

**U.S. Senator Lisa Murkowski**  
**Remarks to World Trade Center Alaska**  
**August 17, 2010**  
**\*\*\* As Prepared for Delivery \*\*\***

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Good afternoon. Thanks, Tavish, for that introduction. And, a special thanks to the members of World Trade Center Alaska for the invitation to join you today.

It's been almost four years since I've had the privilege of addressing your association. It's amazing to consider how much has happened in that time. Control of Congress has changed; we've elected a new President; and national and world events have shifted our attention to new issues and challenges. The War in Iraq is going far better today, but the War in Afghanistan has become a much tougher fight. In 2006, we thought we had a strong economy, and our focus was primarily on terrorism and the Middle East. Today, much of our focus is on restoring our economy, recovering from the housing and financial crises, and reducing the federal government's unsustainable debt.

The past four years have also brought significant change to Alaska, especially for our state's elected leadership. On a very solemn note, that's where I want to begin my remarks today.

It goes without saying that the past week has been one of the saddest in our history. Last Tuesday we received absolutely devastating news, that a plane crash outside Dillingham had claimed five members of our Alaska family: Dana Tindall, a woman pioneer in the telecom world and her brilliant teenage daughter, Corey; Bill Phillips, Terry Smith, including the life of Senator Ted Stevens. In one horrible instant, we lost a champion, our champion, a man who fought tirelessly for us for decades. We lost one of the greatest leaders that any state, not just Alaska, will ever have. Ted was a great friend to so many of us, and he was always a great advocate for our state. It's thanks to him that Alaska achieved statehood, that we made such significant progress over our first 50 years, and that we now rank as one of the most stable and prosperous states in the union.

It's impossible to overstate how important Ted was to our state – we call him Uncle Ted, and he was Alaskan of the Century – but I think those who say, “Ted was Alaska” have it right. Think about all he did for Alaska. His fight for statehood. His work protected our fisheries and allowed

the construction of TAPS, the Trans-Alaska Pipeline. He passed ANCSA, ANILCA, and so many others. Ted improved our nation's telecommunications policies, he worked to improve aviation safety, implemented bypass mail, and also created the Denali Commission. He understood our need for a strong national defense, and always made sure our military had the right resources to complete the mission. Even some of his most routine accomplishments – like funding for washeterias in small villages -- had a dramatic impact on thousands of Alaskans.

I've known Ted for most of my life, and he will always have a very special place in my heart. I interned for him back in 1975, not too long after he first became a Senator. I watched with admiration at how he seemed to know everything and everyone, how dedicated he was to the people who elected him to office, and how effective he was at making progress on our behalf.

That admiration didn't wane over the intervening 35 years. When I joined him the senate, Ted was my friend, my mentor, and my partner. He demonstrated how to serve Alaska and America with grace and dignity and honor. I'm sure he touched many of your lives, as well, and always for the better. And, as sad as we are that he is gone from our daily lives, his light will burn brightly. He went out flying and on his way to fish for silvers.

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Ted's legacy endures all around us. His vision for our state also lives on, and it is now for us to take up where he left off. You see, no matter how much he accomplished, Ted was always looking forward to what came next. He knew the hard work was never finished, that our state's future was never assured. He knew Alaska faced serious challenges, and he knew we would only be able to overcome them by demonstrating that we are serious about new development. In recent years, he called upon our state to build a "climate for investment" that would convince businesses to bring their capital here, instead of taking it somewhere else. He knew this was absolutely critical to Alaska's long-term prosperity.

What I planned to speak about today, resource development in Alaska, is actually one of the central pillars of Ted's vision for our future. He understood, perhaps better than anyone else, that our ability to develop a "climate for investment" starts and ends with our ability to develop our natural

resources. This abundance accounts for a huge share of the jobs in our state, and the vast majority of revenues for our state government. Our resource potential is why our state's economy has developed so steadily, why our taxes remain so low, and why so many hard-working Alaskans have been able to find well-paying jobs. It's also why many of your businesses have been willing and able to operate in Alaska.

The good news is that our opportunities for resource development are still almost limitless. Alaska has always been a resource-rich state, and we continue to enjoy tremendous reserves that can and should be harnessed to benefit our residents and our economy. We have oil, natural gas, coal, and renewable resources. We have minerals, metals, and rare earth elements. We have timber, fish, and biomass. China wants to buy Alaskan potatoes.

Alaskans also know how to develop these resources in a responsible and sustainable manner. Decades of experience have proven, beyond a shadow of a doubt, that resource production can be successfully balanced with environmental protection. Pursuing one of those goals does not mean giving up on the other – far from it. We've long since served as a shining example of how to take care of our environment, even as we use its natural abundance to make our lives better.

