

SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 3(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 4/2/15

Referred: Rules

Sponsor(s): HOUSE RULES COMMITTEE

A RESOLUTION

1 **Urging the governor and the attorney general to pursue all legal and legislative options**
2 **to open the coastal plain of the Arctic National Wildlife Refuge and areas of the Chukchi**
3 **and Beaufort Seas to oil and gas exploration, development, and production; and urging**
4 **the governor and the Legislative Budget and Audit Committee to work with the United**
5 **States Congress to enact measures necessary to prevent President Barack Obama and**
6 **federal agencies from implementing regulations that place landscape characteristic**
7 **restrictions on the Arctic National Wildlife Refuge that are equivalent to the restrictions**
8 **placed on land given a wilderness designation.**

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

10 **WHEREAS** the state is experiencing steep declines in revenue from oil and gas
11 production taxes and royalties on the North Slope as a result of decreasing oil production and
12 plummeting oil prices; and

13 **WHEREAS** 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands
14 Conservation Act) prohibits oil and gas production as well as leasing or other development

1 leading to production of oil and gas from the Arctic National Wildlife Refuge until the
2 activity is authorized by an Act of Congress; and

3 **WHEREAS**, on January 25, 2015, President Barack Obama announced his intention
4 to ask the United States Congress to designate the coastal plain of the Arctic National Wildlife
5 Refuge and other core areas of the refuge as wilderness, the highest level of protection that
6 would prohibit oil and gas development in the refuge; and

7 **WHEREAS**, on January 25, 2015, the United States Fish and Wildlife Service
8 released its Revised Comprehensive Conservation Plan and Final Environmental Impact
9 Statement for the Arctic National Wildlife Refuge, which provides for the continued
10 prohibition of oil and gas leasing, drilling, and extraction of oil and gas for commercial
11 purposes, including all associated above and below ground facilities; and

12 **WHEREAS** President Barack Obama and the United States Fish and Wildlife Service
13 express the intention not only to block oil and gas exploration and development on the coastal
14 plain of the Arctic National Wildlife Refuge, but also to permanently block any future oil and
15 gas exploration and development in that area by asking the United States Congress to
16 designate the coastal plain as wilderness by an Act of Congress; and

17 **WHEREAS**, on January 27, 2015, President Barack Obama signed a presidential
18 memorandum providing for the withdrawal from disposition by leasing for a time period
19 without specific expiration of (1) the areas of the Outer Continental Shelf currently designated
20 by the Bureau of Ocean Energy Management as leasing deferral areas within the Chukchi Sea
21 Planning Area and the Beaufort Sea Planning Area in the five-year oil and gas leasing
22 program for 2012-2017; and (2) the Hanna Shoal region of the Chukchi Sea Planning Area
23 lying within the contours of the 40-meter isobath; and

24 **WHEREAS** the withdrawal from disposition by leasing prevents consideration of
25 those areas for any future oil or gas leasing for purposes of exploration, development, or
26 production; and

27 **WHEREAS** sec. 6(i) of the Alaska Statehood Act (P.L. 85-508) recognizes the critical
28 importance of revenue from natural resource development to the economic viability of the
29 state by including all mineral deposits in land conveyed to the state and requiring the state to
30 reserve its right in mineral deposits in all land received from the federal government; and

31 **WHEREAS** 30 U.S.C. 191 requires that 90 percent of the money received from sales,

1 bonuses, and royalties, including interest charges collected under 30 U.S.C. 1701 et seq.
2 (Federal Oil and Gas Royalty Management Act of 1982), be paid to the state for disposition
3 by the legislature; and

4 **WHEREAS** the leasing of the coastal plain of the Arctic National Wildlife Refuge for
5 oil and gas development would provide a source of funds for the costs of providing state
6 services to the people of the state; and

7 **WHEREAS**, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands
8 Conservation Act), the United States Congress authorized non-drilling exploratory activity
9 within the coastal plain of the Arctic National 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
16 predominantly Inupiat, are supportive of development in the "1002 study area"; and

