

WASHINGTON COMMENTS

Sen. Frank Murkowski



The Cook Inlet Oil Decision

With the approval and strong support of the White House, the U.S. Commerce Department will soon issue a permit to allow the export of Alaska Cook Inlet oil to foreign nations.

This is the breakthrough we have long sought in our effort to begin exporting Alaska oil abroad.

And even though the ruling only pertains to the 60,000-barrel-a-day Cook Inlet production, we should not underestimate the significance of this action.

This small beginning can be a catalyst to overcome the previously unpenetrable barriers to the eventual export of our North Slope oil and gas.

The decision by our President is an important step towards unlocking Alaska's natural resources. Revenues from exporting Cook Inlet oil can be used by the producers to explore and develop new oil fields. They will have an added incentive to invest in new exploration because new markets in the Pacific Rim are now available.

Thus far, the state's royalty oil - about 6,000 barrels per day - is the only Cook Inlet oil available for sale overseas. However, the other owners of Cook Inlet oil will now have the same option assuming willing buyers are available.

So far our office has been approached by South Korean, Taiwanese and Japanese interests about the possible purchase of Cook Inlet oil.

The Alaska Congressional Delegation has worked closely together in convincing the Administration to lift the ban on Cook Inlet oil, which is both in our national interest and in the interest of Alaska. Now it is our governor's turn to take the issue and negotiate proposed sales agreements with our Pacific Rim neighbors.

When the White House made the announcement, spokesman Larry Speakes said that the President, in making his decision, sought nothing in exchange. However, he noted, "We have made it clear to our friends in Asia that we would like to see them move more rapidly in opening their markets to U.S. products."

I believe the President's decision is consistent with the Administration's policy of removing barriers to trade and encouraging other nations to do likewise.

President Reagan made a courageous decision because it signifies his willingness to do what's best for the nation and stand up to those that have fought Alaska on the export issue for the past several years.

His support will go a long way toward countering the national hysteria and misinformation campaigns that have surrounded the Alaska oil export issue.

I believe all parties have worked in concert to achieve this milestone, which is a great victory for all Alaskans. It leaves our state poised to move into its challenging role as a resource supplier to the Pacific Rim.

Our work is still cut out for us, though. I understand certain lobbyists and Congressmen are now working to try to void the President's decision. This time, however, we have strong support from the White House on our side.