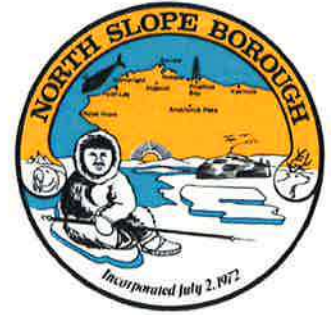


North Slope Borough

OFFICE OF THE MAYOR

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Harry K. Brower, Jr., Mayor

April 15, 2021

The Honorable Deb Haaland
Secretary, U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Submitted via: energyreview@ios.doi.gov

Re: Comments of the North Slope Borough on the U.S. Department of the Interior's Public Forum on the Federal Oil and Gas Program

Dear Secretary Haaland:

The North Slope Borough (Borough) submits the following comments in response to the U.S. Department of the Interior's (Department) March 25, 2021 virtual forum regarding the federal oil and gas program.¹ I sincerely hope that the Department will recognize, in its Interim Report and in its future work with respect to this program, the complicated but critically important role that oil and gas has played in advancing the interests of the people of the North Slope. I invite you and your team to begin a collaborative and meaningful discussion with the Borough and our residents about the future of oil and gas on the North Slope of Alaska. I believe that it can be a productive discussion.

North Slope Borough

The Borough is the regional government for eight villages spread across northern Alaska. The Borough's jurisdiction stretches from the United States-Canada border across to the western border of Alaska, and its coastline extends across the Beaufort and Chukchi Seas. It is the largest municipality in the United States by size. The Borough's jurisdiction includes the Iñupiat

¹ We understand that the Department is seeking public comments to inform its review of the federal oil and gas program as called for in Executive Order 14008, and that such information will help inform an interim report by the Department that "will include initial findings on the state of the federal conventional energy programs, as well as outline next steps and recommendations for the Department and Congress to improve stewardship of public lands and waters, create jobs, and build a just and equitable energy future." Such a report must include the voices of the people of Alaska's North Slope.

villages of Anaktuvuk Pass, Atkasuk, Kaktovik, Nuiqsut, Point Hope, Point Lay, Utqiagvik (formerly Barrow), and Wainwright, as well as the Prudhoe Bay oil field, most of the National Petroleum Reserve-Alaska, and much of the Arctic National Wildlife Refuge, including the coastal plain.

Approximately three-quarters of the Borough's nearly 10,000 permanent residents are Iñupiat. The Iñupiat and other indigenous peoples of the region have depended on the subsistence resources of the North Slope of Alaska's lands and waters for their physical health, cultural well-being, and survival for thousands of years. Over 98% of Iñupiat households utilize subsistence foods, and the social fabric of our communities revolves around subsistence. The importance of this subsistence way of life to our communities goes beyond the need for food. Our unique Iñupiat culture, our traditions, and our links to our ancestors and history are tied to our subsistence lifestyle, to our custom of sharing with others, and to celebrating our connection to the land and the ocean.

Oil and gas resources developed on the North Slope come from our backyard—a place that has sustained our people for generations. The Iñupiat have strong cultural and subsistence ties to the areas where oil and gas development on the North Slope occurs. We benefit from oil and gas development but also have considerable risks. Thus, any form of development on this land demands careful and balanced stewardship. We consider ourselves to be the first and rightful stewards of these lands.

Historical Significance of Federal Involvement in Oil and Gas Development on the North Slope

Over the last 150 years, the North Slope of Alaska—land inhabited by the Iñupiat people for thousands of years—has been parceled out to serve the interests of government, industry, and conservation. The United States purchased Russia's property interests in Alaska in 1867. In 1923, the United States set aside 23 million acres of the North Slope—an area the size of Maine—as the Naval Petroleum Reserve No. 4. Today, that area is called the National Petroleum Reserve-Alaska, or NPR-A, and pro-industry and pro-conservation groups are locked in a never-ending fight to advance their competing interests in this land.

In 1960, the Department set aside land in northeastern Alaska, which in 1980 became the 19 million-acre Arctic National Wildlife Refuge, or ANWR. ANWR covers an area roughly the size of South Carolina. Whatever this Administration may think about proposals to develop oil and gas resources in ANWR, that area has long been claimed by the United States and outside groups for conservation without the consent or even meaningful consultation of the Kaktovikmuit—the Native people who actually reside within ANWR, or other North Slope residents.

