

STATE OF ALASKA THE LEGISLATURE

1995

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**Legislative
Resolve No.**

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Supporting the lifting of the ban on the export of Alaska North Slope crude oil, requesting the President of the United States to present to the United States Congress a recommendation that it is both in the national interest to lift the ban on the export of Alaska North Slope crude oil and discriminatory to the state to maintain the ban, and endorsing passage of H.R. 70 and S. 70, companion federal legislation to remove restraints on the export of that oil.

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

WHEREAS the President of the United States has, by executive order, continued the ban on the export of Alaska North Slope crude oil contained in 50 U.S.C.S. Appx. 2406(d) (sec. 7(d), Export Administration Act of 1979) that prohibits, with tightly restrictive exceptions, the export of domestically produced crude oil transported by pipeline over the right-of-way granted by 43 U.S.C. 1652 (sec. 203 of the Trans-Alaska Pipeline Authorization Act); and

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

WHEREAS Alaska North Slope crude oil required to be transported and delivered for sale in the domestic market incurs approximately \$2 - \$4 per barrel in higher transportation charges than if the oil could be exported to Pacific Rim countries; and

WHEREAS the higher transportation cost associated with shipping Alaska North Slope

crude oil to the Gulf Coast states reduces the wellhead price of the oil; and

WHEREAS, over a seven-year period of time, Alaska would gain \$700,000,000 to \$1,600,000,000 in state taxes and royalties if the ban is lifted; and

WHEREAS lower wellhead prices make uneconomic the 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 the transportation cost savings from lifting the Alaska North Slope crude oil export ban will be available for reinvestment in domestic exploration, and development of marginal and newly discovered oil reserves will increase production and enhance the nation's energy and economic security; and

WHEREAS, according to the June 1994 U.S. Department of Energy report on exporting Alaskan North Slope crude oil, reserve additions in Alaska alone could be as large as 200,000,000 to 400,000,000 barrels, a size that roughly equals the known reserves in major North Slope fields, such as Point McIntyre; and

WHEREAS the export ban singles out Alaska, effectively penalizing the state and reducing revenue needed for vital state programs; and

WHEREAS, according to the U.S. Department of Energy June 1994 report, exporting Alaska North Slope crude oil to Pacific Rim nations will decrease the substantial trade deficit with nations that have expressed a strong interest in purchasing Alaska produced oil; and

WHEREAS the proposal to lift the Alaska North Slope crude oil ban has enjoyed strong support in the Legislature of the State of Alaska, the Legislature of the State of California, and the United States Congress; and

WHEREAS lifting the oil export ban would result in a net increase in United States employment from 11,000 to 25,000 jobs nationwide;

BE IT RESOLVED that the Alaska State Legislature supports lifting the ban on export of Alaska North Slope crude oil; and be it

FURTHER RESOLVED that the President is respectfully requested to present to the United States Congress a recommendation that it is both in the national interest to lift the ban on the export of Alaska North Slope crude oil and discriminatory to the state to maintain the ban; and be it

FURTHER RESOLVED that the Alaska State Legislature endorses H.R. 70 and S. 70,

pending companion federal legislation removing the restraints on the export of Alaska North Slope crude oil.

COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable Bob Dole, Majority Leader of the United States Senate; 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 all other members of the United States Senate and the United States House of Representatives serving in the 104th United States Congress.