

Testimony of Martin B. Moore Sr.
City Manager, City of Emmonak
Thursday, April 3, 2014
SB-119 CAPITAL Budget
Statewide Public Testimony 1:30 PM
Bethel, Nome, Kotzebue, Unalaska

Mr. Chairman, Senator Kevin Meyer and Mr. Co-Chairman, Senator Pete Kelly and distinguished members of the Senate Finance Committee:

Thank you for your public service and thank you for this opportunity to testify on SB119 – the proposed Capital Budget.

My name is Martin B. Moore Sr., Manager, City of Emmonak. Emmonak is the largest community at the mouth of the Yukon River in Western Alaska. The Yukon River is the 3rd longest river in North America.

55-years after statehood, the Lower Yukon River delta is in need of port infrastructure. Nearly 5,000 residents reside on the delta. Including upriver and nearby coastal communities of the Wade Hampton Census District, the total regional population is closer to 9,500 with 703 commercial entry permit holders. Construction of a modern port facility in Emmonak will significantly alleviate the tremendously high cost of living in the region. Currently, the nearest port facilities are Bethel and Nome, each greater than one hundred miles from the Yukon delta region.

Mr. Chairman, allow me to enter the following points into the record:

1. The Lower Yukon River Port Project is **fully engineered, designed and permitted.** The engineering design was completed by Michael Foster Engineering, Eagle River, AK.
2. In 2012, the Alaska State Legislature and Governor Parnell approved \$3.0 million toward this project.
3. Total project is estimated to cost \$16.0 million. The City of Emmonak has submitted a CAPSIS request through Senator Hoffman and Representative Guttenberg for \$10.0 million.
4. The City is confident that the remaining \$3.0 million can be arranged through the local CDQ Corporation, US Department of Commerce EDA grant and other funding sources.
5. The project is a strategic state and regional priority. The benefits of this investment extend beyond the community of Emmonak and benefit the entire Yukon delta region and all the business enterprises that service this region.

6. Numerous letters and expressions of support have been submitted by Bering Pacific Construction, Alaska Commercial Company, Brice Construction, Crowley Marine, Calista Corporation, Yukon Delta Fisheries Development Association, KwikPak Fisheries, Ruby Marine, Vitus Marine, AK Village Electric Cooperative, Association of Village Council Presidents, neighboring communities and others.
7. The US Army Corps of Engineers Alaska Barge Landing System Design Final Report dated January 2009 recognized the need for a barge loading facility in Emmonak ranking the project as a “priority site.”
8. The Alaska Regional Port Study prepared by Northern Economics for the US Army Corps of Engineer and the AK Department of Transportation concluded on page 9 of the report that *“Investing in a barge dock in Emmonak is likely the best investment that could be made in the Yukon Delta.”*
9. The Department of Commerce & Economic Development has assisted through completion of an Economic Impact Report. Details of the report will be available once the report is published and copies will be distributed to each of your respective offices.
10. The Lower Yukon region continues to suffer from economic hardship. Secretary Blank, US Department of Commerce, recently granted Governor Parnell’s request for a fishery disaster due to the 2010-2012 Chinook run failures. Despite the severe restriction on the harvest of chinook, our residents continue to fish for the more abundant chum salmon. Construction of the port infrastructure will assist our business community through more efficient, less costly operations allowing them to better compete in the marketplace.

In closing Mr. Chairman, I wish to personally thank yourself and Senator Kelly for allowing and encouraging your professional staff; Ms. Suzanne Armstrong and Mr. Ryan Ray to travel to Emmonak during the summer of 2013 and personally investigate the need and legitimacy of our request. We greatly appreciated their visit and want to take this opportunity to thank you both for your genuine interest in our condition and needs.

We understand the budget conditions in Juneau are constrained; we respect that. Nevertheless, we urge your committee to consider this request as a regional request, benefiting more than one community, more than one region. Consider this as a previously started project. And finally, consider the fact that we have completed design documents, we have our federal construction permit, this is a *job ready project* and the total cost is known. This is *not* an unknown mega-project.

Thank you.



DOWL HKM

4041 B Street • Anchorage, Alaska 99503
(907) 562-2000 (voice) / (907) 563-3953 (fax)

Photo Log

Project Name: City of Emmonak City Dock Repair

Work Order Number: 60571

Report No:

Date: 07/31/11

Contractor: Bering Pacific

Inspector: Juan Gomez

Page 1 of 1



Figure 1: Placing Armor rock below water near 115+90



Figure 2: Placing armor rock below water



Figure 3: Finishinf Armor rock near 106+21



Figure 4: Placing armor rock below water level



Figure 5: Surveying near 116+00

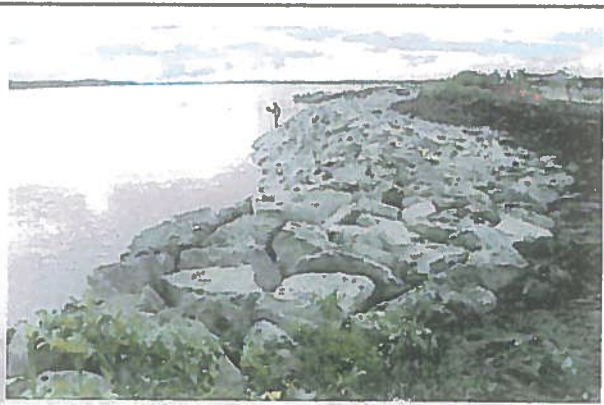


Figure 6: Finished armor rock 104+00 to 106+21

3



DOWL HKM

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Figure 1: Placing armor rock near 116+00



