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Referred: Resources

5-0509A

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

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SENATE RESOLUTION NO. 6

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - FIRST SESSION

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Relating to the export of Alaska oil.

6 BE IT RESOLVED BY THE SENATE:

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WHEREAS the U.S. Congress in December, 1985, extended the Export Administration Act, which prohibits the export of Alaska North Slope oil; and

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10 WHEREAS an amendment proposed by Senator Murkowski to the extension required a federal interagency task force to reexamine the economic implications of the ban; and

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WHEREAS the task force report strongly demonstrated that

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14 (1) the circumstances that led to the original enactment of the ban in 1973 - oil scarcity, high prices, and overdependence on foreign oil sources - no longer existed in 1986;

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17 (2) continuation of the ban in the absence of these circumstances depresses prices and revenue for Alaska and West Coast oil, and threatens existing and future supply and production of oil in the state, on the West Coast, and in Canada; and

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20 (3) under these circumstances neither the affected states', the federal government's, nor the nation's future economic and international security is served by continuing the ban; and

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23 WHEREAS in addition to the federal task force analysis, a recent private economic analysis of the oil export ban is strongly critical of the ban, terming it "North America's greatest remaining anomaly," and concludes that continuation of the ban at current depressed oil prices exposes serious "economic wastes and inefficiencies" that are becoming increasingly "intolerable" to the nation; and

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1 WHEREAS this private analysis projects that world oil prices will
2 remain depressed at least into the 1990's and concludes that lifting the
3 ban will result in significant and widespread economic benefits for the
4 state, the nation, and international trade generally; and

5 WHEREAS both the federal and private analyses concur that lifting the
6 ban will increase the wellhead prices of West Coast and Alaska oil and
7 generate large amounts of new revenue to the state, the federal government,
8 and the producers of the state's West Coast oil; and

9 WHEREAS the private analysis describes how lifting the ban will extend
10 the production life of Alaska's existing oil wells, and encourage new
11 development and exploration; and

12 WHEREAS these effects will tend to stabilize the supply of crude oil
13 and help avert a future oil crisis; and

14 WHEREAS lifting the ban will enable the State of Alaska, the U.S.
15 government and the Alaska petroleum industry to obtain fair market value
16 for a finite resource that will begin to decline in production in 1987; and

17 WHEREAS additional economic projections indicate that the greatest
18 potential for United States economic growth through the end of this century
19 lies in increasing its exports to Pacific Rim nations; and

20 WHEREAS lifting the ban would reduce the nation's largest internation-
21 al trade deficit, which is with Pacific Rim nations, and would enable the
22 state to become a more effective U.S. member of the Pacific Rim economic
23 community;

24 BE IT RESOLVED that the Senate respectfully requests the United States
25 Congress to lift the ban on the export of Alaska oil.

26 COPIES of this resolution shall be sent to the Honorable Ronald
27 Reagan, President of the United States; the Honorable George Bush, Vice-
28 President of the United States and President of the U.S. Senate; the Honor-
29 able Jim Wright, Speaker of the U.S. House of Representatives; the

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1 Honorable Robert Byrd, Majority Leader of the U.S. Senate; and to the
2 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
3 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
4 tion in Congress.

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