

**CS FOR SENATE JOINT RESOLUTION NO. 13(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION**

BY THE SENATE RESOURCES COMMITTEE

**Offered: 4/5/93
Referred: JUDICIARY**

Sponsor(s): SENATORS ELLIS, Kelly, Rieger, Frank, Leman, Donley

A RESOLUTION

**1 Endorsing HR 543, legislation removing restraints on the export of Alaska North
2 Slope oil, and requesting the Congress of the United States to pass legislation to
3 permit the export of Alaska crude oil.**

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

**5 WHEREAS 50 U.S.C.S. Appx. 2406(d) (sec. 7(d), Export Administration Act of 1979)
6 prohibits, with tightly restrictive exceptions, the export of domestically produced crude oil
7 transported by pipeline over the right-of-way granted by 43 U.S.C. 1652 (sec. 203 of the
8 Trans-Alaska Pipeline Authorization Act); and**

**9 WHEREAS the limitation on export of Alaska North Slope crude oil effectively limits
10 its sale to the domestic American market; and**

**11 WHEREAS the higher transportation cost associated with shipping Alaska North Slope
12 crude oil through the Panama Canal to the Gulf Coast states reduces the wellhead price of the
13 oil; and**

**14 WHEREAS lower wellhead prices raise the economic threshold for exploring for and
15 producing all North Slope oil and, as a result, production from certain existing and newly
16 discovered oil fields is currently uneconomic; and**

1 **WHEREAS** domestic exploration and development of newly discovered oil reserves
2 will enhance the nation's energy and economic security; and

3 **WHEREAS** the foreign export of Alaska North Slope crude oil will provide an
4 incentive for further domestic oil exploration and development; and

5 **WHEREAS** new discoveries and production resulting from increased domestic
6 exploration will facilitate the development of infrastructure and production facilities needed
7 to produce currently uneconomic Alaska North Slope reserves and, thus, lower the average
8 development costs of all Alaska North Slope production; and

9 **WHEREAS** exporting oil to Pacific Rim nations will decrease the substantial trade
10 deficit with nations that have expressed a strong interest in purchasing Alaska produced oil,
11 as evidenced by the sale under a United States Department of Commerce export license of
12 Alaska Cook Inlet oil to a Taiwanese company; and

13 **WHEREAS** Canada, Mexico, and Venezuela, among other neighboring countries in
14 this hemisphere, may provide stable, secure exports of crude oil to the United States at more
15 competitive prices than Alaska North Slope crude oil because of the transportation savings;
16 and

17 **WHEREAS** the additional cost of shipping Alaska North Slope crude oil to the Gulf
18 Coast and eastern states imposes an unnecessary burden on those states, reduces federal and
19 state tax revenue, reduces state royalties, and discourages exploration and development of
20 North Slope reserves; and

21 **WHEREAS** during his term as president, President George Bush had lifted the ban
22 on the export of oil produced in the State of California;

23 **BE IT RESOLVED** that the Alaska State Legislature endorses HR 543, legislation
24 removing the restraints on the export of Alaska crude oil; and be it

25 **FURTHER RESOLVED** that the Alaska Congressional delegation and the Governor
26 are urged to continue using their best efforts to obtain passage of HR 543 or comparable
27 legislation permitting the export of Alaska crude oil, regardless of the oil's point of production
28 within the state.

29 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
30 United States; the Honorable Al Gore, Jr., Vice-President of the United States and President
31 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of
32 Representatives; the Honorable George Mitchell, Majority Leader of the United States Senate;

1 and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
2 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
3 Congress.