Figure 2: Armor rock stockpile used on slope



Figure 3: Surveying near 116+00



Figure 4: Placing armor rock below water surface



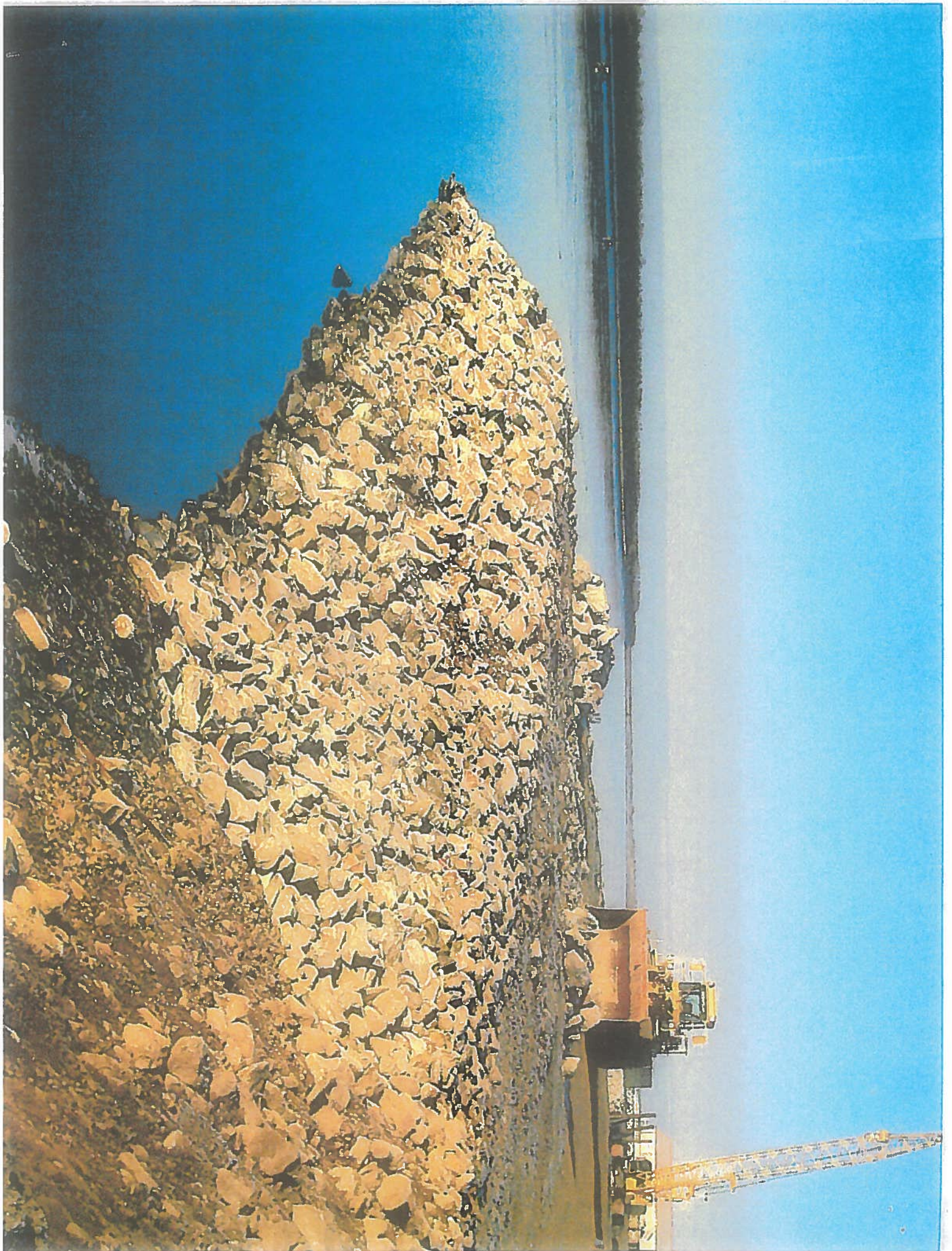
Figure 5: Loading bucket with armor rock



