

HB

411

STATE OF ALASKA  
House of Representatives  
District 27

Representative Cliff Davidson  
Chairman  
House Resources Committee

Box V, Juneau, AK 99811  
(907) 465-2487  
Box 746, K Barak, AK 99615  
(907) 486-8250

TO: Senator Lloyd Jones, Chairman  
Senate Resources Committee

FROM: Representative Cliff Davidson *CLD*

DATE: 5 May 1992

SUBJECT: House Bill 411 - Exxon Valdez Restoration Projects

In October of 1991, the U.S. government and Exxon Corporation entered into a plea agreement settling the federal criminal case against Exxon. As part of that agreement, Exxon agreed to provide \$100,000,000 as "remedial and compensatory" payments, with \$50 million going to the State of Alaska and \$50 million going to the U.S. Government.

These monies came to the state treasury with federal District Court restrictions in place. These monies "are to be used by the State of Alaska and the United States exclusively for restoration projects, within the State of Alaska, relating to the 'Exxon Valdez' oil spill." The court further goes on to say that, "Restoration includes restoration, replacement and enhancement of affected resources, acquisition of equivalent resources and services, and long term environmental monitoring and research programs directed to the prevention, containment, cleanup and amelioration of oil spills."

These monies are restitution for environmental criminal acts, specifically, violations of the Migratory Bird Treaty Act, the Clean Water Act and the Refuse Act. These monies must necessarily go for those restoration purposes which the State of Alaska and the residents of the affected region deem appropriate and beneficial.

House Bill 411 was developed by working with the residents of the affected region to produce a package of projects widely supported within the oil spill communities that meet the terms of the agreement among the state and federal governments and Exxon. Support for this bill ranges from municipalities, fishing groups and native corporations to conservation groups, education groups and archaeologists.

I request your expeditious deliberation on House Bill 411.

HOUSE BILL 411

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*LEGAL OPINIONS*

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Introduced by: Mayor Selby  
Requested by: Afognak Native  
Corporation  
Drafted by: Afognak Native  
Corporation  
Introduced: 03/19/92  
Adopted: 04/02/92

KODIAK ISLAND BOROUGH  
RESOLUTION NO. 92-11

**A RESOLUTION SUPPORTING THE ACQUISITION OF IMPORTANT FISH, WILDLIFE,  
CULTURAL, AND RECREATIONAL LANDS ON AFOGNAK ISLAND BY THE  
STATE OF ALASKA AND THE FEDERAL GOVERNMENT AS A WISE USE OF  
CRIMINAL AND CIVIL PENALTIES CONSEQUENT TO THE  
EXXON VALDEZ OIL SPILL**

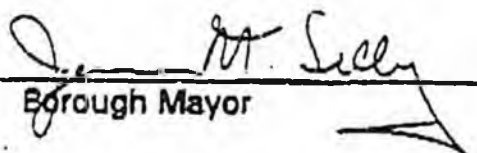
- WHEREAS,** the Exxon Valdez oil spill caused important biological, economic, and cultural damage to the lands, waters, fish, and wildlife of the Kodiak Archipelago and to its residents;
- WHEREAS,** the State and Federal Trustees of the Oil Spill Trust Fund and the State legislature are required by the courts to use civil and criminal penalties collected from the Exxon Corporation to restore the damage to the ecosystem;
- WHEREAS,** the Afognak Joint Venture has publicly expressed its willingness to sell undeveloped lands with high resource values and has worked cooperatively in that endeavor with the Kodiak Island Borough, State of Alaska, and United States Government;
- WHEREAS,** commercial fishermen, sportsmen, recreational users, and many other local residents have expressed strong support for the acquisition and protection of these valuable Afognak Island lands; and
- WHEREAS,** such acquisition will contribute to economy of the Kodiak Island Borough through diversification, investment and dividends as well as protecting existing businesses dependent on maintaining fish and wildlife habitats in natural condition.

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT:**

the Assembly and the Mayor support the passage of Committee Substitute House Bill 411 and the immediate acquisition of undeveloped lands on Afognak Island by the State and Federal Trustees of the Oil Spill Trust Fund and by the Alaska State Legislature so that the criminal and civil penalties are wisely spent and so that damages to the lands, waters, fish and wildlife of the Kodiak Archipelago and to its residents are restored.

