[1/30/79-Not Submitted-DF]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: [1/30/79-Not Submitted-DF]; Container 105

To See Complete Finding Aid:
http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

NOTE - DOE is sending revised memo. Expected 2-9. Rest of at that time

ID 786768 THE WHITE HOUSE

WASHINGTON

DATE: 30 JAN 79

FOR ACTION: STU EIZENSTAT - next week
ZBIG BRZEZINSKI - in safe
CHARLIE SCHULTZE

FRANK MOORE (LES FRANCIS)
JIM MCINTYRE
Alfred Kahn

INFO ONLY: THE VICE PRESIDENT
JACK WATSON
ANNE WEXLER

HAMILTON JORDAN
JERRY RAFSHOON

SUBJECT: SCHLESINGER MEMO RE ALLOWING EXPORTS OF ALASKAN NORTH SLOPE OIL

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM ~~FRIDAY~~ Wednesday ~~02 FEB 79~~ Feb 7 +

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 786768

THE WHITE HOUSE

WASHINGTON

DATE: 30 JAN 79

FOR ACTION: STU EIZENSTAT — FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI — JIM MCINTYRE

CHARLIE SCHULTZE — alfred Kahn

INFO ONLY: THE VICE PRESIDENT — HAMILTON JORDAN

JACK WATSON — JERRY RAFSHOON

ANNE WEXLER

SUBJECT: SCHLESINGER MEMO RE ALLOWING EXPORTS OF ALASKAN NORTH SLOPE OIL

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)

BY: 1200 PM ~~FRIDAY~~ Wednesday 02 FEB 79 Feb 7

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

NATIONAL SECURITY
INFORMATION
Unauthorized Disclosure subject to
Administrative and Criminal Sanctions.

~~SECRET~~

Department of Energy
Washington, D.C. 20585

February 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Allowing Exports of Alaskan North Slope Oil

This memorandum discusses a proposal for exporting Alaska North Slope (ANS) oil in order to increase North Slope production, displace imports of foreign oil, and alleviate the West Coast oil glut. These goals have been and continue to be difficult to achieve because of current legislatively imposed barriers.

An export policy should be designed to:

- o Increase production of ANS oil: Increased ANS production would improve the balance of payments and reduce the Nation's dependence on foreign oil.
- o Stimulate production of California oil: Unless appropriate measures are taken, increased ANS production will further depress West Coast oil prices and reduce West Coast production.
- o Reduce the Cost of Shipping ANS Oil to Market: Lower transportation costs will increase the oil's wellhead value and increase Federal and State tax and royalty revenues from ANS production.
- o Appeal to Congress and the Nation: Federal policy must address the public's concern that allowing exports will increase dependence on foreign oil. It should also anticipate opposition from groups that believe the ANS producers originally misled the public about the nature of West Coast demand.

Briefly, I suggest that swaps be allowed for production above the current level of 1.2 MMB/D, but that further lifting of the restrictions on exports be postponed until the political reaction to an export policy can be better determined.

~~SECRET~~

☑ DECLASSIFY or ☐ REVIEW on: 2/85 (date or event)

BACKGROUND

The legislation authorizing construction of the Alaska pipeline prohibited producers from exporting ANS oil without Congressional approval. At the time the act was passed, ANS producers maintained that demand on the West Coast would absorb full ANS production. Today, however, ANS production exceeds West Coast demand by 400-500 MB/D.

Because of export restrictions, Alaska oil which could be shipped inexpensively to Japan on foreign tankers is being shipped in U.S. bottoms to the Gulf Coast. As a result, the wellhead value of ANS crude is diminished by about $2.00 a barrel, as shown in Appendix I. Because of this diminished value, the export ban has discouraged additional ANS production. If the export ban is not lifted, production could decline from the present level of 1.2 MMB/D to as low as .8 MMB/D by 1990.

ALLOWING EXPORTS OF ANS OIL

A policy which removed all restrictions on the export of ANS oil would increase ANS production in 1990 by up to 1 MMB/D above planned production* and improve the balance of payments by up to $14 billion in that year. It would also provide a stimulus to California production by immediately eliminating the surplus of West Coast oil. The total transportation savings from such a policy would be worth up to $6 billion between 1980 and 2000 (discounted present value), as shown in Table 1. These savings are based on the use of foreign tankers, particularly VLCC's, which have substantially lower transportation costs than the American tankers currently required under the Jones Act to move American oil between American ports. As indicated in Appendix II, allowing exports would not render the U.S. more vulnerable to an oil embargo.

