

Introduced by:	Mayor
Date:	09/03/02
Action:	Adopted
Vote:	9 Yes, 0 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2002-111**

**A RESOLUTION SUPPORTING THE APPLICATION FOR A RIGHT-OF-WAY
PERMIT IN THE KENAI NATIONAL WILDLIFE REFUGE SUBMITTED BY UNION
OIL COMPANY OF CALIFORNIA (UNOCAL) AND ITS PARTNERS MARATHON
OIL COMPANY AND COOK INLET REGION INCORPORATED (CIRI)**

- WHEREAS,** the first economically viable reserves of oil and natural gas in Alaska were first discovered in the Swanson River in 1957; and
- WHEREAS,** since the early 1960's, the economic health of the Kenai Peninsula Borough has relied to a great degree on the thousands of jobs that are provided by oil and gas exploration and production companies and related service companies in the Cook Inlet Basin amounting to over \$64 million in payrolls in 1999; and
- WHEREAS,** the economy of the Kenai Peninsula Borough is also founded to a substantial degree on the hundreds of jobs provided since the early 1960's by value added industries such as the Phillips LNG export facility and the Agrium ammonia and urea facilities that rely on the availability of substantial supplies of economically priced natural gas as a raw material that is vital to their continued operations; and
- WHEREAS,** nearly \$10 million in property taxes are expected to be paid to the Kenai Peninsula Borough in FY2003 by oil and gas companies and industries using oil and gas produced in the Cook Inlet Basin; and
- WHEREAS,** taxes paid by oil and gas companies and industries using oil and gas produced in the Cook Inlet Basin are spent in large part for schools and education, emergency response services, senior citizen services, recreational services, road maintenance, and other Kenai Peninsula Borough government services; and
- WHEREAS,** the citizens of the Kenai Peninsula Borough rely on a plentiful supply of reasonably priced natural gas to provide inexpensive heat and electrical power generation for business and residential use; and
- WHEREAS,** natural gas is a recognized clean fuel alternative to other energy sources such as coal, diesel, or other petroleum based fuels. The conversion to these types of fuels to meet current and future power generation and heating needs would be costly and could have serious effects on the local environment; and

WHEREAS, current estimates by the State of Alaska Department of Natural Resources project that all known reserves of natural gas in the Cook Inlet Basin will be depleted by the year 2012; and

WHEREAS, unless new reserves of natural gas are brought into production in the near future, industries located within the Kenai Peninsula Borough that rely on continued supplies of reasonably priced natural gas are at risk for both short and long term closures, resulting in the loss of hundreds of high paying jobs, while the citizens of the Kenai Peninsula Borough will likely face substantially higher costs for business and home heating and electricity; and

WHEREAS, Unocal, Marathon Oil Company and CIRI have applied for a right-of-way (ROW) permit within the Kenai National Wildlife Refuge to develop the East and North Swanson River Satellites, which are two new potential reserves of natural gas that are located near the existing Swanson River oil and gas fields; and

WHEREAS, the Kenai Peninsula Borough believes that stipulations for this permit application should balance environmental concerns with reasonable and economic access to develop this potentially important new natural gas reserve;


NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough supports the issuance by the United States Fish and Wildlife Service of a right-of-way permit to Unocal, Marathon Oil Company, and CIRI with realistic and practical stipulations so that these companies have reasonable and economic access to develop the East and North Swanson River Satellites that are both potentially important new reserves of natural gas for the benefit and continued economic health of the citizens and industries of the Kenai Peninsula Borough.

SECTION 2. That copies of this resolution be provided to the United States Fish and Wildlife Service, Senator Ted Stevens, Senator Frank Murkowski, Congressman Don Young, Interior Secretary Gale Norton, and Governor Tony Knowles.

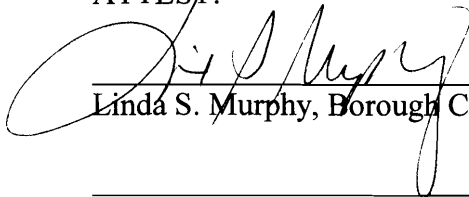
SECTION 3. This resolution shall become effective immediately upon adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 3RD DAY OF SEPTEMBER 2002.



Timothy Navarre, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

