

# Alaska State Senate



November 2, 2017

**The Honorable Lisa Murkowski**  
**Chairman**  
**U.S. Senate Committee on Energy and**  
**Natural Resources**  
**304 Dirksen Senate Office Building**  
**Washington, D.C. 20510**

**The Honorable Maria Cantwell**  
**Ranking Member**  
**U.S. Senate Committee on Energy and**  
**Natural Resources**  
**304 Dirksen Senate Office Building**  
**Washington, D.C. 20510**

**RE: Support for Responsible Oil and Gas Exploration and Development in the 1002 Study Area in the Arctic National Wildlife Refuge**

Dear Chairman Murkowski, Ranking Member Cantwell, and Members of the Committee:

The Alaska State Senate strongly supports efforts by the United States Senate Committee on Energy and Natural Resources (the Committee) to pass legislation meeting the instruction in H. Con. Res. 71 by allowing responsible development in the 1002 area ("1002 area") of the Arctic National Wildlife Refuge ("ANWR"). With a record of over four decades responsibly producing resources on our state's North Slope, Alaska's State Senate firmly holds that access to the 1002 area will grow our national economy, reduce our federal government's deficit, and strengthen our national security.

This year marks the fortieth anniversary of the Trans-Alaska Pipeline System (TAPS). The legislative process in the United States Congress that led to the opening of TAPS was careful and deliberate. Thanks to the wisdom of that decision, over seventeen billion barrels of oil have been safely conveyed through this essential national energy infrastructure.

The development of oil on state lands at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point resulted in thousands of family-supporting jobs throughout the United States, in addition to significant revenues to the federal treasury. Alaska contributed to the stability of the country's energy needs. At one point, Alaska's petroleum activities constituted up to a quarter of the nation's entire oil production.

However, TAPS is currently operating at a quarter of its peak throughput, resulting in the technical and engineering challenges of which this Committee is greatly aware. Low TAPS throughput hastens the threat of obsolescence, which would strand the tremendous remaining known reserves on the North Slope, and deprive the United States of a critical plank in the nation's energy security blanket.

The single largest factor that can reverse the projected decline of TAPS throughput is additional resources from federal lands. The petroleum industry, the State of Alaska (the State), and the United States Department of the Interior (Dept. of Interior) consider the 1002 study area to have the highest potential for the discovery of very large, conventional oil and gas accumulations on the North American continent, with estimates of recoverable oil being as much as 10,000,000,000 barrels.

The history regarding the debate to open the 1002 area is lengthy. However, the State, and the Alaska Legislature specifically, have consistently and strongly made its view on this debate known: we have urged the United States Congress to pass legislation opening the 1002 area for oil and gas development. We propose that passing such legislation is not only good policy, but adheres to the intent of existing law, specifically the Alaska National Interest Lands Conservation Act (“ANILCA”).

We respectfully remind members of Congress, and this Committee, that the final version of ANILCA was, and remains, a compromise that was carefully crafted to balance two goals: to conserve and protect the nation’s lands in Alaska, and to foster economic opportunity for the citizenry. ANILCA doubled the lands of the nation’s parks, and tripled the land of our country’s refuges, with most of those additions occurring in Alaska, where 100 million federal acres in the state were affected. These changes represent the conservation elements of ANILCA.

Under ANILCA Section 103 (16 U.S.C. 3143), the United States Congress reserved the right to permit oil and gas development and production within the coastal plain of ANWR. In Section 1002 (16 U.S.C. 3142), Congress authorized nondrilling exploratory activity within the coastal plain of ANWR, which is the 1002 study area. These elements represent some of the economic opportunity planks of ANILCA. Opening a small, federally designated area of ANWR for responsible development meets the intent of ANILCA to maintain that healthy and necessary balance.

Since the passage of ANILCA in 1980, the infrastructure on Alaska’s North Slope has grown, along with sophisticated spill prevention and response technologies. This infrastructure has moved as far east as Point Thomson, a new development bordering the 1002 area. The closeness between the 1002 area and such modern infrastructure means that only the additional construction of a pipeline to Point Thomson and expansion of existing pipelines to deliver oil into TAPS, and subsequently to market, will be needed.

Additionally, the oil and gas industry has developed directional drilling technology that will allow horizontal drilling in a responsible manner by minimizing the development footprint in the 1002 area. Those same advancements in directional drilling may be capable of drilling from outside the boundaries of the 1002 area. The oil and gas industry utilizes innovative technology, and the best environmental practices in new field developments. Those techniques are directly applicable in the 1002 study area, and would enhance environmental protection beyond our traditionally high standards.

Our interests in seeing the 1002 area opened are not parochial. The resources from this potentially rich, though small, area can contribute enormously to the nation’s energy and national security. Of a more pressing matter, the revenues from 1002 area development can create new wealthy, reduce the national deficit, and support repayment of our national debt. We followed the debate the United States Congress on potential amendments to H. Con. Res. 71, and noted that the Committee plays an important role in generating new revenues. We strongly propose that best option for new revenue sources is the development of the 1002 area.

Finally, Alaska has a unique contribution to the United States' foreign policy on energy. Before the United States Congress lifted the ban on exporting crude oil in late 2015, Alaska was the only state in the country that exported oil to nations other than Canada. Between 1996-2004, around 2.7% of Alaska's North Slope production was exported to nation states in the Asia Pacific region.

As the United States looks to address its foreign trade imbalance, and provide global partners with sources of energy from a stable democratic republic, Alaska is positioned to contribute in a significant way. The resources from the 1002 area would play a large role in adding more crude from a known export source, and give the United States' allies a stable supply for their citizens and industries, promoting strong international and economic relations.


The Alaska State Senate respectfully requests the United States Congress, and the Senate Committee on Energy and Natural Resources, to pass legislation opening the 1002 study area for responsible oil and gas development. We ask this in the spirit of our shared goals as Americans, to bring new revenues that reduce our nation's deficit and debt, to create family-supporting jobs and economic prosperity to fellow Americans, to strengthen our national energy supply, and to promote the security of our nation.


Sincerely,

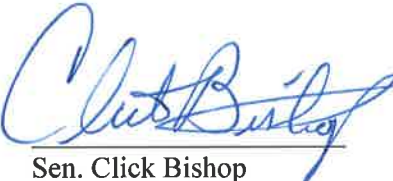
  
Sen. Pete Kelly  
Senate President

  
Sen. Cathy Giessel


  
Sen. Anna MacKinnon

  
Sen. Lyman Hoffman

  
Sen. Peter Micciche

  
Sen. Click Bishop

  
Sen. Gary Stevens

  
Sen. Donald Olson

  
Sen. Kevin Meyer

  
Sen. Natasha Von Imhof

  
Sen. John Coghill

  
Sen. David Wilson

*Mia Costello*

Sen. Mia Costello

*Shelley Hughes*

Sen. Shelly Hughes

*Bert H. Stedman*

Sen. Bert Stedman

*Mike Dunleavy*

Sen. Mike Dunleavy