



March 20, 2014

The Honorable John Coghill
Chair, Senate Judiciary Committee
State Senate
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senator Coghill,

This letter is a written statement of support for HB 47 – Injunction Security: Industrial Operation.

Doyon, Limited is the state chartered Alaska Native Claims Settlement Act Regional Corporation for Interior Alaska. Doyon has more than 18,900 shareholders. Furthermore Doyon is the largest private landowner in Alaska, with a land entitlement under ANCSA of more than 12.5 million acres. Our mission is to continually enhance our position as a financially strong Native corporation in order to promote the economic and social wellbeing of our shareholders and future shareholders, to strengthen our Native way of life and to protect and enhance our land and resources.

In furtherance of this mission, Doyon has been pursuing several oil and gas exploration projects in Interior Alaska on Doyon lands and State of Alaska leases. While Doyon is committed to the responsible development of our lands, there is a risk at every stage of these projects for administrative and legal challenges from third parties who appear to seek to stop all resource development.

HB 47 addresses litigation activities which are a costly risk to our exploration efforts. The costs of these litigation efforts are born solely by resource developers; and the efforts can delay permitted projects. HB 47 provides a mechanism to remedy the situation by leveling the playing field.

Currently, all of the risks and costs of such challenges are borne by the developer. We believe that challenges to resource development projects are often made without a reasonable likelihood of success, cause significant delay to projects, which then in turn increases risk of not achieving a reasonable and predictable return on investment for the project, and that such poorly founded challenges often result in meritorious projects not being developed. We believe it would be more equitable to require a bond be posted so that parties seeking to challenge projects are encouraged to more fully consider the merits of a challenges and face some risk (similar to the risks faced by the project developer) in challenging the projects.



LEADER in All We Do

Doyon does not seek to restrict parties from legitimate challenges to projects that do not adhere to applicable federal and state requirements, but by balancing the risks, we believe the Alaska State Legislature would be removing a significant disincentive for developing resources projects.

Thank you for the work you do to support Alaska, and for the opportunity to comment. If you have any questions about this letter of support, please contact our office at (907) 459-2000.

Sincerely,

Aaron M. Schutt
President and CEO

CC: Representative Eric Feige