Figure 6: Placing A-rock and sonar readings









Emmonak Economic Developers

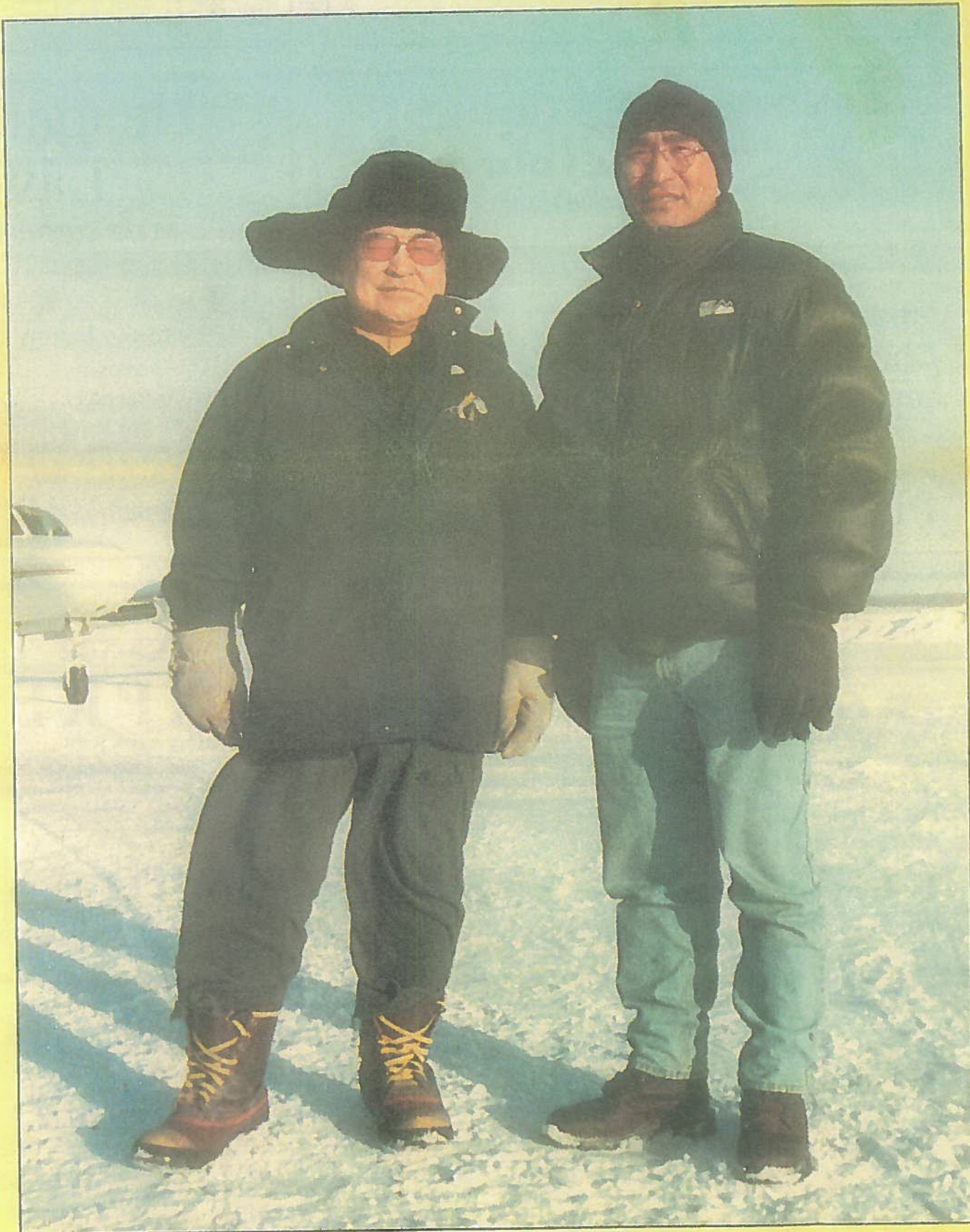


photo by Ted Horner

Emmonak City Manager Martin Moore (left) and Billy Charles, Executive Director of the Emmonak Economic Development Council are collaborating in an effort to win approval on the village municipality taking over a 5 million dollar airport improvement project that will bring many jobs to the fish disaster-stricken community.

Story and photos on page 14

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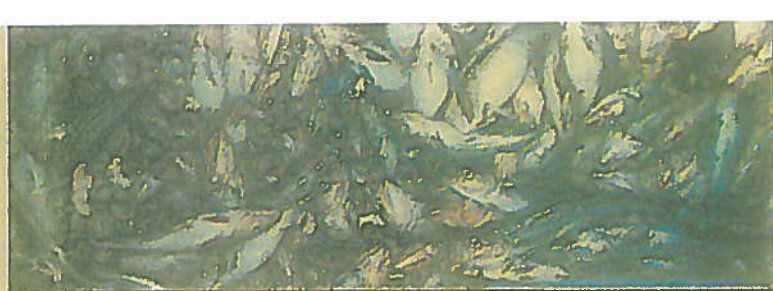
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COURSE

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m began, villagers are seeking to
Bering Sea fishery.



ERIK HILL / Daily News photo

Pollock aboard the F/V Pacific Knight.

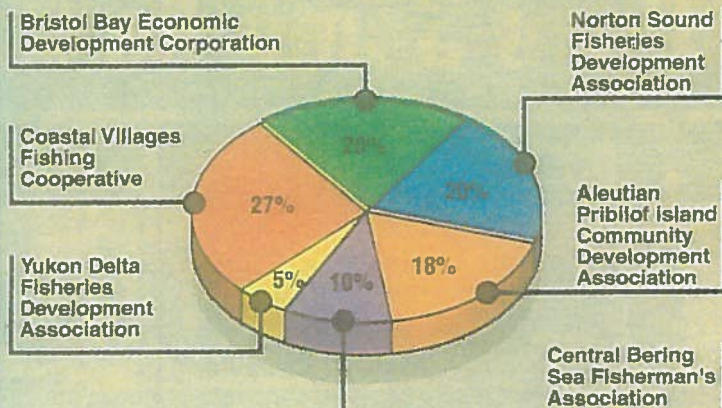


MARK DOLAN / Anchorage Daily News

Emmonak Corp. President Martin Moore speaks on behalf of the Yukon Delta Fisheries Development Association at the state public hearing on the Community Development Program last week.

