

2009 HOUSE NATURAL RESOURCES

HCR 3039

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3039

House Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 2-12-09

Recorder Job Number: 9327

Committee Clerk Signature



Minutes:

Chairman Porter – Open the hearing on HCR 3039.

Rep. Belter – See **Attachment # 1**. What this resolution does is encourage congress to allow the development of oil on the outer centennial shelf for oil and natural gas. This country has been richly blessed with our great oil reserves. We have allowed ourselves to self inflict an energy crisis' because we're unwilling to develop the resources that were given to us. I recently had the opportunity to be out in California for conference and, as you have all heard, they are 40 to 50 billion dollars in debt, yet their off shore costal reserves are incredibly large. I've seen studies that show there is more oil that is naturally seeping into the ocean off the continental coast than would ever be lost to drilling activities. The purpose of my resolution here is to encourage congress help these resources.

Chairman Porter – In the discussion years ago about staying off the shore lines of Sakakawea. Now with the technology we are right underneath it. A couple miles deep.

Rep. Belter – I don't have personal knowledge of these technologies. When you stop and think about the tremendous hurricanes for the last several years, there has been no major oil spills. Through technology the oil industry has been able to do some very sound

environmental things in order to recover the oil without harming the environment. These oil

structures out on the continental shelves are a great place to fish. That is a plus for the fishing industry and for those who like the sport fishing as well as the energy development.

Chairman Porter – Further testimony in support of HCR 3039?

Tom Balzer – ND Motor Carriers Association – A large consumer of fossil fuels and oil. We support this bill. The unpredictability of foreign oil and the need to get ourselves onto some domestic oil is here. Congress needs to realize that. We have the opportunity do those things within our country boundaries. We support this. We are working on technologies in our industry to get off our foreign dependence of oil and off fossil fuels and other options such as hydrogen. We need good transition, a solid flow of oil so we can continue to do the job we do.

Tyler Rupp – ND Petroleum Council – We would like to stand in support of HCR 3039. The need for foreign oil has become an issue here in the US. This is one step we can take to reduce our dependency on foreign fuels.

Chairman Porter – Further testimony in support of HCR 3039? Opposition? We will close the hearing on HCR 3039.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3039

House Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 2-12-09

Recorder Job Number: 9328

Committee Clerk Signature

Nancy L. Gerhardt

Minutes:

Rep. DeKrey – Move to accept the amendments on HCR 3039.

Chairman Porter – We have a motion from Rep. DeKrey for the Belter amendment 0101 to HCR 3039. 2nd from Rep. Drovda. Discussion Seeing none all those all those in favor: unanimous voice vote – opposed none.

Rep. DeKrey – Move do pass as amended.

Rep. Drovda – 2nd.

Chairman Porter – We have a motion from Rep. DeKrey for a Do Pass As Amended and a 2nd from Rep. Drovda. Questions?

Rep. Myxter – If they open up along the gulf coast there was talk about opening up more drilling, did they do that or not?

Chairman Porter – I'm not aware of that.

Kailey Crowford – Did not sign in – With ATT – There is actually no ban on drilling of shore right now as it currently stands anywhere along the US coast. Because the ban did expire on September 30, 2008 with the new administration and the new congress there will most likely be an attempt to put the ban back on.

Chairman Porter – Further discussion on the Do Pass motion? If not all those in favor –
unanimous voice vote – opposition none. Motion carries -- Carrier Rep. Hofstad .

VR
2/12/09

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3039

Page 2, replace lines 4 and 5 with:

"BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President, the North Dakota Congressional Delegation, and the Majority and Minority Leaders of the United States House of Representatives and the United States Senate."

Renumber accordingly

Date: 2-12-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3039

House Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ As Amended

Motion Made By Wekry Seconded By Wardal

[illegible]

Total (Yes) 13 No 0

Absent 0

Floor Assignment Hofstad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HCR 3039: Natural Resources Committee (Rep. Porter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3039 was placed on the Sixth order on the calendar.

Page 2, replace lines 4 and 5 with:

"BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President, the North Dakota Congressional Delegation, and the Majority and Minority Leaders of the United States House of Representatives and the United States Senate."

Renumber accordingly

2009 SENATE NATURAL RESOURCES

HCR 3039

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3039

Senate Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: March 19, 2009

Recorder Job Number: 11263

Committee Clerk Signature



Minutes:

Senator Lyson opens the hearing on HCR 3039, urging Congress to end the outer continental shelf moratorium on oil and natural gas exploration and production.

