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ROLL NUMBER

DESCRIPTION

40001

2007 SENATE NATURAL RESOURCES

SCR 4001

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4001

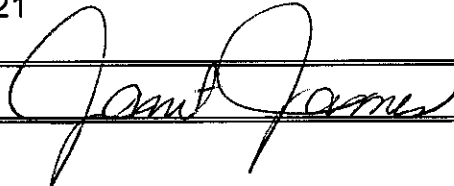
Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: January 11, 2007

Recorder Job Number: # 921

Committee Clerk Signature



Minutes:

Senator Stanley Lyson, Chairman of the Senate Natural Resources Committee brought the committee to order.

Attendance was taken indicating all members of the committee were present.

Senator Lyson opened the hearing on SCR 4001, urging the President and Congress to make the nation's outer continental shelf available for energy development in an environmentally responsible manner.

Senator Tom Seymour from District 5 co-sponsor of SCR 4001 introduced the resolution (See attached testimony and handout # 1.)

Representative Merle Boucher from District 9, co-sponsor of SCR 4001 testified in support of SCR 4001 (See attached testimony #2) and further stated that all are aware of the cost of energy and how the population and economy is growing accordingly. A positive and progressive energy policy at all levels of government is critical and it should be known North Dakota holds the future production of that energy.

Senator Ben Tollefson questioned why the Congress is resistant of development when it is a known fact of the availability of natural gas and oil in the area of the continental shelf.

Representative Boucher responded there has been a lot of legislation and actual regulation involving effects of environmental issues and the country is coming of age in many respects. He stated that the environmental issues are just as important as they have been in years past, and the modern world technologies is moving forward and has addressed the issues. He added there has been a change in the thinking of this issue as the country's needs have increased. He further added that perhaps the issues come to the forefront because they are market driven by the politics of the world.

Ron Ness representing the North Dakota Petroleum Council stated he concurred with all the comments of the previous speakers and encouraged the committee to support SCR 4001.

Senator Constance Triplett asked for clarification of the actions of congress.

Ron Ness responded that there were two bills in Congress this fall and worked with each and the end result was the Senate version restricted exploration off the coast. There were many obstructionists from the coastal states that are not only effective in that area but also in the Rocky Mountains area and even in North Dakota.

There was no further supporting, opposing or neutral testimony on SCR 4001.

Senator Lyson closed the hearing on SCR 4001.

Senator Herbert Urlacher made a motion for a Do Pass of SCR 4001.

Senator Jim Pomeroy second the motion.

Senator Triplett commented that for the record she admitted her ignorance of all the intricacies and the concerns of various places, but if the energy groups and the environmentalists groups cannot agree on law at a congressional level, that SCR 4001 would have little impact.

Senator Layton Freborg asked **Senator Joel Heitkamp**, co-sponsor of the resolution; what is the difference between drilling for oil in the gulf and the ocean.

Senator Heitkamp responded he had a theory that it was the politicians and where they were located. He stated there are some very environmentally conscious US congressmen on the coastal regions that are very powerful. He further stated the energy industry had opportunities to do things right and did not and that has become an advantage for the opponents. He also agreed with Senator Triplett that this resolution will not change policy, although it sends a message that if this exploration can be done in an environmentally safe way; why not talk about the issue.

Senator Urlacher stated that although resolutions to not have a lot of impact in Washington, D.C., they do send a message and therefore have some value.

A roll call vote for a Do Pass of SCR 4001 was taken indicating 7 Yeas, 0 Nays and 0 absent or not voting.

Senator Heitkamp will carry SCR 4001.

Senator Heitkamp further added that North Dakota is trying to stand for a higher standard of renewable energy sources and we would not have to be dependant on foreign oil if we would only develop our own sources as long as we do not ruin the environment.

Date: 1-11-07

Roll Call Vote #: _____

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SCR 4001

Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Urlacher Seconded By Pomeroy

Senators	Yes	No	Senators	Yes	No
Sen. Stanley Lyson, Chairman	✓		Sen. Joel Heitkamp	✓	
Sen. Ben Tollefson, ViceChairman	✓		Sen. Jim Pomeroy	✓	
Sen. Layton Freborg	✓		Sen. Constance Triplett	✓	
Sen. Herbert Urlacher	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Heitkamp

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

REPORT OF STANDING COMMITTEE (410)
January 11, 2007 11:04 a.m.

Module No: SR-07-0436
Carrier: Heltkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4001: Natural Resources Committee (Sen. Lyson, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4001 was placed on the Eleventh order on the calendar.