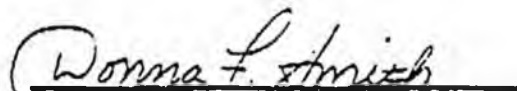
PASSED AND APPROVED THIS 2nd DAY OF APRIL, 1992.

KODIAK ISLAND BOROUGH

  
Borough Mayor

  
Presiding Officer

ATTEST:

  
Borough Clerk

Introduced by: Skogstad  
Date: 4/07/92  
Action: Adopted  
Vote: Unanimous

**KENAI PENINSULA BOROUGH  
RESOLUTION 92-41**

**A RESOLUTION SUPPORTING CS HB 411 WHICH PROVIDES REMEDIAL  
MONEY FOR RESTORATION PROJECTS WITHIN THE KENAI PENINSULA  
RESULTING FROM THE EXXON VALDEZ OIL SPILL**

**WHEREAS,** the State of Alaska has received \$50,000,000 as remedial and compensatory payments to be used exclusively for restoration projects relating to the Exxon Valdez oil spill; and

**WHEREAS,** not only were Kenai Peninsula Borough coastlines directly affected by the Exxon Valdez oil spill, but many of our rivers and estuaries sustained long term residual impacts that will require close monitoring for a number of years, along with the need to immediately implement several restoration projects already outlined; and

**WHEREAS,** CS for HB 411 specifically outlines several restoration projects that are not only critical for the long term environmental recovery of many areas of the Kenai Peninsula, but that takes steps towards helping in the immediate economic recovery within the Kenai Peninsula and Cook Inlet areas;

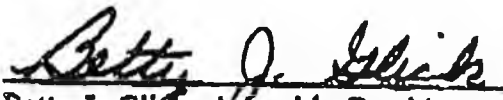
**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**Section 1:** That the Kenai Peninsula Borough Assembly supports passage of CS HB 411 as to the positive affects it will provide to the recovery of the environment and economy within the Kenai Peninsula resulting from the Exxon Valdez oil spill.

**Section 2:** That the Borough Clerk shall send copies of this resolution to Governor Walter Hickel, Senators Paul Fischer, Lyman Hoffman, Jalmar Kerttula, and Curt Menard; to House Representatives Cliff Davidson, Gene Kubina, Georgianna Lincoln, Mike Navarre, Gail Phillips, and James Zawacki.

**Section 3.** That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH  
DAY OF APRIL, 1992.

  
Betty J. Glick, Assembly President

  
  
Gaye J. Vaughan, Borough Clerk

KODIAK DAILY MIRROR 4/21/92

## HB 411 deserves our support

To the editor:

Kodiak residents should be aware of an important bill introduced by Rep. Cliff Davidson: HB 411. This legislation deals with part of the criminal penalty levied against Exxon as a result of the oil spill settlement. \$50 million of the criminal penalty was dedicated to the Alaska State Legislature and must be used for restoration work in the spill affected areas. Davidson has taken the time and effort to compile input from citizens throughout the spill-affected region.

The end result of his efforts is HB 411 which includes projects that are truly important to the people most effected by the oil spill. Davidson's leadership on this issue has inspired a spirit of cooperation which was well evident in a recent House Resource Committee hearing on HB 411. Forty-eight individuals and representatives of interested organizations from 13 communities testified; all voiced strong support for the bill except for one individual. Davidson has been able to gather and maintain strong regional support for HB 411, while at the same time dedicating a substantial portion of the \$50 million toward projects in the Kodiak area. His representation for our area has been excellent. Following is a brief outline of the Kodiak projects which would receive funding under HB 411:

—\$8.3 million for acquisition of

key fish and wildlife habitat from private landowners (native corporations) on Afognak Island.

This would include important spawning areas in the Pauls Lake/Seal Bay area. Land in the Malina Lakes area should also be purchased. It's important to note that under state management we could expect to both preserve and enhance public use of these areas.

—\$350,000 for acquisition or long-term leasing of weir sites which are recognized as important to commercial fisheries management in the Kodiak area.

—\$100,000 for long-term planning and development of the Fisheries Industrial Technology Center.

