

U.S. House Subcommittee on Energy and Mineral Resources
Hearing on “Domestic Oil and Natural Gas:
Alaskan Resources, Access and Infrastructure”
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*Prepared Comments
of
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Chairman Lamborn, Ranking Member Holt, and distinguished Subcommittee members, thank you for allowing me an opportunity to address this important issue.

My Name is Richard Glenn. I am the Executive Vice President for Lands and Natural Resources for Arctic Slope Regional Corporation (ASRC), based in Barrow, Alaska. Arctic Slope Regional Corporation is an Alaskan Native-owned regional corporation that was established pursuant to the Alaska Native Claims Settlement Act of 1971 (ANCSA). It is a private, for-profit corporation that is owned by the 11,000 Iñupiat Eskimos from the villages of Point Hope, Point Lay, Wainwright, Atkasuk, Barrow, Nuiqsut, Kaktovik, and Anaktuvuk Pass on Alaska’s North Slope.

Our villages are small and separated by great distance with no roads connecting them. Barrow, my hometown, is a coastal community located 340 miles north of the Arctic Circle. It is located in a region of tundra plains, devoid of trees, with an average annual temperature of around 10 degrees Fahrenheit. In Barrow, the ground is frozen to a depth of about a thousand feet and our ocean is ice-covered for much of the year. In our more remote villages, fuel can cost ten dollars or more per gallon; milk – eleven dollars per gallon. Despite these physical and current economic challenges, the Inupiat people have endured. We have done so for centuries. We have demonstrated a close relationship with both the land and sea in our region.

Our communities realize that our survival depends on a healthy environment and upon resource development that exists in our region. Safe, responsible oil and gas development is the only industry that has remained in our region long enough to foster improvements to our remote communities. More than forty years ago, when the Prudhoe Bay oilfields were first being developed, our people were worried about the effects on the environment and its wildlife. We formed our regional government in part to exercise permitting control on the explorers and producers. Now we can look back and see that fish, caribou and waterfowl were not threatened by development-in fact they have increased in number. Regarding environmental effects of oil and gas development, on and offshore, no one has more at stake than the residents of the North Slope.

Congress in 1971 passed the Alaska Native Claims Settlement Act in an attempt to extinguish claims of aboriginal title by Alaska's Native people. With ANCSA, Congress chose to create 12 land-based Alaska Native Regional Corporations and more than 200 Alaska Native Village Corporations, and gave each of them title to surface and/or subsurface ownership of some of the land they claimed, as well as a cash settlement for part of the remainder of lands each group claimed. With these lands and cash settlements, the corporations were poised to develop their resources and benefit their shareholders, the tribal members of their region or village. My regional corporation, ASRC, represents the Natives of Alaska's North Slope.

With approximately five million acres of surface and subsurface estate conveyed to it under the terms of ANCSA, ASRC is the largest private landowner on the North Slope. ASRC's lands contain a high potential for oil, gas, coal and minerals, including lands that are already producing oil. As stewards of the land, ASRC continuously strives to balance management of Iñupiat Eskimo cultural resources with management of natural resources.

Alaska's North Slope is a national energy province. It covers 50 million acres of the northern portion of our state and hosts many well known energy resource prospects and production areas including Prudhoe Bay and nearby oil fields, the National Petroleum Reserve in Alaska (NPR-A), the Coastal Plain of the Arctic National Wildlife Refuge and many others. It is adjacent to both the Beaufort and Chukchi Seas, which overlie the most prospective hydrocarbon basins of Alaska's Outer Continental Shelf (OCS).

At its peak around 1990, northern Alaska produced up to a fifth of the country's oil, sending more than two million barrels per day from the prolific Prudhoe Bay, Kuparuk and nearby oilfields down the 800-mile long Trans Alaska Pipeline System (TAPS) for marine shipment to the West Coast. Today, TAPS remains the single conduit for development of Alaska's resources; it defines access and infrastructure. And, the resources of the North Slope have been developed without negatively affecting the wildlife species such as fish, caribou or migrating waterfowl.

Today, Alaska's production is at about a third of its peak (see chart). Continued reduction in volume, or throughput, as the large fields decline, threatens the integrity of the pipeline itself. At lower flow rates, paraffins and water are more prone to settle out and the oil cools more in transit due to its slow velocity. The result is an increased risk of accelerated corrosion and freezing. Despite the development of about a dozen other North Slope oil fields, none have yet been able to compensate for the decline of the much larger Prudhoe and Kuparuk fields. They have only lessened the steepness of the decline.

Other nearby prospects for production or exploration lie fallow today because there is a near shutdown of new onshore development. This is due to a mixture of federal policy and land use decisions that have chilled new exploration and development. A good example is the National Petroleum Reserve in Alaska (NPR-A). The 23 million-acre NPR-A was designated in 1923 by President Harding specifically for its hydrocarbon potential due to the presence of naturally occurring oil and gas seeps throughout the area. Today, further exploration of the NPR-A is at risk by overlapping swaths of National Monument and

Critical Habitat status – in a petroleum reserve. When North Slope leaders and others have advocated over the years for the exploration of the Native-owned lands on Coastal Plain of the Arctic National Wildlife Refuge, we have been told that the NPR-A exists for that kind of activity. Now, at a time when we need additional development, even the Native-owned lands in the NPR-A are being held off limits.

According to the USGS, the most significant prospects for additional new production lie in Alaska's OCS region. It appears that this Administration agrees that it is in the nation's interest that Alaska's OCS should be explored and developed. With the production decline of the larger onshore fields and few marginal discoveries to replace them, the future of TAPS (and the economic future of both the North Slope and the State of Alaska itself) depends on the development of additional production from offshore prospects.

We believe that offshore exploration can be conducted safely. While the rest of the world was fixed on the disaster in the Gulf of Mexico, we were reviewing the leading exploration safety measures that the Alaska OCS explorers have developed for the Arctic. We were favorably impressed. In addition, we have seen the extra measures that explorers have taken to avoid conflict with our subsistence hunters. They have gone a long way to ease our concerns.

This hearing is timely. Our region, just last week, assembled our leadership to discuss this very topic. We find that our community survival depends on continued production from our region. Let me be clear, without development in our region our communities will not survive. Thank you again, Committee members, for allowing me to share the views of the people of the North Slope regarding development of Alaska's natural resources.