



CITY OF KOTZEBUE
AMENDED RESOLUTION NO. 24-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING *NUNC PRO TUNC* THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH DRUE PEARCE OF HOLLAND & HART FOR FEDERAL LOBBYING SERVICES FOR CY2024 IN THE AMOUNT OF FIFTY-FOUR THOUSAND DOLLARS (\$54,000.00) EFFECTIVE JANUARY 1, 2024.

- WHEREAS,** the City of Kotzebue (“City”) has a continuing need of federal lobbying services for CY2024 to have a presence in Washington, DC, to advocate for matters in the best interests of the City;
- WHEREAS,** Drue Pearce of Holland & Hart has provided exemplary federal lobbying services for the City of Kotzebue during CY2023;
- WHEREAS,** the Kotzebue Municipal Code (“KMC”) 3.16.090(A) governs the award of unique professional services contracts as those to be provided by Drue Pearce of Holland & Hart;
- WHEREAS,** a contract with Drue Pearce of Holland & Hart attached hereto as Exhibit “A” was executed for CY2023 and the City Manager does recommend that the City Council authorize her to negotiate a similar contract *nunc pro tunc* with Drue Pearce, Holland & Hart, in the amount of \$4,500.00 retainer per month for CY2024 effective January 1, 2024 with travel expenses to Kotzebue, as needed and approved in advance, by the City Manager; and,
- WHEREAS,** the Kotzebue Municipal Code 3.16.010(C) requires a contract for services in excess of \$50,000.00 must be approved by a duly passed Resolution of the City Council.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue, authorizes the City Manager to negotiate a contract *nunc pro tunc* with Drue Pearce, Holland & Hart, in the amount of \$4,500.00 retainer per month for CY2024 with travel expenses to Kotzebue, as needed and approved in advance,, effective January 1, 2024 similar in form and format as that executed for CY2023.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 22nd day of February 2024.

CITY OF KOTZEBUE

Saima Chase, Mayor

[SEAL]

ATTEST:

Rosie Hensley, City Clerk

Attachment: Exhibit "A" – Holland & Hart contract for CY2023 [7 pages]

Co-Interim City Managers Chelsea Sieh and Chief Roger Rouse
City of Kotzebue
PO Box 46
Kotzebue, AK 99752

Good day, Chelsea and Chief;

Thank you for the opportunity and your consideration of our proposal for continued Federal Government Lobbying Services for Calendar Year 2023. This proposal outlines an offer of continued engagement to address municipal infrastructure development and funding, opportunities for additional federal grant funding, federal public lands issues, and continuation and improvement of partnerships with federal agencies to facilitate permitting of projects, Arctic policy, and other issues that may be of interest as the Biden Administration's agenda is implemented.

I have been honored to represent the city and assist you in advancing your federal presence, interests, and reputation in Washington. Having moved to Alaska in 1977, I was a Kotzebue resident while manager of the Alaska National Bank of the North branch which gave me a unique understanding of the challenges faced by rural communities. My lengthy service in the State Legislature, including my eight years as Senate President and Finance Co-chair, left me with a keen understanding of the importance of federal funding to the state and its municipalities. My service at three federal agencies gives me an uncommon understanding of federal agency budgeting and the federal grant process. I am experienced at educating those in Washington, DC about what makes Alaska different and why a one-size-fits-all approach seldom works to address Alaska issues, especially for our more remote communities.

While my health kept me from my monthly commute between Alaska and Washington, DC, this year, I've taken advantage of virtual opportunities to keep my finger on the pulse of Alaska's people and the issues of the day. I'm recovered and will renew my commuting lifestyle next month. I remain passionate about Alaska, especially about coastal communities and the Arctic.

Given the present uncertainty about the upcoming midterm elections and eventual control of both houses of Congress as well as the sapping effect on budgets due to the high rate of inflation and relatively flat funding, this is an especially important time for the City of Kotzebue to be involved in the decision-making process in Washington, DC. The Alaska Delegation will continue to work on broad Alaskan legislation focused on economic development and economic certainty for the tourism, mining, fisheries, and oil industries at the same time they secure Congressionally Directed Spending allocations for Alaskan projects. It is vital that the city continue to keep members of Congress and agencies in Washington updated on your views to ensure your concerns and interests are represented. This is particularly true for the House of Representatives. No matter who is elected to the seat formerly held by the deceased Don Young, they will find themselves with little seniority in a House with major changes in committee leadership. It will be incumbent upon the City's lobbyist to educate the Chairs of the Committees important to your interests, such as Transportation & Infrastructure, Natural Resources, Energy & Commerce, Armed Services and Appropriations, about the City and its needs.

