

**Testimony of the Charlotte Brower  
Mayor, North Slope Borough, Alaska  
May 22, 2013**

**Before the  
Committee on Natural Resources  
United States House of Representatives  
Legislative Hearing on H.R. 1964**

Chairman Hastings, Congressman Young, Members of the Committee:

I want to thank you for the opportunity to provide comments for your hearing on the federal government's management of the National Petroleum Reserve-Alaska (NPR-A) and, specifically, H.R. 1964, the "National Petroleum Reserve Alaska Access Act", which would, among other things, nullify the NPR-A Integrated Activity Plan (IAP) Record of Decision (ROD) issued by the Secretary of the Interior on February 21, 2013, and amend the Naval Petroleum Reserves Production Act of 1976 to direct the Secretary of the Interior to conduct a program of competitive leasing of oil and gas in the NPR-A.

As you may know, the North Slope Borough (Borough) participated in the development, by the Bureau of Land Management (BLM), of the IAP and Environmental Impact Statement (EIS) for the NPR-A. The Borough did not support several of the management decisions embodied in Alternative B-2, the preferred alternative in the final EIS. Alternative B-2 served as the basis for the ROD adopted by BLM for the management of the NPR-A.<sup>1</sup> The Borough does, however, maintain a good relationship with BLM's Alaska office. We appreciate BLM's efforts to ensure that the Borough and our communities have a seat at the table when it comes to managing NPR-A lands, and in particular, we support the recent efforts of the BLM to establish the NPR-A Working Group to better involve North Slope communities in NPR-A management decisions.

The NPR-A IAP governs the management of the entire 22.6 million-acre NPR-A, focusing on the potential effects of oil and gas leasing, exploration, and development within the area. The entire NPR-A lies within the boundaries of the North Slope Borough, a home rule regional municipal charter government operating under the laws of the State of Alaska. The majority of Borough residents are Iñupiat Eskimos that live a

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<sup>1</sup> The Borough recommended implementation of Alternative A, but with the southern region of NPR-A also opened for oil and gas leasing. Specifically, the Borough recommended that BLM apply the current package of stipulations and required operating procedures (ROPs) as presented in the 2008 Record of Decision for the former Northeast Planning Area, to the entire NPR-A. The Borough recommended that the area in the former Northwest Planning Area previously deferred from leasing until 2014 should be included in future lease sales upon expiration of the deferral. The Borough recommended that the area north and east of Teshekpuk Lake previously deferred from leasing until 2018 should be subject to an additional, targeted planning process before a decision was made to extend the deferral or open the area to leasing subject to appropriate protective measures. The Borough recommended that Special Areas should remain as previously defined. The Borough also recommended that no Wild and Scenic Rivers should be designated.

subsistence lifestyle and are dependent upon the wild resources of our traditional lands and waters for our physical health and our cultural and spiritual well being.

All of the NPR-A has been used by the Iñupiat people for centuries, and continues to be of great importance to the well-being of our residents today. It contains habitat unique on the North Slope, and sees exceptional seasonal concentrations of wildlife resources. The region contains important nesting and staging areas for waterfowl, shorebirds, and raptors, overwintering and spawning areas for fish, and calving and insect-relief habitat for caribou. Many of these resource populations, including vast numbers of waterfowl and the Teshekpuk Lake, Central Arctic, and Western Arctic Caribou Herds migrate to, through, and from the NPR-A following relatively predictable patterns. In terms of the numbers of caribou harvested for subsistence, the Teshekpuk Lake Herd is today the most important herd on the North Slope. Scores of traditional subsistence cabins, campsites, transportation routes, and key harvest areas can be found throughout the region. Many significant Iñupiat cultural and historic sites dot the landscape.

While always mindful of the critical need to protect the environment and preserve subsistence opportunities, the North Slope Borough and our residents also recognize that our ability to continue to provide even the most basic services to our communities depends largely upon a revenue stream generated by taxes on oil and gas facilities located on land and in waters of the State of Alaska.

The potential for oil and gas leasing, exploration, and development in the NPR-A therefore presents difficult questions of priorities and policy for all North Slope organizations. Our challenge has always been to find a balance between the need for industry-fueled revenue and preservation of a healthy North Slope environment, healthy subsistence resource populations, and vibrant traditional subsistence culture of our people.

Throughout the past forty years, we have vigorously exercised our authority and influence to see industrial operations sited and conducted to the greatest extent possible in an environmentally and culturally sensitive manner. We have not always been successful in halting or conditioning operations to fully avoid or minimize adverse impacts. Cumulative impacts have occurred, and are only now being acknowledged by industry and the responsible federal and state agencies. For the most part, however, and to some extent because of the Borough's insistence on appropriate conditions, onshore oil and gas operations have been designed and operated without significant long-term effects on the environment, wildlife populations, or the Iñupiat subsistence culture.

H.R. 1964, the "National Petroleum Reserve Alaska Access Act"

I would like to take this opportunity to thank Chairman Hastings and Congressman Young for taking a hard look at the energy needs of our nation and for addressing the importance of a well-balanced approach to the management of the National Petroleum Reserve- Alaska. In particular, I think it is important for Congress to reaffirm that the purpose of the NPR-A is to provide oil and gas resources to the United States and to take

steps to ensure that the Reserve is managed in a way that allows for responsible natural resource development.

