

**Statement of Gail R. Schubert, President and CEO of Bering Straits Native Corporation
before the Subcommittee on Indian and Alaska Native Affairs, Committee on Natural
Resources, U.S. House of Representatives**

**Re: support of passage and enactment of H.R. 4668 to facilitate infrastructure development at and
potential uses of Point Spencer in the Bering Strait Region of Alaska**

Mr. Chairman, Ranking Member Hanabusa, Members of the Subcommittee, I am Gail R. Schubert, President and Chief Executive Officer of the Bering Straits Native Corporation and I speak today on behalf of our more than 7000 Alaska Native shareholders. Our corporation was authorized by your predecessors on this committee through the passage of the Alaska Native Claims Settlement Act (ANCSA) in 1971, for which we Alaska Natives are deeply grateful.

Briefly, by way of background, I'm an Inupiaq Eskimo from the village of Unalakleet located in the Bering Strait region of Alaska. With much encouragement from my parents, both of whom only had an eighth grade education, I was educated mostly in the village schools, received my undergraduate education at Stanford University, and then enrolled at Cornell University where I received my Masters Degree in Business Administration and Law Degree. I worked in New York City for eight years at the Federal Reserve Bank of New York and two Wall Street law firms, then moved back to Alaska to work for an Alaska-based law firm. Since 2003, I have served our People through my work as Executive Vice President and General Counsel of BSNC, and now currently serve as the President and CEO.

I also have served for a number of years on the Board of Directors of the Alaska Federation of Natives, and until recently served for more than a decade on the Board of Directors of the Alaska Native Heritage Center.

A brief word about where our traditional lands are located. Our ancestral lands are in the Bering Strait region in the far west-northwest part of what is today Alaska. The Seward Peninsula, which makes up the majority of our land base, is the furthest west extent of mainland North America. Diomedede Island, just off the Western tip of the Peninsula, lies just 2 miles from the eastern border of the Russian Federation. From time immemorial until the mid-twentieth century, our People have traded and traveled with our relatives in what is now the Russian Federation. The area I am from, and where our people have lived for thousands of years, was also the gateway for the populating of the western hemisphere some 12 to 15 thousand years ago.

Today, I'm here to express the strong support of our People for H.R. 4668. We are descendants of the Inupiat People and the Yu'pik People who historically have lived on the land of the Bering Strait region for thousands of years. Our People sustained themselves on marine mammals, fish, wildlife, berries, clams, and other edible plant and animal species of this region.

Aboriginal Land Claims Settlement

As you know, Alaska was purchased from Russia in 1867, but rights similar to those of other Americans were not provided for Alaska Natives. For example, our People were not afforded the right to vote until 1924. And, we were not provided a land base in settlement of Alaska Native land claims to help sustain our People, our heritage, and our culture until the 1970s, essentially less than 40 years ago. With the passage of the Alaska Native Claims Settlement Act (ANCSA) on

December 18, 1971, Alaska Natives were provided a land base and financial settlement for their aboriginal title to Alaska. The intent of Congress was to avoid establishing a reservation system in Alaska while providing a land base for continued maintenance of a traditional lifestyle and also a natural resource base for future economic development. Some of the reasons underlying the need to settle such aboriginal land claims was to clear the way for the construction of the Trans-Alaska Pipeline so that the oil at Prudhoe Bay could be brought to Valdez, Alaska for shipment to market for the benefit of all Americans.

Since the passage of ANCSA, BSNC has, as have other Alaska Native Regional Corporations, gone through its share of growing pains as it has worked to help its People move from an almost totally subsistence-based way of life. We faced bankruptcy within 10 years after the passage of ANCSA due largely to poor investment decisions. Ours was not an unusual case, as most ANCSA corporations began their existence with relative shortages of educated and experienced people with financial and management expertise. We were all primarily rural, community and subsistence-oriented people trying to grapple with this new settlement and a new and somewhat daunting at the time corporate structure for our rural villages and region. BSNC has emerged from these difficulties, and we are now seeking to finalize our land conveyances so that we can improve the economic opportunities within our region.

In spite of the advances that our People have made since passage of ANCSA, some are still in the throes of trying to make it in a modern world that is rapidly changing around them. For many, health and social challenges are beyond those which are faced in other regions of the United States.

Our communities still face extremely high costs for fuel and commodities because of their remoteness and inaccessibility—there is no inter-regional road or transportation network. Aircraft, small boats, and overland snowmobile travel in the winter months are the only means of transportation and no roads link our communities. Given these conditions, only very limited industry or economic development is possible, simply because the cost of doing business in rural Alaska often vastly outweighs economic returns that might be achieved through investment there.