1993 POLLOCK HARVEST RIGHTS

For western Alaska communities



Source: State Department of Commerce and Economic Development

“The program is transforming the politics of the North Pacific fishery. It “has just gone beyond anything that anyone has ever imagined — even in one year.””

— Paul Fuhs
state Commissioner of Commerce and Economic Development



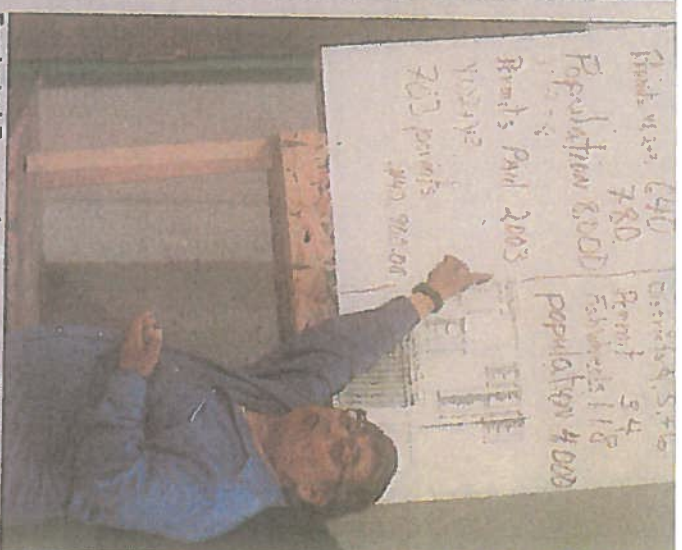
Christine Kirby stretches the skin of a salmon she has just cut for drying as son Cody Waska, 12, watches at their family fish camp in Emmonak. Christine and Cody live in Anchorage but return to their hometown to carry on subsistence traditions.



Steve Hayes of Fish and Game acknowledges problems with the king salmon fish count but affirms the run was falling short of long-term averages while addressing the meeting of fishermen in Emmonak.



Japanese fish buyers, from left, Hiroshi Moriyama, Shin Imamura, Tetsuya Urata and Chohachi Kashima wait for a plane at the Emmonak airport June 22 as the month stretches on without a commercial fishing opener in the vicinity of Emmonak. Urata and Kashima were heading home while the other two were staying on a day after Fish and Game announced a commercial opener upstream but none locally. The buyers were based at the nearby Bering Sea Fisheries plant, which remained idle. A couple of days later Fish and Game initiated a handful of short commercial openers.



Frustrated Emmonak city manager Martin Moore Sr. called a meeting of regional fishermen June 21 as Fish and Game refused to allow commercial fishing on the lower Yukon River. "If you don't fish, you don't make any money," explained Moore.



EMMONAK (ee-MAH-nuck)

2004 POPULATION: 762

94% Alaska Native or part Native.

Primarily a Yup'ik Eskimo village.

LOCATION: Mouth of Yukon River,

10 miles from the Bering Sea.

HISTORY: Site first noted in 1889.

Later, commercial fishing became a

major industry. Emmonak means

when Fish and Game's Steve

term averages. The long delay

these people. It's tough to watch

Secretary of Commerce declares disaster for Alaska King Salmon

g Acting U.S. Secretary of Commerce
- Rebecca Blank declared last Thursday
a a commercial fishery failure on Alaska's
s Yukon and Kuskokwim rivers and in the
c Cook Inlet due to low Chinook salmon
d returns during the 2012 fishing season and
e previous years.

o The disaster declaration makes it pos-
l sible for Congress to appropriate money
t toward alleviating the financial hardship
s to fishermen caused by the fishery disas-
t ter. If money is appropriated, NOAA will
l work closely with Congress and the state
o of Alaska to develop plans to assist coastal
o communities.

f "Some Cook Inlet salmon fisheries
s have experienced revenue losses of up
t to 90 percent of their historical average
t during the 2012 season, seriously hurting
l local economies that are dependent on
fishing," said Acting Secretary Blank.
s "We also understand that the communi-
t ties along the Yukon and Kuskokwim
rivers are heavily dependent on both
c commercial and subsistence fisheries
s and are particularly vulnerable to dra-
matic reductions in Chinook salmon. I
am making a fishery failure declaration
so that Congress is able to appropriate
funding that will mitigate some of the
economic consequences of the reduced
fish stocks. The future challenges facing
the men and women in this industry and
in these communities are daunting, and
we want to do everything we can to help
them through these difficult times."

In July, Alaska Governor Sean Parnell
and the Alaska Federation of Natives
requested the disaster determination for

the Yukon and Kuskokwim rivers. The
governor added Cook Inlet to the request
last month.