Alaska became a state in 1959, and the federal government granted the new state an entitlement to 102 million acres of land. In 1968, oil was discovered at Prudhoe Bay, and the state selected the land at Prudhoe Bay over the objections of the Iñupiat people who had inhabited those lands.

In 1971, Congress passed the Alaska Native Claims Settlement Act (ANCSA). This Act allowed Alaska Natives to select and acquire 44 million acres of land around the state but were also preventing from selecting land at Prudhoe Bay because of the State's previously selection. Also, the federal government had already set aside the NPR-A and ANWR, even though these places had for thousands of years been home to the Iñupiat people of the North Slope.

Because the federal and state governments had already claimed Iñupiat land and resources, the Borough's first mayor and the founder of the Inuit Circumpolar Council, Eben Hopson, worked with other Iñupiat leaders to create the North Slope Borough, a home-rule municipality that gave our people the ability to tax oil and gas infrastructure and thereby benefit from the resources being developed in our backyard.

Tax revenues collected by the Borough have for almost 50 years enabled the Borough to provide basic services, which are frequently taken for granted in most other communities in the United States, to the eight villages on the North Slope. Oil and gas tax revenues support health clinics, schools, our tribal college (the only tribal college in Alaska), water and sewer infrastructure, search-and-rescue services, and other essential services in all of our villages.

In a speech he gave in 1976, Eben Hopson talked about the discovery by the federal government of natural gas near Utqiagvik, formerly Barrow. The federal government had created the Naval Petroleum Reserve in 1923 and, within the Reserve, the Navy established a small research facility near Point Barrow. Exploratory drilling led to the discovery of natural gas in 1949, and a gas field was developed near the community. Natural gas was used to heat federal buildings like the hospital, the Bureau of Indian Affairs school, and the Naval Arctic Research Laboratory. But the Navy did not allow the community of Barrow to use the gas to heat their homes.

In his speech, Eben Hopson spoke about the "long, frustrating, 12-year struggle to get permission to hook our homes in Barrow to gas mains that crisscrossed Barrow through our back yards." Although it sounds incredible today, the Navy refused to let the residents of the Native village use the natural gas that came from our own backyard to heat our homes. It took an act of Congress in 1963 to allow the Native people of Barrow to buy their own natural gas back from the federal government.

The point of telling this history is obvious: the North Slope oil and gas resources literally come from our backyard. The development of those resources has had an overall profound, positive impact on our communities for 50 years. We don't have urban sprawl or malls or factories, and we don't want them. But we do want to ensure that our people continue to derive benefit from our land's natural resources to sustain our communities and enable our participation in a modern economy. Revenue from oil and gas development has been invested and will continue to be invested in the immediate and long-term survival of our communities. It is fundamental to our economic survival; it may not always be that way, but it certainly is true today.

Importance of Oil and Gas Development to the Borough and Its Residents

Responsible oil and gas development is essential to the economic survival of the Borough and its residents. Oil and gas activities are the primary economic generator for our region, and North Slope oil and gas development is by far the most significant source of funding for the Borough's community services and infrastructure. The Borough's primary source of revenue is taxes levied on oil and gas infrastructure, such as processing equipment, pipelines, and other facilities. For example, in 2016, the Borough received approximately \$373 million in oil and gas property taxes, accounting for 97% of the \$386 million in total property taxes collected by the Borough that year. In 2017, oil and gas property taxes accounted for 95% of the Borough's \$392 million in total property tax receipts.

As noted above, these tax revenues enable the Borough to invest in public infrastructure and utilities (including reliable sewer, water, and heat) and to provide essential services to our eight communities, including education (e.g., Alaska's only tribal college), health (e.g., clinics in each village, hospitals, schools, and increased sanitation), and emergency services (e.g., aircraft and crew that conduct regular medevac and search and rescue operations throughout the North Slope). These revenues support our Department of Wildlife Management, through which we deploy significant biological and traditional expertise to gather information on important subsistence species and on the land and water that is used to protect our residents' cultural and subsistence resources and to balance our cultural and nutritional needs with development of oil and gas resources. In addition to providing these services, the Borough creates employment opportunities for local residents; the local government sector (primarily, the Borough government) is the largest employer of North Slope residents.

