Perspective from the North Slope Borough

Speaker:
Charlotte E. Brower – Mayor, North Slope Borough

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  • Charlotte E. Brower
Good afternoon, I am humbled and honored to be standing in front of you at this conference today. My name is Charlotte Brower, and I serve the people as Mayor of the North Slope Borough. I’m also the wife of a Whaling Captain, a mother, and the grandmother to 23 beautiful Grandchildren.

As many of you know the Borough just celebrated its 40th anniversary. The theme of the celebration was *Unity then, Unity now, 40 years strong*. This theme made me think of how far the Borough, the State, and Industry have come in the past 40 years. Our relationship has had its ups and downs, like most things in life. Sometimes it has been good, at other times it’s been rocky.

We all recognize the economic importance of oil and gas development, but sometimes we have disagreed on where and when development should occur. For many years the residents of the North Slope Borough have lived on the front lines of oil and gas development. I am pleased that you have invited me here and want to hear about our thoughts and concerns about this next major phase in North Slope resource development.

We are primarily here to listen to your plans so that we can better understand the potential impacts on our communities. But since you asked me to participate I will take a few minutes to point out a couple of areas where I believe the North Slope Borough needs to be involved in this process, and where, and how we can help.

Earlier this year, we learned that the U.S. Geological Survey estimated that up to 2 billion barrels of oil and 80 trillion cubic feet of gas could be recovered from North Slope shale.
We also learned there is a task force consisting of 10 people from State agencies that have already been meeting to evaluate what might be involved in North Slope shale oil development. Currently the Alaska Departments of Natural Resources, Fish & Game, and Environmental Conservation have representatives on the task force, but the Borough does not. If this preplanning is going to be successful the North Slope Borough needs to part of the process as well. We understand this is a State Government task force, but imagine setting the table and not inviting the host to dinner.

We Inupiat on the North Slope have always viewed the world through a different cultural lens, and sometimes that has led others to a conclusion that we are anti-development. Let me assure you that this is simply not the case.

When we express a concern regarding a new project, it’s for the same reasons that any other community might have when a resource company wants to drill in their back yard. These concerns need to be addressed in the analysis that precedes a project. It takes time to create a level of trust between parties with different cultural and economic perspectives.

By making an investment of time, agencies and companies send the message that they’re not just in it for the oil; they also understand and honor the values that connect the Inupiaq to the land and sea. We need you to be good corporate citizens, we need the State to respect the value of our local knowledge, and we need to be involved in the planning process from the beginning.

We hunt and fish on the same land and water that our ancestors have used for thousands of years. We honor and practice their traditions. But the way we use the land and the rivers and oceans is now in competition with other uses.

We are constantly faced with the challenge of how to adapt, how much to adapt, how much to accept and how much to resist. Every day, our communities face decisions and these community decisions will determine what life is like in the future.
Our people and culture will survive beyond the time of oil and gas development, but will only thrive if we get things right from the beginning in regards to development. The North Slope is an opportunity for you, it is a revenue source for the State and the Borough, but for my constituents it’s first and foremost home.

As much as we fight to protect our subsistence lifestyle, we also realize and appreciate that the investments companies have made in oil and gas development are the foundation of the North Slope Borough’s present economic vitality.

It is ironic that the industrial development that has so profoundly impacted the people of the North Slope is also the primary means of support for cultural programs and language preservation efforts. We have a complicated arrangement, but in the 40 plus years of development our two cultures have learned to reasonably accommodate each other.

We have learned that our cultural differences are not an overwhelming barrier to most development. When done right, our differences do not have to force a choice between the values of resource development and a traditional subsistence lifestyle.

Before I speak to several other areas of concern I want to make sure the record reflects that the North Slope Borough consistently supports responsible onshore development as long as the development has well-defined timetables and commitments for construction, such as:

- That developer’s commit to hiring qualified Alaskans, especially those most impacted by the development.
- That the projects are designed to protect the environment.
- And programs are subject to permit conditions to protect subsistence resources.
In the past we have aggressively supported opening many of the areas that were closed to development, in fact we continually assist with visits by political and media delegations.