Because of the ever-present challenges brought by the lack of opportunity and a prohibitive cost of living, our people have a high incidence of suicide: this unfortunately occurs most frequently among our young men—those who should be looking forward with hope to a productive and rewarding life in their communities. These include the many who are not able to envision with hope a change in circumstances, such as a job in the village or region, so that they can provide better lives for themselves and their families. Jobs are essential not only to help build self-esteem in our People, but also to help augment our subsistence way of life, which is still relied upon to a large extent by those living in rural communities in this and other regions of the state.

The Need for Protection of Cultural Artifacts of Our Heritage

I would like to briefly speak about items of antiquity left by our ancestors over the millennia, and that still reside under the surface of the ground at Point Spencer. These items were used or created by the ancestors of the current-day shareholders and descendants of BSNC. They are priceless to us because they are a link to our ancestral way of life. We are a living culture whose history was not written but rather passed down from generation to generation through stories: the transfer to the next generation of ivory, bone and wooden implements used in everyday life with an explanation about what the item was used for or why it was created. Yet, during the period when

Point Spencer was being used for federal purposes, these items were vandalized, stolen from the people who would most appreciate their cultural and historical significance, and sold to collectors who see only their financial values. For anyone to say, as we have heard reportedly stated, that "these lands at Point Spencer cannot be owned by Natives", on my own behalf and on behalf of our People, I am deeply saddened and offended. Such a statement dismisses the fact that Point Spencer has been used by our People for thousands of years--for fishing and hunting marine mammals, for refuge, and for trade with other indigenous peoples from the surrounding region. This is substantiated by the artifacts that are located on Point Spencer.

We have also heard from some quarters that Point Spencer has "national security interests" and therefore should not be conveyed to a private entity like BSNC. This comment too, speaks to an apparent lack of awareness by some of the progress that Alaska Natives have made in recent decades in terms of government contracting, including in particular such contracting directly involved in national security matters.

Need for Jobs and Economic Benefit to the People of the Bering Strait/Arctic Region

Further, and of great importance to our People, if there is responsible and sensible development that can occur at Point Spencer, and at the same time protect the items of cultural importance to Alaska Natives and to history, then our People should certainly have some of the opportunity for employment and business growth that would be created by such development. This tenet is reinforced by objectives of the newly-created Arctic Economic Council, comprised of forty-two business and indigenous representatives from the eight Arctic Nations, and to which I was appointed as one of three business representatives for the United States. Those objectives include facilitating and fostering business opportunities while advancing sustainable development in the Arctic, and maximizing the "potential for Arctic economic activities to take into account environmental protection and to positively impact the communities, lives and culture of Arctic indigenous peoples."

One of the primary means we have at our disposal for improving the lives of our People is to secure our ANCSA land entitlement and responsibly develop it where it is reasonable and economically feasible to do so. The land at Point Spencer was selected by BSNC in 1976 and it is one of the very last tracts we need to receive in order to reach our full land entitlement authorized by law. But as stated, our history there goes back hundreds and thousands of years. Point Spencer, also known as Port Clarence, and the surrounding area has long been an international crossroad. From the exchange fairs of the 17th to 19th centuries that brought traders from the interiors of Alaska and Siberia to the current international shipping companies plying the waters of Bering Strait, the people of the region have participated in changes occurring on a global scale.

Point Spencer has long played an important role in Arctic economic development. In the 1840's the New England whaling fleet occasionally visited Point Spencer to pick up hunters and secure a refuge from the storms of the Bering Sea as they travelled to more northern waters. The reindeer industry, which for a period of time comprised the main economic development engine for the Bering Strait region, was introduced to Alaska through the first shipment of reindeer from Siberia to Point Spencer in 1892. Throughout all these events, our ancestors provided food, guidance and indigenous expertise to assist in these ventures by outsiders.

It is not only because of our history and dependence on Point Spencer in the past that drives our commitment to secure the land there. The future of the Arctic is of great concern to us locally, to the state, and to the international community. Just as occurred in the 1800's with the penetration of the region by the New England Whaling fleet, our residents will be subject to new forces and the economic endeavors of others with little to no economic benefit therefrom, unless we secure the means to be actively involved. The growth of BSNC from its inception in ANCSA to its current success in government contracting, construction, visitor services, and land and resource management, speaks to our ability to work within the private *and* public sectors. Point Spencer may not be a panacea for the challenges faced by our communities, but it could very well become, as the Arctic opens to commerce, an important economic engine in our region. There is no other organization, public or private, better situated to work towards facilitating economically sustainable development of infrastructure at Point Spencer, than Bering Straits Native Corporation.