Other projects included in HB 411 which would have many benefits for the people and resources of the Kodiak area are:

—\$800,000 toward study and protection of archaeological resources. Archaeological sites were not only physically damaged by the oil spill, but their discovery by countless oil spill workers now puts them at greater risk for looting and destruction.

—\$3 million for an endowment to the Alaska Science and Technology Foundation (ASTF) to fund grants for educational projects related to oil spill and other natural resource issues. Kodiak's public radio station,

KMXT, as well as local schools, could all receive funding for projects under this endowment.

Davidson has clearly demonstrated his concern for everyone who was impacted by the oil spill by carefully compiling meaningful projects into HB 411. The development of HB 411 has been a difficult and time-consuming process for Davidson, requiring him to work with a wide variety of individuals and interest groups.

Although HB 411 continues to gain support from the local people in the spill-affected region, it still faces major hurdles in the legislative process.

Now is an important time to show that you appreciate our representative's leadership on these issues. Write him a note or letter expressing your support for HB 411.

Our local Legislative Information Office can help you send a message, or you can write to him. Below are the addresses:

Rep. Cliff Davidson  
Room 108, State Capitol  
Juneau, AK 99801  
Phone: 465-2487, or,

Legislative Information Office  
112 Mill Bay Road  
Kodiak, AK 99615  
Phone: 486-8116

Sincerely,  
Kelly Schactler,  
Director  
Area K  
Seiners Association

Thursday, March 26, 1992

## *Editorial*

# The meaning of restoration; developments in development

About this time of year — when the Alaska Legislature stops pussyfooting around and starts getting down to business — it's always good to remind elected officials not to get too wrapped up in the shifting-money game.

For example, House Bill 411 concerns itself with the fate of some \$50 million from Exxon's plea agreement in the criminal case arising from the Exxon Valdez oil spill, a notorious event that marked its third anniversary this week.

The state of Alaska is in a budget crunch and it's only going to get worse. It's understandable that even the most ardent legislators would look at a chunk of money like that and long to put it to use on their pet projects. Longing is OK. But some have gone too far and actually suggested such uses.

In this case, there's been talk of using the money to enhance schools' funding. Another alternative is a visitors' center in Seward.

Those projects have their merit. But the \$50 million is specifically earmarked for restoring and protecting those areas damaged by the spill, or some equivalent use.

That means buying up lands whose eventual development — such as by logging — would lead to degradation of fishing grounds or wildlife habitats that were damaged by the spill. Or it means buying up other lands threatened with degradation from other sources.

It doesn't mean a building for tourists. And, as important as they are, it doesn't mean schools.

Any legislator who participates in such a misuse of the funds arising from civil and criminal damages of the Exxon Valdez oil spill — whether he or she is successful or not — will only be adding further insult of the kind that the spill visited on Alaska.

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April 4, 1992

Senator Fred Zharoff  
Chairman, Senate Rules Committee

Dear Senator Zharoff,

We would like to thank you and your staff for the time spent communicating with representatives of various Kodiak area groups who have an interest in HB 411 and its counterpart SB 379. Both pieces of legislation deal with the \$50 million criminal penalty from the Exxon Valdez oilspill settlement. This money was dedicated to the Alaska State Legislature under specific guidelines for restoration work in the spill affected areas.

HB 411 has received a substantial amount of input and has undergone several drafts. It now includes proposals which are important to people in all of the spill affected areas. During a recent House Resources Committee hearing on HB 411 a total of 48 individuals and representatives of interested organizations from 13 communities testified. Of this group all but one supported HB 411. The Kodiak area groups which currently support HB 411 include: Area K Seinners, Kodiak Regional Aquaculture Association, Afognak Joint Venture, Seal Bay Timber Joint Venture, the Alutiiq Cultural Center, the University of Alaska Fishery Industrial Technology Center, Kodiak Audubon, and the Kodiak State Parks Citizens' Advisory Board. The Kodiak Borough Assembly unanimously adopted Resolution 92-11 in support of the current draft of HB 411.