Nevertheless, political opposition to allowing unrestricted exports is likely to be strong, particularly among members of Congress who believe the ANS producers misled the public about the nature of West Coast demand. I therefore recommend that the Administration initially limit exports to ANS production above 1.2 MMB/D, the level of current production, and retain the option of increasing exports at a later date.

---

* Estimate made by Alaska officials.

TABLE 1

BENEFITS OF LIFTING
THE EXPORT BAN*
(Present discounted value 1980-2000
in billions of 1978 dollars)

	UNRESTRICTED EXPORTS	EXPORTS ABOVE 1.2 MMB/D
Benefits to:		
o State of Alaska	$0.4 - 4.0	$0.1 - 2.6
o Federal Government	0.6 - 8.4	0.2 - 5.6
o ANS Producers	0.5 - 3.9	0.1 - 2.3
Resource Savings Due to Reduced Transportation Costs**	$1.0 - 6.0	$0.3 - 3.6

* Preliminary estimates. The range in the estimates reflects different assumptions about the level of ANS production and whether the SOHIO pipeline will be built. The savings from allowing exports are lower if it is assumed that the pipeline would be built in any event. The savings are higher if it is assumed that the ANS production level is high.

** The gains to ANS producers, the State of Alaska and the Federal government exceed the total resource savings because some of the gains are tranfers from West Coast consumers and tanker owners.

This approach would provide the same incentive for additional ANS production and balance of payments benefits similar to an unrestricted export policy, but would face substantially less opposition. The initial restriction would enable the Administration to argue that exports were limited to most of the production that would not occur under an export ban.

Nevertheless, the limit would have certain drawbacks. Because production cannot be expanded by much more than another 100 MB/D within the next two to three years, the limit would delay actual exports above the 100 MB/D level even though investments in new capacity would begin immediately. In contrast, an unrestricted export would allow immediate benefits in terms of lower transportation costs and a larger incentive for West Coast production. If the 1.2 MMB/D restriction were permanently retained, the economic benefits of an export policy would be reduced by 40 to 70 percent and California production could be up to 100 MB/D lower. The Administration should therefore retain the option of removing the 1.2 MMB/D limit at an appropriate time.

IMPLICATIONS FOR THE U.S. MARITIME INDUSTRY

The U.S. maritime industry has a keen interest in the Administration's policy on Alaska exports. ANS shipments currently constitute 50 percent of the total ton-miles carried on U.S. flagships in the intercoastal trade. Sufficient new domestic capacity has not been built to accommodate this traffic in large part because of uncertainties over whether the export ban will be lifted and whether the SOHIO pipeline will be built.

If exports were allowed above 1.2 MMB/D, tanker rates would remain at about the current level and employment in the maritime industry would probably not change. Lifting the export ban completely would reduce domestic shipments and U.S. tanker rates by about 25 percent. Demand for small tankers currently carrying ANS oil would probably continue to be strong, although some large tankers might have difficulty finding other business.

REQUIRING EXPORTS TO BE SWAPPED FOR IMPORTS OF ANS OIL

The United States may have some interest in linking any export policy with a swap requirement. Under such a requirement, ANS producers would have to assure that exports are matched with equivalent imports from Mexico before an export

license is issued. The swap would allay the public's concern over increased dependence on Middle East petroleum supplies and appeal to interests in the U.S. that favor stronger Mexican ties.

Mexico and Japan would also benefit from the swap to the extent they could obtain a share of the transportation savings. The distribution of the transportation savings would depend upon the outcome of negotiations between the ANS producers, the Mexicans and the Japanese. Mexico could gain additional economic advantages if it chose to use swaps to meet its oil commitments to Japan. The swap proposal would also produce domestic political benefits to the Mexicans by enabling them to ship oil directly to the United States while apparently diversifying their markets.