In addition to tax revenue, the Borough and its residents benefit from the generation of royalty revenue sharing available to fund the NPR-A Impact Grant Program, which administers grants from federal revenues from oil and gas activities within the NPR-A, which are used to offset development impacts or improve communities impacted by development. Such grants are available to North Slope municipalities, including both the Borough itself and its incorporated cities. These grants are of significant benefit to the local communities.

For example, over the past ten years alone, the Borough has received almost \$30 million in NPR-A Impact Grants, which it used to fund dozens of projects related to safety, local government, infrastructure, wildlife and fisheries management, environmental health, workforce development, subsistence, planning, and social and cultural programs. A few highlights include:

- \$8,707,798 – Community Winter Access Trails: to design, construct, monitor, and maintain the North Slope Borough Community Winter Access Trails (e.g. packed snow trails) because there are no roads connecting most of our communities with the rest of the state or country. Our efforts include support for safe travel and an inspection program within the NPR-A villages, documentation of data needed to support lower cost connectivity for village residents to the state road system, and quantifying the potential benefits of establishing seasonal trails for all NPR-A communities.

- \$2,750,000 – Naval Arctic Research Laboratory Road: to relocate of a portion of Stevenson Road which provides access from the City of Utqiagvik to the Naval Arctic Research Laboratory area complexes, including Illisaġvik College and subsistence sites beyond.
- \$1,187,500 – Area-Wide Air Quality Study: to focus on several aspects of air quality and air quality monitoring by collecting baseline data in the NPR-A impacted communities.
- \$1,400,000 – NPR-A Village Comprehensive Land Use Plans: to create and update comprehensive plans that serve as a guide to the local governments when they are making decision on budgets, ordinances, capital improvements, zoning, and subdivision matters related to the community.
- \$1,174,100 – EMS Equipment Upgrades & Emergency Training Equipment: to support emergency medical services, fire protection, and search and rescue capabilities.
- \$682,000 – Iñupiat Language Revitalization: to revitalize, save, and sustain the Iñupiatun dialect by building greater awareness of the status of North Slope Iñupiatun, conduct community gatherings in the NPR-A villages, develop after-school language program, quarterly seminars supporting Iñupiatun fluency, and develop assessment tools to measure language learning and language loss.
- \$377,500 – Student Outreach/Science Education for NPR-A Villages: to enhance the critical education of students in the North Slope NPR-A villages regarding vital subsistence resources and scientific and traditional knowledge studies conducted by the NSB Department of Wildlife Management as a means of building much needed capacity in the NPR-A villages.
- \$300,000 – NSBPD Training & Personnel for NPR-A Impacted Communities: to provide police officers for the five NPR-A villages.
- \$300,000 – Health Impact Assessment – Mental Health: to provide baseline data for future mental health impact-related studies of residents across the North Slope Borough that are within the NPR-A communities.
- \$250,000 – Monitoring Teshekpuk Caribou Movements with Satellite Telemetry: to monitor the movement and seasonal distribution of the Teshekpuk caribou.

The benefits to the Borough and our residents from oil and gas development goes beyond direct financial support from tax revenue and Impact Grants. The Borough coordinates with local, state, tribal, and federal entities to inform decision-making regarding new oil and gas development, efforts to mitigate the impacts of development on Borough residents and resources, and efforts to ensure that development provides ancillary benefits in the form of infrastructure and other benefits for our residents.

Additionally, infrastructure investments associated with oil and gas development sometimes involve new roads and local facilities that provide tangible benefits to our residents. On the North Slope, access to subsistence areas and connectivity provided by roads is viewed by many residents as a significant benefit. For example, roads associated with industrial

development near the Borough villages of Utqiagvik and Nuiqsut have improved the ability of our residents to pursue subsistence opportunities.

Exploration and development activities increase employment opportunities for the residents of Borough villages. Currently, economic opportunities in our communities are limited due to their isolated locations. Development on the North Slope brings jobs to the Borough's communities, including for Borough residents. More than one-third of jobs held by Borough residents are directly or indirectly supported by the oil and gas industry.

