

Background-- Land Trade between the United States Fish & Wildlife Service (USFWS) and Doyon, Limited (Doyon) in the Yukon Flats Wildlife Refuge

Summary of Proposed Trade

Doyon trades to USFWS a minimum of 150,000 acres of lands rich in fish and game resources, including prime waterfowl habitat in the wet, low lands of the Yukon Flats. In exchange Doyon receives oil and gas rights to 200,000 acres of USFWS lands with potential for oil and gas development. Doyon would have surface rights to less than 110,000 of those acres, most of which is in the uplands with lesser habitat values. No Village Corporation lands are involved in the trade.

If oil and/or gas are developed on the land Doyon acquires in the trade, a second phase of the land trade would occur. The USFWS service would use payments from oil and gas production on these lands to purchase up to 120,000 more acres of Doyon land.

Birch Creek is the closest community to the land trade area and the Birch Creek Tribal Council and its leadership support the land trade.

The trade makes sense because there are environmental as well as potential economic benefits to the trade.

- 1) USFWS receives what it calls high value habitat lands in the Yukon Flats that will be off limits to development.
- 2) Doyon receives additional lands in the Yukon Flats to explore for possible oil and gas development. USFWS calls the lands Doyon would acquire low in habitat value, and recent studies demonstrate that the area gets little subsistence use.

Environmental Impact Statement (EIS) on Proposed Trade

USFWS is in the public comment stage of a lengthy Draft EIS document on the proposed trade. The EIS process is a decision making tool used to assess potential positive and negative effects on people and the environment from proposed federal action. Alternative actions are also considered, including no action. The Draft EIS was developed after public comments in 2006 which helped define the scope of the project. It took over a year of extensive study and review, and cost about \$2 million. USFWS will accept public comment on the proposed trade from January 25 through March 25, and public meetings will be held in the Yukon Flats, Anchorage and Fairbanks during this period. The final EIS and federal decision are expected later in 2008.

Doyon requested more, not less examination

The Department of the Interior initially determined that an EIS was not required; only a less stringent review was needed. Doyon and others requested an EIS because we thought it would offer residents in the Yukon Flats more details on the potential impacts of the trade and potential development in the area. We also believe the more information available on the proposed land trade, the better. It was the right thing to do.

EIS Proposed Alternatives

The EIS has four options (listed below). Doyon is supportive of both the Proposed Action Alternative and Alternative 1.

Proposed Action

Description: Doyon conveys to USFWS a minimum of 150,000 acres in several large tracts land spread throughout the Yukon Flats which are rich in fish and game resources, including internationally significant waterfowl habitat in the wet, low lands there. In exchange, Doyon receives oil and gas rights to a block of 200,000 acres of USFWS uplands with potential for oil and gas development (Doyon would have surface rights to less than 110,000 of those acres). No Village Corporation lands are involved in the trade. Ongoing appraisals will determine the number of acres that Doyon will need to convey in order to acquire the 200,000 acre federal block.

If oil and/or gas are developed on the land Doyon acquires in the trade, a second phase of the land exchange would occur. The USFWS would use payments from oil and gas production on these lands to purchase up to 120,000 more acres of agreed upon Doyon lands in the Yukon Flats. The maximum number of acres USFWS can acquire from Doyon under the Proposed Action is about 275,000 acres.

Alternative 1

Description: Similar to the Proposed Action, Doyon conveys to USFWS a minimum of 150,000 acres in several large tracts land spread throughout the Yukon Flats which are rich in fish and game resources, including internationally significant waterfowl habitat in the wet, low lands there. In exchange, Doyon receives oil and gas rights to the same block of 200,000 acres of USFWS uplands with potential for oil and gas development (Doyon would have surface rights to less than 110,000 of those acres). No Village Corporation lands are involved in the trade.

At the same time as the above conveyances to USFWS, Doyon also grants USFWS up to 120,000 acres of non-development covenants (conservation easements) to the same lands that would be purchased by USFWS in the second phase of the Proposed Action. Unlike the Proposed Action, this significant, often used federal land protection tool is not dependent on oil and gas production and achieved immediately.

Alternative 1 was developed as a direct result of public comment during EIS scoping in 2006. Doyon shareholder comments were the basis for this Alternative, due in large part to the concern that perhaps too much land would leave Native ownership under the Proposed Action, and that USFWS land protection goals would be met.

Alternative 2

Description: Alternative 2 is the same as Alternative 1 except that only 83,630 acres would be traded to Doyon, rather than the 110,000 acres in the Proposed Action and Alternative 1.

Alternative 3

Description: No Land Trade. Existing conditions, no trade occurs. Doyon still may develop oil and gas prospects within its present ownership of 2 million acres in the Yukon Flats. Doyon will take conveyance to about 55,000 additional acres of Alaska Native Claims Settlement (ANCSA) lands which under the above actions would have been conveyed to Doyon outside of the refuge.