Representative Belter, I have a rough draft of amendments that I would like you to consider (see attachment #1). We urge the President and Congress to develop the energy resources on the nation's outer continental shelf and promote domestic energy production. It is important as a nation that we develop our energy resources so we are not dependent on foreign resources as we are now. Another concern of mine is the Obama administration is looking at the idea of imposing billions of dollars in new taxes on American energy producers. I think it will discourage new technology and only prolong our dependence on foreign oil.

Ron Ness, North Dakota Petroleum Council, We stand in support of the bill. The issue is the administration is proposing to appeal 9 tax proposals some of which have been in existence since the early 1900s. I think this type of resolution we would like to see some changes in the language, but our delegation is listening and they understand the ramifications to North Dakota and to domestic production of oil and gas and to the tax payers.

Senator Triplett can you give us an idea as to the language you think should be changed?

Ron Ness I think it needs to acknowledge what the impact would be to North Dakota. I have seen a 30-50% decrease of their expenditures because of the provisions and the impacts on jobs and our ability to increase domestic oil and gas production.

Kalie Crawford I drafted the amendments Representative Belter handed out to you. I am in support of the bill and the proposed amendment and will stand for any questions.

Senator Lyson closed the hearing on HCR 3039.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR3039

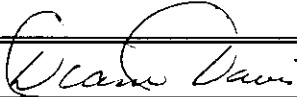
Senate Natural Resources Committee

☐ Check here for Conference Committee

Hearing Date: 4/2/09

Recorder Job Number: 11682

Committee Clerk Signature



Minutes: **Senator Lyson, Chairman**

Committee Work

Senator Lyson mentions amendments brought in by Senator Belter. He says it appears it is a hog house.

Senator Triplett says that the second whereas maybe should be replaced by volatile energy prices, she thinks that we should try make these factually correct and she doesn't know if energy prices are overly high right now. Some people think if we have prices slightly higher it would encourage the quicker development of renewable energy, the real problem is the volatility where it goes up and down in a way people can't use energy prices to make rational decisions.

Senator Pomeroy doesn't really see the whole purpose of it. He said it seems to him what we are trying to do in ND is enhance the oil production in our state. To urge more development on the outer continental shelf is supporting real competition with us.

Senator Lyson says that is exactly what we want so we get away from the foreign oil coming in and stimulate the domestic oil business.

Senator Pomeroy – He doesn't believe that what we get from the outer shelf would actually reduce what we get from foreign countries.

Senator Schneider – Would like to vote for this to promote domestic energy production but would like to do it here in ND not on the outer shelf. ND has the oil and he would like to see it increased here.

Senator Lyson – Says it would help here by bringing in crude and using our refineries. He feels that would create more of a market for our oil.

Senator Triplett – Thinks as good as the Bakken is here it will no way reduce the dependence of foreign oil. It is a little drop in the bucket.

Senator Schneider – Said he understands that, if the Bakken doesn't decrease the dependence of foreign oil, will the oil on the outer continental shelf?

Senator Lyson – Says it won't happen tomorrow, a lot of technology will be needed.

Senator Schneider – Says the resolution is probably harmless.

The committee does a verbal vote on the amendment with changes. All yes, passes.

Senator Erbele moves do pass as amended

Senator Freborg seconds

Vote – verbal – all yes

Senator Erbele will carry

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3039

Page 1, line 1, after "resolution" replace the remainder of the resolution with "urging the President and Congress to develop energy resources on the nation's Outer Continental Shelf, promote domestic energy production, and to not impose additional taxes on America's energy producers.

WHEREAS, the congressional moratorium on the Outer Continental Shelf ended on September 30, 2008; and

WHEREAS, ~~all~~ Americans are suffering from ^{highly volatile} high energy prices; and

WHEREAS, America needs a comprehensive energy policy that recognizes the roles that all forms of energy can play; and

WHEREAS, according to the United States Department of Interior, there are an estimated 86 billion barrels of oil and 420 trillion cubic feet of natural gas on the Outer Continental Shelves; and

WHEREAS, the nation's farming, ranching, and business sectors depend on a reliable and affordable supply of energy to run equipment, fertilize crops, and transport products to the market; and

WHEREAS, offshore oil drilling would create new jobs that often pay well above the national average; and

WHEREAS, production of oil and natural gas has brought billions of dollars in revenue to state and federal governments; and

