

STATE OF ALASKA THE LEGISLATURE

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Source

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**Legislative
Resolve No.**

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Urging the United States Congress to honor the terms of the Mineral Leasing Act and the Alaska Statehood Act and provide the state with a 90 percent share of all bonuses, royalties, and rentals received by the federal government from the Arctic National Wildlife Refuge and the National Petroleum Reserve in Alaska.

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

WHEREAS the Alaska State Legislature is grateful for the approval and development of the Willow project and other projects in the National Petroleum Reserve in Alaska and for the work underway to unlock the vast natural resources and economic potential of the state; and

WHEREAS this state is a young state, the resources of which are vital to maintaining national security, growing the state's economy, and ensuring geopolitical superiority in the Arctic and North Pacific; and

WHEREAS President Donald J. Trump's 2025 executive order, "Unleashing Alaska's Extraordinary Resource Potential," rescinds cancellation of leases within the coastal plain of the Arctic National Wildlife Refuge and expedites review of all necessary permits and

easements for exploration to facilitate, to the greatest extent possible, the production of oil and gas within the area; and

WHEREAS the executive order also prioritizes liquefied natural gas development in the state; and

WHEREAS the executive order highlights the economic and national security benefits for the United States associated with oil and gas development; and

WHEREAS, when issuing the 2025 Secretary's Order 3422 titled "Unleashing Alaska's Extraordinary Resource Potential," United States Secretary of the Interior Doug Burgum said that "[i]t's time for the U.S. to embrace Alaska's abundant and largely untapped resources as a pathway to prosperity for the nation" and recognized "the central role the State of Alaska plays in meeting our nation's energy needs"; and

WHEREAS, in Secretary's Order 3422, Secretary Burgum directed the Department of the Interior and the Bureau of Land Management to pursue reopening up to 82 percent of the National Petroleum Reserve in Alaska to leasing to expand energy development opportunities in the state for the benefit of the nation; and

WHEREAS Secretary's Order 3422 further directs the Department of the Interior to convey to the state the land previously withdrawn along the Trans Alaska Pipeline System, paving the way for construction of pipeline for the Alaska Liquefied Natural Gas Project; and

WHEREAS the state welcomes additional oil production on federal land, while recognizing that lease activity write-offs against producers' tax liability cause a reduction in state revenue; and

WHEREAS the state's aging transportation infrastructure is expected to require significant repair and upgrades to accommodate the heavy traffic anticipated for the construction of the proposed pipeline for the liquefied natural gas project; and

WHEREAS, in 1957 and 1958, when considering the admission of the state into the Union as the 49th state, the United States Congress recognized that the state's comparatively small population and limited industrial base would not be able to generate enough revenue to pay for basic state services, especially because the state is geographically isolated and large, covering one-fifth the area of the contiguous 48 states; and

WHEREAS, in 1957, the United States Congress amended the Mineral Leasing Act of 1920 to grant the Territory of Alaska 90 percent of the proceeds from mineral leases,

including oil and gas leases, on federal land in the territory; and

WHEREAS, in sec. 28 of the Alaska Statehood Act of 1958, the United States Congress established the right of the state to receive 90 percent of the income derived from mineral leasing collected from the development of federal land in the state; and

WHEREAS, during debate over the Alaska Statehood Act, the report from the Senate Committee on Interior and Insular Affairs, speaking to the 90 percent royalty share to Alaska, "deem[ed] it only fair that when the State relieves the United States of most of its expense burden, the State should receive a realistic portion of the proceeds from resources within its borders"; and

WHEREAS, in 1958, Secretary of the Interior Fred Seaton stated that, according to analysis prepared by the Department of the Interior, the additional costs of statehood would be offset by the 90 percent in mineral revenue to be provided to the state; and

WHEREAS that assurance was integral to residents' vote in favor of statehood and taking on the costs of self-management; and

WHEREAS, during its deliberations, the United States Congress also acknowledged concern that previous land reservations and withdrawals had involved some of the most resource-rich and valuable tracts in the territory, including acreage that is now part of the National Petroleum Reserve in Alaska and the Arctic National Wildlife Refuge, thus preventing the state from producing revenue from that land and further justifying that 90 percent of mineral revenue be provided to the state; and

WHEREAS, when the United States Congress passed the Alaska Statehood Act and the people of the state voted in referendum to approve it, a compact of the provisions was created, including the provision to provide 90 percent of mineral revenue from federal land to the state; and

WHEREAS the United States Congress enacted legislation that provides for the state to receive a 50 percent share of the adjusted bonus, rental, and royalty receipts derived from leasing, exploration, and development of land on the coastal plain of the Arctic National Wildlife Refuge, in contravention of the percentage share required under the Mineral Leasing Act and the Alaska Statehood Act; and

WHEREAS the federal government enacted legislation that provides for the state to receive a 50 percent share of the adjusted bonus, rental, and royalty receipts derived from

leasing, exploration, and development of land in the National Petroleum Reserve in Alaska, the majority of which is required to be paid in impact grants to the communities directly impacted by production in the reserve and not available for state use; and

WHEREAS the decline in oil prices, the decline in the Trans Alaska Pipeline System throughput, and revenue reductions from write-offs on federal lease activity have reduced and will continue to significantly reduce the revenue available to maintain the transportation infrastructure of the state and to fund state government programs necessary to support production in the Arctic National Wildlife Refuge and the National Petroleum Reserve in Alaska and construction of a liquefied natural gas pipeline; and

WHEREAS the state was not allowed to freely select state land as promised under the Alaska Statehood Act, reducing the revenue available to the state from mineral production on state land;

BE IT RESOLVED that the Alaska State Legislature urges the United States Congress to honor the terms of the Mineral Leasing Act and the Alaska Statehood Act, which provide that the state receive a 90 percent share of all bonuses, royalties, and rentals under leases received by the federal government for exploration, development, and production in the coastal plain of the Arctic National Wildlife Refuge; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the United States Congress to provide that the state receive a 90 percent share of all bonuses, royalties, and rentals under leases received by the federal government for exploration, development, and production in the coastal plain of the National Petroleum Reserve in Alaska while maintaining the original local impact grant program.

COPIES of this resolution shall be sent to the Honorable Mike Johnson, Speaker of the U.S. House of Representatives; the Honorable Hakeem Jeffries, Minority Leader of the U.S. House of Representatives; the Honorable John Thune, Majority Leader of the U.S. Senate; the Honorable Charles E. Schumer, Minority Leader of the U.S. Senate; the Honorable Mike Lee, Chair of the U.S. Senate Committee on Energy and Natural Resources; the Honorable Martin Heinrich, Ranking Member of the U.S. Senate Committee on Energy and Natural Resources; the Honorable Bruce Westerman, Chair of the U.S. House Committee on Natural Resources; the Honorable Jared Huffman, Ranking Member of the U.S. House Committee on Natural Resources; and the Honorable Lisa Murkowski and the Honorable Dan

Sullivan, U.S. Senators, and the Honorable Nicholas Begich, U.S. Representative, members of the Alaska delegation in Congress.