

SENATE JOINT RESOLUTION NO. 5

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR DUNLEAVY

Introduced: 2/8/17

Referred:

A RESOLUTION

Urging the Trump Administration to reverse federal government restrictions that adversely affect the ability to access and develop hydrocarbon- and mineral-rich portions of the outer continental shelf and to support responsible resource development of the outer continental shelf, the Arctic National Wildlife Refuge, and the National Petroleum Reserve - Alaska; urging the United States Congress to assist in the development of the outer continental shelf adjacent to the Arctic National Wildlife Refuge and the National Petroleum Reserve - Alaska and to share the revenue generated from federal land; and stating the intention to use part of the revenue from federal land to build the necessary infrastructure to support the development and preserve the environmental integrity of the federal land in the outer continental shelf adjacent to the state.

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

WHEREAS the state contains a world-class hydrocarbon basin holding over 30

1 percent of the nation's technically recoverable oil and gas resources; and

2 **WHEREAS** the state has a rich and demonstrable history of developing its resources
3 in a sustainable and responsible manner, especially in the mining, fishing, timber, and oil and
4 gas industries; and

5 **WHEREAS** the state has hundreds of wells for exploration and development in state
6 and adjacent federal waters, including the Beaufort and Chukchi Seas; and

7 **WHEREAS** the state benefits from over half a century of experience in managing the
8 sustainable and responsible development of the Arctic; and

9 **WHEREAS** it is in the best interests of the state to continue the safe and responsible
10 development of resources in and adjacent to the state; and

11 **WHEREAS** the federal government has limited immediate opportunities for
12 development in several areas of the Arctic, including, most importantly, the Arctic outer
13 continental shelf, the coastal plain of the Arctic National Wildlife Refuge, and the National
14 Petroleum Reserve - Alaska; and

15 **WHEREAS** residents of the state, concerned with the economy of the state for this
16 and future generations, vehemently oppose the United States Department of the Interior's
17 cancellation of lease sales in the Chukchi Sea Planning Area and the Beaufort Sea Planning
18 Area that had respectively been scheduled for 2016 and 2017, the subsequent removal of the
19 Chukchi Sea Planning Area and the Beaufort Sea Planning Area from the 2017 - 2022 Outer
20 Continental Shelf Oil and Gas Leasing Proposed Final Program issued by the Bureau of
21 Ocean Energy Management on November 18, 2016, and the indefinite removal of more than
22 183,000,000 acres of federal water off the coast of the state from future oil and gas leasing by
23 President Obama, despite the support of the legislature, the Governor, business and labor
24 communities, and citizens of the state; and

25 **WHEREAS** meeting national energy needs was a primary purpose of the Outer
26 Continental Shelf Lands Act Amendments of 1978 (P.L. 95-372); and

27 **WHEREAS** the Alaska Region is the largest region of the outer continental shelf and
28 covers 1,035,000,000 acres, including offshore areas such as the Beaufort Sea, the Chukchi
29 Sea, Cook Inlet, and the Gulf of Alaska; and

30 **WHEREAS** the Beaufort Sea Planning Area and the Chukchi Sea Planning Area can
31 be developed in an environmentally responsible manner and contain a combined estimated

1 undiscovered but recoverable 23,600,000,000 barrels of oil and 104,410,000,000,000 cubic
2 feet of natural gas, the development of which could generate an average of 54,700 jobs,
3 \$145,000,000,000 in cumulative payroll, and \$193,000,000,000 in public revenue a year; and

4 **WHEREAS**, under the Gulf of Mexico Energy Security Act of 2006, the federal
5 government recognizes the effect that oil and gas development in federal offshore areas has
6 on the states of Alabama, Louisiana, Mississippi, and Texas, and recognizes the contributions
7 to national energy, security, and economic interests made by sharing with those states 37.5
8 percent of revenue from leases covered under phase one of the Gulf of Mexico Energy
9 Security Act of 2006; and

10 **WHEREAS** phase two of the Gulf of Mexico Energy Security Act of 2006 expands
11 the definition of "qualified outer continental shelf revenue" and continues to share revenue on
12 an adjacency factor but includes an annual revenue-sharing cap of \$500,000,000 that applies
13 through 2055; and

14 **WHEREAS** the federal government fails to recognize the same effects on and
15 contributions made by other oil and gas producing states adjacent to federal outer continental
16 shelf areas, including this state; and

17 **WHEREAS**, had outer continental shelf revenue sharing of 37.5 percent been in place
18 between 2003 and 2015, the state would have received between \$942,000,000 and
19 \$1,300,000,000 in additional revenue for necessary infrastructure, such as marine ports,
20 airports, utilities, and housing, and increased state services, such as oil spill and emergency
21 response and environmental monitoring and mitigation; and

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

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

29 **WHEREAS** the oil industry, the state, and the United States Department of the
30 Interior consider the 1002 study area of the coastal plain to have the highest potential for
31 discovery of very large oil and gas accumulations on the continent of North America,

1 estimated to be as much as 10,000,000,000 barrels of recoverable oil; and

2 **WHEREAS** the 1002 study area is located within the North Slope Borough, and many
3 of the residents of the North Slope Borough, who are predominantly Inupiat, are supportive of
4 development in the 1002 study area; and

5 **WHEREAS** development of the coastal plain would create jobs in all 50 states and
6 potentially generate hundreds of billions of dollars in state and federal revenue; and

7 **WHEREAS** nearly 47 percent of the Arctic National Wildlife Refuge has already
8 been set aside as wilderness; and

9 **WHEREAS** the 1002 study area makes up less than eight percent of the Arctic
10 National Wildlife Refuge; and

