

Congress of the United States

Washington, D.C. 20515

February 27, 1987

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Over the past several years, Alaskans have been working to relieve trade tensions between the United States and other Pacific Rim nations by increasing Alaska energy exports. The agreement you made with Japanese Prime Minister Nakasone in 1983 to form the U.S.-Japan Energy Working Group was a major boost for our efforts to market Alaska North Slope (ANS) natural gas in the Pacific. We are writing to apprise you of the latest developments on this issue and to request that you now take the formal action required by law to allow export of ANS natural gas.

Of the potential areas for energy cooperation discussed by the Working Group, ANS natural gas is one of the most substantial. Developing this resource would allow our nation to enhance its own energy security and that of our Pacific Rim allies.

Joint studies now underway indicate that with financial participation by Japan, Korea, and possibly Taiwan, the construction of a natural gas project paralleling the trans-Alaska oil pipeline is economically viable. The private parties involved in the studies believe that ANS natural gas can compete with gas from new projects in the Soviet Union, the Middle East, Australia, and Thailand.

Alaska's ability to participate in the Pacific Rim natural gas market will be determined not only by the overall cost picture but also by its ability to secure governmental support early on. In our opinion, there will not be a favorable response to ANS natural gas in the Pacific Rim market unless the United States government first signals its support by taking action to allow that gas to be exported.

To that end, we respectfully request that you make the finding necessary under the Alaska Natural Gas Transportation Act (15 U.S.C. 719) to allow ANS natural gas to be exported from the United States. Such a finding -- which should state that it does not affect the expedited

regulatory treatment granted to the Alaska Natural Gas Transportation System (ANGTS) under ANGTA or the conditional certificate that FERC has already awarded ANGTS -- will allow the market to determine which route should be utilized to deliver ANS natural gas to market.

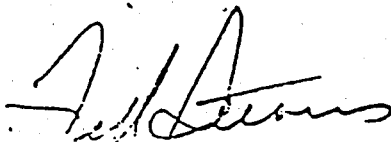
Trade issues will consume a great deal of the 100th Congress' time. Selling ANS natural gas to our Asian allies would reduce our balance-of-trade deficit and attract major amounts of foreign investment capital to the United States. The United States once supplied 100 percent of the Pacific-Rim market's liquefied natural gas requirements. We now supply less than 5 percent. A renewed resolve to compete in this important market could lead to our developing a major market share by the middle 1990's.

Regardless of which approach to transporting ANS natural gas to market is eventually adopted, more than 25 years will have passed between discovery and use of this gas. Lack of a natural gas transportation mechanism has had a debilitating effect on development of other energy sources on Alaska's North Slope.

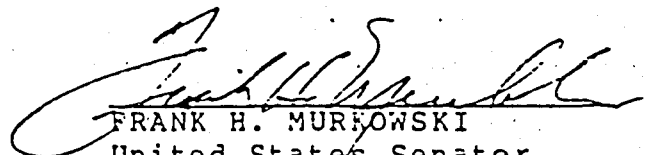
Mr. President, we are grateful for your earlier support for ANS natural gas exports in discussions with Korea and Japan. We hope that you will be able to reinforce those comments by making the ANGTA export finding, which will make your Administration's position absolutely clear to Pacific Rim nations. Thank you for considering our request.

With best wishes,

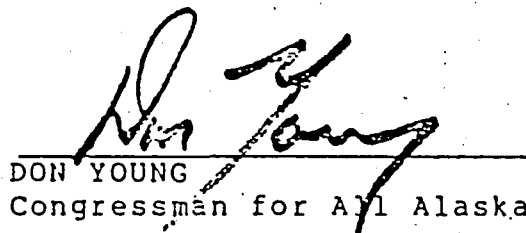
Cordially,



TED STEVENS
United States Senator



FRANK H. MURKOWSKI
United States Senator



DON YOUNG
Congressman for All Alaska