

Offered: 4/4/89  
Referred: Rules

6-0336E

Original sponsors: M.Davis, Koponen,  
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1 IN THE HOUSE BY THE RESOURCES COMMITTEE  
2 SENATE CS FOR HOUSE JOINT RESOLUTION NO. 8 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION  
5 Relating to the export of Alaska oil.  
6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
7 WHEREAS the higher transportation cost associated with shipping Alaska  
8 North Slope crude oil through the Panama Canal to the Gulf Coast states  
9 reduces the wellhead price of the oil; and  
10 WHEREAS lower wellhead prices raise the economic threshold for explor-  
11 ing for and producing all North Slope oil and, as a result, production from  
12 certain existing and newly discovered oil fields is currently uneconomic;  
13 and  
14 WHEREAS domestic exploration and development of newly discovered oil  
15 reserves will enhance the nation's energy and economic security; and  
16 WHEREAS the foreign export of Alaska North Slope crude oil will pro-  
17 vide an incentive for further domestic oil exploration and development; and  
18 WHEREAS new discoveries and production resulting from increased  
19 domestic exploration will facilitate the development of infrastructure and  
20 production facilities needed to produce currently uneconomic North Slope  
21 reserves and, thus, lower the average development costs of all North Slope  
22 production; and  
23 WHEREAS exporting oil to Pacific Rim nations will decrease the sub-  
24 stantial trade deficit with nations that have expressed a strong interest  
25 in purchasing Alaskan-produced oil, as evidenced by the sale under a United  
26 States Department of Commerce export license of Alaska Cook Inlet oil to a  
27 Taiwanese company; and  
28 WHEREAS, Canada, Mexico, and Venezuela, among other neighboring coun-  
29 tries in this hemisphere, may provide stable, secure exports of crude oil

1 to the United States at more competitive prices than North Slope crude oil  
2 because of the transportation savings; and

3 WHEREAS the additional cost of shipping Alaskan North Slope crude oil  
4 to the Gulf Coast and eastern states imposes an unnecessary burden on those  
5 states, reduces federal and state tax revenue, reduces state royalties, and  
6 discourages exploration and development of North Slope reserves;

7 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
8 the United States Congress to enact laws providing for the export of Alaska  
9 crude oil, regardless of the oil's point of production in the state, on a  
10 barrel-for-barrel basis for oil imported from other countries in this  
11 hemisphere, under terms that afford enhanced economic benefits for the  
12 nation without diminishing domestic security or reducing crude oil avail-  
13 able for domestic purposes; and be it

14 FURTHER RESOLVED that the Alaska Congressional delegation and the  
15 Governor are urged to continue using their best efforts to obtain passage  
16 of legislation permitting the export of Alaska crude oil, regardless of the  
17 oil's point of production within the state.

18 COPIES of this resolution shall be sent to the Honorable George Bush,  
19 President of the United States; the Honorable Dan Quayle, Vice-President of  
20 the United States and President of the U.S. Senate; the Honorable Jim  
21 Wright, Speaker of the U.S. House of Representatives; the Honorable George  
22 Mitchell, Majority Leader of the U.S. Senate; and to the Honorable Ted  
23 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable  
24 Don Young, U.S. Representative, members of the Alaska delegation in Con-  
25 gress.