

SR

20

SENATE COMMITTEE REPORT

FURTHER:

4/21/87

DATE TURNED INTO OFFICE

5/15/87

Mr. President:

FINANCE

Committee considered

SR 20

export of the state's North Slope crude oil.

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR SR 20 (RIS) )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul G. Sharoff  
Paul G. Blah  
James D. ...  
Kate Kelly (Do Pass)  
W. Hensley  
...

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13 Do Pass  
Chairman signature and recommendation

Committee Backup Attached

B

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: CSSR 20 (Res)  
Publish Date: 4/20/87

Revision Date: \_\_\_\_\_

Agency Affected: Office of the Governor  
BRU: Office of Management and Budget

Title: Relating to the export of  
state's North Slope crude oil

Sponsor: Bennett

Components: \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE</b>	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :**

\_\_\_\_\_

Prepared by: Senate Resources Committee

Phone: 465-4797

Division: \_\_\_\_\_

Date: 4/21/87

Approved by   
Chairman

Date: 4/21/87

Agency: \_\_\_\_\_

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

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.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of passed 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

4/10/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

RESOURCES Committee considered SR 20

export of the state's North Slope crude oil.

and recommended:

replace with CS Sr 20 (Res)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Carl Gustafson*  
*Carl Gustafson*  
*James Duran*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*James Duran* DO PASS  
Chairman signature and recommendation

Committee Backup Attached

1 IN THE SENATE

BY BENNETT

2

SENATE RESOLUTION NO. 20

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

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Relating to the export of the state's

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