BSNC Has Sought to Accommodate Diverse Stakeholder Uses/Development at Point Spencer

As to the vision of BSNC for the use of Point Spencer, in 2010, the Coast Guard, which had been using a small part of Point Spencer for some buildings, a tower, and fuel tanks, etc. to operate a LORAN-C navigation facility on the site, hardened the buildings, closed the facility down, and abandoned it. Upon learning of the Coast Guard action to leave Point Spencer unattended, BSNC, which had filed a selection application for Point Spencer in 1976 under ANCSA, began studying ways that it could work through a public-private partnership arrangement to put the land to good use and at the same time ensure that the looting that took place on the government's watch would be stopped and prevented for the future.

Our corporation conducted a geomorphic study in 2010 to determine the stability and future integrity of the landform at Point Spencer, which is a long spit composed of multiple beach ridges formed through the millennia. We also internally reviewed all of the available environmental information compiled by the USCG over the years that it managed the LORAN site on Point Spencer. At this time, we began to reach out to the Coast Guard, the state of Alaska, the Bureau of Land Management, and industry to explore "the realm of the possible" with respect to some of the land at Point Spencer being conveyed to BSNC as a part of its ANCSA entitlement.

In discussions with the BLM it became clear that, because the land at Point Spencer needed to be vacant and unappropriated in order for conveyance to BSNC pursuant to its 1976 application under section 14(h)(8) of ANCSA, Congress would need to act to permit the application to become effective, and thereby allow some portion of Point Spencer to be conveyed to BSNC in partial satisfaction of its land entitlement under ANCSA.

As we got further into our scoping regarding Point Spencer, the Coast Guard suddenly seemed to begin to reassess whether it had perhaps moved too precipitously in abandoning the site. And, along the way, as we reached out to the state, it too began to develop an interest in the parcel apparently prompted by our own investigation of the feasibility of port development at Point Spencer/Port Clarence. It must be noted that, two years after BSNC filed its section 14(h)(8) claim in 1976 under ANCSA, the state filed a claim for some land at Point Spencer under the Statehood Act. In subsequent years, the state modified its filing to include some additional land at Point Spencer. Because the Coast Guard was apparently having second thoughts on its prior abandonment of Point Spencer, and because of the state's new interest in the lands, BSNC reached out to representatives from both to see what each may genuinely need for its respective purpose.

Emanating from what we heard, and as we informed other potential stakeholders, we began working to put together elements of an approach that would accommodate the legitimate interests of all potential stakeholders: the Coast Guard, the state, BSNC, and industry. Congressman Young began looking for ways to deal with the issue legislatively as the most effective and efficient way to achieve retaining and conveying land to the various interests. That eventually led to the introduction of H.R. 4668 by Congressmen Young and Hunter in May of 2014. Senator Begich also sought to help achieve a just and balanced result by his inclusion of the Young-Hunter language in a Senate Bill.

In the meantime, we became aware that the Coast Guard and the state had apparently begun working without BSNC on having the state seek possession of the entire parcel of land, excluding that portion of land which the Coast Guard had previously identified as needed for its mission. This approach is contrary to the one that BSNC had in good-faith embarked upon after the Coast Guard's decision to abandon the site, and before the state indicated its current renewed interest in the property.

Our corporation continues to believe that the best, most sensible, equitable and workable way forward on the utilization of Point Spencer, for all stakeholders, is for this subcommittee, the full committee, and the House to act on H.R. 4668, to pass it, and for the Senate to do the same. The result would be for the Coast Guard to retain a footprint at Point Spencer to accommodate its potential future uses there along with further leasing rights should it need to have a somewhat larger footprint later on, for the state to receive conveyance of the parcels identified on the map dated April 2014 and which was shared with the state and the Coast Guard months ago, and for BSNC to receive the remainder of the land at Point Spencer. This would enable BSNC to serve as a facilitator for Point Spencer to be developed for the benefit of multiple stakeholders through a public-private partnership, and which is in accordance with the objectives of the Arctic Economic Council whose membership represent the global business and indigenous interests of the eight Arctic Nations, including the United States of America.

Conclusion

Our sense is that the Coast Guard, the State, and the Bureau of Land Management will likely each have some suggestions as to how to improve and enhance Congressmen Young's and Hunter's bill. If there are such suggestions raised about the legislation, we respectfully request that the Subcommittee encourage the expeditious reconciliation of any suggested language proposed so that the current bill language might be refined appropriately with amendments that are workable and fair, and then move forward with the bill as soon as possible.

Alaska Natives and non-Natives of the Bering Strait region look forward to the potential economic development, jobs and other improvements to their lives that could be generated from development at Point Spencer as it becomes utilized for a number of purposes as outlined in H.R. 4668.

Thank you for your consideration of my views today on this subject of such importance to the people of the Bering Strait region of Alaska.