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OFFICE OF THE GOVERNOR
JUNEAU

January 16, 2009

The Honorable Mark Begich
United States Senate
825C Hart Senate Office Building
Washington, DC 20510

Dear Senator Begich:

I am dismayed that legislation has again been introduced in Congress to prohibit forever oil and gas development in the most promising unexplored petroleum province in North America – the coastal plain of the Arctic National Wildlife Refuge (ANWR), in Alaska. Let's not forget that only six months ago, oil was selling for nearly \$150 per barrel, while Americans were paying \$4 a gallon and more for gasoline. And today, there is potential for prices to rebound as OPEC asserts its market power, and as Russia is disrupting needed natural gas to Europe, for the second time in three years.

As I traveled throughout the country campaigning for vice president, I was glad to hear politicians, including President-elect Barack Obama, promise 'everything was on the table' to address America's great challenges. I also found that when Americans were apprised of the facts, most people became supporters of responsible oil and gas drilling in Alaska. So, I want to remind our national leaders of this promise, and to make the case against this legislation that would permanently take off the table any consideration of responsible ANWR drilling.

I would like to make the following points:

- Oil from ANWR represents a huge, secure domestic supply that could help satisfy U.S. demand for more than 25 years.
- ANWR sits within a 20 million acre refuge (the size of South Carolina) but thanks to advanced technology like directional drilling, the aggregated drilling footprint would be less than 2,000 acres (about one-quarter the size of Dulles Airport). This is like laying a two-by-three-foot welcome mat on a basketball court.
- Energy development is quite compatible with the protection of our wildlife and their habitat. For example, North Slope caribou herds have grown and remained healthy throughout more than three decades of our oil development. Most of the year, our coastal plain is frozen solid and thus characterized by low biological productivity.

The Honorable Mark Begich

January 16, 2009

Page 2

- ANWR development would create hundreds of thousands of good American jobs, positively affecting every state by providing a safe energy supply and generating demand for goods and services.
- Development here would reduce U.S. dependence on unstable, dangerous sources of energy such as the Middle East, and would decrease our huge trade deficit, a large percentage of which is directly attributable to oil imports.
- Incremental ANWR production would help reduce energy price volatility. Previous price disruptions demonstrate how even relatively low levels of oil production influence world prices.
- Federal revenues from ANWR – cash bids, leases, and oil taxes – would help reduce the multi-trillion dollar national debt, and we would circulate U.S. petrodollars in our own country instead of continuing to send hundreds of billions of our dollars overseas, creating jobs and stronger economies in other countries.

The development of oil and clean-burning natural gas isn't a panacea. However, this development should be authorized in comprehensive legislation that includes alternative fuels, fuel efficiency, and conservation. Americans know that gasoline and other refined crude oil products will keep fueling our transportation system for the foreseeable future. Further, the soaring prices of food, pharmaceuticals, chemicals and other products illustrate the importance of petroleum to the health and well-being of America.

Another important reality is that the location and quantity of oil production are drastically changing world geopolitics. Energy-producing countries are rapidly gaining world power. Several of these countries have objectives and value systems that are antithetical to U.S. interests. Washington politicians should be horrified as we become increasingly dependent on these insecure, foreign sources while our U.S. petrodollars finance activities that harm America and our economic and military interests around the world.

If we don't move now to enact a comprehensive energy policy that includes domestic oil and gas production - including ANWR - we will look back someday and regret that we failed to perceive a critical crossroads in the history of America. It's not overly dramatic to say our nation's future depends on the decisions made by the federal government over the next few months.

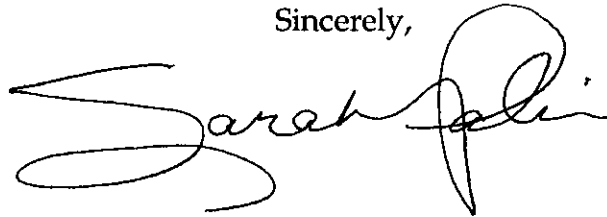
The Honorable Mark Begich
January 16, 2009
Page 3

Polls show a majority of Americans now support responsible energy development in Alaska. Unfortunately, some disingenuous special interest groups are still fighting the public will in Congress.

I urge you to leave all options 'on the table' as you formulate our needed energy plan, and to remember the promises made to the American people to increase domestic oil and gas production.

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, prominent loop at the end of the word "Palin".

Sarah Palin
Governor

cc: The Honorable Lisa Murkowski, United States Senator
The Honorable Mark Begich, United States Senator
The Honorable Don Young, United States Congressman