STATEMENT OF THERESA CLARK, VICE PRESIDENT OF LANDS AND SHAREHOLDER SERVICE
OLGOONIK CORPORATION

SUBCOMMITTEE ON FISHERIES, WATER, AND WILDLIFE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
AND
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
AUGUST 17, 2015

Good afternoon, my name is Theresa Clark. I am Vice President of Lands and Shareholder Services for Olgoonik Corporation. Thank you Senator Murkowski, Senator Sullivan and members of the Committees for providing Olgoonik the opportunity to testify today. I thank you for conducting this public hearing here in Alaska on the very important issue of federal mitigation requirements and proposed legislation to address this issue.

Introduction

Olgoonik Corporation is the ANCSA village corporation for Wainwright Alaska. Olgoonik privately owns 175,000 acres of surface estate; all of which are within the National Petroleum Reserve of Alaska (NPRA). A vast majority of the subsurface estate is owned by the regional corporation Arctic Slope Regional Corporation. Approximately 12,000 acres subsurface estate remains in United States ownership which could be subject to leasing.

We are one of the closest communities to offshore development in the Chukchi Sea. Offshore exploration, development and production will require onshore based support services which we are planning for.

We have received our full entitlement to our ANCSA lands. It took BLM over twenty years to patent our lands to us. Clean Water Act was amended to address wetland mitigation just as we were receiving the balance of our full entitlement subjecting our lands to new and additional federal requirements.

Impacts to Wainwright

Wainwright residents and Olgoonik Corporation will be highly impacted by oil exploration and industry development in both a positive and negative manner. We are trying to minimize the adverse impacts that development brings to our community; the biggest affect being to our

subsistence way of life. The positive impacts will be business and job opportunities and a financial future for generations.

To minimize impacts and to capture the benefits we are planning and developing Olgoonik lands on the outskirts of Wainwright. This will make development of Olgoonik lands subject to wetland mitigation rules.

We have our own land management plan to develop areas and protect certain sensitive areas. Our strategy is to keep development of our lands to a minimum by compacting the development into a reasonably small footprint.

We are currently in the process of purchasing lands formally utilized by the United States Air Force as Defense Early Warning system. With your introduction of an amendment to the 2015 National Defense Authorization Act and passage, Senator Murkowski (Thank you again), we are now in the process of purchasing these lands. This property is within our ANCSA lands. Our plan for this property is to build infrastructure upon the pads already existing to provide industry support to oil and gas industries. This will further minimize development on wetlands on our ANCSA land.

Full mitigation to protect wetlands is good and needed; we mindful of that fact and need. We are also mindful that the impacts we are talking about are either on ANCSA land or purchased lands. Regardless, mitigation requirements will impact our plans for development. For example, there is a need for our community to build new homes as Wainwright expands. We are subdividing lands for that purpose. Roads will be needed for access. We will have to comply federal regulations to address wetland mitigation in building roads on our ***entitled*** lands to address this social need. This will drive up the price of developing our land for this much needed community need as the current method we leaning towards using is paying an in-lieu fee.

Permitting

The current national wetlands lands inventory data for Alaska's North Slope is limited and out of date. The arctic coastal plain is comprised of approximately 80% wetlands *(Hall, Frayer, and Wilen; State of Alaska Wetlands, 1994).* This places the burden of more detailed delineation of our land on us as a developer. Currently, the average cost per acre to develop is approximately $12,000.

Using this data, a majority, if not all of our land is considered wetland. The in-lieu fee program is not able to pre-sell additional credits at this time; and permittee responsible is challenging in that we are required to triple the size of the "impacted" area when one adds together the project with a conservation easement. We are certainly watching and hoping that the Arctic Slope Regional Corporation's bank will be certified. In short we feel that having multiple mitigation options is important from a permitting standpoint but also a financial standpoint.

Looking Forward

Finally, we do not desire to lock up any of our lands in perpetuity in wetland mitigation as we cannot predict future. Decisions made in current time in regards to our lands may not be applicable twenty years down the road and as time changes, corporate leaders change; development growth will need to take place, we need to keep those options open for our future generations to determine.

Therefore, with these purposes in mind, we support the proposed legislation that provide ANCs exemption from Clean Water Act requirements where the applicant is an ANC and proposed projects are on ANC lands and have the ability to enter into a preservation lease as an option for mitigation.

I thank you for the opportunity to be heard by yourselves, Senator Murkowski and Senator Sullivan, committee members and request your support of the proposed legislation.