WHEREAS, new drilling techniques and environmentally sound technologies have made drilling and production methods that practically eliminate spills from offshore platforms; and

WHEREAS, America's energy producers and North Dakota's oil and gas industry invest billions of dollars into research and development of new energy technologies to make exploration in the Outer Continental Shelf and the Bakken Shale Formation economical; and

WHEREAS, the administration's proposal of billions of dollars in new taxes on America's oil and gas industry will discourage investment in new energy technologies and exploration, resulting in a loss of jobs, and more price volatility in energy markets; and

WHEREAS, the imposition of a windfall profits tax, or the elimination of incentives to encourage energy production, on oil and natural gas companies will lead to decreased supply and increased prices; and

WHEREAS, safe and responsible development and production of domestic energy resources will provide economic benefits, enhance national security, reduce dependence on foreign sources of energy, and encourage research and development of new energy technologies;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Sixty-first Legislative Assembly strongly urges the President and Congress to explore and develop oil and natural gas resources in the Outer Continental Shelf, promote domestic energy production, and to not impose additional taxes on America's energy producers; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President, the North Dakota Congressional Delegation, and the Majority and Minority Leaders of the United States House of Representatives and the United States Senate."

Renumber accordingly

March 24, 2009

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3039

Page 1, line 1, after "resolution" replace the remainder of the resolution with "urging the President and Congress to develop energy resources on the nation's Outer Continental Shelf, promote domestic energy production, and to not impose additional taxes on America's energy producers.

WHEREAS, the congressional moratorium on the Outer Continental Shelf ended on September 30, 2008; and

WHEREAS, Americans are suffering from highly volatile energy prices; and

WHEREAS, America needs a comprehensive energy policy that recognizes the roles that all forms of energy can play; and

WHEREAS, according to the United States Department of Interior, there are an estimated 86 billion barrels of oil and 420 trillion cubic feet of natural gas on the Outer Continental Shelves; and

WHEREAS, the nation's farming, ranching, and business sectors depend on a reliable and affordable supply of energy to run equipment, fertilize crops, and transport products to the market; and

WHEREAS, offshore oil drilling would create new jobs that often pay well above the national average; and

WHEREAS, production of oil and natural gas has brought billions of dollars in revenue to state and federal governments; and

WHEREAS, new drilling techniques and environmentally sound technologies have made drilling and production methods that practically eliminate spills from offshore platforms; and

WHEREAS, America's energy producers and North Dakota's oil and gas industry invest billions of dollars into research and development of new energy technologies to make exploration in the Outer Continental Shelf and the Bakken Shale Formation economical; and

WHEREAS, the administration's proposal of billions of dollars in new taxes on America's oil and gas industry will discourage investment in new energy technologies and exploration, resulting in a loss of jobs, and more price volatility in energy markets; and

WHEREAS, the imposition of a windfall profits tax, or the elimination of incentives to encourage energy production, on oil and natural gas companies will lead to decreased supply and increased prices; and

WHEREAS, safe and responsible development and production of domestic energy resources will provide economic benefits, enhance national security, reduce dependence on foreign sources of energy, and encourage research and development of new energy technologies;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

Date: 4/2/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate Natural Resources Committee

☐ Check here for Conference Committee

Bill #: 3039

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Amendment .0203
2 changes

Motion Made By _____ Seconded By _____

Senators	Yes	No	Senators	Yes	No
Senator Stanley W. Lyson, Chairman			Senator Jim Pomeroy		
Senator David Hogue, Vice Chairman			Senator Mac Schneider		
Senator Robert S. Erbele			Senator Constance Triplett		
Senator Layton W. Freborg					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

overstrike all

change to "highly volatile"

*Carroll
voice
vote*

Date: 4/2/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate _____ Natural Resources _____ Committee

☐ Check here for Conference Committee

Bill #: 3039

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Amendment

Motion Made By Sen. Erbele Seconded By Sen. Freborg.

Senators	Yes	No	Senators	Yes	No
Senator Stanley W. Lyson, Chairman			Senator Jim Pomeroy		
Senator David Hogue, Vice Chairman			Senator Mac Schneider		
Senator Robert S. Erbele			Senator Constance Triplett		
Senator Layton W. Freborg					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Sen. Erbele

If the vote is on an amendment, briefly indicate intent:

*Carried -
voice vote*

REPORT OF STANDING COMMITTEE

HCR 3039, as engrossed: Natural Resources Committee (Sen. Lyson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3039 was placed on the Sixth order on the calendar.