11 **WHEREAS** the petroleum industry has demonstrated, in other locations along the
12 Arctic coastal plain, that it is capable of extracting oil and gas without adversely affecting the
13 environment or wildlife populations; and

14 **WHEREAS** the National Petroleum Reserve - Alaska was created in 1923 specifically
15 for oil and gas leasing, exploration, and production; and

16 **WHEREAS** the United States Congress mandated a program of oil and gas leasing
17 within the National Petroleum Reserve - Alaska in 1980, opening the reserve to future
18 development; and

19 **WHEREAS** the United States Department of the Interior issued an Integrated Activity
20 Plan in 2013 that limits the area of the National Petroleum Reserve - Alaska available for oil
21 and gas leasing to roughly 11,800,000 of the reserve's total 22,800,000 acres; and

22 **WHEREAS** unnecessary federal permitting delays and proposed federal
23 compensatory mitigation policies have created significant obstacles to the development of the
24 National Petroleum Reserve - Alaska; and

25 **WHEREAS** the National Petroleum Reserve - Alaska remains closed to mineral
26 entry; and

27 **WHEREAS**, according to the United States Geological Survey, the National
28 Petroleum Reserve - Alaska includes an estimated 896,000,000 barrels of economically
29 recoverable oil and nearly 53 trillion cubic feet of natural gas; and

30 **WHEREAS** future oil and gas production in the National Petroleum Reserve - Alaska
31 could create new jobs and revenue for the state and federal governments; and

1 **WHEREAS** the Beaufort and Chukchi Seas, the coastal plain of the Arctic National
2 Wildlife Refuge, and the National Petroleum Reserve - Alaska have the potential to supply oil
3 that would extend the operation of the Trans Alaska Pipeline System, which, in 2016,
4 operated at approximately 25 percent of its peak daily throughput of approximately 2,000,000
5 barrels a day achieved in 1988; and

6 **WHEREAS** oil and gas exploration and development of the outer continental shelf
7 could result in major discoveries that would reduce our nation's dependency on oil produced
8 by hostile foreign nations, help balance the nation's trade deficit, and significantly increase the
9 nation's security; and

10 **WHEREAS** the economic prosperity of the state is dependent on available, reliable,
11 and affordable energy; and

12 **WHEREAS** the state continues to express its support for oil and gas activity on state
13 land and in adjacent federal water; and

14 **WHEREAS** economic activity throughout the state and the nation is threatened by
15 federal actions that limit due process and propose onerous restrictions on projects before any
16 permit applications are filed and analyzed under the National Environmental Policy Act;

17 **BE IT RESOLVED** that the Alaska State Legislature continues to support oil and gas
18 exploration and development on state land, including in the Beaufort Sea Planning Area, the
19 Chukchi Sea Planning Area, the coastal plain of the Arctic National Wildlife Refuge, and the
20 National Petroleum Reserve - Alaska; and be it

21 **FURTHER RESOLVED** that the Alaska State Legislature urges the Trump
22 Administration to reverse federal government restrictions that adversely affect the ability to
23 access and develop hydrocarbon- and mineral-rich portions of the Arctic National Wildlife
24 Refuge, the National Petroleum Reserve - Alaska, and the outer continental shelf adjacent to
25 the state, including the Beaufort Sea Planning Area and the Chukchi Sea Planning Area; and
26 be it

27 **FURTHER RESOLVED** that the Alaska State Legislature urges the Trump
28 Administration to support responsible resource development of the Arctic National Wildlife
29 Refuge, the National Petroleum Reserve - Alaska, and the outer continental shelf adjacent to
30 the state; and be it

31 **FURTHER RESOLVED** that the Alaska State Legislature urges the Trump

1 Administration to acknowledge the support of state residents for resource development of the
2 Arctic National Wildlife Refuge, the National Petroleum Reserve - Alaska, and the outer
3 continental shelf adjacent to the state and to ensure that the federal government exercise due
4 process in rendering decisions about proposed economic development projects; and be it

5 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
6 Congress to take all necessary actions to assist the Trump Administration in developing
7 hydrocarbon- and mineral-rich portions of the Arctic National Wildlife Refuge, the National
8 Petroleum Reserve - Alaska, and the outer continental shelf adjacent to the state, including the
9 Beaufort Sea Planning Area and the Chukchi Sea Planning Area; and be it

10 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
11 Congress to provide a means for consistently and equitably sharing 37.5 percent of the
12 revenue generated from the development of the outer continental shelf adjacent to the state;
13 and be it

14 **FURTHER RESOLVED** that the Alaska State Legislature intends to use part of the
15 revenue from the development of the outer continental shelf to build the necessary
16 infrastructure to support the development and preserve the environmental integrity of the
17 Arctic National Wildlife Refuge, the National Petroleum Reserve - Alaska, and the outer
18 continental shelf and adjacent areas in the state.

19 **COPIES** of this resolution shall be sent to the Honorable Donald J. Trump, President
20 of the United States; the Honorable Michael R. Pence, Vice President of the United States and
21 President of the U.S. Senate; the Honorable Paul D. Ryan, Speaker of the U.S. House of
22 Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of
23 Representatives; the Honorable Mitch McConnell, Majority Leader of the U.S. Senate; the
24 Honorable Charles E. Schumer, Minority Leader of the U.S. Senate; the United States
25 Secretary of the Interior; Jim Kurth, acting Director of the U.S. Fish and Wildlife Service;
26 Margaret N. Schneider, acting Director of the Bureau of Safety and Environmental
27 Enforcement; and the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S.
28 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
29 delegation in Congress.