The IAP released by the Department of the Interior prohibits oil and gas leasing in well over 50% of the NPR-A. This includes areas identified by BLM's own estimates as having a high potential for oil and gas resources. While we are appreciative of Interior's intent to protect and preserve wildlife resources and the habitats they depend on, we also feel that it is equally important for the NPR-A to be managed in a way that promotes responsible oil and gas development and economic opportunities for local communities.

We also support efforts to conduct updated resource assessments within the NPR-A to understand the resources that are available. This kind of information is critical to making effective and informed decisions over NPR-A management.

### NPR-A Working Group

While this hearing focuses on the federal government's management of the NPR-A and, specifically, H.R. 1964, the "National Petroleum Reserve Alaska Access Act", I would be remiss not to comment on a few additional policy matters that are fundamentally related.

First, along with Arctic Slope Regional Corporation and the Iñupiat Community of the Arctic Slope—for which there are representatives here today—we commend BLM for establishing the new NPR-A Working Group. And we are pleased that the BLM has obtained funding for this important initiative.

My administration has focused on the value of collaboration, communication, and coordination in the review of management decisions involving the NPR-A. Management decisions involving the NPR-A can have cultural and economic impacts which disproportionately affect local populations. The effects of climate change on the Arctic environment are rapidly changing known plant and animal distributions, habitats, and ranges as well as the physical landscape and subsistence hunting practices and areas.

Because of these impacts, infrequent commenting opportunities through the National Environmental Policy Act process, and other public processes, may not provide the most effective mechanism for local entities to provide meaningful input on NPR-A management decisions. We hope the NPR-A Working Group will strengthen coordination and cooperation between BLM, the Borough, and North Slope entities on NPR-A management issues. And we further hope that any proposed legislation that impacts the management of the NPR-A will include language that acknowledges the importance of this type of collaboration.

### Legacy Wells

I also want to address the BLM's duty to fulfill its mission of protecting public land by plugging and remediating more than a hundred oil wells in northern Alaska.

These wells, known as the “Legacy Wells,” were drilled between 1944 and 1982 by the federal government in an attempt to locate commercial quantities of oil and natural gas. The U.S. Navy and U.S. Geological Survey drilled 136 wells in Northern Alaska over the span of five decades, which are now abandoned. Only a handful of the 136 wells have been plugged and cleaned up by State of Alaska standards. This issue is of concern to the entire State.

The federal government wishes to act as steward of the land in Alaska, often telling our people what they can or cannot do on the land. Yet here is an example of the same government failing to fulfill the most basic of responsibilities as a land owner. Residents of the North Slope want to develop resources, but we want to do so responsibly.

The State of Alaska’s Oil and Gas Conservation Commission (AOGCC) has commented that all of BLM’s legacy wells are or have been out of compliance with multiple Alaska regulations. If these wells were operated by an oil company, the AOGCC would force compliance with its regulations and impose fines for any non-compliance.

#### BLM’s FY 2014 Budget

Under the President’s FY 2014 budget proposal for BLM, Alaska’s 50-percent share of revenue from oil and natural gas activity in the NPR-A would be diverted from the State to the BLM to pay for the cleanup of legacy wells drilled by the federal government between 1944 to 1981 and to complete land conveyances owed to the State and to Alaska Natives. I cannot emphasize enough how offensive this proposal is to the North Slope Borough.

The majority of NPR-A Impact Aid grant funding goes to four communities located within the NPR-A—Barrow, Nuiqsut, Wainwright and Atkasuk—which rely heavily on Local Government Operation grants to sustain their city governments. The four Local Government Operational grants total approximately \$3.1 million annually, subject to NPR-A Impact Aid funding. These projects support operations and maintenance costs necessary to operate the local governments.

BLM’s proposal to divert NPR-A revenues owed to the State will result in the elimination of NPR-A Impact Aid payments to the four NPR-A villages that depend on NPR-A revenues to operate. In 2010, the North Slope Borough completed a comprehensive Economic Profile and Census project in our region. The results indicated that 26.5% of our residents are unemployed and 49.4% are underemployed. If NPR-A revenue sharing payments cease, our villages and our already economically vulnerable residents will be harmed.

BLM has expended \$86 million to address 18 legacy wells (\$4.77 million per well). Current NPR-A Impact Fund deposits are less than \$4 million per year, and there are more than 110 additional wells to address – that means the “temporary” halt in revenue sharing payments proposed by BLM would end in about 150 years if all revenues are

diverted to the Legacy Well cleanup program and no funding is committed to State and Native land conveyances.

We cannot understand why BLM would choose to deprive our villages and our residents of Impact Aid grant funds, which are specifically authorized by Congress to address the impacts of oil and gas development in the region. Moreover, NPR-A revenues cannot realistically support either the Legacy Well cleanup program or the Alaska Land Conveyance program, as proposed in BLM's budget. We hope BLM will find another way to fulfill its federal commitments to Alaska and to our people.

Quyanaqpak (Thank you very much) for the opportunity to address you today.