

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 5(ARC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE SPECIAL COMMITTEE ON THE ARCTIC

Offered: 2/20/17

Referred: Rules

Sponsor(s): REPRESENTATIVES WESTLAKE, Grenn, Tuck, Rauscher, Kopp, Talerico, Johnson, Saddler, LeDoux, Birch, Millett, Chenault, Pruitt, Thompson, Tilton, Josephson

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

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

6 **WHEREAS**, in 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands
7 Conservation Act), the United States Congress reserved the right to permit oil and gas
8 development and production within the coastal plain of the Arctic National Wildlife Refuge;
9 and

10 **WHEREAS**, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands
11 Conservation Act), the United States Congress authorized nondrilling exploratory activity
12 within the coastal plain of the Arctic National Wildlife Refuge (the "1002 study area"); and

13 **WHEREAS** the oil industry, the state, and the United States Department of the
14 Interior consider the coastal plain to have the highest potential for discovery of very large oil
15 and gas accumulations on the continent of North America, estimated to be as much as

1 10,000,000,000 barrels of recoverable oil; and

2 **WHEREAS**, in 1998, the United States Geological Survey estimated the central North
3 Slope and 1002 study area combined could contain up to 46,000,000,000,000 cubic feet of
4 natural gas; and

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

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

12 **WHEREAS** the state's and the nation's future energy independence would be
13 enhanced with additional natural gas production from the North Slope of Alaska, including
14 what are expected to be significant gas reserves in the Arctic National Wildlife Refuge, and
15 the development of those reserves would enhance the economic viability of the proposed
16 liquefied natural gas project; and

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

21 **WHEREAS** North Slope production has declined significantly in the last decade and
22 is forecasted to continue to decline; and

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

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

30 **WHEREAS**, while new oil field developments on the North Slope of Alaska may
31 temporarily slow the decline in production, only allowing access to the state's coastal plain

1 fields would enable the production volume of Alaska oil to increase by up to 700,000 barrels a
2 day; and

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

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

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

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

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

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

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

27 **WHEREAS**, in December 2016, President Barack Obama, through executive action,
28 closed 125,000,000 acres of the Arctic Ocean, a vast majority of the United States Arctic
29 offshore water, from future leasing consideration, thus preventing extraction of an estimated
30 27,000,000,000 barrels of oil; and

31 **WHEREAS** the Alaska Congressional delegation decried the executive action; and

1 **WHEREAS** the executive action threatens future development and national energy
2 security; and

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

5 **WHEREAS** the state promotes the development of renewable and alternative energy
6 resources; and

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

10 **BE IT RESOLVED** that the Alaska State Legislature urges that oil and gas
11 exploration, development, and production activity be conducted in a manner that protects the
12 environment and the naturally occurring population levels of the Porcupine caribou herd on
13 which the Inupiat, Gwich'in, and other local residents depend, that uses directional drilling
14 and other advances in technology to minimize the development footprint in the 1002 study
15 area, and that uses the state's work force to the maximum extent possible; and be it

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

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

25 **COPIES** of this resolution shall be sent to the Honorable Donald J. Trump, President
26 of the United States; the Honorable Michael R. Pence, Vice President of the United States and
27 President of the U.S. Senate; the United States Secretary of the Interior; the Honorable Paul
28 D. Ryan, Speaker of the U.S. House of Representatives; the Honorable Nancy Pelosi,
29 Minority Leader of the U.S. House of Representatives; the Honorable Mitch McConnell,
30 Majority Leader of the U.S. Senate; the Honorable Charles E. Schumer, Minority Leader of
31 the U.S. Senate; the Honorable Lisa Murkowski, Chair of the U.S. Senate Committee on

- 1 Energy and Natural Resources; the Honorable Dan Sullivan, U.S. Senator, and the Honorable
- 2 Don Young, U.S. Representative, members of the Alaska delegation in Congress; and all
- 3 other members of the 115th United States Congress.