Although a swap requirement could produce benefits for both the U.S. and Mexico, it could also restrict the volume of ANS exports if Mexico limited the oil available for swaps. During a period of worldwide oil shortages such swaps might not be advisable since the U.S. may well receive oil that Mexico would have exported in any event. I therefore recommend against a mandatory swap requirement, particularly in view of the facts that the market can arrange swap transactions without government assistance and the Iranian crisis raises the possibility of an extended period of worldwide oil stringency.

USE OF ANS EXPORTS TO SATISFY U.S. COMMITMENTS TO ISRAEL

It may be desirable to use ANS oil to meet our commitment to supply Israel should it be unable to procure sufficient supplies from other nations.* The Administration could announce a general principle limiting exports to production above 1.2 MMB/D but create an exception for exports to Israel, embodying both concepts in a single piece of legislation. This approach would have political appeal because it would retain the 1.2 MMB/D limit except for exports to Israel. This policy would have the additional advantage of allowing immediate exports to the extent Israel actually called upon the U.S. to supply it with oil.

Alternatively, the Administration could seek general legislation relaxing export restrictions if the need to supply Israel materialized. Popular support for aiding Israel could be used to build Congressional support for a broader lifting of the export ban.

* The range of available options for supplying Israel are discussed in an earlier memorandum to you.

IMPLEMENTING THE EXPORT POLICY

If you concur with the recommendations in this memorandum, the following steps would need to be taken to implement an export policy:

Negotiate with ANS producers to secure expressions of intent to increase leasing and production: Without firm expressions of intent by ANS producers to increase production, an export policy would have little value. Hence, the first step to implement any export policy would be to gain agreement on increased production--at first to 1.5 MMB/D and subsequently to 1 MMB/D above planned production--in exchange for lifting the export ban. Depending upon the export strategy ultimately selected, the Department may have to prepare an environmental impact statement.

Discuss the swap proposal with Japanese and Mexican officials: Before publicly anouncing a swap proposal, the Administration should confirm informal indications that Mexico and Japan are interested in participating in swap transactions.

Select the Best Congressional Strategy for Implementing an Export Policy: Under the Export Administration Amendments, either House of Congress can veto an export proposal within 60 days. In addition, the Amendments require that you make a finding that allowing exports would decrease "the average crude oil acquisition costs of refiners." Allowing exports alone would not reduce these costs. Although adjustments in the entitlements system or in the terms of the swap transaction could be made to meet this requirement, such adjustments, discussed in Appendix III, would be complicated.

One approach would be to postpone authorizing exports until June 1979, when the Export Administration Amendments are scheduled to expire. Unless the Amendments were extended, exports would be governed by the Alaska Pipeline Act which does not require a finding that exports would reduce refiner costs. Moreover, under the Pipeline Act, a swap proposal must be vetoed by both Houses or it will take effect. Because it would take the producers, Japan and Mexico several months to arrange the details of a swap transaction, the first application for an export license could not be ready until next June in any case. In addition, construction of new pipeline capacity would not be delayed by waiting until June to authorize swaps because any major construction would have to wait until after the winter of 1979.

On the other hand, it may be necessary to seek legislation repealing the restrictive provisions of the Export Administration Amendments earlier if you are called upon to allow exports to Israel. A choice between these strategies should be made after any policy for supplying Israel is formulated and Congressional sentiment is assessed.

Recommendation. I recommend you approve a policy that would allow exports of Alaska Crude above 1.2 million barrels a day. The detailed formulation of the proposal and legislative strategy would depend on Congressional, Alaskan, and foreign nation reactions to different alternatives. If you approve this recommendation, a number of Federal agencies can take the steps outlined above.

APPENDIX I

Approximate Wellhead Value of ANS and Mexican Oil

ANS Oil	Transportation Cost/BBL	Approximate Landed Price of Oil at Destination/BBL	Trans-Alaska Pipeline Tariff	Approximate Wellhead Value/BBL
Shipped to Gulf Coast	$3.10	$15.05	6.20	$5.75
Shipped to Gulf via Sohio Pipeline	2.00	15.05	6.20	6.85
Shipped to Japan	.30	14.25	6.20	7.75
Mexican Oil				
Shipped to Japan	1.00*-2.24**	14.45	-	12.21-13.45
Shipped to Gulf Coast	.26	15.25	-	14.78***

SECRET

SECRET

*Via proposed Mexican pipeline (estimated)

