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UNITED FISHERMEN OF ALASKA

211 4th Street, Suit 112
Juneau, AK 99801
907-586-2820
Fax# 907-463-2545

April 26, 1991

MEMBER ASSOCIATIONS

Alaska Crab Coalition
Alaska Independent Fishermen's Marketing Association
Alaska Longline Fisherman's Association
Alaska Trollers Association
Bering Sea Fishermen's Association
Bristol Bay Driftnetters Association
Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association
Copper River Fishermen's Cooperative
Cordova District Fishermen United
Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association
Peninsula Marketing Association
Petersburg Vessel Owners Association
Prince William Sound Aquaculture Association
Prince William Sound Seiners Association
Seafood Producers Cooperative
Southeast Alaska Seiners
Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association
United Southeast Alaska Gillnetters
Western Alaska Cooperative Marketing Association

Alaska State Legislature
P.O. Box V
Juneau, Alaska 99801

Dear Legislator:

The United Fishermen of Alaska is pleased with Judge H. Russell Holland's decision to reject the proposed criminal settlement in the Exxon Valdez oil spill case.

In addition, our organization is opposed to the proposed civil settlement as it now stands. We and our affected members believe there are items which must be included in a civil settlement offer before it would be acceptable to Alaska's fishers. These include:

* the release of all spill data which have been financed by public funds;
* payment for cleanup and restoration should originate from two different funds;
* settlement funds should be used for restoration, rehabilitation and acquisition of equivalent resources, not for capital construction projects;
* removal of clause which allows the use of settlement funds outside of Alaska;
* retain state's right to pursue criminal and civil charges against Alyeska, including claims for natural resource damages; and
* any monetary funds arising from a settlement should be paid in full or with interest.

This settlement offer, like most first offers, presents the Legislature a good starting point. We hope that future offers will include those items which we feel are currently lacking. In the meantime, the United Fishermen of Alaska remains available if we should be of assistance to you in any further negotiations.

Very truly yours,

Greg Seider MB

Greg Seider
Executive Director

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Testimony of
Greg Seider, Executive Director
United Fishermen of Alaska
before the
House Special Committee
on the
Exxon Valdez Spill Claims Settlement
April 15, 1991

Mr. Chairman and members of the Committee, my name is Greg Seider. I am the Executive Director of the United Fishermen of Alaska and I am here to testify on their behalf.

The United Fishermen of Alaska, at this time, supports the concept of a negotiated settlement for the Exxon Valdez spill damages. However, we cannot in good conscience support this settlement agreement.

Many of these problems hinge on the release of the spill data. It is impossible for either the legislature or the public to truly understand whether the dollar value that has been assigned to this settlement is valid. Without release of the data, it is impossible for the public to adequately weigh the cost of future oil development against the cost to the fisheries habitat upon which the fishing industry and the economic well-being of Alaskan coastal communities are so absolutely dependent.

The lock on the data is, ostensibly to keep the state from showing its hand so it can best protect itself from suits against it and to perhaps further pursue claims against Alyeska.

This is an unfortunate dilemma, but many of the suits, if not most, have been filed against the state since this settlement was made public. These suits are no doubt in part due to the failure of the agreement to protect the state from accusations by Exxon - Alyeska that the state is negligent in this grounding or the failure of the agreement to indemnify the State for any liability. This failure could, if this settlement is accepted, prevent the scientific data from seeing the light of day for the forseeable future. This is unacceptable public policy.

The failure of the agreement to protect the State from third party claims through indemnification would not have been nearly as innovative as Exxon's championing of the release of liability for Alyeska; and, had it been incorporated, would not have pitted the State against her citizens. Not only are the citizens of the State pitted against the State, they have been deprived of their strongest ally in their damage claims against Exxon.

The expenditure of the settlement funds is an unresolved issue. There are simply too many overwhelming questions for which there have been no satisfactory answers. Pointing either to 1991 State/Federal Natural Resource Damage Assessment and Restoration Plan for the Exxon Valdez Oil Spill or the Clean Water Act does absolutely nothing to resolve how the monies will be spent or how adequate, representative and meaningful public participation will occur in the process of fund expenditure. Quite frankly, the thoughts which we have heard expressed by the probable state trustees have proved to be more alarming than enlightening on the expenditure of monies which are to be "used to restore, rehabilitate, or acquire the equivalent of such natural resources." The terms are noble but empty until the citizens of this State and especially those in the effected areas are satisfied with what they will actually mean.

There has also been some comment that continued scientific and economic studies could be curtailed as early as this year. This is unconscionable. No one wants to see, as one gentleman has stated, "an institutional feeding frenzy," that is the funding of frivolous studies. There are, however, certainly worthwhile lines of research which must be pursued in order to better understand the effects of this spill. It might also be appropriate to point out that much of the so called "record run" in Prince William Sound during the 1990 season was due in large part to the effectiveness of the hatchery program and not the wild stock return. This, from the fishing industry perspective, is a strong case for further study of the long term effects of the spill on fish and habitat.

The fishing industry, in the effected areas, is also concerned about tying future clean-up efforts to the settlement monies that are to be used for the hallowed: restore, rehabilitate, or acquire equivalent natural resources. The date of the occurrence is not in the dim past. The true effects of the Exxon Valdez spill are as yet undetermined, to tie clean-up funds in the same package with monies which are to be used for compensation for resource damages is an unacceptable precedent which should not be set. We may find we will be forced to make undesirable trade offs between continued clean-up and restoring, rehabilitating and acquiring.

The day the settlement was made public, the bird in the hand is worth two in the bush analogy was applied to the unknowns of this agreement. A colleague observed, "It remains to be seen if it is a swan or a dodo."

Unfortunately, at this time, it appears to the United Fishermen of Alaska that if it walks like a dodo and talks like a dodo it is a dodo. Mr. Chairman and members of the committee, we urge you to reject this settlement agreement. Let it be a starting point for a more acceptable agreement.