2007 HOUSE NATURAL RESOURCES

SCR 4001

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4001

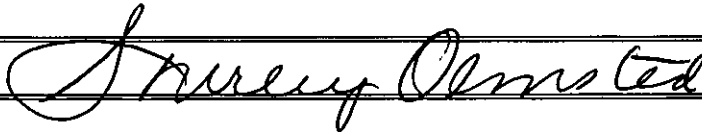
House Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 23, 2007

Recorder Job Number: 3726

Committee Clerk Signature



Minutes:

Chairman Porter opened the hearing on SCR 4001 and asked the clerk to read the title.

Senator Tom Seymour of District #5 came forward as a sponsor of SCR 4001. See attached written testimony marked as Item #1. As you look at your handout you can what areas this resolution addressed. With that idea, we hope you will support this resolution and move it forward. I will stand for any questions.

Representative DeKrey said listening to your figures and your ideas about going off coast sounds pretty good. Would you mind if we amended it to include the arctic wildlife refuge? There is quite a bit of land up there that we could explore and get some energy up there.

Senator Seymour said that they had not looked into that.

Representative Hunskor said when you look at the map and see the part south of Texas near Louisiana and where there is already oil activity going on. Is that the reason that is not in a dark color? Is that the reason that some of it is not open? What is the significance of some of it being open and some of it not being open?

Senator Seymour said that was correct. He does not know the history of this.

Chairman Porter said he remembered seeing something about the coast of Florida where the state stepped in and said no and we are talking to the President in this particular resolution.

Should we be talking to the state of Florida and tell them to shape up too?

Senator Seymour said he was not sure of that. I think the strategy is to have this policy start at the federal level and then maybe make its way to Florida and so on. I am not totally sure of the strategy that should take place.

Chairman Porter said the other question he had was having the wording "environmentally responsible manner". There would be somewhat of an argument that you are saying that somewhere in the past the oil activities have not been environmentally responsible and I would see that as kind of an argumentative type statement.

Senator Seymour said he agreed with him and it was kind of a catch type phrase to say that historically there have been mishaps and so on and now we are really going to have it covered by using the word environmentally. There is some question there.

Chairman Porter asked for further testimony in favor of SCR 4001. Hearing none, he asked for opposition. Hearing none, the hearing on SCR 4001 was closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4001

House Natural Resources Committee

Check here for Conference Committee

Hearing Date: March 8, 2007

Recorder Job Number: 4632

Committee Clerk Signature *Shirley B. Blomsted*

Minutes:

Chairman Porter asked the committee to consider SCR 4001.

Representative DeKrey had an amendment to the SCR 4001. He thought it was a good resolution should include the Arctic National Wildlife Refuge since it is already named in another resolution. He made a motion to accept this amendment.

Representative Keiser seconded the motion.

Chairman Porter asked for discussion. Hearing none, he called for a voice vote. The motion prevailed.

Representative DeKrey made a motion for a **do pass as amended on SCR 4001 and to be placed on the consent calendar.**

Representative Keiser seconded the motion.

Chairman Porter asked for discussion. Hearing none he took a voice vote. The motion prevailed.

Representative DeKrey will carry this to the floor.

**House Amendments to SCR4001 (73036.0101) - Natural Resources Committee
03/09/2007**

Page 1, line 1, replace "nation's outer" with "entire nation"

Page 1, line 2, remove "continental shelf" and remove "in an environmentally responsible manner"

Page 1, after line 2, insert:

"WHEREAS, the oil and gas industry has demonstrated that onshore and offshore oil and natural gas resources can be developed in an environmentally responsible manner; and"

**House Amendments to SCR4001 (73036.0101) - Natural Resources Committee
03/09/2007**

Page 2, after line 30, insert:

"WHEREAS, the Arctic National Wildlife Refuge has shown great potential for oil and natural gas production; and"

**House Amendments to SCR4001 (73036.0101) - Natural Resources Committee
03/09/2007**

Page 3, line 2, after "coasts" insert "and in the Arctic National Wildlife Refuge"

Page 3, line 8, replace "nation's outer continental shelf" with "entire nation" and remove "in"

Page 3, line 9, remove "an environmentally responsible manner"

Renumber accordingly

Date: 3-8-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HR 400

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Amendment

Motion Made By Rep DeKrey Seconded By Rep Keiser

Representatives	Yes	No	Representatives	Yes	No
Chairman - Rep. Porter			Rep. Hanson		
Vice-Chairman - Rep Damschen			Rep. Hunskor		
Rep. Charging			Rep. Keish		
Rep. Clark			Rep. Meyer		
Rep. DeKrey			Rep. Solberg		
Rep. Drovdal					
Rep. Hofstad					
Rep. Keiser					
Rep. Nottestad					

