

Offered: 4/21/87
Referred: Finance

5-i061B

Original sponsor: Bennett

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE RESOLUTION NO. 20 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 Relating to the export of the state's
6 North Slope crude oil.
7 BE IT RESOLVED BY THE SENATE:
8 WHEREAS the state, through its royalty share of Alaska North Slope
9 crude oil, receives approximately 6,500,000 barrels of oil per month, all
10 of which is sent through the Trans-Alaska Pipeline; and
11 WHEREAS the Export Administration Act of 1979 (50 U.S.C. 2401 - 2420)
12 essentially prohibits the export of crude oil transported through the
13 pipeline and requires the action of President Reagan and the United States
14 Congress to lift the prohibition; and
15 WHEREAS, under the Energy Policy and Conservation Act (42 U.S.C.
16 6212), Alaskan crude oil that does not go through the pipeline is subject
17 to the export restrictions of 15 C.F.R. 377.6, and these restrictions can
18 be lifted by the federal administration without Congressional action;
19 WHEREAS the United States trade deficit in 1986 totaled
20 \$169,800,000,000 of which \$58,600,000,000 was with Japan; \$7,100,000,000
21 was with Korea; \$15,700,000,000 was with Taiwan; and \$6,400,000,000 was
22 with Hong Kong, and the deficits with Korea, Taiwan, and Hong Kong are the
23 fastest growing trade deficits; and
24 WHEREAS the growth of this trade deficit is attributable to ever-
25 shrinking exports by the United States; the exports of the United States
26 declined by nearly \$12,000,000,000 between 1984 and 1986 while imports rose
27 by only \$1,700,000,000 during the same time period; and
28 WHEREAS the United States exports only about \$3,600,000,000 in petro-
29 leum products, but these products are in high demand by those Pacific Rim

1 nations with whom the United States has large and growing trade deficits;
2 and

3 WHEREAS the recent shipment of Canadian Beaufort Sea oil to Japan by
4 Gulf Canada Corporation proves that seasonal transportation of Alaska North
5 Slope crude oil to Pacific Rim markets is possible without using the pipe-
6 line; and

7 WHEREAS a dock exists at Kuparuk that can handle oil-carrying barges
8 that could transport the crude oil to ocean-going tankers and eliminate the
9 need for the oil to go through the pipeline; and

10 WHEREAS Japan's Ship Research Institute is now prepared to build a
11 full-size model of a 200,000-ton Arctic icebreaking tanker after nine years
12 of study and design; and

13 WHEREAS the current glut of oil on the West Coast and the lower prices
14 for oil worldwide have not only shut down many small stripper wells across
15 the country but have virtually stopped all exploration and drilling of new
16 wells; this situation will deplete United States energy reserves, which
17 will in turn threaten national security; and

18 WHEREAS, in March 1987, the United States Department of Energy
19 reported to the President of the United States the results of a department
20 study that concluded that permitting the export of Alaska North Slope crude
21 oil would "improve the energy security of the United States"; and

22 WHEREAS the export of Alaska's royalty share of Alaska North Slope
23 crude oil would help ease the West Coast glut, create new markets for
24 Alaska oil, assist in the development of an export market for the state for
25 other products, create conditions more conducive to increased oil explora-
26 tion, and decrease the total United States trade deficit;

27 BE IT RESOLVED that the Senate respectfully requests the Governor to
28 immediately begin exploring the steps necessary to

29 (1) export Alaska North Slope crude oil by water via Kuparuk to

1 Pacific Rim and other foreign nations rather than through the Trans-Alaska
2 Pipeline; and

3 (2) obtain the approval of the President of the United States
4 for lifting the export restrictions on the export of Alaska North Slope
5 crude oil that is not transported through the Trans-Alaska Pipeline.

6 COPIES of this resolution shall be sent to the Honorable Ronald
7 Reagan, President of the United States; the Honorable George Bush, Vice-
8 President of the United States and President of the U.S. Senate; the Honor-
9 able George P. Shultz, Secretary of State; the Honorable James A. Baker
10 III, Secretary of the Treasury; the Honorable Donald P. Hodel, Secretary of
11 the Interior; the Honorable Malcolm Baldrige, Secretary of Commerce; the
12 Honorable John S. Herrington, Secretary of Energy; the Honorable Robert
13 Ortner, Under Secretary for Economic Affairs of the U.S. Department of
14 Commerce; the Honorable Bruce Smart, Under Secretary for International
15 Trade of the U.S. Department of Commerce; the Honorable Louis F. Laun,
16 Assistant Secretary for International Economic Policy of the U.S. Depart-
17 ment of Commerce; the Honorable Orson G. Swindle III, Assistant Secretary
18 for Economic Development of the U.S. Department of Commerce; the Honorable
19 Judith A. Brady, commissioner of natural resources; and the Honorable J.
20 Anthony Smith, commissioner of commerce and economic development.