

3. POLICY POSITION

ARCTIC NATIONAL WILDLIFE REFUGE COASTAL PLAIN (ANWR)

Background

The recent decline in domestic oil and gas exploration, production, and reserves, coupled with an alarming increase in the importation of foreign crude oil and products, has been indicative of increasing U.S. dependence on foreign sources for supply. This dramatic increase in imports, up forty-three percent in the first four months of 1986 over the same period last year, underscores the strategic role that oil plays in America's energy equation.

Current oil production from Alaska's North Slope accounts for twenty to twenty-five percent of our total daily production, but next year will likely see the beginning of the decline of Prudhoe Bay production, with rapid decline expected thereafter in the early 1990s.

Major new discoveries of oil and gas are urgently needed to replace rapidly depleting reserves. The addition of a major new North Slope oil field would significantly reduce our nation's dependence on foreign sources for supply, thereby enhancing our economic and military security. Available geologic and geophysical data indicates that the coastal plain of the ANWR may hold discoveries of oil and gas that could surpass Prudhoe Bay. Federal officials and oil industry analysts have said that the ANWR could have the highest oil and gas potential of any unleased land in North America.

In addition to increasing U.S. energy self-sufficiency, exploration and development in the ANWR would provide economic benefits to all of the individual states. According to a recent survey by the Alaska Oil and Gas Association, \$9 billion was spent in the lower 48 states since 1980 to provide for oil development on Alaska's North Slope. Money was spent in all states both directly and indirectly on the manufacture of parts and equipment, labor and supplies, replacement and maintenance items, and on furnishing goods and services to keep the oil flowing through the pipeline and in ships to the lower 48 states.

Recommendation

The Southern Legislative Conference supports the recommendation of the U.S. Fish and Wildlife Service to offer leases on the coastal plain of the Arctic National Wildlife Refuge for exploration and development of oil and gas resources. Further, the Southern Legislative Conference urges the federal government to preserve the equitable right of the State of Alaska to share royalty revenues derived from resulting mineral production.