**Via the Panama Canal

***Estimate includes $0.21/BBL U.S. import fee.

APPENDIX II

NATIONAL SECURITY IMPLICATIONS
OF AN EXPORT POLICY

Allowing exports of ANS oil would not adversely affect the Nation's security in the event of an OAPEC oil embargo. This conclusion is the same whether or not the International Energy Program (IEP) is triggered. The IEP specifies the amount of imported crude each participant, including the U.S., would receive during a major crude supply interruption. Supplies are allocated using a formula which takes into account both the consumption and net imports of participating Nations. If an OAPEC embargo is directed solely at the U.S., other Nations would have to reduce their consumption to share the shortfall. If the embargo is directed at all participating nations, the U.S. would have to reduce its imports and possibly export oil to satisfy its IEP commitment. In either case, our obligations would be the same whether or not ANS exports were allowed.

If the IEP did not function, or if the embargo were too small to trigger the IEA, the U.S. would still be protected because ANS export contracts would contain cut-off provisions. The Export Administration amendments require that all export contracts contain a clause allowing the contract to be terminated if a supply interruption is threatened or actually occurs.

Since there is a surplus of foreign ships during an embargo, the U.S. would not have trouble finding tankers to transport ANS crude to domestic markets. The Secretary of Defense has authority under the Jones Act to allow foreign tankers to be used in domestic trade in a national emergency. Because there will be a surplus of foreign tankers, the cost of shipping will probably be lower than if domestic tankers were used.

Department of Energy
Washington, D.C. 20585

January 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Allowing Exports of Alaskan North Slope Oil

This memorandum discusses a proposal for exporting Alaska North Slope (ANS) oil in order to increase North Slope production, displace imports of foreign oil, and alleviate the West Coast oil glut. These goals have been and continue to be difficult to achieve because of current legislatively imposed barriers.

An export policy should be designed to:

- o Increase production of ANS oil: Increased ANS production would improve the balance of payments and reduce the Nation's dependence on foreign oil.

- o Stimulate production of California oil: Unless appropriate measures are taken, increased ANS production will further depress West Coast oil prices and reduce West Coast production.

- o Reduce the Cost of Shipping ANS Oil to Market: Lower transportation costs will increase the oil's wellhead value and increase Federal and State tax and royalty revenues from ANS production.

- o Appeal to Congress and the Nation: Federal policy must address the public's concern that allowing exports will increase dependence on foreign oil. It should also anticipate opposition from groups that believe the ANS producers originally misled the public about the nature of West Coast demand.

Briefly, I suggest that swaps be allowed for production above the current level of 1.2 MMB/D, but that further lifting of the restrictions on exports be postponed until the political reaction to an export policy can be better determined.

BACKGROUND

The legislation authorizing construction of the Alaska pipeline prohibited producers from exporting ANS oil without Congressional approval. At the time the act was passed, ANS producers maintained that demand on the West Coast would absorb full ANS production. Today, however, ANS production exceeds West Coast demand by 400-500 MB/D.

Because of export restrictions, Alaska oil which could be shipped inexpensively to Japan on foreign tankers is being shipped in U.S. bottoms to the Gulf Coast. As a result, the wellhead value of ANS crude is diminished by about $2.00 a barrel. Because of this diminished value, the export ban has discouraged additional ANS production. If the export ban is not lifted, production could decline from the present level of 1.2 MMB/D to as low as .8 MMB/D by 1990.

ALLOWING EXPORTS OF ANS OIL

A policy which removed all restrictions on the export of ANS oil would increase ANS production in 1990 by up to 1 MMB/D above planned production and improve the balance of payments by up to $14 billion in that year. It would also provide a stimulus to California production by immediately eliminating the surplus of West Coast oil. The total transportation savings from such a policy would be worth up to $6 billion between now and 1990 (discounted present value), as shown in Table 1. These savings are based on the use of foreign takners, particularly VLCC's, which have substantially lower transportation costs than the American tankers currently required under the Jones Act to move American oil between American ports. The maritime industry can be expected to oppose any lifting of the export ban since such action will result in the increased use of foreign tankers.