Below I highlight several areas where Holland & Hart will continue to offer value to the city.

FUNDING OPPORTUNITIES

We will again make application(s) to obtain funding through existing programs and the Congressionally Directed Spending (formerly earmark) appropriations process. With the enhanced federal focus on climate change and environmental justice overlain with passage of the Bipartisan Infrastructure Act and the Inflation Reduction Act, both of which included \$Billions for various grant programs, this is a favorable time to look for opportunities in DC.

Funding for port construction at Cape Blossom remains the City's top priority while completion of the construction on the Cape Blossom Road is imperative. Water/sewer, road improvement, and community infrastructure projects are also important for your residents' public health and safety. I have longtime personal and professional relationships with our Congressional Delegation as well as with their key staff; I will use these strong relationships to position your interests in the most beneficial way while also lobbying directly with the Committees of Jurisdiction for the programs you target for grant and funding applications.

ARCTIC POLICY

President Biden announced the new National Strategy for the Arctic Region on October 7. The updated Strategy describes the Administration's vision for the Arctic, which "protects and advances U.S. interests in the region, including providing for homeland security and defense; mitigating and building resilience to climate change and ecosystem degradation; expanding U.S. economic opportunities; protecting and improving livelihoods, including for Alaska Native communities".

He then announced an updated National Security Strategy on October 12 which identifies the importance of the U.S. Arctic, i.e., Alaska, to national security. With climate change creating a more accessible Arctic overlain on the national angst about the threats posed by both Russia and China, our Beaufort and Chukchi Sea coastlines must be defended by sea and land as well as by air. There is a scramble to rebuild Alaska's defenses to the level they were when the Cold War ended. Kotzebue stands to gain infrastructure and jobs from the rebuild. Partnering with the DoD and U.S. Coast Guard, as you've already begun to do, is an excellent strategy that must be advanced both at the state level and in D.C.

I have extensive Arctic issue expertise, having been the Secretary of the Interior's representative on the US Delegation to the Arctic Council and then because of my Arctic consulting work for the North Slope Borough Mayor, and for an international energy company doing business in the Arctic. I will continue to develop the D.C. contacts necessary to further Kotzebue's interests.

INFRASTRUCTURE IMPROVEMENTS FOR MUNICIPAL PROJECTS

Holland & Hart will help the City of Kotzebue take full advantage of federal support for infrastructure development. The major infrastructure funding bills passed over the last 12 months have extended year funding for grants which can be used to diversify and strengthen the local economy.

The bipartisan infrastructure bill contains \$65 billion for broadband infrastructure improvement. While the City isn't likely to become a provider, it should be at the table when new regional telecommunications infrastructure is planned and constructed.

Increased funding will also be available for ports, airports, and electric grids. In addition, the Denali Commission is slated to receive a substantial increase in funding for their grant programs.

COMMUNICATION AND COOPERATION WITHIN THE REGION

The City's priorities will inevitably be evaluated by federal agencies and even by the Alaska Delegation in the context of the myriad priorities advanced by the Northwest Arctic Borough, the Northwest Arctic School District, other villages in the Region, by NANA, by the State of Alaska, and by local utilities and other interests, such as AIDEA as they advance the Ambler Access Project. Close coordination, collaboration, and consultation (the three C's) with all the players is essential to the City's success; you need allies, as do they.

I bring over thirty years of government service and experience to your priorities; I've written both the State capitol and operating budgets as well as federal agency budgets, lobbied for local, state, and federal projects, managed federal grant programs, issued millions of dollars of grants, and managed large projects that required federal, state, local, and Tribal coordination. I understand the promises of ANCSA and ANILCA, the Statehood Compact, and the differences faced by Alaska and its people. I know the region and am a gifted advocate who will use those three Cs to build support for the City's priorities in a very crowded setting.

PLAN OF ACTION

I understand that the Mayor and Council will meet with you and key staff for a retreat in November at which you will develop a budget strategy for 2023 as well as an updated priority list for grant requests. I'm happy to support that effort any way you'd like. I know that you will undertake a careful analysis of your current needs, assets, and historic efforts.

As a result of the Council's trip to D.C. earlier this summer, your existing relationships with government decision-makers on Capitol Hill and within relevant agencies are excellent. I will identify areas where an investment of effort and resources will best strengthen your current relationships and address any existing deficiencies. We will pursue your priorities by promoting the City's views before Congress and the Executive Branch.