Total Yes 13 No 1 Solberg

Absent 0

Floor Assignment _____

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

None

Date: 3-8-07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4001

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken To pass as Amended

Motion Made By Rep DeKrey Seconded By Rep Keiser

Representatives	Yes	No	Representatives	Yes	No
Chairman - Rep. Porter			Rep. Hanson		
Vice-Chairman - Rep Damschen			Rep. Hunskor		
Rep. Charging			Rep. Kelsh		
Rep. Clark			Rep. Meyer		
Rep. DeKrey			Rep. Solberg		
Rep. Drovdal					
Rep. Hofstad					
Rep. Keiser					
Rep. Nottestad					

Total Yes _____ No 1 Harwood

Absent _____

Floor Assignment Rep DeKrey (per Chair)

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

Noice Consent
Calendar

REPORT OF STANDING COMMITTEE

SCR 4001: Natural Resources Committee (Rep. Porter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SCR 4001 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "nation's outer" with "entire nation"

Page 1, line 2, remove "continental shelf" and remove "in an environmentally responsible manner"

Page 1, after line 2, insert:

"WHEREAS, the oil and gas industry has demonstrated that onshore and offshore oil and natural gas resources can be developed in an environmentally responsible manner; and"

Page 2, after line 30, insert:

"WHEREAS, the Arctic National Wildlife Refuge has shown great potential for oil and natural gas production; and"

Page 3, line 2, after "coasts" insert "and in the Arctic National Wildlife Refuge"

Page 3, line 8, replace "nation's outer continental shelf" with "entire nation" and remove "in"

Page 3, line 9, remove "an environmentally responsible manner"

Renumber accordingly

2007 SENATE NATURAL RESOURCES

CONFERENCE COMMITTEE

SCR 4001

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4001

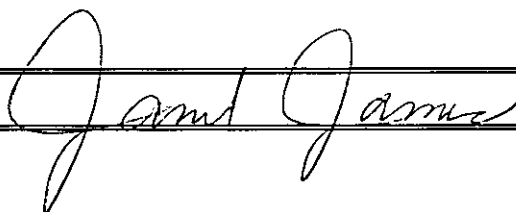
Senate Natural Resources Committee

XX Check here for Conference Committee

Hearing Date: March 29-07

Recorder Job Number: # 5616

Committee Clerk Signature

A handwritten signature in cursive script, appearing to read "James James", is written over a horizontal line that serves as a signature line.

Minutes:

Senator Ben Tollefson, Vice Chairman of the Senate Natural Resources Committee opened the conference committee on SCR 4001.

Committee members Senator Herbert Urlacher, Senator Constance Triplett, Representative David Drovdal were present. Representative Duane DeKrey, and Representative Scot Kelsh were absent.

Due to the lack of quorum the conference committee will be rescheduled fro another time.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SCR 4001

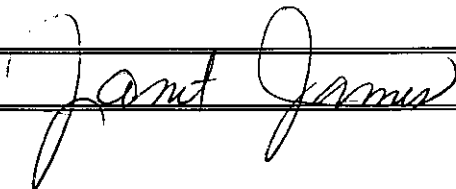
Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: April 3, 2007

Recorder Job Number: # 5689

Committee Clerk Signature



Minutes:

Senator Ben Tollefson Vice Chairman of the Senate Natural Resources Committee opened the conference committee on SCR 4001.

All members of the conference committee were present to include Senator Herbert Urlacher, Senator Constance Triplett, Representative Duane DeKrey, Representative Dave Drovdal, and Representative Scot Kelsh.

Senator Ben Tollefson: the amended bill is a major change from the original bill and asked for an explanation of the amendments.

Representative Duane DeKrey: basically what we did was - we felt the resolution showed that we have a lack of energy in this country and we need to make every option available to do that. So we felt we should find oil where ever we could within our boarders. So we thought this was a reasonably expansion of the resolution to add oil drilling to the resolution.

Senator Ben Tollefson: and added ANWR as well.

Representative DeKrey: agreed.

Senator Constance Triplett: does removing the phrase "environmentally responsible manner" imply that you want the country to trash all the country's environmental rules to accomplish your objective.

We added that in.

Senator Triplett: page 3 line 9, removes "an environmentally responsible manner". Three different places you pull that language out.

Representative DeKrey: we put in Page 1 after line 2.

Senator Triplett: would you be willing to put it back in again. Because if you pull it out it gives the message that you don't think it is important.