Nevertheless, political opposition to allowing unrestricted exports is likely to be strong, particularly among members of Congress who believe the ANS producers misled the public about the nature of West Coast demand. I therefore recommend that the Administration initially limit exports to ANS production above 1.2 MMB/D, the level of current production, and retain the option of increasing exports at a later date.

This approach would provide the same incentive for additional ANS production and balance of payments benefits similar to

TABLE 1

BENEFITS OF LIFTING
THE EXPORT BAN*
(Present discounted value 1979-90
in billions of 1978 dollars)

	UNRESTRICTED EXPORTS	EXPORTS ABOVE 1.2 MMB/D
Benefits to:		
o State of Alaska	$0.8 - 2.9	$0.4 - 1.2
o Federal Government	1.7 - 4.5	0.7 - 1.7
o ANS Producers	0.9 - 3.4	0.5 - 1.4
Resource Savings Due to Reduced Transportation Costs**	$2.0 - 6.0	$1.0 - 3.0

---

* Preliminary estimates. The range in the estimates reflects different assumptions about the level of ANS production and whether the SOHIO pipeline will be built. The savings from allowing exports are lower if it is assumed that the pipeline would be built in any event. The savings are higher if it is assumed that the ANS production level is high.

** The gains to ANS producers, the State of Alaska and the Federal government exceed the total resource savings because some of the gains are tranfers from West Coast consumers and tanker owners.

an unrestricted export policy, but would face substantially less opposition. The initial restriction would enable the Administration to argue that exports were limited to most of the production that would not occur under an export ban.

Nevertheless, the limit would have certain drawbacks. Because production cannot be expanded by much more than another 100 MB/D within the next two to three years, the limit would delay actual exports above the 100 MB/D level even though investments in new capacity would begin immediately. If the restrictions were permanently retained, the economic benefits of an export policy would be reduced by about 50 percent and California production would be up to 100 MB/D lower. The Administration should therefore retain the option of removing the 1.2 MMB/D limit at an appropriate time.

REQUIRING EXPORTS TO BE SWAPPED FOR IMPORTS OF ANS OIL

The United States may have some interest in linking any export policy with a swap requirement. Under such a requirement, ANS producers would have to assure that exports are matched with equivalent imports from Mexico before an export license is issued. The swap would allay the public's concern over increased dependence on Middle East petroleum supplies and appeal to interests in the U.S. that favor stronger Mexican ties.

Mexico and Japan would also benefit from the swap to the extent they could obtain a share of the transportation savings. The distribution of the transportation savings would depend upon the outcome of negotiations between the ANS producers, the Mexicans and the Japanese. Mexico could gain additional economic advantages if it chose to use swaps to meet its oil commitments to Japan. The swap proposal would also produce domestic political benefits to the Mexicans by enabling them to ship oil directly to the United States while apparently diversifying their markets.

Although a swap requirement could produce benefits for both the U.S. and Mexico, it could also restrict the volume of ANS exports if Mexico limited the oil available for swaps. I therefore recommend against a mandatory swap requirement, particularly in view of the fact that the market can arrange swap transactions without government assistance.

---

*The range of available options for supplying Israel are discussed in an earlier memorandum to you.

USE OF ANS EXPORTS TO SATISFY U.S. COMMITMENTS TO ISRAEL

It may be desirable to use ANS oil to meet our commitment to supply Israel should it be unable to procure sufficient supplies from other nations.* The Administration could announce a general principle limiting exports to production above 1.2 MMB/D but create an exception for exports to Israel, embodying both concepts in a single piece of legislation. This approach would have political appeal because it would retain the 1.2 MMB/D limit except for exports to Israel. This policy would have the additional advantage of allowing immediate exports to the extent Israel actually called upon the U.S. to supply it with oil.

Alternatively, the Administration could seek general legislation relaxing export restrictions if the need to supply Israel materialized. Popular support for aiding Israel could be used to build Congressional support for a broader lifting of the export ban.

IMPLEMENTING THE EXPORT POLICY

If you concur with the recommendations in this memorandum, the following steps would need to be taken to implement an export policy:

Negotiate with ANS producers to secure expressions of intent to increase leasing and production: Without firm expressions of intent by ANS producers to increase production, an export policy would have little value. Hence, the first step to implement any export policy would be to gain agreement on increased production--at first to 1.5 MMB/D and subsequently to 1 MMB/D above planned production--in exchange for lifting the export ban. Depending upon the export strategy ultimately selected, the Department may have to prepare an environmental impact statement.

