

CS FOR SENATE JOINT RESOLUTION NO. 301(RES) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - THIRD SPECIAL SESSION

BY THE SENATE RESOURCES COMMITTEE

Amended: 11/3/15

Offered: 11/2/15

Sponsor(s): SENATOR STOLTZE, Dunleavy, Kelly, Costello, Coghill, Stevens, Micciche, Bishop, Giessel, MacKinnon, Stedman, Meyer

A RESOLUTION

1 **Opposing the recent decisions to cancel future lease sales in the Chukchi and Beaufort**
2 **Seas and to deny the suspension of Shell and Statoil's leases; urging the United States**
3 **Department of the Interior to continue to promote oil exploration in the Chukchi and**
4 **Beaufort Seas; urging the United States Bureau of Safety and Environmental**
5 **Enforcement to reconsider and approve requests from Shell and Statoil for lease**
6 **suspensions in the Chukchi Sea Planning Area and Beaufort Sea Planning Area; urging**
7 **the Alaska Congressional delegation to continue its efforts to achieve consistent and**
8 **equitable outer continental shelf revenue sharing for the state; urging the United States**
9 **Congress to provide a means for equitable outer continental shelf revenue sharing**
10 **across all coastal oil and gas producing states to ensure the states develop necessary**
11 **infrastructure to support outer continental shelf development and preserve**
12 **environmental integrity; and urging the ongoing efforts to develop offshore oil and gas**
13 **in the Arctic Outer Continental Shelf.**

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

2 **WHEREAS** the state contains a world-class hydrocarbon basin holding over 30
3 percent of the nation's technically recoverable oil and gas resources; and

4 **WHEREAS** Arctic Outer Continental Shelf oil and gas development would supply
5 natural gas to the Alaska liquefied natural gas project, ensuring the long-term success of the
6 project; and

7 **WHEREAS** the United States Bureau of Ocean Energy Management estimates the
8 existence of 4,300,000,000 barrels of oil in the Chukchi Sea; and

9 **WHEREAS** the state has a rich history of developing its resources in a sustainable
10 and responsible manner; and

11 **WHEREAS** the state can demonstrate its history of safely developing its fisheries,
12 timber, and oil and gas resources; and

13 **WHEREAS** it is in the best interests of the state to continue the safe and responsible
14 development of resources in the state; and

15 **WHEREAS**, before the sale, lease, or other disposition of state land, resources, or
16 property, the state, through the division of oil and gas, issues a best interest finding that
17 considers and discusses certain topics, including the reasonably foreseeable effects of the
18 disposal on the area's fish and wildlife, historic and cultural resources, and communities, and
19 incorporates mitigation measures that are designed to protect the landscape; and

20 **WHEREAS** the design and evolution of the best interest finding, in many cases,
21 matches or, in some cases, exceeds federal standards imposed in federally controlled areas
22 still available for oil and gas exploration and development; and

23 **WHEREAS** the state imposes standards to protect the landscape, including limiting
24 the timing and intensity of travel on the tundra so that winter travel on temporary roads will
25 do the least amount of damage; and

26 **WHEREAS** the state enforces strict requirements for oil discharge and contingency
27 plans for all operators on the Alaska North Slope; and

28 **WHEREAS** the state has taken proactive measures, including deferring areas in the
29 state's Beaufort Sea lease sale area where subsistence activity occurs, including areas
30 immediately adjacent to Cross Island, where whaling crews from Nuiqsut have set up their
31 whaling camp; and

1 **WHEREAS** the state will continue actively to address environmental standards,
2 including modern mitigation standards that protect subsistence activities on the Alaska North
3 Slope; and

4 **WHEREAS** the federal government has developed plans for leasing on a long-term
5 basis, including plans for annual lease sales in the Chukchi Sea and Beaufort Sea Planning
6 Areas in the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program; and

7 **WHEREAS** the United States Department of the Interior published a 2017-2022
8 Outer Continental Shelf Oil and Gas Leasing Program, which proposes one lease sale each in
9 the Chukchi Sea and Beaufort Sea planning areas; and

10 **WHEREAS** the federal government has limited immediate opportunities in several
11 areas in the Arctic, including, most importantly, the Arctic National Wildlife Refuge, the
12 National Petroleum Reserve-Alaska, and the Arctic Outer Continental Shelf; and

13 **WHEREAS**, under the Gulf of Mexico Energy Security Act of 2006, the federal
14 government recognizes the effect that oil and gas development in federal offshore areas has
15 on the states of Alabama, Louisiana, Mississippi, and Texas, and recognizes the contributions
16 to national energy, security, and economic interests made by sharing with those states 37.5
17 percent of revenue from leases covered under phase one of the Gulf of Mexico Energy
18 Security Act of 2006; phase two of the Gulf of Mexico Energy Security Act of 2006 expands
19 the definition of "qualified outer continental shelf revenue" and continues to share revenue on
20 an adjacency factor but includes an annual revenue-sharing cap of \$500,000,000 that applies
21 through 2055; and

