

STATE OF ALASKA THE LEGISLATURE

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**Legislative
Resolve No.**

58



Relating to a Pan-American energy alliance.

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

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

WHEREAS, in 1990, the reliance of the United States on imported oil increased to 47 percent, the highest percentage in nine years, and with the demand in the United States for oil increasing at an average rate of three percent each year for the past five years, this reliance on imported oil will increase because the domestic oil exploration and production capability of the United States has seriously eroded; and

WHEREAS, until 1986, the United States had successfully increased its import of petroleum products from its neighbors in the Western Hemisphere and decreased its imports from the volatile Middle East, but this positive trend has been reversed, and Middle East imports of crude oil to the United States continue to increase; and

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

United States; and

WHEREAS the energy crisis of the 1970's also proved that several of the trading allies of the United States could be counted on for support in troubled times, since Venezuela, Mexico, and Canada increased their exports of oil to the United States during the crisis while other nations reduced their exports to the United States; and

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

WHEREAS Canada and the United States have a history of cooperation and trade as energy partners; Canada currently supplies about 12 percent of the oil consumed in the United States and approximately seven percent of the natural gas consumed in the United States, the equivalent of over 700,000 barrels of crude oil a day; if United States oil and natural gas supplies are reduced, imports of Canadian gas will contribute greatly to the energy security of the United States; and

WHEREAS Mexico shares not only a common border but also a rich cultural heritage with the southwestern part of the United States, and has developed into one of the major sources of imported oil and natural gas for the United States; Mexico was the sixth largest supplier of crude oil to the United States during 1990; and

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

WHEREAS more than one-half of all Venezuelan oil exports are made to the United States and, during 1990, Venezuela was the leading exporter of petroleum products and the second largest exporter of crude oil to the United States; Venezuela is second only to Saudi Arabia as the most significant oil exporter to the United States; and

WHEREAS Venezuela has the ability to export large quantities of crude oil and petroleum products for many decades, and the United States and Venezuela are close

geographical neighbors that, like Mexico and Canada, share similar forms of democratic government; and

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

WHEREAS Canada, Mexico, Venezuela, and the United States are long-standing energy trading partners who share a history of working together in successful oil and gas exploration and development and who share the fluctuations of a rapidly changing energy environment; and

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

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

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

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

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

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 Robert C. Byrd, President Pro Tempore of the U.S. Senate; the Honorable George J. Mitchell, Majority Leader of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; 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; and to Lori Cameron, Executive Director of the Energy Council.