Of particular interest are the conservation land purchases included in HB 411. Here exists an opportunity to acquire areas which are critical for fisheries and wildlife habitat, and access by sport and subsistence hunters and fishermen, recreational users, and tourists. Under state management we could expect to both preserve and enhance public use. The state cannot lose under the current scenario by acquiring such valuable assets, namely high quality lands and development rights. Money spent for conservation land purchases would provide an economic boost in various communities when area native corporations invest the purchase funds in local projects. Local economies will also receive a boost when shareholders spend their increased dividends.

SB 379 (Sen. Curt Menard, sponsor) is identical to the initial draft of HB 411. This bill should be expanded and modified so that it is identical to the current draft of HB 411. Any input or guidance you could provide in this area would be greatly appreciated.

In closing, we would like to note that many people are dismayed and disillusioned with the Trustee Council's oversight of spill

Page Two--Senator Fred Zharoff

settlement funds. The Trustees evidently intend to use all but a pittance of the first year's restitution for reimbursing legal fees and for on going damage assessment studies; studies which may not even be available to the public because of litigation sensitivity. Even more disturbing are next year's funding projections, which include more of the same: legal fees and damage assessment studies. At this time it is unclear if these funds will ever go towards anything of substance. Many people are looking to the legislature to set an example for the trustees. HB 411 and SB 379 are the vehicles for starting true restoration in the spill affected areas.

Thank you for your attention to this important issue. Your staff has been most courteous and helpful in our contacts with your office.

Sincerely,

*Kelly Schactler*

Kelly Schactler  
Director, Area K Seiners Association

*June M. Selby Mayor Kodiak Island Borough*  
*John Frank Director FITC*  
*Kelly Simonoff Kodiak Area Native Association*

*Cheryl M. Malloy - Executive Director, Kodiak Regional Association Assoc.*  
*Howard Malloy - Chairman Afognak Joint Venture*  
*Ross F. Blackett - chairman Kodiak State Parks Citizens' Advisory Board*  
*Doug Petrich - Conservation Chair, Kodiak Audubon*

cc: Alaska State Senate

*Philomena Krecht, KANA Alutiq Culture Center, Kodiak*



# Alaska State Legislature

## HOUSE RESOURCES COMMITTEE

P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3715

### MEMORANDUM

TO: Representative Eileen MacLean, Co-chair  
✓ Representative Mike Navarre, Co-chair  
House Finance Committee

FROM: Representative Cliff Davidson, Chairman  
House Resources Committee

DATE: 15 April, 1992

SUBJECT: Exxon Valdez Restitution Funds

Attached is a letter I received recently from Attorney General Cole concerning the disposition of the \$50 million in Exxon Valdez restitution. I believe that it clearly illustrates the constraints under which the restitution monies can be spent.

cc: Senate Finance Committee

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WALTER J. HICKEL, GOVERNOR

REPLY TO:

- 1031 W 4TH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 289-5100  
FAX: (907) 276-3697
- KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 452-1568  
FAX: (907) 456-1317
- P.O. BOX K - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

April 10, 1992

The Honorable Cliff Davidson  
Chairman, House Resources Committee  
Alaska State Legislature  
Room 108, State Capitol  
Juneau, AK 99801-1182

Dear Chairman <sup>Cliff</sup> ~~Davidson~~:

Thank you for your letter of April 6, 1992 regarding the restrictions on the State's use of the \$50 million in criminal restitution payments from Exxon. You are correct that these funds are restricted in their use under the judgment entered by the United States District Court. Specifically, the funds are to be used by the State,

exclusively for restoration projects, within the State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes: restoration, replacement, and enhancement of affected resources; acquisition of equivalent resources and services; and long term environmental monitoring and research programs directed to the prevention, containment, cleanup, and amelioration of oil spills.

For your use I am attaching a copy of the judgments entered by the court.

These restrictions remain on the funds until they are spent for the purposes described in the judgment. It is the intention of the administration to place all of the restitution funds that are not otherwise properly appropriated by this legislature for the purposes described in the court's judgment, into a restricted account.

Letter to The Honorable Cliff Davidson

April 10, 1992

Page 2

I hope this explanation fully addresses your concerns.  
If I can be of further help, please contact me at your convenience.