Acting Secretary Blank is declaring the
commercial fishery failure under Section
312(a) of the Magnuson-Stevens Act and
Section 308(b) of the Interjurisdictional
Fisheries Act.

"Fishing is the lifeblood of many coast-
al communities, providing jobs, a continu-
ation of an historic tradition and culture,
recreational opportunities for millions of
anglers, and contributing to food security
for the nation," said Dr. Jane Lubchenco,
NOAA administrator. "Finding solutions
will not be easy, but by continuing to work
together, we can have healthy fish stocks,
profitable fisheries, and vibrant fishing
communities."

The state of Alaska manages the salm-
on fisheries and collects biological and
economic information. NOAA Fisheries
Alaska Region has undertaken a review of
the status of the Yukon River, Kuskokwim
River, and Cook Inlet commercial salmon
fisheries based on relevant fishery and
economic information provided by the
state.

NOAA's mission is to understand and
predict changes in the Earth's environ-
ment, from the depths of the ocean to the
surface of the sun, and to conserve and
manage our coastal and marine resources.
Join us on Facebook, Twitter and our other
social media channels at <http://www.noaa.gov/socialmedia/>. To learn more about
NOAA Fisheries in Alaska, visit <http://alaskafisheries.noaa.gov> or <http://www.afse.noaa.gov>.



ALASKA
JOURNAL
OF COMMERCE



Week of October 3, 2004

Villages consider drilling as fishing declines

By Tim Bradner
Alaska Journal of Commerce

Ten years ago, the last thing Martin Moore thought he would be doing is pushing for offshore drilling near his village of Emmonak on the Yukon River delta in Southwest Alaska.

Times change, though. A decade ago, the chinook and chum salmon that swim up the Yukon River every year brought a modest but steady cash income for local Yupik fishermen. With commercial fishing complimenting subsistence hunting and fishing, and occasional local construction jobs, life was good.

Now the markets for salmon have evaporated, Moore says. Worse, the salmon runs themselves have been poor to nonexistent in recent years.

Moore, a former state legislator and long-time Yupik leader, is now Emmonak's city manager, and he is worried. Cash income from salmon is mostly gone and there are no other near-term possibilities of economic activity in the region.

State funds are being slashed and heating oil in Emmonak costs \$3.29 a gallon this year. "Our options are

Continued on Page B6



PHOTO/TIM BRADNER/AJOC

Martin Moore, city manager of Emmonak, looks over documents that detail acreage that could be available for drilling near his village and its neighbors.

Girdwood ice cream shop is a scooping success

By Margaret Bauman

BUSINESS PROFILE

Attitudes toward drilling soften as Emmmonak's economic climate cools

Continued from Page B1

limited," Moore said.

But the Yukon River Delta, beneath the waters of Norton Sound, there could be trillions of cubic feet of natural gas and even some oil, according to the U.S. Minerals Management Service.

Moore not only supports exploration, but he's now working to get support for new lease sales from federal and state agencies. He's also trying to stoke up interest in exploring among oil and gas companies.



Burton

Emmmonak's local village corporation and four others nearby are willing to offer their own lands for exploration. The villages own half a million acres in the delta region, Moore said.

Besides Emmmonak, the other village corporations are Kotlik Yupik Corp., Choolunawick Corp., Bill Moore Slough Corp. and Nunajiglluraq Corp.

As the economy shifts, so do attitudes

Attitudes toward oil and gas development are changing in rural Alaska. Influential Alaska Native groups are now on record supporting exploration, even in the offshore, but the process of converting opposition to support has taken a number of years, Moore said.

Last year, delegates to the Alaska Federation of Natives convention adopted a resolution favoring outer continental shelf (OCS) oil and gas development as well as

other development methods.

Supporting offshore exploration, or even local onshore petroleum development, is quite a turnaround for Emmmonak and the other communities.

For years, Yupik people in the area opposed offshore development over worries that an offshore spill might harm the region's fisheries.

