

**CS FOR SENATE JOINT RESOLUTION NO. 13(RLS)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE RULES COMMITTEE**

**Offered: 1/28/94**  
**Referred: Today's Calendar**

**Sponsor(s): SENATORS ELLIS, Kelly, Rieger, Frank, Leman, Donley, Kerttula, Sharp, Pearce, Little, Duncan, Phillips, Miller**

**REPRESENTATIVES Green, Grussendorf, Nordlund, Porter, Finkelstein, Navarre**

**A RESOLUTION**

1 **Opposing the ban on the export of Alaska North Slope crude oil; endorsing**  
2 **HR 543, legislation removing restraints on the export of Alaska North Slope oil;**  
3 **requesting the Congress of the United States to pass legislation to permit the**  
4 **export of Alaska North Slope crude oil; and requesting the President of the**  
5 **United States to present to the United States Congress a recommendation to lift**  
6 **the ban on the export of Alaska North Slope crude oil.**

7 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

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

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

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

7           **WHEREAS** the export ban singles out Alaska to pay its costs, penalizing the state and  
8 the North Slope producers, which pay 85 percent of the taxes collected by the state; and

9           **WHEREAS** the current export ban reduces the value of crude oil production in the  
10 state by an estimated \$1,000,000,000 per year, or about \$1.10 per barrel; and

11           **WHEREAS** Alaska North Slope crude oil required to be transported and delivered for  
12 sale in the domestic market incurs approximately \$2.70 per barrel in higher transportation  
13 charges than if the oil could be exported in international tankers to Pacific Rim countries; and

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

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

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

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

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

30           **WHEREAS** the additional cost of shipping Alaska North Slope crude oil to the Gulf  
31 Coast and eastern states imposes an unnecessary burden on those states, reduces federal and  
32 state tax revenue, reduces state royalties, and discourages exploration and development of

1 North Slope reserves; and

2       **WHEREAS** U.S. Secretary of Energy Hazel O'Leary is reviewing the pros and cons  
3 of lifting the ban on the export of Alaska North Slope oil as part of her Domestic Energy  
4 Initiative; and

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

7       **WHEREAS** the amended Export Administration Act authorizes the President of the  
8 United States to recommend, and the Congress to approve by adoption of a joint resolution,  
9 export of Alaska North Slope crude oil;

10       **BE IT RESOLVED** that the Alaska State Legislature opposes the continuing ban on  
11 export of Alaska North Slope crude oil because the ban results in inefficiencies and economic  
12 waste and because it reduces the overall level of national economic activity; and be it

13       **FURTHER RESOLVED** that the Alaska State Legislature endorses HR 543,  
14 legislation removing the restraints on the export of Alaska North Slope crude oil; and be it

15       **FURTHER RESOLVED** that the Alaska Congressional delegation and the Governor  
16 are urged to continue using their best efforts to obtain passage of HR 543 or comparable  
17 legislation permitting the export of Alaska North Slope crude oil, regardless of the oil's point  
18 of production within the state; and be it

19       **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the  
20 President of the United States to exercise power given him under the amended Export  
21 Administration Act to recommend approval of the export of that oil.

22       **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the  
23 United States; the Honorable Al Gore, Jr., Vice-President of the United States and President  
24 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of  
25 Representatives; the Honorable George Mitchell, Majority Leader of the United States Senate;  
26 and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
27 the Honorable Don Young, U.S. Representative, members of the Alaska delegation in  
28 Congress.