Very truly yours,

*C. E. Cole*

Charles E. Cole  
Attorney General

CEC:bkn

Encl

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

February 21, 1992

**SUBJECT:** Use of Exxon Valdez oil spill restitutionary payments (Work Order No. 7-LS1810)

**TO:** Representative Cliff Davidson  
Attn: Jay Nelson

**FROM:** George Utermohle *GU*  
Legislative Counsel

This memorandum addresses the issue of whether the restitutionary payment received by the State of Alaska as part of the Plea Agreement between the United States and Exxon Corporation and Exxon Shipping Company (Exxon) must be used exclusively for natural resources restoration projects.

### SHORT ANSWER

Two things are clear. First, under the terms of a Memorandum of Agreement, the State of Alaska and the United States have agreed to use the restitutionary payments only for restoration of natural resources. Second, the State of Alaska, the United States, and the Court intend that the restitutionary payments be used to restore natural resources and the environment in the areas affected by the Exxon Valdez oil spill. What is unclear is the extent to the State of Alaska and the United States may have agreed, subsequent to entering into the Memorandum of Agreement, to use the restitutionary funds for purposes in addition to restoration of natural resources and the environment.

### DISCUSSION

There is nothing inherent in the concept of restitution that requires the State of Alaska to use the restitutionary payment received under the Plea Agreement between the United States and Exxon for restoration of natural resources damaged by the Exxon Valdez oil spill. The victim of a crime is entitled to restitution for the loss of or damage to the property caused by the perpetrator of a crime. Money received as restitution is to make the victim whole and to restore the victim to the position the victim occupied before the crime. Generally, the victim is not required to use the

Representative Cliff Davidson

February 21, 1992

Page 2

money received to replace the specific property that is lost or damaged; the victim may use the money for other purposes.<sup>1/</sup>

However, at the specific request of Attorney General Cole, the Court included the purposes for which the restitutionary payments may be used as part of the Judgment.<sup>2/</sup> Attorney General Cole made the request so that there is no misunderstanding as to how the restitutionary payments are to be used.<sup>3/</sup> The order of restitution contained in the Judgment states, in relevant part:

The monies paid in restitution are to be used by the State of Alaska and the United States of America exclusively for restoration projects, within the State of Alaska, relating to the "Exxon Valdez" oil spill. Restoration includes restoration, replacement, and enhancement of affected resources; acquisition of equivalent resources and services; and long-term environmental monitoring and research programs directed to the prevention, containment, cleanup, and amelioration of oil spills.<sup>4/</sup>

The order of restitution does not refer expressly to restoration of natural resources. Instead, in describing what are permissible restoration projects, the order uses only

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<sup>1/</sup> For the purposes of the Exxon Valdez oil spill Plea Agreement, the victims are the State of Alaska and the United States of America. Transcript of Proposed Change of Plea, United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 CR, p. 68, October 8, 1991. Cited as Transcript.

<sup>2/</sup> Judgment, United States of America v. Exxon Corporation, United States District Court, District of Alaska, Case No. A90-015 CR.

Judgment, United States of America v. Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 CR.

Cited collectively as Judgment.

<sup>3/</sup> MR. COLE: I would like to have the scope of that restitution set out in full in the Agreement, as I recall it's set out in the Plea Agreement, so there's no misunderstanding on the part of anyone as to the scope of what those restitutionary funds may be used for. That was a carefully negotiated provision.

THE COURT: All right. The Plea Agreement, and I'm looking at Page 9, says such monies are to be used by the State of Alaska and the United States exclusively for restoration projects within the State of Alaska relating to Exxon Valdez oil spill, and then there's some more.

MR. COLE: Yes. I would like that . . . .

THE COURT: I would be happy to include that expressed language in the judgment.

Transcript at 76.

<sup>4/</sup> Judgment at 4.

the broad term "resources". The failure to specifically refer to natural resources does not preclude the possibility that the order meant "natural resources" and only natural resources.

In order to determine whether the order of restitution meant "natural resources" when it said only "resources", it is necessary to look behind the order to the documents<sup>5/</sup> which the Court had before it at the time and to the representations by the parties to the Court supporting acceptance of the Plea Agreement and the restitution requirement included therein.

The order of restitution is derived virtually verbatim from the Plea Agreement between the United States and Exxon. The Plea Agreement initiated the use of the term "resources" but does not indicate whether the term should be construed narrowly to mean only natural resources.