Holland & Hart will work directly with the Mayor and the City's team, with our agency contacts, and with the relevant committee authorizers and appropriators. Key target committees will include both the Senate and House Appropriation Committees, and other committees where our Delegation plays key roles, some of which will be new to them and you post-election.

Parallel to the Congressional outreach, Holland & Hart will also help maintain and enhance strong lines of communication with officials in federal agencies and the White House.

2022 brought an unusual amount of federal attention to Kotzebue, with seemingly monthly visits by various defense agencies and multiple visits by our Senior Senator, who was in cycle. She also sent a large team of her staff along with other Hill staff, which will pay great rewards. In addition, she sponsored two grant symposiums at which Kotzebue leaders were able to meet directly with federal agency staff and Senator Sullivan hosted a broadband summit with another gathering of the people who make decisions inside the beltway.

I don't think we can expect quite the same level of attention in 2023. This will place a premium on the utilization of those new relationships with the Alaska Delegation and their staff and agency officials. While many meetings can be successfully handled virtually, I would recommend that the Mayor and Council, along with the municipal leadership team, make another trip to D.C. to continue to build those key relationships – but perhaps not during the hottest week of the year!

Our efforts on behalf of the city will again combine both in-person and virtual elements. We will work to ensure that the City's FY23 requests are submitted on a timely basis and fully considered while scoping opportunities for the city to receive additional federal dollars by accessing still-available funding. Once the FY23 budget and infrastructure spending packages are signed into law, it will be equally important to take steps to ensure that implementation actions address needs in Kotzebue.

I will continue to be the principal lobbyist on the account. It is critical to establish regular and effective communication and I will work with Kotzebue officials via monthly update and strategy calls and written reports as well as coming to Kotzebue for meetings when appropriate. I am available daily to consult with City officials via email, phone, and text as issues and questions arise. While I will be the Holland & Hart lead working on behalf of the City of Kotzebue, the Firm has DC resources to track legislation and Congressional and executive branch developments. We would prepare briefing materials, testimony, talking points, and correspondence as needed. In addition, we would identify the most relevant decision-makers, schedule high value meetings, and accompany City officials in virtual or in-person meetings when appropriate. Further, Holland & Hart would work with you to coordinate and implement recommended initiatives and advise you regarding necessary follow-up. We would also provide proactive guidance and strategic support as appropriate.

DRUE PEARCE BIOGRAPHY



With over 30 years of state and federal elected and appointed service and a decade of private sector experience, I have expertise in a diverse range of roles while navigating the federal landscape in Alaska and Washington, DC. Apart from my most recent federal service as the Deputy Administrator of the Pipeline and Hazardous Waste Safety Administration (PHMSA) at the US Department of Transportation (USDOT), I have focused exclusively on Alaska and Arctic issues.

My approach to lobbying combines substantial expertise, strong Hill and executive branch relationships, and the development and implementation of specific strategies. I believe it is important to work closely with clients to understand their priorities and tailor lobbying goals to current legislative and political conditions. I prefer to build long-term relationships with clients to allow for more effective pursuit of annual and multi-year initiatives. My extensive knowledge of regulatory processes and stakeholders gives me invaluable insight into the critical issues that affect clients.

I have experience working for municipal and state government entities as well as private sector clients. I believe I can best serve individual clients that do not have competing priorities. In my experience, a lobbyist who goes to the Delegation with a myriad of requests for several municipalities is inevitably asked to prioritize his or her requests. I do not want to put Kotzebue in that position and would not pursue another Alaska city or borough client without consultation with the City of Kotzebue.

As my attached resume makes clear, I have unique experience and perspective with issues involving federal and state lands management, responsible resource development, ANCs and Alaska Natives and Tribal governments, and Arctic issues.

Holland & Hart has offices in both Anchorage and DC; I divide my time between the two as necessary to best serve my clients.

Past and present clients include the North Slope Borough Mayor, the Alaska Gasline Development Corporation, AIDEA, the State of Alaska, a major oil and gas corporation, and an international transportation project. During my 17 years of elected service in the Alaska Legislature, my constituents in West Anchorage were my clients.

COMPENSATION STRUCTURE

I propose that we maintain the \$4,500 flat retainer per month for Calendar Year 2023. I would also expect out-of-pocket travel expenses, as needed and approved in advance by the city.

I am excited about the prospect of partnering again on behalf of Holland & Hart with the City of Kotzebue and thank you again for your consideration. We would welcome an opportunity to discuss this proposal with you at a time convenient to you. In the meantime, please call me at 907.230.8558 if you have any questions. I can also be reached at DPearce@hollandhart.com.

DRUE PEARCE

Government Affairs Director

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