Discuss the swap proposal with Japanese and Mexican officials: Before publicly anouncing a swap proposal, the Administration should confirm informal indications that Mexico and Japan are interested in participating in swap transactions.

Select the Best Congressional Strategy for Implementing an Export Policy: Under the Export Administration Amendments, either House of Congress can veto an export proposal within 60 days. In addition, the Amendments require that you make a finding that allowing exports would decrease "the average

crude oil acquisition costs of refiners." Allowing exports alone would not reduce these costs. Although adjustments in the entitlements system or in the terms of the swap transaction could be made to meet this requirement, such adjustments would be complicated.

One approach would be to postpone authorizing exports until June 1979, when the Export Administration Amendments are scheduled to expire. Unless the Amendments were extended, exports would be governed by the Alaska Pipeline Act which does not require a finding that exports would reduce refiner costs. Moreover, under the Pipeline Act, a swap proposal must be vetoed by both Houses or it will take effect. Because it would take the producers, Japan and Mexico several months to arrange the details of a swap transaction, the first application for an export license could not be ready until next June in any case. In addition, construction of new pipeline capacity would not be delayed by waiting until June to authorize swaps because any major construction would have to wait until after the winter of 1979.

On the other hand, it may be necessary to seek legislation repealing the restrictive provisions of the Export Administration Amendments earlier if you are called upon to allow exports to Israel. A choice between these strategies should be made after any policy for supplying Israel is formulated and Congressional sentiment is assessed.

APPENDIX I

Approximate Wellhead Value of ANS and Mexican Oil

ANS Oil	Transportation Cost/BBL	Approximate Landed Price of Oil at Destination/BBL	Trans-Alaska Pipeline Tariff	Approximate Wellhead Value/BBL
Shipped to Gulf Coast	$3.10	$15.05	6.20	$5.75
Shipped to Gulf via Sohio Pipeline	2.00	15.05	6.20	6.85
Shipped to Japan	.30	14.25	6.20	7.75
Mexican Oil				
Shipped to Japan	1.00*-2.24**	14.45	-	12.21-13.45
Shipped to Gulf Coast	.26	15.25	-	14.78***

*Via proposed Mexican pipeline (estimated)

**Via the Panama Canal

***Estimate includes $0.21/BBL U.S. import fee.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 6, 1979

NOTE TO: TERRY FOSTER

THRU: HUGH LOWETH /s/

FROM: R. KREITLER

SUBJECT: Schlesinger memo re allowing exports of Alaskan North Slope Oil - Control No. 013101

Department of Energy staff have advised that the Schlesinger memo to the President on the above subject is being rewritten and that a revised memo will be transmitted to the White House no earlier than Friday (2/9/79). We are holding our comments on the original memo and will comment on the revised memo when available.

cc: Ken Glozer
Eliot Cutler
Rick Hutcheson✓

Department of Energy
Washington, D.C. 20585

February 13, 1979

NOTE TO RICK HUTCHESON

It is most important that The President receives this Memorandum from Secretary Jim Schlesinger subject "Allowing Exports of Alaskan North Slope Oil."

Could you please see that he has this Memorandum as soon as possible.

Many thanks.

Frank R. Pagnotta

Attachment

send to same as earlier version

secret

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

February 1, 1979

MEMORANDUM FOR: RICK HUTCHESON

FROM: CHRISTINE DODSON

SUBJECT: Schlesinger Memo re Allowing Exports of Alaskan North Slope Oil (U)

The two specific measures proposed by Secretary Schlesinger are already scheduled for PRC consideration, i.e., the Alaska-Japan-Mexico-US swap is an item for consideration at the February 6 PRC on energy relations with Mexico, and the Sinai-II energy commitment to Israel is scheduled for February 8 PRC consideration. Recommendations as to Mexico will be included in the PRC decision paper and briefing papers for the Mexico trip. A recommendation based on the PRC discussion of oil supply to Israel will be submitted as soon as Israel formally invokes the Sinai-II commitment. (C)

~~CONFIDENTIAL~~
Declassify on February 1, 1980

Jag 4/27/90