Representative Dave Drovdal: on page 1, line 2, it is inserted in there, but the intent was to never weaken that and if it makes you feel better we can put it back into the other two places.

Senator Triplett: that would make me feel better.

Representative DeKrey made a motion to further amend SCR 4001.

Senator Herbert Urlacher second the motion.

Senator Triplett: is in favor of increasing oil development in the county but only to the extent it can be done environmentally appropriate.

Roll call vote #1 for the house to recede to their amendments and further amend SCR 4001 was taken indicating 6 Yeas, 0 Nays and 0 absent or not voting.

Representative Scot Kelsh: he did not support the addition of ANWR to the resolution because there already was a resolution to Congress to open ANWR and it did not get anywhere in the last Congress and will not get anywhere with this Congress. It is kind of a mute point to even talk about it. It is a fragile area too.

Senator Herbert Urlacher: I think they can develop there on a limited seasonal basis.

Representative Drovdal; when you put the phrase "environmentally responsible manner" you make a valid statement so that ANWS can be developed in a that sort of manner. As far as whether this will have a major effect, I haven't seen any resolution that has had much of an affect.

Representative Kelsh made a motion to amend by removing ANWR from SCR 4001.

Senator Triplett second the motion.

Roll call vote # 2 to amend SCR 4001 by removing ANWR was taken indicating 3 Yeas, 3 Nays and 0 absent or not voting. The motion failed due to lack of two Yeas from each house.

Representative Drovdal made a motion to approve SCR 4001 as amended.

Representative DeKrey second the motion.

Roll call vote #3 to approve SCR 4001 as amended was taken indicating 4 Yeas, 2 Nays and 0 absent or not voting.

Senator Ben Tollefson closed the conference committee on SCR 4001.

Date: 4-3-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4001

Senate Natural Resources 4001

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken a motion for the House to recede to the H Amendment

Motion Made By DeKey Seconded By Urlacher

Senators	Yes	No	Senators	Yes	No
Senator Ben Tollefson	✓		Rep. Duane DeKrey	✓	
Senator Herbert Urlacher	✓		Rep. David Drovdal	✓	
Senator Constance Triplett	✓		Rep. Scott Kelsh	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date: 4-3-07
 Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SCR 4001

Senate Natural Resources

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken To further A by Amendment of AHR

Motion Made By Kelsh Seconded By Tyedt

Senators	Yes	No	Senators	Yes	No
Senator Ben Tollefson	✓		Rep. Duane DeKrey		✓
Senator Herbert Urlacher		✓	Rep. David Drovdal		✓
Senator Constance Triplett	✓		Rep. Scott Kelsh	✓	

Total (Yes) 3 No 3

Absent _____

Floor Assignment _____

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

Date: 4-3-07
Roll Call Vote #: 3

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4001

Senate Natural Resources 4001

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken To Approve resolution as amended

Motion Made By Drovdal Seconded By DeKrey

Senators	Yes	No	Senators	Yes	No
Senator Ben Tollefson	✓		Rep. Duane DeKrey	✓	
Senator Herbert Urlacher	✓		Rep. David Drovdal	✓	
Senator Constance Triplett		✓	Rep. Scott Kelsh		✓

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

REPORT OF CONFERENCE COMMITTEE

SCR 4001: Your conference committee (Sens. Tollefson, Urlacher, Triplett and Reps. DeKrey, Drovdal, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 898, adopt amendments as follows, and place SCR 4001 on the Seventh order:

That the House recede from its amendments as printed on page 898 of the Senate Journal and pages 960 and 961 of the House Journal and that Senate Concurrent Resolution No. 4001 be amended as follows:

Page 1, line 1, replace "nation's outer" with "entire nation"

Page 1, line 2, remove "continental shelf"

Page 1, after line 2, insert:

"WHEREAS, the oil and gas industry has demonstrated that onshore and offshore oil and natural gas resources can be developed in an environmentally responsible manner; and"

Page 2, after line 30, insert:

"WHEREAS, the Arctic National Wildlife Refuge has shown great potential for oil and natural gas production; and"

Page 3, line 2, after "coasts" insert "and in the Arctic National Wildlife Refuge"

Page 3, line 8, replace "nation's outer continental shelf" with "entire nation"

Renumber accordingly

SCR 4001 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

SCR 4001

**Energy Testimony
Senate Concurrent Resolution NO. 4001
Senate Natural Resources Committee
Honorable Stan Lyson, Chairman
January 11 – 9:00am – Fort Lincoln Room**

Chairman Lyson, and members of the Senate Natural Resources Committee, I am Tom Seymour, a state Senator from District 5 in Minot.

