

Testimony of

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Congressman Young, thank you for the opportunity to testify on energy policy and their effect on Alaska Native Villages, and thank you for holding this hearing here in Fairbanks. My name is Sarah Obed, and I am the Director of Government Relations for Doyon, Limited. I am Athabascan, my family is from the Native Village of Minto, and I am a Doyon, Limited shareholder.

As you know, Doyon, Limited is one of thirteen Alaska Native Regional Corporations, formed under the Alaska Native Claims Settlement Act of 1971 (ANCSA). Doyon has more than 18,000 Alaska Native shareholders, with almost 75% residing here in the State. Our mission is to promote the economic and social well-being of our shareholders and future shareholders, to strengthen our Native way of life and to protect and enhance our land and resources, and we are proud of our past record.

Doyon, Limited has a long history of working in Alaska's rural areas, for example:

- Doyon Drilling has performed oil and gas production services for thirty years in Alaska's North Slope fields as well as other fields in Alaska.
- Doyon Aramark JV has operated as a concessionaire in Denali National Park for almost 10 years and for over 16 years Doyon Tourism has owned and operated the Kantishna Roadhouse, a full service wilderness lodge providing overnight accommodations to Denali National Park visitors. The Roadhouse is located 93 miles inside the Park on an in-holding surrounded by National Park Service lands.
- Doyon Universal and our newly formed Doyon Remote Facility Services provide operational support services on the North Slope and along the pipeline.

With these subsidiaries, and others in the Doyon, Limited Family of companies, Doyon provides jobs to over 1500 people in Alaska, over 400 being Doyon shareholders. These are good salaried jobs with good benefits. However, while these are Alaska-based jobs, most of them require the worker to leave their village and live in either Fairbanks or Anchorage, or commute every two weeks.

Doyon values its relationship to the Place of our people: to our land, our culture, our way of life. We value our Place as the historical successor to our grandparents' ownership and stewardship of our land; as the fiduciary for our shareholders; as the trustee for our grandchildren's inheritance. We are intimately, subtly and profoundly connected to our Place - our corporate values flow from this sense of Place.

Doyon, Limited strives to provide opportunities for our shareholders. However, because of the remoteness of many of the villages in our region, there are very few viable economic opportunities in rural Alaska. The remoteness and distance from larger communities make basic living expenses higher, and makes the cost of conducting business more expensive. Energy, whether used to heat our homes, light our houses, or power our vehicles, is probably the single most expensive necessity. It is no coincidence that the industries that Doyon, Limited is currently involved in are the same industries that could successfully function in rural Alaska and provide an answer to our expensive energy conundrum.

Doyon has also been actively looking for oil and gas development opportunities in our region, on lands that are close to our people. These projects include exploration near Steven's Village, Birch Creek, and in the Nenana basin, near Minto and Nenana. We have worked with villages, shareholders, local governments, and village corporations when exploring in these areas, and we believe we are close to seeing these efforts come to fruition.

It is frustrating to the Alaska Native community to have worked through the ANCSA process only 40 years ago - towards the promise of using our lands for the betterment of our people, to then have the same federal government implement policies which provide obstacles to success. Policies that block our efforts include the future designation of a new federal authority for wilderness areas, or the uncertainty of the 10J rule under the Endangered Species Act.

Current obstacles to successful and profitable activity include the costs of transportation, high costs of energy, and high costs of goods. Outside of infrastructure issues, federal regulations and access also impede economic growth. In many cases, we are confronted with barriers of federal land between our land/opportunities and the infrastructure corridor. These barriers either make the cost of development more expensive or outright impossible.

On the other hand Doyon has utilized opportunities provided by the Federal government to reduce our costs, including planning a micro-hydroelectric project to reduce our carbon footprint in Kantishna, and would also reduce our operating costs there by over fifty percent. We are thankful for the leadership Congressman Young has provided in helping the Kantisha land exchange legislation passed in the House, which helps us further develop this project.

In conclusion, our rural communities face high costs of energy despite being a resource rich state. It seems as if resource and energy problem in the State of Alaska has still yet to be solved, however with all interested parties- which includes the Federal, State, local governments, private landowners such as the Alaska Native regional corporations and our tribal entities- working on this problem, I feel confident that this is something we can solve for the betterment of Alaska's rural communities.