

Murkowski urges mayors to support export of Alaska's North Slope oil

WASHINGTON, D.C.—At a conference of U.S. mayors held in Washington, D.C., Alaska Senator Frank Murkowski urged the municipal leaders to support the lifting of ban on the export of Alaska North Slope oil.

Murkowski made his presentation during an Energy and Environment Committee meeting of the U.S. Conference of Mayors' 1986 Mid-Winter meeting.

Currently, provisions in the Export Administration Act and the Trans-Alaska Pipeline Authorization Act require an act of Congress and administrative approval for North Slope oil to be exported.

The Alaska senator has amended the Export Administration Act to require the Administration to conduct an extensive review of our policies restricting the export of Alaska North Slope crude oil. The study is currently being conducted by an inter-department study group headed by the department of commerce. The results will be submitted to the President in the spring of this year.

"This study will document the negative consequences of current laws prohibiting the export of Alaska North Slope crude oil," Murkowski said. "Removing the ban will be in our national interest by increasing federal revenues, helping to offset our growing trade deficits, and enhancing the national security of our Pacific allies."

The export of North Slope crude has been endorsed by such national leaders as Senate Majority Leader Bob Dole, and former Senator Howard Baker.

"By allowing the export of Alaskan crude oil to the region, we can help our allies diversify their supply sources for oil, and enhance their energy security. This in turn will serve to benefit our national security interests."

Murkowski told the mayors that some steps have been made to increase the market for U.S. oil, such as the President's policy decision to allow the

export of U.S. crude oil to Canada, and his approval of the export of Alaska Cook Inlet oil. However, both moves exclude the export of Alaska North Slope oil.

"The President's decision was based on findings that the export of Cook Inlet oil would be in the national interest, creating increased incentives for exploration and development of domestic crude oil, increasing transportation efficiency, and enhancing the energy security of important allies," Murkowski said.

These findings are consistent with the Administration's attempts to remove barriers to trade, and to encourage our trading partners to do the same.

"The export of Cook Inlet oil will generate jobs as the oil will be shipped on American ships using U.S. crews," Murkowski said. "Nations of the Pacific Rim are dependent on the United States for natural resources. It is in their best interests to buy Alaska North Slope oil from the United States."

Murkowski said that because of the escalating trade deficit with many of our Pacific Rim trading partners, the United States "should initiate more trade of our energy resources. For every 100,000 barrels of crude oil exported to Japan, we could reduce our trade deficit by almost \$1 billion a year."

In the area of services trade, Murkowski said that Nissan Motor Company of Japan recently announced that it will employ a U.S. shipping firm for the first time in the shipment of automobiles from Japan. Even more recently, Murkowski said Toyota announced that U.S. merchant vessels will be used to transport 10 percent of their automobile exports to the U.S. market each year.

"It's very encouraging that U.S. companies are taking some steps toward reducing our trade deficit," Murkowski said.