mounted production systems — what we call 'micro-processing units,'" Thompson said last fall. ■

Reggie Jones -

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Secretary Norton - to Kaktovik
Mack with new Congressman
and staff to Kaktovik