

HOUSE CONCURRENT RESOLUTION NO. 3

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE

Introduced: 2/2/15

Referred:

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.**

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

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

8 **WHEREAS** 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands
9 Conservation Act) prohibits oil and gas production as well as leasing or other development
10 leading to production of oil and gas from the Arctic National Wildlife Refuge until the
11 activity is authorized by an Act of Congress; and

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

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

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

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

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

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

25 **WHEREAS** 30 U.S.C. 191 requires that 90 percent of the money received from sales,
26 bonuses, and royalties, including interest charges collected under 30 U.S.C. 1701 et seq.
27 (Federal Oil and Gas Royalty Management Act of 1982), be paid to the state for disposition
28 by the legislature; and

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

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

5 **WHEREAS** the oil industry, the state, and the United States Department of the
6 Interior consider the coastal plain to have the highest potential for discovery of very large oil
7 and gas accumulations on the continent of North America, estimated to be as much as
8 10,000,000,000 barrels of recoverable oil; and

9 **WHEREAS** the "1002 study area" is part of the coastal plain located within the North
10 Slope Borough, and many of the residents of the North Slope Borough, who are
11 predominantly Inupiat, are supportive of development in the "1002 study area"; and

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

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

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

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

30 **WHEREAS** development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and
31 Milne Point has resulted in thousands of jobs throughout the United States, and projected job

1 creation as a result of oil and gas development on the coastal plain and in the Chukchi and
2 Beaufort Seas will have a positive effect in all 50 states; and

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

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

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

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

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

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

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

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

31 **WHEREAS** the state recognizes that the economic prosperity of the state and nation

1 is dependent on available, reliable, and affordable energy;

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

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