

**U.S. Senate Committee on Energy & Natural Resources – March 28, 2016, Fairbanks, Alaska.
Attachment 1, Testimony of Joe Marushack,
President of ConocoPhillips Alaska**

ConocoPhillips' Community Support Programs on the Western North Slope

Natural Gas to Nuiqsut

- ConocoPhillips Alaska (COPA) provides up to 1 million cubic feet of natural gas per day to the community at no cost from the Alpine facility.
- Gas deliveries started in 2008, after completion of the Nuiqsut Gas Pipeline and the installation of natural gas infrastructure in the village.
- 99% of Nuiqsut households are now connected to natural gas and Nuiqsut enjoys some of the lowest energy bills in the nation (\$25/month to Nuiqsut Gas Cooperative for costs associated with local distribution system).

NPRA Impact Grant Funding

- Over \$150 million has been awarded to North Slope villages within the NPRA since 1999. This funding comes from lease sales, rents, bonuses, and royalty payments in the NPRA. Since 1999, COP has been the most active explorer and participant in lease sales.
- Nuiqsut has received NPRA grants for projects such as natural gas piping and building conversions, graveyard fencing, City Hall renovation, retractable boat ramp as well as for the pending Colville River Access Road. These projects are in addition to annual grant funding for city and teen center operations.
- The City of Barrow receives grants to run city operations as well as additional grant funding for the expansion for the Piuraagvik public recreation center.
- 50% of federal royalty from NPRA developments will go to the State to distribute as community grants as part of this NPRA impact grant program.

Autaatug Fund

- In 2007, COPA and Pioneer entered into an agreement with the North Slope Borough (NSB) to establish and manage a fund that provided grants to North Slope entities for workforce development, subsistence, and substance abuse programs. From 2007-2015, the fund awarded just under \$2 million to the North Slope Borough and its villages. The agreement expired in 2015.

North Slope Borough Taxes

- In 2015 alone, ConocoPhillips paid \$132 million in property taxes to the NSB, which is over \$16,500 per Borough resident.

Subsistence Support Programs

- **Alaska Eskimo Whaling Commission (AEWC)**
 - COPA provides annual grants to support the AEWC.

- **Kuukpikmuit Subsistence Oversight Panel (KSOP)**
 - COPA funds the operations of KSOP, the local subsistence panel in Nuiqsut formed at the startup of Alpine. This funding covers the cost associated with administering the panel which consists of representatives of the City of Nuiqsut, the Native Village of Nuiqsut (NVN) and the Kuukpik Corporation.

- **Road Access**
 - Kuukpik shareholders and Nuiqsut residents have the right to use all permanent and temporary roads constructed by COPA on Kuukpik land and any connecting roads. COPA connects the Alpine ice road to the village every year. The community benefits from this by having access to the Haul Road every winter for trips to Fairbanks/Anchorage as well as facilitating access to hunting areas.

- **Subsistence Mitigation Funds**
 - Since 2005, COPA has contributed over \$720,000 in subsistence mitigation funds to the NSB and the City of Nuiqsut. These annual contributions will increase for each Alpine satellite drill site, including GMT1 and GMT2. A local Nuiqsut committee determines how the funds are distributed and is typically distributed to hunters in the form of fuel vouchers to offset the fuel costs of subsistence hunting as well as distributed to each household to offset costs.

- **GMT1 Mitigation Funds**
 - To off-set identified impacts, including impacts to subsistence uses that cannot be fully avoided by project design, COPA volunteered to create an \$8 million compensation mitigation fund that will provide for the development and implementation of a landscape-level regional mitigation strategy (RMS) and to finance mitigation projects as identified by the RMS and Nuiqsut.