I think you've probably heard quite a few speeches about Alaska's tremendous resource potential, so I won't go into those details today. Instead, I want to call your attention to something less noticed, but equally important. Most of us would agree that now is the time to expand resource production in Alaska, whether for national or trade-related purposes, but there are others who wish to force us in the opposite direction. Reflecting on many of the decisions that have been made over the past 19 months, I believe we are now in the midst of a very real and very damaging overreach by the federal government – not only in the form of legislation pending in Congress, but also, and increasingly, in the form of rules and regulations from executive agencies. The cumulative effect is that against our wishes, more and more of Alaska's resources are being put off limits instead of into production.

And here again, we'd do well to follow the advice and example of our dear friend, Ted Stevens. Ted knew we could disagree without being disagreeable, and that through debate and the exchange of ideas, we could find friends of Alaska in the most unlikely of places. Ted knew that the only

way we could forge consensus and move forward is by talking with one another directly and honestly. But no one would have ever accused Senator Stevens of being a shrinking violet. He was a passionate and unapologetic advocate for our state, particularly of Alaska's right to produce our natural resources. Ted was never afraid to call it like he saw it, and we shouldn't be either, especially when there is so much at stake.

So, here's what I see, as both a Senator for Alaska and the Ranking Member of a Committee that focuses on natural resource development in Washington, DC. Since taking office last January, the Obama administration has repeatedly pursued policies that threaten Alaska's ability to bring our resources to market. When you add up all of the regulations and restrictions that have accumulated in so short a time – for mining, for forestry, and particularly for oil and gas – it becomes clear that this administration regards natural resource production in Alaska not as a priority, but as a problem.

Let me give you a recent example from Southeast Alaska. After nearly two decades of agency review and legal challenges, the Supreme Court finally ruled, 6 to 3, that a crucial permit for the Kensington gold mine was indeed valid. Normally, that would mark the end of the bureaucratic approval process. But even after the Supreme Court ruled, the EPA decided to step back in and re-open the issue. To add insult to injury, that agency decided to advocate for a mine plan that would have been much worse for the environment than what had already been approved.

You might be asking yourself: Why would the EPA do this? Sadly, you have to believe that they knew re-opening the permitting process could delay the mine long enough to stop it from moving forward. Pure and simple, this was an attempt to kill a vital project that will employ hundreds of Alaskans and produce a valuable metal. It took multiple meetings, phone calls, and letters and having the EPA Administrator come to my office, but we finally persevered and made sure the Kensington mine could become a reality. The ribbon cutting was set for Monday.

Unfortunately, mining is not the only activity that has been interrupted in Southeast Alaska. This administration has also done just about everything it can to thwart timber harvests in the Tongass National Forest. Immediately after taking office, the new Secretary of Agriculture announced his Department would stop all activities in Roadless Areas unless he had personally approved them. This could delay, or altogether stop, important forestry projects in this area.

The administration has also taken the slowest approach possible to offering new timber sales. Early on, officials indicated they would convert to a second-growth timber sale program, but only after a new plan was developed. That plan was promised by March or April, but four months later, it's still nowhere in sight. I've recently sent a letter to Secretary Vilsack asking him to meet with me to discuss his agencies failures in the Tongass.

Now, mining and forestry are really only the tip of the iceberg in this administration's efforts to restrict resource development in our state. Far more consequential is its ongoing effort to block Alaska from marketing our vast oil and natural gas resources and threaten everything from the continued viability of TAPS to the size of our Permanent Fund.

Let's start with the National Petroleum Reserve, which is perhaps the most alarming example. Nearly 100 years ago, the federal government reserved these 23 million acres in northwest Alaska to supply oil and help bolster our national security. NPR-A is not one giant deposit, but instead has smaller reservoirs spread throughout the area. In total, the area contains somewhere between six and 13 billion barrels of oil, and somewhere between 39 and 83 trillion cubic feet of natural gas. That's enough to meet our growing demand for natural gas, and substantially reduce our dependence on foreign oil, for many years to come.

For decades, the challenge has been bringing these resources to market. In the past, production in NPR-A has been difficult due to its distance from existing infrastructure and the smaller size of its oil deposits. Last year, however, we thought we'd finally broken through. Thanks to improved technologies and higher oil prices, we thought we'd finally see commercial production in NPR-A.

Right at that point, however, the administration, with no public process, declared a nearby river to be an "aquatic resource of national importance" and prohibited the leaseholder from building a bridge across it. Without the bridge, access to the oilfield is impossible by land. The EPA actually insists that airplanes and helicopters constantly buzzing back and forth between the proposed drill site and the next closest site would have less of an environmental impact ... than a simple bridge. They're also insisting that the pipelines should be buried below the river, where they can't be checked for corrosion, rather than running along the bridge. Of course, these changes are not only

prohibitively expensive and impractical; they also run contrary to years of painstaking process and engagement with local Alaska Natives, their village corporations, the borough government, and the state government.