The best support for the conclusion that the restitutionary payment received by the State of Alaska may be used for restoration of natural resources and only natural resources is found in the MOA. Under the MOA the United States and the State of Alaska agreed to dedicate all natural resource damage recoveries received as the result of the Exxon Valdez oil spill to restoration of natural resources. For purposes

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<sup>5/</sup> Plea Agreement, United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, Alaska District, Case No. A90-015 CR., September 26, 1991. Cited as Plea Agreement.

Memorandum of Agreement and Consent Decree, United States of America v. State of Alaska, United States District Court, District of Alaska, Civil Action No. A91-081 CV, August 27, 1991. Cited as MOA.

Agreement and Consent Decree, United States of America v. Exxon Corporation et al., United States District Court, District of Alaska, Civil Action No. A91-082 CV and United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Civil Action No. A91-083 CV, filed October 9, 1991. Cited as Consent Decree.

Governments' Memorandum in Support of Agreement and Consent Decree, United States of America v. Exxon Corporation et al., United States District Court, District of Alaska, Civil Action No. A91-082 CV and United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Civil Action No. A91-083 CV, filed October 8, 1991.

Government's Memorandum in Aid of Sentencing, United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 CR, filed April 16, 1991.

Joint Sentencing Memorandum of Exxon Corporation and Exxon Shipping Company, United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 CR, dated April 16, 1991.

of the MOA "natural resource damage recoveries" is defined to include "criminal restitution, unless the parties otherwise agree that criminal restitution recoveries can be separately managed by either government consistent with this MOA."<sup>6/</sup>

The presentations made to the Court by Charles De Monaco of the U.S. Department of Justice and Attorney General Charles Cole state that the both the United States and the State of Alaska do intend to use the restitutionary payments for natural resources restoration projects, but are not wholly clear as to whether the payments will be used exclusively for natural resource restoration projects. In recommending that the Court accept the Plea Agreement, Mr. De Monaco said:

The Plea Agreement strives to settle the criminal litigation with pleas of guilty and a criminal sentence consisting of a fine in [sic] restitution. The amount of the sentence actually required to be paid within 30 days of conviction is 125 million dollars, with the bulk of the money earmarked for use in Alaska for restoration of the areas affected by the oil spill.

This oil spill was a catastrophe, and it was also an environmental crime. The criminal remedy should, likewise, in substantial part, be environmental in nature; that is 100 million dollars to be paid in restitution to be used exclusively in the State of Alaska for restoration of Prince William Sound and the Gulf of Alaska. The restitutionary components of a sentence for an environmental crime cannot be understated. The environment, as a victim, must be aided quickly through efforts funded by restitutionary payments.

...

Consequently, of the 125 million dollar sentence that is actually to be paid, 112 million dollars will go directly toward in aiding the environment for this environmental offense.<sup>7/</sup>

Mr. De Monaco also said:

The Governments urge that there be restitution now for the areas affected by the oil spill, and it should not await years of legal battles over damages and liabilities. The Plea Agreement provides and [sic] immediate infusion of money needed to continue the work of restoring

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<sup>6/</sup> MOA at 6 - 7.

<sup>7/</sup> Transcript at 26 - 27.

the Prince William Sound and the Gulf of Alaska, while the Consent Decree provides money over the long term to insure that the restoration work can continue over time to heal the damages caused by the Exxon Valdez oil spill.<sup>8/</sup>

Attorney General Cole presented the position of the State of Alaska regarding how the restitutionary payments were going to be used, as follows:

Very important from the State's standpoint is that 100 million dollars of this Plea Agreement will be used for the restoration of the damage to the natural resources, and for, perhaps, other purposes in the State of Alaska.<sup>9/</sup> (Emphasis added.)

In addition to indicating support for the Plea Agreement and the order of restitution, this statement by Attorney General Cole highlights an ambiguity as to whether the restitutionary payments are to be used exclusively for restoration of natural resources. For what "other purposes in the State of Alaska" may the restitutionary payments be used? Is Attorney General Cole referring only to the proposed science center to study oil spills or is he allowing an opportunity for the restitutionary payments to be used for additional restoration projects for non-natural resources under the right circumstances?

