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**Collection:** Driggs, Michael A.: Files  
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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** DRIGGS, MICHAEL: FILES

**Withdrawer**

CAS 8/23/2019

**File Folder** ALASKAN OIL, EXPORT OF/ALASKAN NORTH SLOPE  
OIL (2)

**FOIA**

F2017-013

**Box Number** 16236

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1

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
242296 REPORT	EXECUTIVE SUMMARY OF THE REPORT OF THE WORKING GROUP ON ALASKAN OIL EXPORTS (INCLUDES TABLE AND POLICY OPTIONS)	16	ND	B1
242300 REPORT	SAME AS 242296	16	ND	B1
242308 REPORT	EXECUTIVE SUMMARY OF THE REPORT OF THE WORKING GROUP ON ALASKAN OIL EXPORTS (INCLUDES TABLE AND POLICY OPTIONS)	17	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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**NATIONAL SECURITY COUNCIL**  
**WASHINGTON, D.C. 20506**

October 18, 1983

NOTE TO WENDELL GUNN

FROM BILL MARTIN

This is a piece prepared by Jack Silvy of DOE.  
If you have further questions call him at 252-5328.

Attachment  
As stated

September 20, 1983  
1620 (Washington)

STATUTORY AND REGULATORY BACKGROUND  
ON EXPORT OF ALASKAN OIL

There are several statutory provisions which may restrict the exportation of Alaskan crude oil, depending on the origin of the oil and whether it is transported by pipeline over certain Federal rights-of-way:

1. Section 7(d) of the Export Administration Act, as amended by the Trans-Alaska Pipeline Authorization Act, essentially forbids the export of Alaskan North Slope (ANS) crude oil transported through the Trans-Alaskan Pipeline unless the President finds that within three months an equal amount of imports received in exchange for the ANS oil will lower U.S. refiner acquisition costs, and 75 percent of those savings will be reflected in wholesale and retail prices of the resulting products. Also, the statute says that the President must report his findings to the Congress, and within 60 days Congress must pass a concurrent resolution of approval.
2. Section 203 (c) of the TAP Act has the effect of making Section 28(u) of the Mineral Lands Leasing Act (MLLA) applicable to ANS oil, subjecting it to the EAA's requirements and necessitating a Presidential finding that the exports will not diminish the total quantity or quality of oil available to the U.S. and are in the national interest. The statute provides that the President must report his findings to Congress; if within 60 days Congress passes a concurrent resolution of disapproval, further exports are prohibited.
3. Section 103(b) of the Energy Policy and Conservation Act (EPCA), requires the President to promulgate an export control regulation, under which he may permit crude oil exports if he determines that such exports are consistent with the national interest and with the purposes of the EPCA.



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4. Finally, under the Outer Continental Shelf Lands Act (OCS) any oil produced from the OCS may be exported only on the basis of a published Presidential finding that such exports will not increase reliance on imported oil or gas, are in the national interest, and are in accord with the EAA.

The first two of these provisions involve Congressional approval or veto provisions which are affected by the Supreme Court's recent decision in *I.N.S. v. Chadha* holding unconstitutional a one-House veto.

In our opinion, the effect of the Chadha decision on MLLA Section 28(u) is that the objectionable Congressional review provision does not affect the remainder of Section 28(u), which can be read as surviving intact, so that the Presidential finding would not be subject to a resolution of disapproval. However, as we read EAA Section 7(d) and construe its legislative history, the Congressional review provision of that section cannot be severed from the statute's language authorizing export of Alaskan oil on the basis of the President's finding, so that in our view Chadha has the effect of turning Section 7(d) into an absolute prohibition on export of ANS oil. Of course, this and all other statutes affected by Chadha are being reviewed by the Justice Department, and at this point we can only advise that it is not clear that Chadha has had any favorable effect on permitting exports of Alaskan oil.

In addition to these statutory provisions, the Commerce Department has adopted "Short Supply Control" regulations under the EAA. These regulations impose strict limits on the export of any crude oil, but the EAA allows them to be amended without following the procedures prescribed in the Administrative Procedure Act.

#### DISCUSSION

The State of Alaska receives royalties both on ANS crude oil and on a smaller volume of non-ANS production (principally Cook Inlet). The State might try to swap ANS for Cook Inlet production, and export the latter.

