

Submitted by: ASSEMBLY MEMBER BIRCH
Reviewed by: Assembly Counsel
For reading: March 24, 2009

CLERK'S OFFICE

APPROVED

Date: 3-24-09

ANCHORAGE, ALASKA

AR NO. 2009-80

1 **A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO SUPPORT**
2 **NEW OIL AND GAS LEASE SALES IN THE ALASKA OUTER CONTINENTAL**
3 **SHELF INCLUDING IN THE CHUKCHI AND BEAUFORT SEAS.**
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5
6 WHEREAS, the U.S. Minerals Management Service seeks comments on the
7 development of energy resources in the Outer Continental Shelf (OCS) and intends to
8 use such input to develop an energy plan over the next six months for offshore areas;
9 and

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11 WHEREAS, leasing, exploration and development of both conventional and
12 renewable energy resources offshore of Alaska are vital to the economy; and

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14 WHEREAS, Outer Continental Shelf development could be a significant driver of
15 the next generation of economic activity by extending the duration of the petroleum
16 industry in the state; and

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18 WHEREAS, Outer Continental Shelf production in Alaska would provide many
19 benefits, including thousands of new jobs in rural and urban areas, additional tax
20 income to the state and local governments, new local sources of fuel and energy, and
21 improved search and rescue operations; and

22
23 WHEREAS, access to the Chukchi Sea and Beaufort Sea Outer Continental
24 Shelf resources may be a key factor in the economic feasibility of the proposed natural
25 gas pipeline from the North Slope to the Lower 48; and

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27 WHEREAS, a comprehensive energy plan for the nation must include Alaska,
28 which accounts for over 30 percent of the nation's recoverable oil and gas resources;
29 and

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31 WHEREAS, the Alaska Outer Continental Shelf is an important future source of
32 U.S. energy supply with an estimated 27 billion barrels of oil and 132 trillion cubic feet of
33 natural gas potentially in place; and

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35 WHEREAS, The Chukchi Sea is considered the most prospective unexplored
36 offshore basin in the U.S.; and
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1 WHEREAS, the responsible development of Alaska's offshore energy resources
2 would help meet future U.S. energy demand and offset declining production from
3 mature basins; and

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5 WHEREAS, Outer Continental Shelf development has an outstanding safety and
6 environmental record spanning decades in Cook Inlet, the Gulf of Mexico, the North Sea
7 and elsewhere; and

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9 WHEREAS, oil and gas production can move forward in the Alaska Outer
10 Continental Shelf in an environmentally-sensitive and responsible manner through a
11 strong regulatory regime, state-of-the-art oil spill response, seasonal operating
12 restrictions as needed, and mitigation measures to avoid conflicts with other resource
13 and subsistence users; and

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15 WHEREAS, revenue sharing from the Outer Continental Shelf with local
16 communities should be enacted to help address local economic impacts; and

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18 WHEREAS, demand for energy will continue and development of the nation's oil
19 and gas resources is necessary in the transition to the new energy sources of the
20 future; and

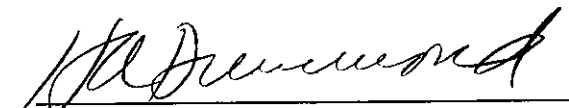
21
22 WHEREAS, increased emphasis on renewable energy does not preclude or
23 require less oil and gas development as the nation works to reduce its reliance on
24 foreign oil;

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26 NOW, THEREFORE, THE ANCHORAGE ASSEMBLY HEREBY RESOLVES:

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28 **1. The Municipality of Anchorage strongly supports new oil and gas**
29 **leasing, exploration, development and production in the Outer**
30 **Continental Shelf of Alaska, including in the Chukchi and Beaufort Seas.**

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32 **2. This Resolution of the Anchorage Assembly shall be presented to**
33 **United States Secretary of the Interior Kenneth Salazar.**

34
35 PASSED AND APPROVED by the Anchorage Assembly this 24th day of
36 March, 2009.

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38 
39 _____
40 Chair

40 ATTEST:

41 
42 _____
43 Municipal Clerk



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. AM 186-2009

Meeting Date: March 24, 2009

1 **From:** ASSEMBLY MEMBER CHRIS BIRCH
2 **Subject:** AR 2009-80 — A RESOLUTION OF THE ANCHORAGE MUNICIPAL
3 ASSEMBLY TO SUPPORT NEW OIL AND GAS LEASE SALES IN THE
4 ALASKA OUTER CONTINENTAL SHELF INCLUDING IN THE
5 CHUKCHI AND BEAUFORT SEAS.
6

7 U.S. Secretary of Interior Kenneth Salazar will be in Alaska beginning April 13, 2009
8 and hosting a regional public meeting at the Dena'ina Civic and Convention Center on
9 April 14, 2009. Secretary Salazar will present the Department of Interior's findings on
10 the Outer Continental Shelf (OCS) energy resources and information regarding
11 sensitive areas and resources on the OCS. The U.S. Minerals Management Service
12 seeks comment on new oil and gas lease sales in the OCS. The oil and gas industry
13 directly and indirectly generated approximately 110,000 jobs, roughly one-third of
14 Alaska's employment, and revenue to fund three-quarters of state government jobs
15 during the period 2004-2006. Additional local economic data available for calendar year
16 2007 demonstrates the present and potential impact future OCS development could
17 have for Alaska:

- 18 • Oil and gas activity created 41,744 industry-related jobs, totaling \$2.4 billion and
19 equating to 11.2 percent of all wages in Alaska.
- 20 • Oil and gas industry-related employment in Anchorage is nearly 24,000,
21 representing 12 percent of area employment.
- 22 • Oil and gas industry generated payroll in Anchorage is \$1.4 billion, representing
23 nearly 17 percent of total payroll.
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27
28 OCS development growth could more than offset losses from the decline of petroleum
29 production on state lands and could help sustain the economy for several decades.
30 OCS activities would create opportunities for high paying, long term, year-round jobs
31 and for seasonal shorter term jobs throughout the state.
32

33 Historically by place of residence, 47% of oil and gas sector jobs would be in
34 Anchorage. OCS activity would create an estimated 6,000 direct oil and gas sector jobs
35 with 3,400 in Anchorage and an estimated 29,000 indirect jobs with 16,000 in
36 Anchorage.
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38 The total jobs created by OCS development represent a total estimated payroll of \$72
39 billion over the 50-year project.

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Per the Department of Revenue 2008 Fall Revenue Forecast Press Release of December 2008, unrestricted general revenues from the oil and gas industry in fiscal year 2008 exceeded \$10 billion and accounted for 93 percent of Alaska’s unrestricted general fund.

Access to the Alaska OCS will help reverse the decline in North Slope oil production and increase throughput in the trans-Alaska oil pipeline, which is currently operating at one-third capacity.

AR 2009-80 recites many of the national, state, and local benefits of OCS development and passage by the Anchorage Assembly will provide Interior Department Secretary Salazar with documented support for Alaska OCS development.

Respectfully submitted:

Chris Birch
Assembly Member, Section 6