It is worth noting that the Court did not balk at the suggestion that the State of Alaska may use part of the restitutionary payment for purposes other than restoration of natural resources.

At the same time that the Plea Agreement was being negotiated and completed in the criminal case against Exxon, the same parties were engaged in negotiating and completing the MOA and Consent Decrees in three related civil cases: United States of America v. State of Alaska;<sup>10/</sup> United States of America v. Exxon Corporation et al.;<sup>11/</sup> and United States of America v. Exxon Corporation and Exxon Shipping Company.<sup>12/</sup> In each of these cases the parties provided in detail for the

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<sup>8/</sup> Transcript at 32 - 33.

<sup>9/</sup> Transcript at 39.

<sup>10/</sup> United States of America v. State of Alaska, United States District Court, District of Alaska, Civil Action No. A91-081 CV.

<sup>11/</sup> United States of America v. Exxon Corporation et al., United States District Court, District of Alaska, Civil Action No. A91-082 CV.

<sup>12/</sup> United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Civil Action No. A91-083 CV.

establishment and use of a trust fund for restoration of natural resources damaged by the Exxon Valdez oil spill. Each of the agreements and consent decrees used and defined the term "natural resources".<sup>13/</sup> The MOA also included a definition of "restoration" that discussed restoration only in the context of natural resources.<sup>14/</sup> If the State of Alaska and the United States intended to limit restoration projects funded through the restitutionary payments to only those projects involving natural resources, they could have expressly provided for such, as they did in the civil agreements and consent decrees.

The restitutionary provisions of the Plea Agreement were "carefully negotiated"<sup>15/</sup> by several skilled and experienced attorneys so it is difficult to believe that any ambiguity in such a basic provision of the agreement was not the result of a conscious decision of the parties.

The extent to which the restitutionary payments may be used for other purposes is a matter known only to the parties who negotiated the Plea Agreement and the Court, because only they know why they used the term "resources" instead of "natural resources", what they intended the term "resources" to mean, and what subjective or implied constraints they intended to place on the use of the payments.

The Court was concerned that the money received in the settlement of the civil and criminal cases, including the restitutionary payments, is spent as the Court intended. The Court stated its continuing interest in seeing that the money is spent on the right things and imposed an obligation on the parties to the settlement, including Attorney General Cole, to monitor how the money is spent. If the money is being misdirected then the parties would have to bring it to the attention of the Court.<sup>16/</sup> If the legislature is potentially subject to being brought before the federal District Court for

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<sup>13/</sup> MOA at 6.

Consent Decree at D-10.

<sup>14/</sup> "Restore" or "Restoration" means any action, in addition to response and cleanup activities required or authorized by state or federal law, which endeavors to restore to their pre-spill condition any natural resource injured, lost, or destroyed as a result of the Oil Spill and the services provided by that resource or which replaces or substitutes for the injured, lost or destroyed resources and affected services. Restoration includes all phases of injury assessment, restoration, replacement, and enhancement of natural resources, and acquisition of equivalent resources and services.

MOA at 6 - 7.

<sup>15/</sup> Transcript at 76 and 77.

<sup>16/</sup> Transcript at 73.

Representative Cliff Davidson  
February 21, 1992  
Page 7

misusing the restitutionary payment, it is important, and only fair, that one of the participants in the drafting of the Plea Agreement inform the legislature of the constraints on the use of the payment.

Attorney General Cole is a key person in determining how the money is to be spent. As representative of the State of Alaska in the Exxon Valdez oil spill settlement negotiations, an active participant in those negotiations, one of the state trustees for the Exxon Valdez settlement trust, and "court appointed monitor" of the expenditures of the money received in the civil and criminal settlements, Attorney General Cole is an important resource available to the legislature to resolve the ambiguity as to what the State of Alaska, the United States of America, and the Court meant when they used the term "resources" in the order of restitution and Plea Agreement. Attorney General Cole can also resolve whether the restitutionary payments may be used for anything other than restoration projects relating to natural resources.

If I may be of further assistance, please advise.