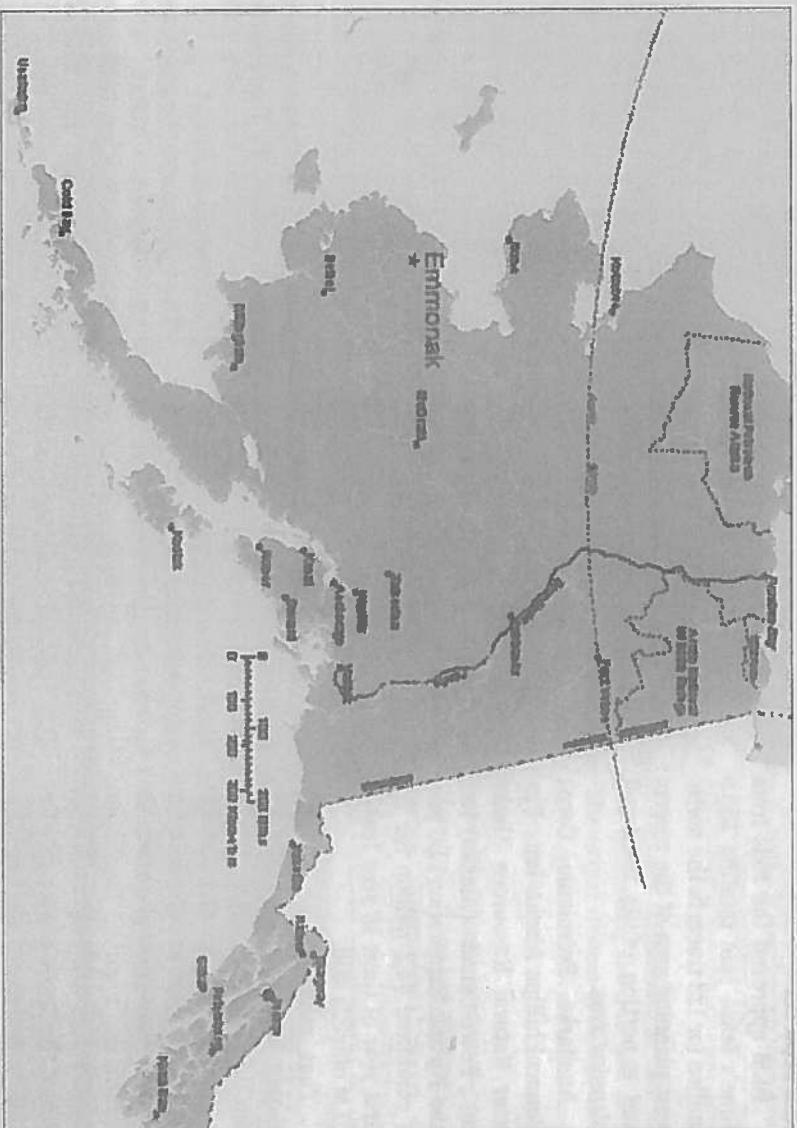
Concerns for the environment still exist, but the collapse of commercial salmon fishing in the region and a dearth of economic alternatives leaves oil and gas as the only choice, Moore said.

"It could certainly help us bring down the cost of fuel and electricity," he said.

The positive experience that Alaska Native people on the North Slope have had with oil and gas development has also helped change peoples' minds in other parts of rural Alaska, Moore said.

Emmmonak isn't interested in becoming a major industrial support center for offshore drilling, he said, but if developing local energy resources could lower fuel and electricity costs it could spur the formation of local businesses. Electricity now costs 34 cents a kilowatt hour in Emmmonak, Moore said. That is about three times what electric consumers pay in Anchorage.

A few jobs on the offshore drilling rigs would be welcome, too. Seasonal or week-on, week-off jobs fit well with small community life. Moore said one current economic bright spot are a few inns for local



Emmmonak, located near the mouth of the Yukon River and Norton Sound, and surrounding villages may look to oil and gas development as an economy once based on commercial fishing has essentially dried up.

villagers who work seasonally on large catcher-processor vessels in the Bering Sea.

The ships are harvesting Community Development Quota fish allocations owned by the regional fisheries nonprofit, the Lower Yukon Economic Development Corp.

"People can make \$15,000 to \$30,000 a season and the income helps," in offsetting the loss of income from local salmon fishing, Moore said.

Industry must also play a role

Johnnie Burton, director of the U.S. Minerals Management Service, said she would be delighted to issue OCS leases and get exploration going in Norton Sound. But

conduct a lease sale, Burton said.

Her advice to Moore and other community leaders is to put out the welcome mat for the petroleum industry. "Let them know you're open for business. Invite them out to look around, so they see there's been a change in local attitudes," she said.

One suggestion is for local communities to write letters in support of the MMS's next five-year lease sale plan, which will be published in January.

Pat Galvin, petroleum land manager at the state Division of Oil and Gas, said his agency can assist Emmmonak and other communities in the Yukon Delta in doing a resource evaluation. But he said so

(King) and chum salmon," but that ended in 1998 and 1999, when markets went soft. The region suffered a double hit in 2000 and 2001 when the chinook and chum runs failed.

The salmon runs are gradually coming back, but the markets aren't, Moore said. Chum salmon that sold for 66 cents a pound in 1988 went for 5 cents a pound in 2003.

The Wade Hampton census area, which includes Emmmonak and other villages in the Yukon-Kuskokwim Delta region, is one of the poorest in Alaska, and even the United States.

According to U.S. census data, the region had an average per capita personal income of \$15,900 in 2002, compared with an Alaska statewide average near \$20,000.

ration and four owners nearby are willing to offer their own lands for exploration. The villages own half a million acres in the delta region, Moore said.

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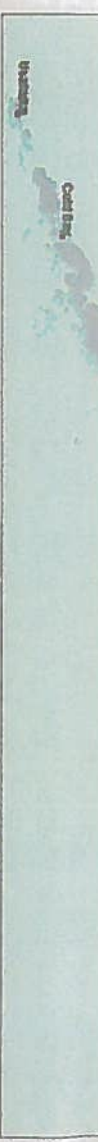
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Industry must also play a role

Johnnie Burton, director of the U.S. Minerals Management Service, said she would be delighted to issue OCS leases and get exploration going in Norton Sound. But industry hasn't expressed much interest in the area in recent years, she said. This is partly because the region's remote location and that its geology is prone to natural gas rather than oil.

A lot of natural gas would have to be found before a pipeline or liquefied natural gas project would be feasible. The best way to stimulate exploration might be to find some way of using the gas in the region, Burton said.