Finally, oil and gas development and exploration serve as economic multipliers on the North Slope. Oil and gas activities increase household income for local residents employed by industry or for whom employment is supported by tax revenues. In addition, industry often contracts with Alaska Native corporations, and local shareholders of these Native corporations benefit from employment opportunities, dividend income, and the myriad investments of the Native corporations in the social, cultural, and economic welfare of the communities.²

Impact of Executive Order 14008 on the Borough

There is no question that federal, tribal, state, and local governments all play a role in protecting public health. There is no question that curbing the impacts of climate change is an important piece of the federal government's public health responsibilities. However, actions that unreasonably prohibit, restrict, or delay oil and gas development on the North Slope will have a significant negative impact on the Borough's economy and our ability to generate tax revenue to provide critical services, including health and educational services, to our residents.

The potential loss of tax revenue and NPR-A Impact Grants would directly and significantly impair the Borough's ability to provide essential government functions, support and grow our economy, provide increased opportunities for our citizens, and provide for the health and well-being of our residents. Further, loss of economic activity on the North Slope means lost jobs and opportunities for our residents in an area of the country that already struggles with significant unemployment.

The Borough relies on the construction of new oil and gas infrastructure to support the continued generation of critical tax revenues for the Borough. As existing oil and gas production declines in the legacy Prudhoe Bay fields, new sources of revenue generated by new projects, such as ConocoPhillips' Willow Project, will allow the Borough to maintain essential municipal services, including health and educational services, for our residents and communities.

The Borough participated as a cooperating agency with the federal government in the development of the Environmental Impact Statement for the Willow Master Development Plan.

² For example, ConocoPhillips is utilizing local Alaska Native corporations to perform work related to the Willow Project in the NPR-A. Local corporation Nanuq Inc. (a wholly owned subsidiary of Kuukpik Corporation, Nuiqsut's local village corporation established pursuant to ANCSA), employs Nuiqsut residents and serves as the Willow Project's ice road construction contractor. In addition, staking and survey work for the ice road is performed by UMIAQ Design, LLC (a subsidiary of Ukpeagvik Iñupiat Corporation, Utqiagvik's local ANCSA village corporation).

Through numerous meetings and workshops, we assisted in the development of the alternatives, required operating procedures, and best management practices for mitigating impacts to renewable resources for the Willow Project. The Bureau of Land Management did an exceptional job throughout this process in its outreach to local entities. Furthermore, the Willow Project is a great example of responsible oil and gas development. It is land based development typical of the North Slope, which will be connected to existing infrastructure and the Trans-Alaska Pipeline System. For all the reasons noted above, The Willow Project will benefit the Borough and support our ability to maintain essential municipal services to our residents and communities. For these reasons, we have intervened in the legal challenges to the Willow Project from outside groups that do not understand or appreciate the mitigation measures and planning that went into this project, as well as its importance to North Slope's residents. We look forward to working with the Department of the Interior in this litigation.

Conclusion

The Borough welcomes the opportunity to submit comments to the Department on its Public Forum on the Federal Oil and Gas Program. We encourage the Department to regularly and meaningfully engage with the Borough as it moves forward in its evaluation of the federal oil and gas program and other activities and decisions that impact our communities and subsistence resources. The Department could benefit from the unique perspective of the Borough and our residents about our lands, waters and other resources.

Nearly three-quarters of Borough residents are Iñupiat. The Iñupiat have strong cultural and subsistence ties to these lands and have a vast knowledge about the area because we have depended on the subsistence resources of the North Slope's lands and waters for our physical health, cultural well-being and survival for thousands of years. We rely on responsible and balanced resource development in order to support economic and infrastructure development opportunities, and access to services and the provision of employment and subsistence benefits for our residents. The Department must consider the real-world impacts of its decisions and hear from the people who will be directly implicated by those decisions as it considers its responsibilities under Executive Order 14008. We call on the Department to actively engage with the people of the North Slope as it considers changes to programs and policies that effect the everyday lives of our residents.

Sincerely,

A handwritten signature in blue ink that reads "Harry K. Brower, Jr." with a stylized flourish at the end.

Harry K. Brower, Jr.
Mayor, North Slope Borough