Fact Sheet:

The National Petroleum Reserve-Alaska

Fundamentally Flawed Federal Rule Threatens to Lock Away Vital American Energy Resources at a Time of Economic & Geopolitical Uncertainty

The Department of the Interior is proposing to restrict energy development in 13 million acres of the National Petroleum Reserve-Alaska (NPR-A) under a proposal open for public comment through November 17, 2023. The proposed rule, which relies on flawed analysis and was conducted without consulting Alaska's Federally recognized tribes, the local government on the North Slope, or Alaska Native corporations, threatens Alaska communities and the long-term viability of an oil and gas producing region that's critical to America's energy security.

The proposed rule changes the management of the NPR-A—from land that was set aside primarily for petroleum development into land that will be managed as wilderness or a park. The rule would require the Bureau of Land Management to follow new tests and burdensome layers of bureaucratic regulatory process—the kind of process that in practice stops any future development without robust environmental and economic analysis. It is doubtful that any future project could meet the new tests and these new burdens could halt any future oil and gas developments in the NPR-A.

The Proposed NPR-A Rule is a Threat to America's Energy Security

- Analysis from the U.S. Geological Survey estimates there are <u>8.7 billion barrels</u> of undiscovered oil in the NPR-A, an area set aside by the Federal government specifically for petroleum development.
- By denying or dramatically restricting development in the region, the Administration is denying Alaskans—and all Americans—reliable, affordable energy, as well as billions of dollars in revenues
- We cannot afford to further limit U.S. production, which will only increase our reliance on foreign nations, including adversarial nations, amid rising geopolitical threats.

The Proposed NPR-A Rule Relies on Flawed Economic Analysis

- The Department of the Interior's analysis in support of the proposed rule did not account for the significant economic benefits delivered to local Alaska communities (including Alaska Native organizations) from NPR-A development.
 - Federal law mandates that 50% of lease revenue from NPR-A projects go towards a unique grant program that prioritizes improvement projects that will deliver social and environmental justice benefits to impacted communities, many of which are Alaska Native communities. The economic analysis fails to consider the impact of local communities losing these benefits.
 - The economic analysis also wholly fails to consider the social implications of eliminating or dramatically restricting future development in the NPR-A that would remove jobs and a substantial portion of the tax base.

The Proposed NPR-A Rule Will Discourage Future Investment in the Region

- The "bait-and-switch" nature of the proposed rule will stifle any future development in currently approved areas of the NPR-A as companies will be wary to invest into developments in areas where the government can seemingly outlaw further development without cause.

The Proposed NPR-A Rule was Put Forward without Consulting Alaska Native Organizations

- The Department of the Interior ignored its federal responsibilities to consult with federally recognized Tribes and Alaska Native corporations who stand to be impacted by the proposed rule.
- The Bureau of Land Management should not fail in its responsibility to consult with Alaska's federally recognized Tribes and Alaska Native corporations, meaningful consultation as required by <u>E.O. 13175</u> (November 6, 2000), POTUS Memo on <u>Tribal Consultation and Nation-to-Nation Building</u> (January 26, 2021) and <u>DOI 512 DM 4</u> (2015), and <u>DOI 512 DM 5</u>.

The Proposed NPR-A Rule Will Not Withstand Legal Scrutiny

- The rule conflicts with the law Congress adopted for the NPR-A, directing that the NPR-A be administered for domestic energy production through an oil and gas leasing program.