Page 1, line 1, after "resolution" replace the remainder of the resolution with "urging the President and Congress to develop energy resources on the nation's Outer Continental Shelf, promote domestic energy production, and to not impose additional taxes on America's energy producers.

WHEREAS, the congressional moratorium on the Outer Continental Shelf ended on September 30, 2008; and

WHEREAS, Americans are suffering from highly volatile energy prices; and

WHEREAS, America needs a comprehensive energy policy that recognizes the roles that all forms of energy can play; and

WHEREAS, according to the United States Department of Interior, there are an estimated 86 billion barrels of oil and 420 trillion cubic feet of natural gas on the Outer Continental Shelves; and

WHEREAS, the nation's farming, ranching, and business sectors depend on a reliable and affordable supply of energy to run equipment, fertilize crops, and transport products to the market; and

WHEREAS, offshore oil drilling would create new jobs that often pay well above the national average; and

WHEREAS, production of oil and natural gas has brought billions of dollars in revenue to state and federal governments; and

WHEREAS, new drilling techniques and environmentally sound technologies have made drilling and production methods that practically eliminate spills from offshore platforms; and

WHEREAS, America's energy producers and North Dakota's oil and gas industry invest billions of dollars into research and development of new energy technologies to make exploration in the Outer Continental Shelf and the Bakken Shale Formation economical; and

WHEREAS, the administration's proposal of billions of dollars in new taxes on America's oil and gas industry will discourage investment in new energy technologies and exploration, resulting in a loss of jobs, and more price volatility in energy markets; and

WHEREAS, the imposition of a windfall profits tax, or the elimination of incentives to encourage energy production, on oil and natural gas companies will lead to decreased supply and increased prices; and

WHEREAS, safe and responsible development and production of domestic energy resources will provide economic benefits, enhance national security, reduce dependence on foreign sources of energy, and encourage research and development of new energy technologies;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Sixty-first Legislative Assembly strongly urges the President and Congress to explore and develop oil and natural gas resources in the Outer Continental Shelf, promote domestic energy production, and to not impose additional taxes on America's energy producers; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President, the North Dakota Congressional Delegation, and the Majority and Minority Leaders of the United States House of Representatives and the United States Senate."

Renumber accordingly

2009 TESTIMONY

HCR 3039

AMENDMENT

HOUSE CONCURRENT RESOLUTION NO. 3039

Seventy-first
Legislative Assembly
of North Dakota

Introduced by
Representatives Belter, Brandenburg
Senator Klein

1 A concurrent resolution urging the President and Congress to develop energy resources on the nation's
2 Outer Continental Shelf and promote domestic energy production.

3 **WHEREAS**, the congressional moratorium on the Outer Continental Shelf ended on September
4 30, 2008; and

5 **WHEREAS**, all Americans are suffering from high energy prices; and

6 **WHEREAS**, Congress should quickly enact policies that increase domestic oil and natural
7 gas supplies; and

WHEREAS, according to the United States Department of Interior, there are an estimated 86
8 billion barrels of oil and 420 trillion cubic feet of natural gas on the on the outer continental shelves;
9 and

10 **WHEREAS**, the nation's farming, ranching and business sectors depend on a reliable and
affordable supply of energy to run equipment, fertilize crops and transport products to the market; and

11 **WHEREAS**, offshore oil drilling would create new jobs that often pay well above the national
average; and

12 **WHEREAS**, production of oil and natural gas has brought billions of dollars in revenue to
13 state and federal governments; and

14 **WHEREAS**, new drilling techniques and environmentally sound technologies have made
15 drilling and production methods practically eliminate spills from offshore platforms; and

1 **WHEREAS**, America's energy producers invest billions of dollars into research and
2 development of new energy technologies; and

3 **WHEREAS**, the Administration's proposal of billions of dollars in new taxes on America's
4 energy producers will discourage investment in new energy technologies and create price volatility; and

5 **WHEREAS**, safe and responsible development and production of domestic energy resources
6 will provide economic benefits, enhance national security, reduce dependence on foreign sources of
7 energy, and encourage research and development of new energy technologies;

8 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
9 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

10 That the Sixty-first Legislative Assembly strongly urges the President and Congress of the United States
11 to explore and develop oil and natural gas resources in the Outer Continental Shelf and promote
domestic energy production; and

12 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
13 resolution to the President, the North Dakota Congressional Delegation , and the Majority and Minority
14 Leaders of the United States House of Representatives and the United States Senate.