17 **WHEREAS** the state recognizes and respects the right of Native landowners in and
18 adjacent to the Arctic National Wildlife Refuge 1002 study area, including the rights of the
19 Arctic Slope Regional Corporation and the Kaktovik Inupiat Corporation to develop their land
20 and resources entitlements under the Alaska Native Claims Settlement Act and other
21 agreements; and

22 **WHEREAS** oil and gas exploration and development of the coastal plain of the
23 refuge, of adjacent land, and in the Chukchi and Beaufort Seas could result in major
24 discoveries that would reduce our nation's dependency on oil produced by hostile foreign
25 nations, help balance the nation's trade deficit, and significantly increase the nation's security;
26 and

27 **WHEREAS** the state's and the nation's future energy independence would be
28 enhanced with additional natural gas production from the North Slope of Alaska, including
29 what are expected to be significant gas reserves in the Arctic National Wildlife Refuge and
30 the Chukchi and Beaufort Seas, and the development of those reserves would enhance the
31 economic viability of the proposed Alaska liquefied gas project; and

1 **WHEREAS** domestic demand for energy continues to rise, and a reliable and secure
2 source of domestic oil and gas ensures ongoing economic security for the state and the nation;
3 and

4 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
5 Milne Point has resulted in thousands of jobs throughout the United States, and projected job
6 creation as a result of oil and gas development on the coastal plain and in the Chukchi and
7 Beaufort Seas will have a positive effect in all 50 states; and

8 **WHEREAS** the Trans Alaska Pipeline System, a national asset that would cost
9 billions of dollars to replace, would have its useful operating life extended for a substantial
10 period if the additional reserves of recoverable oil from the coastal plain and Chukchi and
11 Beaufort Seas were produced; and

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

16 **WHEREAS** opening the coastal plain of the Arctic National Wildlife Refuge and
17 allowing leasing and exploration in the Chukchi and Beaufort Seas would permit sufficient
18 time for planning environmental safeguards, development, and national security review; and

19 **WHEREAS** the 1,500,000-acre coastal plain of the refuge makes up less than eight
20 percent of the 19,000,000-acre refuge, and development of the oil and gas reserves in the
21 refuge's coastal plain would affect a limited area as defined by the United States Congress;
22 and

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

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

28 **WHEREAS** the oil and gas industry has developed directional drilling technology that
29 will allow horizontal drilling in a responsible manner by minimizing the development
30 footprint within the Arctic National Wildlife Refuge, and that directional drilling technology
31 is capable of drilling from outside of the boundaries of the 1002 study area; and

1 **WHEREAS** the oil industry is using innovative technology and environmental
2 practices in new field developments, and those techniques are directly applicable to operating
3 on the coastal plain and in the Chukchi and Beaufort Seas and would enhance environmental
4 protection beyond traditionally high standards; and

5 **WHEREAS** the state recognizes that the economic prosperity of the state and nation
6 is dependent on available, reliable, and affordable energy;

7 **BE IT RESOLVED** that the Alaska State Legislature urges the governor to work with
8 the United States Congress to pass legislation to open the coastal plain of the Arctic National
9 Wildlife Refuge and the Chukchi and Beaufort Seas to oil and gas exploration, development,
10 and production; and be it

11 **FURTHER RESOLVED** that the Alaska State Legislature urges the governor and the
12 Legislative Budget and Audit Committee to work with the United States Congress to enact
13 measures necessary to prevent President Barack Obama, the United States Fish and Wildlife
14 Service, the Department of the Interior, and other federal agencies from implementing
15 regulations that place landscape characteristic restrictions on the Arctic National Wildlife
16 Refuge that are equivalent to the restrictions placed on land given a wilderness designation;
17 and be it

18 **FURTHER RESOLVED** that the Alaska State Legislature urges the governor and the
19 attorney general to take all legal action necessary to prevent President Barack Obama, the
20 United States Fish and Wildlife Service, the United States Department of the Interior, and
21 other federal agencies from unlawfully blocking oil and gas leasing, exploration, and
22 development on the coastal plain of the Arctic National Wildlife Refuge and in the Chukchi
23 and Beaufort Seas.