

Sec. 38.35.017. Limitation on leases in or adjacent to the Beaufort Sea.

(a) Consistent with and in furtherance of the statements of general state policy guiding resource development set out in art. VIII, sec. 1, Constitution of the State of Alaska, that the resources of the state be developed "by making them available for maximum use consistent with the public interest" and in art. VIII, sec. 2, Constitution of the State of Alaska, directing that provision shall be made by the legislature for "the utilization, development, and conservation of all natural resources belonging to the State . . . for the maximum benefit of its people," and consistent with and in furtherance of the general legislative declaration of policy for this chapter set out in AS 38.35.010, it is the policy of this state that the overall strategy for development, use, and control of a pipeline or pipelines to develop the state's substantial North Slope natural gas resources be directed

(1) to enhance the standard of living of state residents by

(A) ensuring that, in conjunction with out-of-state market driven commercial demand for North Slope natural gas, state residents and businesses will have access, directly or indirectly, to that portion of the gas that will meet the reasonably foreseeable in-state demands for it, including substitution of the North Slope natural gas for depleting gas reserves in Southcentral Alaska in order to maintain a vital domestic and industrial energy source, and ensuring that the pipeline or pipelines for the transportation of North Slope natural gas will be designed and located to be responsive to these requirements;

(B) making the maximum contribution to the development of job opportunities in this state by

(i) providing direct short-term construction and long-term operation- and maintenance-related employment on the pipeline or pipelines, to the end that the resources be developed with qualified contractors and firms in this state for work to be performed, including the fabrication and installation of required facilities, and that state residents be employed, consistent with law; for purposes of this sub-subparagraph, a person is considered a resident if the person is physically present in the state with the intent to remain in the state indefinitely and has a home in the state, and a contractor or firm is considered as qualified if the contractor or firm qualifies as an Alaska bidder under AS 36.30.170 (b); and

(ii) providing necessary support services; and

(C) adding significant long-term property value to the tax base of the state and local governments, thereby providing the means to support public education, public health, transportation, and other essential state and local government projects and services;

(2) to ensure that the design, location, and construction of a pipeline or pipelines for delivery of North Slope natural gas to North American markets through connection to the North American natural gas pipeline network enhance opportunities for implementing gas deliveries using alternative technologies and the construction of other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

(3) to ensure construction of the pipeline or pipelines consistent with careful protection of the state's natural environment, with minimum environmental degradation, to the greatest extent possible, and with protection of fish, wildlife, and biotic resources for the use of persons who depend upon them by using available transportation infrastructure to initiate and complete project construction and maintenance and by avoiding duplication of facilities.

(b) Consistent with the legislative policy and goals set out in (a) of this section, the commissioner may not grant a lease across state land that is in or adjacent to the Beaufort Sea for pipeline right-of-way purposes to authorize construction and operation of a natural gas pipeline following a "northern" or "over-the-top" route running east from the North Slope to Canada's Mackenzie River Valley, then south to link to existing pipeline networks to transport North Slope natural gas to North American markets.

(c) The limitation on leasing set out in (b) of this section does not apply on and after the date on which a natural gas pipeline following a "southern" route that parallels the Trans Alaska Pipeline System and the Alaska Highway to transport North Slope natural gas to North American markets or Alaska tidewater for delivery to foreign and domestic markets has been completed and has begun operation.