22 **WHEREAS** the federal government fails to recognize the same effects on and
23 contributions made by other oil and gas producing states adjacent to federal outer continental
24 shelf areas, such as this state; and

25 **WHEREAS**, had outer continental shelf revenue sharing of 37.5 percent been in place
26 since 2003, the state would have benefitted from additional revenue, in an amount estimated
27 to be between \$942,000,000 and \$1,300,000,000, for necessary infrastructure, such as marine
28 ports, airports, utilities and housing, and increased state services, such as oil spill and
29 emergency response and environmental monitoring and mitigation; and

30 **WHEREAS**, on October 16, 2015, the United States Department of the Interior
31 cancelled future Outer Continental Shelf oil and gas lease sales in the Chukchi Sea Planning

1 Area and Beaufort Sea Planning Area, scheduled for 2016 and 2017, respectively; and

2 **WHEREAS**, on October 16, 2015, the United States Bureau of Safety and
3 Environmental Enforcement denied requests from Shell and Statoil for lease suspensions in
4 the Chukchi Sea Planning Area and Beaufort Sea Planning Area; and

5 **WHEREAS**, by actively managing its property, the state can induce the federal
6 government to continue to pursue hydrocarbon resources in the Arctic; and

7 **WHEREAS** the state should form a strategic alliance with all affected local
8 municipalities to identify the long-term needs of the state and local entities for rights-of-ways
9 for critical infrastructure; and

10 **WHEREAS** the Department of the Interior needs guidance from the state on the
11 number of lease sales and the timing of those lease sales;

12 **BE IT RESOLVED** that the Alaska State Legislature opposes the recent decisions of
13 the Obama Administration to cancel future lease sales in the Chukchi and Beaufort Seas and
14 to deny the suspension of Shell and Statoil's leases; and be it

15 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
16 Department of the Interior to reconsider its actions and continue to promote oil and gas
17 exploration in the Chukchi and Beaufort Seas; and be it

18 **FURTHER RESOLVED** that the Alaska State Legislature urges the Alaska
19 Congressional delegation to continue its efforts to achieve consistent and equitable outer
20 continental shelf revenue sharing for this state, as is granted the Gulf States of Alabama,
21 Louisiana, Mississippi, and Texas; and be it

22 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
23 Congress to provide a means for equitable outer continental shelf revenue sharing across all
24 coastal oil and gas producing states to ensure the states develop necessary infrastructure to
25 support outer continental shelf development and preserve environmental integrity; and be it

26 **FURTHER RESOLVED** that the Alaska State Legislature urges the United States
27 Bureau of Safety and Environmental Enforcement to reconsider and approve requests from
28 Shell and Statoil for lease suspensions in the Chukchi Sea Planning Area and Beaufort Sea
29 Planning Area; and be it

30 **FURTHER RESOLVED** that the Alaska State Legislature urges the Obama
31 Administration to support ongoing efforts to develop offshore oil and gas in the Arctic Outer

1 Continental Shelf responsibly and acknowledge the need for equitable revenue sharing with
2 oil and gas producing states adjacent to federal outer continental shelf areas.

3 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
4 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
5 President of the U.S. Senate; the Honorable Paul D. Ryan, Speaker of the U.S. House of
6 Representatives; the Honorable Nancy Pelosi, Minority Leader of the U.S. House of
7 Representatives; the Honorable Mitch McConnell, Majority Leader of the U.S. Senate; the
8 Honorable Harry Reid, Minority Leader of the U.S. Senate; the Honorable Loretta Lynch,
9 Attorney General of the United States; the Honorable Sally Jewell, United States Secretary of
10 the Interior; the Honorable Hilary Tompkins, Solicitor, U.S. Department of the Interior; the
11 Honorable Daniel M. Ashe, Director of the U.S. Fish and Wildlife Service; the Honorable
12 John C. Cruden, Assistant Attorney General for the Environment and Natural Resources
13 Division; Brian Salerno, Director of the Bureau of Safety and Environmental Enforcement;
14 Richard L. Trumka, President of the AFL-CIO; James P. Hoffa, General President of the
15 International Brotherhood of Teamsters; and the Honorable Lisa Murkowski and the
16 Honorable Dan Sullivan, U.S. Senators, and the Honorable Don Young, U.S. Representative,
17 members of the Alaska delegation in Congress.