We have also accommodated NPR-A development, except in an area around Teshekpuk Lake, where valuable wildlife habitat and subsistence activities have historically taken precedence.

We supported the bridge over the Nigliq channel and see it as the gateway to further NPR-A development.

We recognize that NPR-A development could be a large contributor to future North Slope production so our Planning Department is building the capacity necessary to assist in that development. Planning is working on an Oil and Gas Technical Report to provide more explanation and direction to explorers, and also developing amendments to our Title 19 that will assist in the master planning efforts of development.

Two initiatives are underway to assist this development:

- A GIS-based Permit Tracking System, and
- Two additional inspectors to assist with permitting and compliance monitoring.

So what are my main concerns with Shale development? Let me put it simply:

- The people of the North Slope need a seat at the table in Arctic planning;
- The people of the North Slope deserve a fair and stable share of the revenues generated from the development, and
- Development must find ways to support the culture and communities of the North Slope.

What do I mean by having a seat at the table? Simply this: As marine vessel traffic, research and development, and industry-related activities increase, it
is important that the federal government collaborate with our Arctic residents and local governments in developing a comprehensive U.S. Arctic Policy.

The people of the North Slope are the experts on the Arctic environment. We have subsisted off the tundra and ocean for thousands of years. This is our home, and we are the only ones that have the experience to accurately assess the impacts of Arctic development.

Just the other day, Secretary Salazar issued a press release related to the Norway Arctic Roundtable. He said the Arctic “is a place development can only safely expand if we also expand our understanding through science and experience.”

He went on to say that that is why the Arctic demands its own approach. “We have to listen to each other as global partners and we must listen to local communities. We have to cooperate in our planning. And we must always put caution and safety first.” Let me echo the Secretary, as he has it exactly right – we are eager to partner, share our experience, and work collaboratively. We are much less eager to be an afterthought, to be overrun, to not even be at the table.

One way to help achieve this goal of a collaborative process is through the newly created Arctic Policy Commission. Created by my good friend, Representative Joule, this Commission will provide the legislature, industry, and local governments the opportunity to remain engaged in the ongoing Arctic dialogue and to help shape future Alaskan Arctic policy. We hope that we can all use these resources to their greatest sustained potential, by working together, candidly sorting out our perspectives.

In addition to the Arctic Policy Commission, we have also had several meetings with the Department of Natural Resources to discuss an MOU between DNR and the Borough relating to the coordination of authorization and permitting activity for oil and gas exploration and production on the North Slope of our beautiful State. This approach holds promise when completed in good faith.
The second concern I mentioned was our right to a fair share of the revenues. What do I mean when I talk about receiving a fair share of revenue? The North Slope Borough has had to take litigation to the Supreme Court on two separate occasions to protect its right to collect property taxes on oil and gas properties.

In both cases the litigation revolved around interpretation of a per capita tax cap found in the State statutes. Even though the Borough receives less than 5% of the oil and gas revenues generated within its borders, it appears that the State is once more taking a position to challenge our right to collect local property taxes. No other local governments in the State of Alaska have faced such sustained, historic, and wrong-headed attempts to interfere with their operations, with their essential self-governance. We are proud of what we have accomplished these past 40 years!

In the last legislative session we made the elimination of the per capita tax cap our number one priority. We intend to do so again next session, for the powerful reason that it is in everyone’s best interest and represents simple justice. It is the only way to assure that the North Slope Borough will continue to receive its fair share. And the beauty of it is it won’t cost you anything.

The removal of the cap will not increase taxes on the oil and gas industry. Let me repeat that, the removal of the cap will not increase taxes on the oil and gas industry. It will also not reduce revenue to the State and it will not increase revenues to the North Slope Borough. All it will do is insure the Boroughs cash flow and allow the Borough to use the funds it receives in a more efficient manner.