Education and Workforce Development Programs

- **Ilisagvik College**
 - COPA provides annual grant funding to Ilisagvik College (Alaska's only tribal college) located in Barrow to support scholarships and general operations. In 2014, COP was recognized by the college for making \$1 million in contributions over the previous 10 years.
- **Scholarship Funds**
 - COPA matches all training and scholarships awarded by Kuukpik and has provided over \$150,000 in scholarships through this program.
- **Kuukpik Employment Coordinator**
 - Provide funding for the retention of an Employment Coordinator to administer a Native Employment Services Program.
- **Career Quest**
 - Career Quest is a program designed to expose high school students from the Trapper School in Nuiqsut to various careers at Alpine. There are currently two seasons of Career Quest opportunities: summer and winter. The summer session has traditionally provided job experience for 20 youth working at the various offices in the village. The winter session allows for students to spend two days/week at Alpine for five weeks seeing what it is like to work in a North Slope oil field operation. The Career Quest program was initiated in 1999 and since that time, approximately 300 students have participated.
- **Internships**
 - ConocoPhillips funds various internships at Alpine for Nuiqsut residents, Kuukpik Shareholders/descendants and other North Slope residents. Over 30 interns have participated in the program since it started in 2002.
- **Subsistence Representatives/Ice Road Monitors**
 - COPA provides annual employment during ice road season, hiring local residents from Nuiqsut to be subsistence representatives. Typically four to eight positions are filled depending on level of activity.
- **CD5 Construction Employment Numbers**
 - Over 30 individuals were hired during the past two winters as part of CD5 construction. By utilizing the Kuukpik Hotel to house a portion of the crews, CD5 also created many indirect employment opportunities at the Kuukpik Hotel as well as bed tax revenue for the City of Nuiqsut.

Nuiqsut Community Programs

Emergency Response Assistance

- Alpine Fire Department assisted Nuiqsut Fire Department with Nuiqsut house fires in April 2006 and September 2014.
- Alpine Spill Response teams provided assistance to clean up resident diesel spills in Nuiqsut (2012 and 2013).
- Signed a Memorandum of Understanding (MOU) with the NSB in early 2014 to establish a process to support emergency response in Nuiqsut. Under the MOU, COPA provided two medevacs of infants to Anchorage with Alpine EMT support (January 2014, January 2016).
- Alpine Fire Department hosts joint training exercises annually with Nuiqsut Fire Department.
- Fund through Alaska Clean Seas the annual training of the Nuiqsut Village Response Team.

Community Projects

- Elder's Housing Project: COP provided a \$250,000 grant to the North Slope housing authority for elder housing in four villages on the North Slope, including Nuiqsut.
- Nuiqsut Playground: In 2010, Alpine and its contractors supported the construction of a new playground in Nuiqsut, and since then have contributed additional playground equipment.
- Provided funding to City of Nuiqsut to assist with the start-up of an early learning center and replacement of the roof at the Community Center.
- Multiple projects to assist with repairs of the Teen Center and Community Center. The most recent was replacement of stairs at the Teen Center in summer 2015.
- Provided an air charter to support donations of caribou meat from Nuiqsut to Anaktuvuk Pass for Thanksgiving feast (see Arctic Sounder November 2015).

Community Donations

- Donated Fire Truck to Nuiqsut Fire Department (2007).
- Donated spill response boat (20' tunnel hull boat) and trailer to assist Nuiqsut Search and Rescue.
- Pool tables and games donated to the teen center.
- Provided white float coats for whaling crews in Nuiqsut and across the North Slope in conjunction with Alaska Native Tribal Health Consortium.

Support for Trapper School Programs

- Assist with travel for kids to attend dance performances, robotics competitions, attendance celebrations, etc.
- Sponsorship of sports teams jersey's and other student activities.
- Sponsor dinners and professional photographer for events like prom and graduation.
- Employees donate time for the "I Know I Can" reading program.
- Over \$110,000 in financial contributions for Trapper School programs since Alpine start-up.
- Organized a Back to School fun run in 2015 which included backpacks and school supplies for all kids.

Community Events

- Sunday dinners during ice road season at Alpine and in Nuiqsut.
- Support Christmas celebration with gifts for kids and elders.
- Sponsorship of concerts, traditional dance groups, culture camps and other events for youth.
- Assist with donations for Nalukataqs (whaling festivals).
- Fire Safety Awareness Day – every 2-3 years.
- Over the years, have sponsored health fairs, job fairs, and science fairs in Nuiqsut.