Every January, the MMS issues a request for expressions of interest in Norton Sound, and for the past two years there have been no responses. If a company were willing to explore, the MMS would

conduct a lease sale, Burton said.

Her advice to Moore and other community leaders is to put out the welcome mat for the petroleum industry. "Let them know you're open for business. Invite them out to look around, so they see there's been a change in local attitudes," she said.

One suggestion is for local communities to write letters in support of the MMS's next five-year lease sale plan, which will be published in January.

Pat Galvin, petroleum land manager at the state Division of Oil and Gas, said his agency can assist Emmonak and other communities in the Yukon Delta in doing a resource evaluation. But he said so little is known about the region's potential for oil and gas that it will be difficult to attract industry.

Local communities in the Bristol Bay region have also asked the state to help spur onshore exploration, but in contrast, that region has a long history of exploration and quite a bit more is known about the geology, Galvin said. The state recently issued an exploration license to a local company to explore in the region. A conventional state lease sale is planned there later this year.

Prices don't follow return of fish

The loss of the Southwest region's salmon industry has been devastating, Moore said. "We had 20 years of steady income from chinook

(king) and chum salmon," but that ended in 1998 and 1999, when markets went soft. The region suffered a double hit in 2000 and 2001 when the chinook and chum runs failed.

The salmon runs are gradually coming back, but the markets aren't, Moore said. Chum salmon that sold for 66 cents a pound in 1988 went for 5 cents a pound in 2003.

The Wade Hampton census area, which includes Emmonak and other villages in the Yukon-Kuskokwim Delta region, is one of the poorest in Alaska, and even the United States.

According to U.S. census data, the region had an average per capita personal income of \$15,900 in 2002, compared with an Alaska statewide average per capita income of \$32,799 that same year.

Neal Fried, an economist with the state Department of Labor and Workforce Development, said per capita income figures for the Wade Hampton census region really aren't that unusual compared with other parts of rural Alaska.

What brings up per capita income figures in other rural census areas are higher incomes in larger hub communities, like Bethel, Nome and Kotzebue. The Wade Hampton district has no hub community with higher incomes to bring up the average, so its per capita income profile is actually typical of many small villages in other areas, Fried said.



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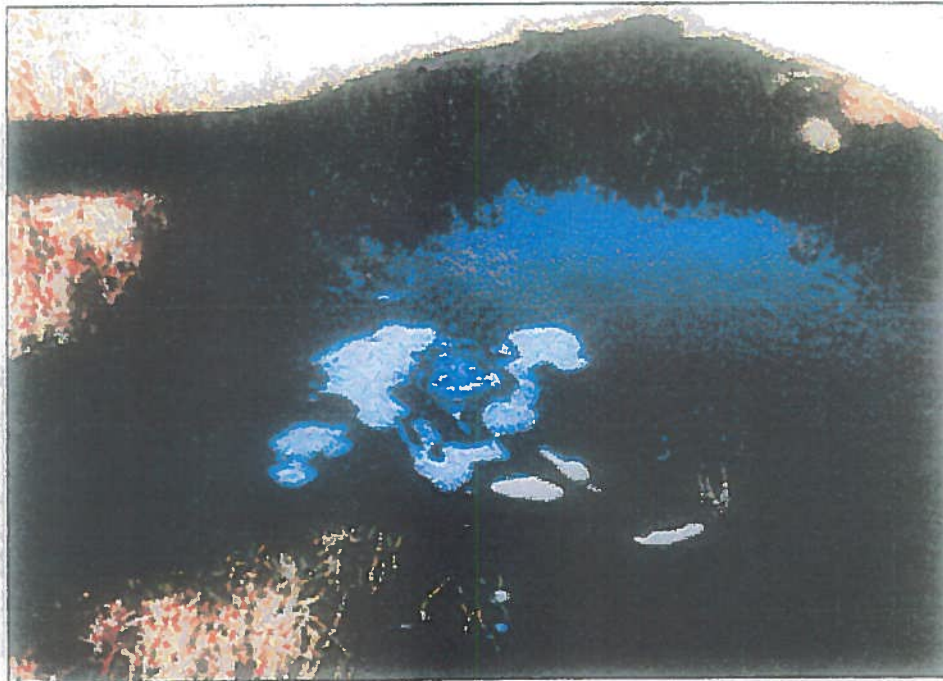


Figure 2. Photograph showing gas accumulation beneath lake ice on the Yukon Delta, southwestern Alaska, signaling the presence of a gas seep. Photograph by J.Y. Foley, 1997.