Page Three

At present, the export of ANS oil by the State is effectively precluded by EAA Section 7(d), and this situation would not be changed by the bills now pending in Congress.

However, Cook Inlet production, approximately 70,000 bpd, is not subject to EAA Section 7(d) because that oil is not transported through the Trans-Alaska Pipeline, nor is it subject to the OCS Act export restrictions. Whether such production is subject to MLLA Section 28(u) depends on whether the oil transits a Section(u) pipeline; our understanding is that most of it does not, but this must be verified. The EPCA's required finding is not viewed as a serious obstacle to export. Therefore, it appears that the export of Cook Inlet oil is not prohibited by statute, and could be accomplished on the basis of amendments to the Commerce Department's regulations. This possibility has not yet been discussed with the Commerce Department; among other things, it remains to determine whether an environmental impact statement or environmental assessment would be necessary in this connection. Also, while we focus here on the legal issues concerning export, it should be noted that the current producers and refiners of this oil may not be anxious to release it for export. This production is a very sweet, low sulfur crude (35 degrees API, 0.1 percent sulfur). Union is refining about 30,000 bpd in San Francisco for lube oils and waxes, and a major retrofit would be necessary to substitute ANS crude. Tesoro uses the other 40,000 at their Nikiski refinery and is planning a switch to ANS crude, pending negotiations with the State of Alaska for royalty oil; but this is planned over a period of two years and some retrofit of the refinery also is needed. Governor Sheffield's staff is working with DOE (PPA) staff to try to develop this option.





United States Department of State

Washington, D.C. 20520

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October 17, 1983

MEMORANDUM FOR MR. CRAIG L. FULLER  
THE WHITE HOUSE

SUBJECT: Alaskan Oil Exports

Under Secretary Wallis has asked that the attached background and options papers on the subject of Alaskan oil exports be circulated for the Cabinet discussion of this subject scheduled for October 20. These papers are based on extensive analytical work by the Working Group on the Exports of Alaskan Oil, chaired by William Martin of the NSC. The report of the Working Group was approved in April by the sub-Cabinet International Energy Security Group, chaired by Under Secretary Wallis, and was discussed, without conclusion, by the SIG-IEP on April 27 and May 19. The papers have been updated by the Departments of State and Energy.

*Corey*

Charles Hill  
Executive Secretary

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DECL: OADR

DECLASSIFIED  
Authority *105/24/25*  
BY *CIV* NARA DATE *8/23/19*

Drafted: E:MCasse:kar  
10/17/83 632-7688

Concurrence: E - AWallis



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242296	REPORT  EXECUTIVE SUMMARY OF THE REPORT OF THE WORKING GROUP ON ALASKAN OIL EXPORTS (INCLUDES TABLE AND POLICY OPTIONS)	16	ND	B1

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S/S -- 8331722

United States Department of State

Washington, D.C. 20520

OCT 17 1983

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*Corey*

Charles Hill  
Executive Secretary

DECLASSIFIED  
Authority: DOS Walker  
BY: CN DATE: 6/23/19

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DECL: OADR

Drafted: E:MCasse:kar  
10/17/83 632-7688

Concurrence: E - AWallis

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April 27, 1983

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MEMORANDUM FOR MR. DAVID E. PICKFORD  
DEPARTMENT OF THE TREASURY

Subject: Senior Interdepartmental Group on International  
Economic Policy (SIG-IEP)

The Working Group on Alaskan Oil Exports has completed a draft working paper, including technical analysis and policy options, on the effect of lifting restrictions on the export of domestically produced oil. Attached are the Executive Summary and Policy Options sections of the report as background for discussion at the April 28 meeting of the SIG-IEP.

*Charles Hill*  
Charles Hill  
Executive Secretary

Attachments:  
As stated.

cc. NSC - Mr. Michael O. Wheeler  
Agriculture - Mr. Raymond Lett  
CIA - Mr. Thomas B. Cormack  
Commerce - Mrs. Helen Robbins  
Defense - COL John Stanford  
Energy - Mr. William Vitale  
OMB - Mr. Alton Keel  
OPD - Mr. Edwin Harper  
Transportation - Mrs. K. Anderson  
USTR - Mr. Dennis Whitfield

Dept. of State Guidelines, July 21, 1997  
BY US NARA, DATE 6/23/17

Drafted by: KWeaver<sup>kw</sup>

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