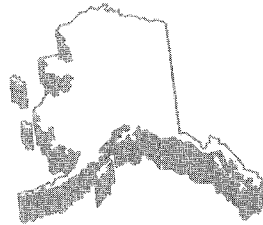


ACTION PAPER

**SOLUTIONS
TO THE NATIONAL
ENERGY
CRISIS**

WHY NOT ALASKA?



**SOLUTIONS
TO THE NATIONAL ENERGY
CRISIS:**

WHY NOT ALASKA?

A REPORT BY
COMMONWEALTH NORTH

Prepared by the Energy Committee

November 1979

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Excerpts From Reviews

"The report is an eye opener. The role that Alaska can play is far greater than I -- and I assume most other reasonably well-informed people -- had any idea. It is literally a national disgrace that Alaska's resources should not be made available to meet our national need."

- Milton Friedman, Economist, Senior Research Fellow
The Hoover Institute, Stanford, California

"Speaking for both myself and Dr. Herman Kahn, our Director of Research, I found the report to be factual, enlightening and compelling. It clearly shows that a can-do attitude coupled with existing U.S. energy resources even now offers our great nation an opportunity to escape from the energy track into which we have carelessly fallen."

- William M. Brown, Ph.D. Director, Technological
Studies, The Hudson Institute, New York

"In the face of the critical energy problems confronting North America and particularly the United States, I commend this report illustrating the important role that Alaska is able to play."

- The Honorable Maurice Strong, Secretary General of
the first United Nations Conference on the Human
Environment and first Director of the United Nations
Environmental Program

"This report makes clear the urgency of our nation gaining an understanding of the mineral reserves in Alaska. A crucial factor in the ultimate disposition of Alaskan lands must be a careful assessment of their energy potential. If any energy-related crash program is needed in this country, it is to survey these vast lands."

- William Ruckelshaus, first Director of the
Environmental Protection Agency

"The report's timing is propitious; it comes at a time when the Congress is considering legislation to classify millions of Alaskan acres into various land use patterns. In its deliberations, Congress must recognize the manifold potential of Alaska to supply this nation with much-needed resources such as oil, gas and minerals, as well as great scenic treasures."

- The Honorable Terry Miller, Lieutenant Governor
of Alaska

FORWARD

A serious loss of petroleum imports would take the United States to the edge of calamity. There is no possibility that the nation could respond quickly enough with synfuels, shale oil, solar power and wind power. None of these could prevent long lines of stalled cars and busses, idled farm machinery, grounded airliners, heatless homes, darkened factories, blacked-out cities and an emasculated defense system. Energy riots could spread across the land, since an energy disaster will fall most heavily on the urban poor.

Ever higher costs of gasoline and heating oils are already disastrous to the poor and the elderly. Those high costs, and the prospect of ever-multiplying petroleum prices, demonstrate the unleashed economic power of oil-rich countries and disclose their great political power.

There is little the United States government can do in foreign capitals to reverse a sudden change in sentiment, a palace coup or revolution. We can only hope that our statesmen must never face the temptation of going to war to save oil fields threatened by a Soviet-backed invasion from a "People's Republic."

Many members of the United States Congress appear willing to risk a national disaster by failing to secure energy supplies needed for the critical 10 to 20 years just ahead. Alternate energy sources will not be developed overnight. Conservation can help, but cannot reverse America's dangerous dependence on foreign oil producers.

Persuaded by prophets of preservation, the White House and Congress appear ready to withhold from the nation the abundant energy and mineral resources of the huge State of Alaska.

Recognizing the danger of national dependence on uncertain energy supplies, the Board of Directors of Commonwealth North asked the Energy Committee to address the question of Alaska's potential to help solve the nation's energy shortages. We accepted the task with a mixture of trepidation and enthusiasm.

Trepidation, because the nation's "Energy Crisis" has been debated and discussed almost to exhaustion over the past six years. The American people are weary of

hearing conflicting information, viewpoints, and finger-pointing. The pervasive misinformation concerning Alaska makes public acceptance of an objective review problematical, to say the least.

Our enthusiasm stems from those same factors. The need for reliable data upon which concerned Americans can rely with confidence was never greater. And weary or not, the nation must continue to face the energy challenge until it is overcome.

Our purpose is not to deal with, let alone solve, all of our country's problems concerning energy. Our contribution, an objective appraisal of Alaska's role, is merely a building block for the final answer. Having said that, we believe it is an important element of the whole picture.

We also know this. The material in this small study is not widely understood by the American people. Since no one is wise enough to reach sound conclusions from inaccurate data, we feel this project is justified if for no other reason than to help set the record straight.