One of my greatest disappointments during my first year in office is that when this proposal was in front of the legislature last year, the oil and gas industry opposed it. Through AOGA, the oil and gas industry released an inaccurate whitepaper in opposition to removing the cap and then used their political influence to make sure that it didn’t pass.
When they were questioned on why they opposed it all they would say is it scares us. Well let me tell you this, oil and gas development scares us. But instead of just saying no, we have attempted to learn and work with industry. We expect the same from you.

Let me assure you, the North Slope is open for business and my door is always open. My staff is willing to sit down and talk to anyone within your companies and explain the issues we have with the tax cap and why you have nothing at risk. My staff is equally as dedicated and knowledgeable as yours, and we are up to the task of finding common ground, where there is good faith.

We will also be meeting this summer with the Alaska Municipal League and the Alaska Association of Assessing officers to familiarize local governments on the issue. We will also begin meeting with legislators after the election this fall.

This is a matter of equity and good public policy. The removal of the cap simply provides greater financial flexibility for the impacted Municipalities in the use of the taxes it collects (ie. Pay as you go rather than bonding for projects), supports self determination and local control, and allows for responsible long range fiscal planning. You have asked us to work with you in achieving your goals, now I ask you to work with us in achieving ours.

The last concern that I mentioned was supporting our culture in the face of ever expanding development. Our leaders long ago recognized that the world is not black and white. There’s a lot of gray out there too, which means that most solutions are not as simple as saying YES or NO.

Our leaders engaged with those who had competing interests, and they and we adapted. Rather than fighting the inevitable advancement of western culture, they chose to participate in modern life and the corporate world and created the North Slope Borough, ASRC, AEWC, and many other organizations, programs, and corporations that now protect and sustain our people. Adapting is not a threat to our culture; it’s what we have done to protect it.

All of us are very fortunate to have such large shale oil and gas deposits in Alaska. This type of development holds great opportunities for all Alaskans, and
for our country. But it also promises unprecedented challenges in finding a proper balance between the interests of development, the changes to the Arctic environment, and the cultural needs of the Iñupiaq people.

We realize that the most productive route for us is to work with industry and the federal agencies to craft the best possible protections and mitigation measures. It is in everyone’s interest to incorporate the best possible precautionary standards as we proceed into shale development.

By being proactive and remaining united as a group, we will protect the well being of our communities. Your willingness to include us in this process will also demonstrate industry’s commitment to the highest standards of environmental protection and will help calm the anxiety our residents have about the cultural impacts of development.

Let me be clear, my administration supports oil and gas development, and the broad goal of the North Slope Borough is to maintain a healthy environment supporting Inupiat subsistence practices, while at the same time promoting economic growth and responsible resource development.

I want to thank Great Bear Petroleum for their recent trip to Barrow and for reaching out to the people of the North Slope. We support responsible development, particularly when reasonable mitigation measures are applied to minimize subsistence and socio-culture impacts. There is a lot, a whole lot, that still needs to be done before our communities are completely comfortable with Shale Oil and Gas development. The scale and more importantly, the intensity of such development is new. Dialogue such as this goes a long way in removing some of the concerns. But more public outreach is still necessary.

We are aware that we are still in the initial phases of evaluating Shale development. The activity going on now is an experiment. The source rocks are there, now science and engineering need to determine if oil can be extracted commercially. We whole heartedly support this effort.
That being said, if Shale development becomes a reality we will push you to minimize your footprint. We will push hard to protect fresh water resources. We will push for design and routing of pipelines to have the least possible impact on caribou migration and subsistence activities. And we will insist that there be job opportunities for local residents.

Since being elected last fall, I have had the opportunity to meet with many people from the oil and gas industry and I’ve tried to ask all of them, how can the Borough help them accomplish their mission?