Today, energy prices are on the rise across the nation. This affects individual citizens, industrial consumers, and the agricultural industry. But why is this so?

It all comes back to supply and demand. As the economy has grown the demand for energy has grown every year. At the same time, however policymakers have refused to make any changes to increase available supplies of energy. For example, over 80% of the nation's oil and gas resources on the Outer Continental Shelf are completely off-limits to exploration and production, despite a decades-long record of safe offshore production in the Central and Western Gulf of Mexico.

What can be done? Energy consuming states must make themselves heard and push for changes to policies like this that limit energy supply. This is the key to long-term strategies to control prices and maintain economic growth and employment at home.

As of April 2006, North Dakota was home to more than 26,100 manufacturing jobs, paying employees an average of \$42,760 per year, 44% higher than the average wage and salary for the state. Chemical, plastics and rubber manufacturing – which depend on natural gas as a critical input – accounted for more than \$52 million of North Dakota's exports in 2005. Unfortunately, these jobs are in jeopardy due to the high prices of natural gas.

Approximately 2 percent of North Dakota is forested, accounting for 7.7 million acres of the state's land area. North Dakota's forest products industry is a vital component of the state's economy, employing 2,000 workers with an annual payroll of over \$51 million. North Dakota's paper and wood manufacturing workforce represents 5.8 percent of the state's manufacturing workforce, however these jobs are also in jeopardy due to the high price of natural gas.

To increase energy let's provide access to the Outer Continental Shelf (OCS) for exploration and development of the nation's valuable offshore energy resources in an environmentally responsible manner. Over 80 percent of all federally controlled coastal waters are currently off-limits to energy exploration and production, yet the OCS is conservatively estimated to hold over 419 trillion cubic feet of

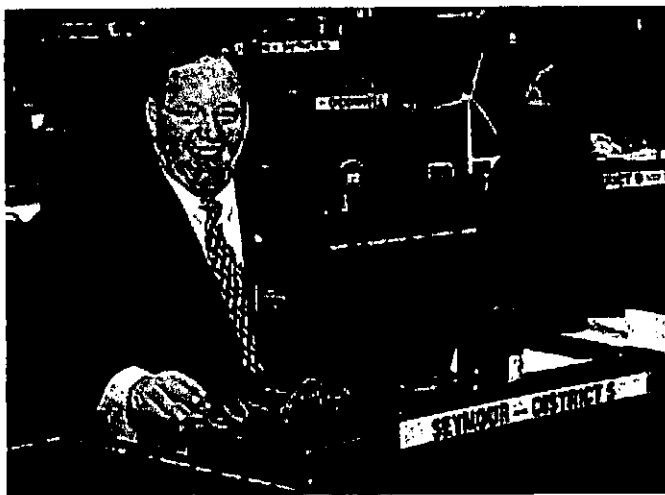
technically recoverable natural gas resources and 86 billion barrels of oil. This enough: natural gas to heat 100 million homes for 60 years, oil to drive 85 million cars for 35 years, and oil to replace current Persian Gulf imports for 59 years.

Offshore drilling is safe: Less than 1% of oil found in the ocean comes from offshore production, significantly less than results from natural geologic seeps and run-off from land-based sources.

Give Senate Concurrent Resolution No. 4001 a do pass.

Thanks for your time and consideration.

Source: National Ocean Industries Association – www.noia.org





**NATIONAL
OCEAN
INDUSTRIES
ASSOCIATION**

ENERGY CHALLENGES FOR NORTH DAKOTA AND THE NATION

NOIA'S MISSION IS TO SECURE RELIABLE ACCESS TO THE NATION'S VALUABLE OFFSHORE ENERGY RESOURCES IN ORDER THAT THEY MAY BE DEVELOPED, PRODUCED AND SUPPLIED IN AN ENVIRONMENTALLY RESPONSIBLE MANNER.

Today, energy prices are on the rise across the nation. This affects individual citizens, industrial consumers, and the agricultural industry. But why is this so?

It all comes back to supply and demand. As the economy has grown, the demand for energy has grown every year. At the same time, however, policymakers have refused to make any changes to increase available supplies of energy. For example, over 80% of the nation's oil and natural gas resources on the Outer Continental Shelf is completely off-limits to exploration and production, despite a decades-long record of safe offshore production in the Central and Western Gulf of Mexico.

What can be done? Energy consuming states must make themselves heard and push for changes to policies like this that limit energy supply. This is key to long-term strategies to control prices and maintain economic growth and employment at home.



Less than 19% of OCS is Open to Development

