

HOUSE JOINT RESOLUTION NO. 48
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES BOYER, Moyer, Brown, Ulmer, Finkelstein, Gruenberg, Navarre, Davidson

Introduced: 5/6/91

Referred: House Special Committee on International Trade and Tourism, Labor & Commerce, Resources

A RESOLUTION

1 Relating to a Pan-American energy alliance.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the past year's fluctuations in prices and supply patterns for oil once again
4 demonstrate that the access of the United States to this vital strategic resource is vulnerable to concerted
5 political action by governments in the Middle East; and

6 WHEREAS, in 1987, the reliance of the United States on imported oil increased to 41 percent,
7 the highest percentage in seven years, and with the demand in the United States for oil increasing at a
8 rate of two percent each year, this reliance on imported oil will increase because the domestic oil
9 exploration and production capability of the United States has seriously eroded; and

10 WHEREAS, during the past decade, the United States successfully increased its import of
11 petroleum products from its neighbors in the Western Hemisphere and decreased its imports from the
12 volatile Middle East, but this positive trend has recently been reversed, and the Middle East is again the
13 dominant exporter of crude oil to the United States; and

14 WHEREAS the energy crisis of the 1970's taught the United States that manipulation of the
15 world oil market by sovereign governments can run counter to the interests of the United States; and

16 WHEREAS the energy crisis of the 1970's also proved that several of the trading allies of the
17 United States could be counted on for support in troubled times, since Venezuela, Mexico, and Canada

1 increased their exports of oil to the United States during the crisis while other nations reduced their
2 exports to the United States; and

3 **WHEREAS** Canada and the United States have the most extensive reciprocal trade situation in
4 the world, and each is the other's largest export market, with Canada selling three-quarters of its exports
5 to United States markets while absorbing almost one-quarter of the total exports of the United States;
6 and

7 **WHEREAS** Canada and the United States have a history of cooperation and trade as energy
8 partners; Canada currently supplies about five percent of the oil consumed in the United States and
9 approximately five percent of the natural gas consumed in the United States, the equivalent of over
10 700,000 barrels of crude oil a day; if United States oil and natural gas supplies are reduced, imports of
11 Canadian gas will contribute greatly to the energy security of the United States; and

12 **WHEREAS** Mexico shares not only a common border but also a rich cultural heritage with the
13 southwestern part of the United States, and has developed into one of the major sources of imported oil
14 and natural gas for the United States; Mexico was the third largest supplier of crude oil to the United
15 States during 1987, with only Saudi Arabia and Canada ranking higher; and

16 **WHEREAS** Mexico depends on oil earnings to provide revenue for its government, and the
17 investments by Peteroles De Mexicana, a company owned by the Mexican government, in future oil and
18 gas development, and the United States' clear need for stable, long-term supplies of oil suggest that the
19 United States' trading relationship with Mexico will grow in the future; and

20 **WHEREAS** almost one-half of all Venezuelan oil exports are made to the United States and,
21 during 1987, Venezuela was the leading exporter of petroleum products and the fifth largest exporter of
22 crude oil to the United States; combining petroleum products and crude oil, Venezuela is virtually equal
23 to Canada as the oil exporter that the United States most depends upon; and

24 **WHEREAS** Venezuela has the ability to export large quantities of crude oil and petroleum
25 products for many decades, and the United States and Venezuela are close geographical neighbors that,
26 like Mexico and Canada, share similar forms of democratic government; and

27 **WHEREAS**, since the United States will need to rely on foreign sources of oil for the
28 foreseeable future and the oil situations and long-term energy interests of Venezuela and the United
29 States are complementary, the United States and Venezuela should continue to be important commercial
30 partners for many years under fair conditions of trade; and

31 **WHEREAS** Canada, Mexico, Venezuela, and the United States are long-standing energy trading
32 partners who share a history of working together in successful oil and gas exploration and development

1 and who share the fluctuations of a rapidly changing energy environment; and

2 **WHEREAS** Canada, Mexico, Venezuela, and the United States share a common vision of the
3 future in which a sound energy industry in each of the countries is able to provide the energy security
4 needed to ensure the health and vitality of the entire economy of the American nations; and

5 **WHEREAS** the governments of the United States, Canada, Mexico, and Venezuela are striving
6 to improve the overall well-being of all of their citizens while providing rich opportunities for individual
7 freedom and growth, and it is natural for their representatives to explore options that will increase the
8 energy security of the Western Hemisphere; and

9 **WHEREAS** the South/West Energy Council, of which Alaska is a member, actively supports and
10 promotes the concept of an energy alliance among the nations of the Western Hemisphere;

11 **BE IT RESOLVED** that in recognition of the long-standing trading history with Canada, Mexico,
12 and Venezuela and, in order to plan for increased security of the people and economies of the United
13 States, Canada, Mexico, and Venezuela, the Alaska State Legislature urges the President of the United
14 States and the United States Congress to engage in formal talks with the governments of Canada,
15 Mexico, and Venezuela, as well as with other interested American countries, to develop a Pan-American
16 energy alliance to provide reciprocal energy security measures for the nations of the Western
17 Hemisphere; and be it

18 **FURTHER RESOLVED** that the Alaska State Legislature supports the efforts and work of the
19 South/West Energy Council to promote a Pan-American energy alliance and urges Governor Hickel and
20 the current administration of the state to participate in these efforts.

21 **COPIES** of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the
22 United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President Pro Tempore
23 of the U.S. Senate; the Honorable George J. Mitchell, Majority Leader of the U.S. Senate; the Honorable
24 Thomas S. Foley, Speaker of the U.S. House of Representatives; to the Honorable Ted Stevens and the
25 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
26 members of the Alaska delegation in Congress; and to Patrick J. Raffaniello, Executive Director of the
27 South/West Energy Alliance.