A common theme from most companies we meet with is a focus on the permitting process. They want the NSB to help facilitate local engagement on the permitting process, whether it is for the EIS, the DNR, BOEM, the Corps of Engineers or other federal and state agencies.

Simply put, they want us to help coordinate, and consolidate input from the local communities and assist them in streamlining the permitting process.

WE CAN HELP WITH THIS…

From a planning perspective, industry wants us to participate in long term planning, more specifically; they want to work with us to require and adopt consistent permitting standards that benefit all parties.

WE CAN HELP WITH THIS…

From a workforce development and preparation perspective, companies talk about hiring and training locals. They talk about mentoring programs beginning at an early age, middle school through high school, college and beyond. But it requires more than talk, it requires in sustained investing in the community that invests in them.

WE CAN DEFINITELY HELP WITH THIS…
Our Home Rule guidance requires us to identify and secure, for present and future residents, the beneficial impacts of development. At the same time, we need to identify and avoid, mitigate or prohibit the negative impacts of development. This will require responsible development. This means that we need to avoid, mitigate or prohibit the negative impacts of development, not avoid or prohibit development.

WE CAN HELP WITH THIS………

Currently the NSB is working on several projects that will directly support future Oil and Gas development. We recently received 7800 acres of land from the state under the Municipal Entitlement program. The land is between the Canning and Colville Rivers and will be developed to support ongoing Oil and Gas activities.

We have made additional tracts of land available in the Deadhorse area for service company expansion. We are constructing a new landfill to replace the Oxbow Landfill that is almost full. We have also proposed establishing a waste transfer site in the western field to better serve our utility customers and reduce their cost of operation.

We are in the process of financing a significant renewal of our water and waste water handling ability. We plan to replace the existing Utility Plant and install new equipment to address the needs of our utility clients. We also have parcels under our ownership that are ready to be developed as gravel sources to support new activity.

In addition, we will soon begin the permitting and planning process to bring pole-mounted fiber optic service into the NPRA to support Chukchi development as far as Barrow.

Finally, construction is currently underway on the new Kaktovik Airport project – that will replace the old Air Force runway at Barter Island. The new runway will be located on higher ground near the center of Barter Island and provide a better base of operation for local air services and the support industry associated with Beaufort Sea development and hopefully someday ANWR development.
Given the national and local needs for domestic sources of energy, maintaining a balance between the economic benefits of development and supporting our cultural and social well-being, as well as providing a predictable fiscal and regulatory environment for development, it is crucial that the residents of the North Slope continue to work together to find realistic solutions to ensure sound and safe development of oil and gas resources that is beneficial to all.

I pledge to you that I will work with our Governor, State Legislators, Industry and our Congressional Delegation to ensure we find a balance between the economic benefits of development and preserving our cultural and social well-being.

Let’s look for common ground, common purpose. We all support strengthening the Coast Guard’s presence, creating local jobs, sustaining investment over time. Our common interests are greater than our differences!

And remember – Unity Then, Unity Now, 40 years Strong is more than a slogan, it is more than a theme, it is a fact of life if we want to prosper together for these coming forty years.

Qayanukpuk (Thank you very much) for the opportunity to address you today!
Charlotte Eqraq Brower
Mayor
North Slope Borough

Charlotte Brower has served as the Mayor of the North Slope Borough since November 2011. Prior to her election, she was the Director of Human Resources for the North Slope Borough. Her career in public service has also included election to the North Slope Borough Assembly, the North Slope Borough School District Board of Education, and appointments to the Ilisagvik College Board of Trustees and the Alaska Rural Law Enforcement & Justice Commission. She has also served as the Barrow Magistrate for the Alaska Court System.

Mayor Brower is a graduate of Chemawa High School and she received her Bachelor’s degree in Business Administration & Management from Alaska Pacific University. She is currently pursuing a Master’s of Business Administration degree.

She has been married to her husband Eugene, President of the Barrow Whaling Captains Association, for the last 40 years. They have six children and 23 grandchildren.