Our hope, of course, is that it will generate a return to positive, creative leadership and a strengthening of national security and enlightened productivity.

Those are important and worthy goals. We are proud to have made this effort motivated solely by a sense of dedication to the needs of our great nation, and in a wider sense to the health and stability of the world as a whole.

Energy Committee
Commonwealth North

November, 1979

CONCLUSIONS

The questions posed to the authors of this report by the Board of Directors of Commonwealth North were essentially two-fold:

1. What is Alaska's potential for meeting the near-term (next 5 to 15 year) energy needs of the U.S.?
2. Why is Alaska not on the national agenda for meeting the energy crisis?

The following points summarize the conclusions of this study:

1. Conservation and solar energy, however wholesome and attractive for the long-term, will not, within the next five to fifteen years, reverse the ever-weakening national energy picture nor check the devastating U.S. dollar drain overseas to buy foreign energy.
2. While alternate energy technology is developing, the near-term solutions to the nation's problems lie in oil, gas and coal, which presently supply 92% of our national needs. Hydro and nuclear power provide only 8%.
3. Alaska currently produces 1.6 million barrels of oil per day (18% of all U.S. domestic production), and could be producing 4.5 to 5 million barrels per day.
4. Five million barrels per day of Alaska oil would reduce the overseas flow of U.S. currency by nearly one half.
5. Official government publications and the national media largely ignore Alaska's energy potential, and there is a virtual "black-out" of information about the State's enormous reserves of oil, natural gas, coal, hydro and alternate energy resources.

6. Responsible estimates of potential recoverable oil in Alaska range from 22 to 138 billion barrels. The larger figure compares favorably with Saudi Arabia's 110.4 billion barrels of estimated reserves. Coal reserve estimates range between 1.8 and 6 trillion tons.
-

The 49th State is a potential world power in the energy arena.

7. Many Americans think Alaska's oil and gas resources are being actively sought and produced, but the reverse is true. Only 7 oil rigs are at work in the State, compared to 366 in Louisiana and 807 in Texas.
8. The main deterrent to Alaska becoming part of the solution to the national energy crisis is the Federal government. Less than one third of one percent of Alaska is privately owned, and no Federal lease sale of on-shore oil potential land has taken place in Alaska since 1966.
9. The White House and many leaders of Congress are pushing for legislation that would place 123 million prime acres of Alaska in permanent, exclusive land classification, and yet the exploration of the resource base in these areas is in its infancy.
10. There are 250,000 square miles of on-shore sedimentary basins in Alaska, and another 300,000 square miles off-shore. Outside of Prudhoe Bay and Cook Inlet, only 136 wells have been drilled in these oil and gas potential regions since 1900, compared to over 2 million wells in the rest of the United States.

11. The vast majority of the on-shore potential oil and gas areas in Alaska are unexplored. The majority of this acreage will be off limits to exploration if the Alaska lands legislation passes.
12. According to the Louis Harris Perspective #56 (1979) eighty-seven percent of the American people believe that those Alaska lands which are rich in energy and mineral resources should not be placed in restrictive wilderness categories by the Federal government.
13. One such area, the Arctic National Wildlife Range has the greatest oil and gas potential of any area in North America. Reports, downplayed by government, say it could contain enough oil to supplant all foreign imports for up to ten years.
14. Only one half of one percent of the Arctic Range would be needed for exploration and production of oil and gas. No scientific evidence exists showing that such activity would threaten the wildlife with extinction or even population reduction.

**Congress is about to lock up energy potential lands
in Alaska before they have been explored and inventoried.**

15. Exploration in the Arctic does not mean callous disregard of other values. As proven by Prudhoe Bay's oil field development and the Trans-Alaska Pipeline, resource use can take place skillfully and carefully, providing energy America needs without destroying Alaska's beauty.

The Arctic's energy resources can be tapped without harming the land or the wildlife.

16. The reasons Alaska is being overlooked by most Americans as a major energy supplier are the following:
 - a. Honest ignorance on the part of the media, Members of Congress and the public at large about the incredible dimensions of Alaska's potential.
 - b. False fears that finding and producing these resources will harm Alaska's environment.
 - c. Devotees of a preservationist ethic have been placed in key decision-making positions in the Federal Administration. They have architected a deliberate government policy aimed at stopping exploration for and production of energy in Alaska, as illustrated by the postponement of nearly all lease sales of oil and gas potential land, and by the Alaska Lands Bill, which they are promoting in Congress.
 - d. Politicians who, pressured by ill-informed environmentalists at home, fail to connect Alaska as wilderness to a lock-up of their energy needs.