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November 9, 2007

The Honorable Joseph Lieberman
United States Senate
706 Hart Building
Washington, DC 20510

Dear Senator Lieberman:

With the price of oil hovering around \$100 per barrel, I was astonished to learn that you, with 25 co-sponsors, have introduced legislation that would permanently block the development of oil and natural gas in the most promising unexplored petroleum province in North America - the coastal plain of the Arctic National Wildlife Refuge (ANWR) in Alaska.

In a press release, you said, "America's strength is not in our oil reserves, but in our reserves of innovation." I do not see national energy policy as an either/or proposition. Rather, we need to develop secure domestic sources of conventional energy, such as oil and natural gas, while also researching and developing alternative and renewable energy.

I recognize you have been inundated with both facts and misinformation concerning petroleum development in a small portion of the coastal plain of ANWR. So, I will confine my comments here to a few compelling reasons for opposing your wilderness bill:

- The U.S. Geological Survey has estimated that the amount of technically recoverable oil beneath the coastal plain ranges between 5.7 billion (95 percent probability) and 15.9 billion barrels (5 percent probability) at \$25 per barrel. As prices rise, more of this technically recoverable oil becomes economic.
- Oil from ANWR represents a secure domestic supply that could help fulfill U.S. demand for 25 years or more. Government studies suggest that the coastal plain could produce a 10 year sustained rate of one million barrels per day.

- Oil production from ANWR would extend the operational life of the Alaska pipeline by providing additional throughput and would promote the development of marginal fields that otherwise might not be economic. Further, the discovery of significant quantities of clean-burning natural gas would enhance efforts to produce and transport this commodity to market.
- ANWR development would create hundreds of thousands of American jobs, affecting virtually every state by providing a secure supply of petroleum and by creating a demand for goods and services.
- Advanced technology ensures that the footprint of development would be less than 2,000 acres (approximately one-quarter of the size of Dulles Airport).
- The coastal plain comprises approximately 1.5 million acres in a national wildlife refuge that includes over 19 million acres (the size of South Carolina), of which 8 million acres has been designated by Congress as wilderness and hence would be off limits to any commercial activity.
- Oil development is compatible with the protection of wildlife and their habitat. For example, North Slope caribou herds have remained healthy throughout existing oil development. For most of the year, the coastal plain is frozen and thus characterized by low biological productivity. Experience demonstrates that seasonal restrictions and other environmental stipulations can be utilized to protect caribou calving (six weeks in the summer), migratory birds, and fish.
- The development of ANWR would reduce U.S. dependence on unstable foreign sources of crude oil, such as the Middle East, and would decrease the U.S. trade deficit, a large percentage of which is directly attributable to importing crude oil, now totaling more than 60 percent of daily consumption.
- The initial federal share of revenues from ANWR has been estimated at \$1.2 billion at \$20 per barrel. Obviously, this return would increase significantly with crude oil between \$80 and \$100 per barrel, as would corporate and individual income tax receipts.

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Page 3

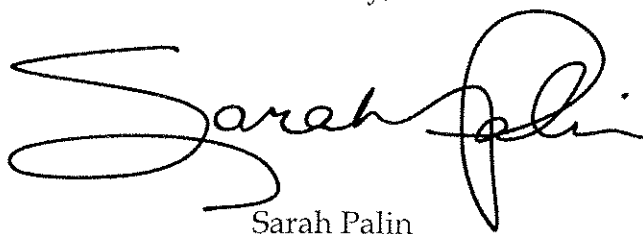
- Incremental production from the coastal plain of ANWR should help reduce price volatility in the U.S. Recent price disruptions demonstrate how even relatively low levels of production can influence the world price of oil.
- If ANWR had been developed as proposed in the 1980s or 1990s, the U.S. would now be enjoying the benefits of this resource. So, the argument advanced by drilling opponents that ANWR oil would not help the nation for several years - the time required to develop a small portion of the coastal plain - is disingenuous and simply serves to delay a critical policy decision.

I do not claim that the development of oil and natural gas from ANWR would be a panacea. However, as Governor of Alaska and as a citizen of the United States, I believe that such development should be authorized in comprehensive legislation that also includes the development of alternative fuels, fuel efficiency, conservation, and other measures. Having said this, I must note that gasoline and other products refined from crude oil will continue to fuel our transportation system for the foreseeable future.

In closing, I want to say that Alaska is ready, willing, and able to assist the nation in addressing our acute and expanding energy needs. Like many other states, we would like the opportunity to help. Congressional approval of responsible petroleum development in the coastal plain would be of incalculable benefit to my state and the nation.

If I can be of further assistance in your study of the ANWR issue, please let me know. Thank you for considering my views.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end of the name.

Sarah Palin
Governor

cc: The Honorable Ted Stevens, United States Senator
The Honorable Lisa Murkowski, United States Senator
The Honorable Don Young, United States Congressman
The Honorable Dirk Kempthorne, Secretary, Department of the Interior