

February 16, 2024

VIA E-MAIL (Representative.Tom.McKay@akleg.gov; house.resources@akleg.gov)

The Honorable Representative Tom McKay
Chair, House Resources Committee
Alaska State Capitol
Juneau, Alaska 99801

Re: Support for House Joint Resolution 20

Dear Chairman McKay and Members of the House Resources Committee:

ASRC Energy Services, LLC (AES) writes in strong support of House Joint Resolution No. 20 (HJR 20), “Urging withdrawal of proposed Bureau of Land Management (BLM) regulations affecting the National Petroleum Reserve in Alaska (NPR-A).” There should be meaningful engagement with Alaska Natives, tribes, local governments, and affected communities and stakeholders before rulemaking of this magnitude takes destructive effect. Thank you for hearing this important issue and giving due consideration to voices of Alaskans.

AES is the largest, locally owned, private employer in Alaska with currently over 2,700 employees, the vast majority of whom support work on the North Slope and within the NPR-A. We are a subsidiary of Arctic Slope Regional Corporation (ASRC), an Alaska Native corporation created pursuant to the Alaska Native Claims Settlement Act (ANCSA). ASRC represents the business interests of its over 14,000 Iñupiaq shareholders. As a subsidiary of ASRC, Iñupiaq values are core to AES, and as part of that we are stewards of the environment where we live and work. That stewardship has led to responsible and safe support operations for Alaska’s energy sector for over 40 years.

Over the next five years, AES expects to deploy over 3,500 employees in support of work across the North Slope, including in the NPR-A. Most of our employees are Alaskans and many are Alaska Natives, whose economic livelihood is tied to work in the NPR-A, which was specifically set aside over a century ago for its resource value. Despite the original purpose of the NPR-A, the rule threatens to severely limit, if not entirely prevent all future development. At bare minimum, there should be meaningful engagement with those most directly impacted to fully assess the economic and other ramifications.

For AES, the potential economic ramifications threaten this company and the livelihood of thousands of Alaskans and Alaska Natives we employ. For example, ConocoPhillips Alaska holds over 150 leases within the NPR-A, including over 80 leases designated as “Special Areas.” In the rule’s current form, it would significantly and adversely affect future proposals for new

OUR PURPOSE: TO FIND SUSTAINABLE SOLUTIONS FOR A SUSTAINABLE FUTURE

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development within the NPR-A. Threats to future resource development within the NPR-A are threats to our company's and our employees' economic future.

Responsible resource development within the NPR-A currently supports training and development programs to enhance the economic prospects of our Alaska Native shareholder employees. One such training program is called the "Nutaq" program, which means "new learner" in Iñupiaq. This is a paid, entry level training program for people who typically do not have sufficient training, skills, qualifications, or experience to obtain full time, regular employment in a trade position. Through the Nutaq program, AES invests in internal and external training and apprenticeships to enable Alaska Native shareholders to obtain skilled trade positions, at AES or elsewhere, in craft fields like electrical, welding, scaffolding, pipefitting, heavy equipment operating, and additional trades. Any reduction in development opportunities within the NPR-A will reduce the opportunities for Alaska Native shareholders to obtain valuable job training to support themselves, their families, and their communities.

The supposed benefits of the proposed rule are even more dubious when looking at the strong record of responsible resource development in Alaska. We have some of the highest environmental standards worldwide, and AES has been successfully operating within these standards for decades. Despite an exemplary record, the proposed rule creates a presumption against responsible development in a region where the North Slope residents, communities and shareholders rely on that responsible resource development to fund the health, social, economic, and community benefits necessary to sustain cultural and traditional living in remote villages. The rules' threat to halt responsible development is a simultaneous threat to our Alaska Native employees' culture and ability to live where their ancestors have lived for generations. And at present, the rule threatens these outcomes with no meaningful engagement of the people who will be most affected.

It would also be difficult to overestimate the state-wide economic impact of the proposed rule. Over 103,000 Alaska jobs are attributable to oil and gas investment and activity, which represents 32% of all Alaska jobs and 35% of all Alaska wages.¹ Employment with Alaska Native Corporations and their subsidiaries contribute to better wages and lower rates of economic inequality. The 2020 National Petroleum Reserve in Alaska Integrated Activity Plan and Environmental Impact Statement estimates that the exploration, development, and production of oil and gas in the one reserve could generate 3,600 direct jobs and 2,750 indirect jobs annually over a period of 30 years.

100 years ago, Congress specifically set aside and designated the NPR-A to ensure American energy independence. With impact akin to blunt force trauma, the rule attempts to wipe out a century of precedent and economic prosperity that has been built upon a consistent approach to NPR-A policymaking. At absolute minimum rulemaking of this kind of potential effect deserves the careful consideration that can only be achieved with meaningful engagement with the region's Alaska Native elected leadership whose communities and constituents will be most

¹ Alaska Oil and Gas Association

impacted by such an abrupt upheaval of 100 years of continuity. For these reasons, AES urges swift approval of HJR20. Thank you for your consideration.

Sincerely,



Christine Resler
President and CEO
ASRC Energy Services, LLC

Cc: Ed King (Ed.King@akleg.gov)