So just as we were set to see production begin in NPR-A, a sudden declaration from Washington threw the entire process into great uncertainty. We're still waiting for the administration to correct this baffling decision, and as if that wasn't absurd enough, just a few weeks ago the Interior Department doubled down and announced a new management plan for the reserve. This plan could remove even more areas of NPR-A from development of any kind – even though development is exactly what was meant to happen there.

If a company can't explore for oil in a National Petroleum Reserve during this administration, even after paying huge amounts of money for leases and spending years to work through the development process, then we can't honestly expect a rational approach to any oil and gas development. Billions of barrels of petroleum designated for production are effectively off limits because of this administration's actions. And make no mistake: shutting out bridges and infrastructure within NPR-A is ultimately an attempt to prevent a pipeline from ever reaching Alaska's resources in the Chukchi Sea.

So let's talk about the Chukchi, because Alaska's offshore prospects face even greater challenges than NPR-A right now. The Deepwater Horizon spill led the administration to issue a blanket moratorium on drilling in waters deeper than 500 feet. Not wanting to let a crisis go to waste, the administration has also used the Deepwater Horizon tragedy to justify something else it wanted to do: to cancel exploratory drilling 5,000 miles away, and in only 150 feet of water, in the very shallow seas off of Alaska's north coast. That's right – even as the President gives speeches about how America has depleted all of its onshore and shallow water oilfields, his administration has taken two of the most promising onshore and shallow water prospects off the table. Last year it was NPR-A. This year it's the Chukchi.

We're also still trying to secure the promise that was made to our state decades ago, to develop our resources in the 1002 area of ANWR, which is our nation's largest undeveloped prospect. But instead of looking at ways to responsibly produce in this area, the administration and its allies in

Congress are trying to set the stage for designating the 1002 area as permanent wilderness. Legislation to that effect is currently sponsored by 27 Democratic Senators in this Congress. The President, the Vice President, and the Secretary of the Interior supported that bill in the last Congress, before moving over the executive branch.

The deck is clearly stacked against us right now on ANWR. Recognizing this, I've introduced bipartisan legislation to access the 1002 zone's resources through directional drilling – a compromise, to be sure, but also an approach that should satisfy all sides. It was still met with knee-jerk opposition, even though much of this drilling could be accomplished simply by letting existing rigs, located miles away from the refuge, reach further underground. The surface of the 1002 area would never be touched or impacted in any way. It would appear as it does today before, during, and after drilling is complete.

The 1002 area's resources amount to probably 10 or 11 billion barrels of oil. Add to that the offshore reserves in the Chukchi, add to that the National Petroleum Reserve, and we're easily looking at 45 billion barrels of oil – worth about \$75 each – that this administration simply won't let us access. That's enough to cut our nation's oil imports in half for the next 20 years. The next time you hear someone say that United States has 3 percent of the world's oil reserves but consumes 20 percent of its production – remember that Alaska's resources are purposely being left out of that calculation. Alaska's oil alone is worth more than \$3 trillion dollars. Given the state of our economy, our already-heavy dependence on foreign suppliers, and the spiraling national debt, now is the time to produce these much-needed resources.

We also need to develop our petroleum resources to keep the Trans-Alaska Pipeline up and running. TAPS has declined from a high of 2.1 million barrels per day in the late 1980s, when Alaska produced more oil than Iraq, to less than 700,000 barrels per day now. If we continue to let the supply in this line diminish, operational issues will crop up within a decade, and it could be shut down entirely. It is indisputably in America's interests to fill TAPS back up, with American oil, but as you can see from its actions on NPR-A, the Chukchi, and ANWR, this administration does not want to let that happen.

So you might ask, why is this important? Why speak about the need for resource development at this event? The answer is really quite simple: We have to reverse the course that this administration has put us on because resource production is both the foundation and the future of a huge portion of our economy. From the gold rush days when Alaska was still a territory, to the decades of oil and gas production that have helped shape Alaska into what it is today, natural resources have long since been the principal driver of our growth and prosperity. Resource production determines how large our economy is, how well off our people will be, and even our ability to attract a diverse range of industries that will pursue other types of development.

In fact, according to the Institute for Social and Economic Research, the seafood, timber, mining, and petroleum industries in our state account for roughly half of the jobs here. That means one out of every two jobs in Alaska depends on our ability to access and produce our resources. And it also means that while resource production has brought prosperity to Alaska, resource restriction brings just the opposite – hard times, higher unemployment, and limited economic opportunities. We start to feel the pinch as commodity prices drop too low – and when an anti-production administration begins to restrict our ability to harness our abundant resources.

That's why I'll continue to fight the restrictions the federal government is imposing in our state – because I believe what Ted Stevens believed, that there's a better path forward. We can use our resources to create prosperity and develop a strong economy while still protecting our lands, our heritage, our wildlife, and our environment. We can build that climate for investment. That was Ted Stevens' dream for Alaska. And we should fight to make that dream a reality. To do so is not only necessary and right; it's also a fitting tribute to our dear friend and his service to our state.