

STATE OF ALASKA

THE LEGISLATURE

1989

Source

Legislative
Resolve No.

SCS HJR 8 (Res)

27



Relating to the export of Alaska oil.

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

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

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

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

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

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

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

WHEREAS, Canada, Mexico, and Venezuela, among other neighboring countries in this hemisphere, may provide stable, secure

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

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

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

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

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