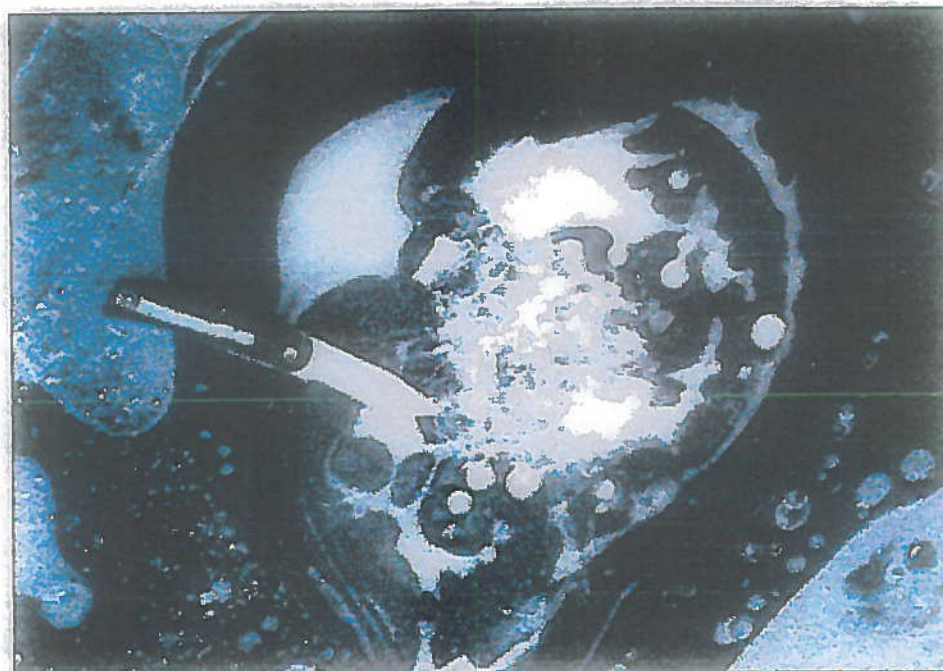


Figure 3. Photograph showing a closer view of the gas accumulation shown in figure 2. Knife blade is about 7 cm long. Photograph by J.Y. Foley, 1997.

AVCP

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
P.O. BOX 219 • BETHEL, ALASKA 99559 • PHONE 543-3521

43RD ANNUAL CONVENTION
BETHEL, ALASKA OCTOBER 4, 2007

RESOLUTION 07-10-02

TITLE: RESCIND AVCP CONVENTION RESOLUTION 88-21

WHEREAS The Association of Village Council Presidents (AVCP) is the recognized tribal organization and non-profit Alaska Native regional corporation for its fifty-six member indigenous Native villages within Western Alaska and supports the endeavors of its member villages; and

WHEREAS AVCP fully supports its member villages in all aspects of their self-determination, health and well-being; and

WHEREAS The cost of energy to sustain electricity in our homes and maintain the expensive water and sewer systems and general infrastructure buildings in sub-regional communities is increasing exponentially, and causing hardship for community residents; and

WHEREAS The Emmonak Tribal Council, Emmonak City Council, and Emmonak Corporation has engaged and forged unanimous support for the concept of responsible OCS, natural gas development in the Yukon sub-regional communities, with Emmonak Corporation, and other interested ANCSA village corporations; and

NOW THEREFORE BE IT RESOLVED THAT AVCP's Full Board rescind AVCP Convention Resolution 88-12 and support the Emmonak Tribal Council, Emmonak City Council, Emmonak Corporation, and the Yukon-Delta sub-regional community in their efforts to explore sustainable energy resource development in the outer continental shelf of the Norton Sound Basin and provide land base and land lease sales in a responsible manner as to not to interfere with the subsistence activities of residents.

ADOPTED by the Association of Village Council Presidents during its Forty-Third Annual Convention held at Bethel, Alaska, this 4th day of October, 2007, with a duly constituted quorum of delegates.


Raymond Watson, Chairman


Myron P. Naneng, Sr., President

Recommendation: Refer to Executive Board

ALASKA FEDERATION OF NATIVES, INC.

2003 ANNUAL CONVENTION

RESOLUTION 03-80

TITLE: FOR SUSTAINABLE ENERGY RESOURCE DEVELOPMENT FOR RURAL COMMUNITIES

WHEREAS: AFN, Tribal, Traditional and Village Corporations, Regional Corporations ANCSA-organizations are responsible for social and economic welfare for their membership; and

WHEREAS: AFN, Tribal, Traditional and Village Corporations, Regional Corporations ANCSA-organizations recognize the importance of affordable energy for its membership; and

WHEREAS: The cost of energy to sustain electricity in rural homes and maintain the expensive water and sewer systems and general infrastructure buildings in our communities is increasing exponentially, and causing hardship to our rural community residents; and

WHEREAS: many members of our organizations support energy development of natural resources in our villages, including OCS oil/gas explorations of multi-basins throughout the State, wind power development, natural gas development, regional coal-fired plants, regional interties into other regions, regional diesel powered jet turbines, etc.; and

NOW THEREFORE BE IT RESOLVED that AFN support responsible energy exploration/development of our natural resources in our villages, including OCS oil/gas exploration, oil/gas explorations of multi-basins throughout the State, wind power development, natural gas development, natural gas pipelines, regional coal-fired plants, regional interties into other regions, regional diesel powered jet turbines, so as not to interfere with the subsistence activities of the residents of the rural residents; and

BE IT FURTHER RESOLVED that AFN support feasible studies that bring energy cost for rural villages by working with state and federal agencies.

SUBMITTED BY: EMMONAK TRIBAL GOVERNMENT, CALISTA CORPORATION

CONVENTION ACTION: SUSPENSION OF RULES/PASSED



Martin Moore

644-0327