GU:pl  
92-118.plm



Sunrise, Mt. McKinley

Ansel Adams

# SIERRA CLUB LEGAL DEFENSE FUND, INC.

*The Law Firm for the Environmental Movement*

325 4th Street Juneau, Alaska 99801 (907) 586-2751 FAX (907) 463-5891

## MEMORANDUM

### ALASKA OFFICE

Robert B. Briggs  
Eric P. Jorgensen  
Thomas S. Waldo  
*Staff Attorneys*

\* Marilyn J. Twitchell  
*Associate Attorney*

David M. Chambers, Ph.D.  
*Mining Analyst*

Kavlene Farley  
*Office Manager*

### REGIONAL OFFICES

Denver, Colorado  
Honolulu, Hawaii  
New Orleans, Louisiana  
San Francisco, California  
Seattle, Washington  
Tallahassee, Florida  
Washington, D.C.

**TO:**  
**FROM:** Eric Jorgensen  
**RE:** Limitations on oil spill restitution funds  
**DATE:** February 12, 1992

My review of the plea agreement entered to resolve the criminal charges against Exxon Corporation arising out of the Exxon Valdez spill leads me to conclude there are stringent limits on the purposes for which the State of Alaska may spend the restitution payments it received pursuant to that agreement. This memo briefly summarizes my views on this issue. I would be happy to discuss this with you at greater length if you wish.

Fundamentally, I believe the plea agreement must be interpreted with an eye toward the violations underlying the agreement. Exxon pled guilty to violations of three environmental statutes--the Clean Water Act, Refuse Act, and Migratory Bird Treaty Act. All three statutes are designed to foster protection of the environment, wildlife and water quality in particular. The plea agreement describes the restitution payments as "remedial and compensatory." I would interpret the document to provide generally only for use of these funds in a manner which remedies the injuries addressed in the criminal complaint--that is, injuries to the environment and natural resources. Any other use--subsidizing development projects, for example--would not remedy or compensate for this injury and therefore should be barred.

This interpretation is confirmed if one reviews the statements made at the hearing on the approval of the plea agreement conducted by Judge Holland. There are numerous references to the restitutionary payments during the discussion of the plea agreement by the lawyers for the United States and Alaska, as well as Judge Holland, which indicate clearly that the parties and the court

intended the plea agreement to limit carefully the expenditure of funds to projects related to restoration of the natural environment. See, e.g., Plea Agreement Hearing Transcript at pages 26, 27, 32, 33, 40, 47-48, 68. The only possible exception provided for in these discussions is for an oil spill research center in Alaska. Attorney General Cole made a careful effort to explain to the court that this was the one area which might not fit the traditional definition of restoration, but which the State had explicitly negotiated to facilitate with the restitutionary payments. See Transcript at 77, 39, 47.

Given that this is the only project which may not fit the strict definition of restoration that was specifically mentioned by the State, I would argue that any other project not directed toward restoration of the natural environment be prohibited. Clearly, the State was aware of the narrow limits imposed by the agreement and required by the court and yet chose to insist on only this one exception. This is a clear indication that the parties and the court expected and agreed that this would be the only exception.

This interpretation of the agreement is also supported by a careful examination of the definition of "restoration" in the agreement. The first half of the definition, describing restoration, replacement and enhancement of affected resources and acquisition of replacement resources, is based on the similar provisions of the Clean Water Act, 33 U.S.C. section 1321(f)(5) and should be similarly interpreted. The main addition to the Clean Water Act definition is the specific reference to "long-term environmental monitoring and research programs." This is the oil spill research center so carefully preserved by the remarks of Attorney General Cole. Thus, both the language of the agreement and the Attorney General Cole's interpretation of the agreement at the hearing support a two part definition of the proper uses of the funds: first, restoration of the natural environment in the traditional sense as described in federal law; and second, long-term monitoring and research relating to oil spills. See Plea Agreement Hearing Transcript at 39 and 47.

Though arguments might be made to broaden the scope of the plea agreement, none of them is persuasive. It is true that the plea agreement uses the word "resources" to define the object of restoration efforts, in contrast to the consent decree entered to settle the civil litigation, which uses the term "natural resources". Thus, it might be argued that the plea agreement payments can be used to restore a broader group of resources than the "natural resources" benefitted by the civil

settlement. This argument should fail, however, because it conflicts with the clear understanding expressed by the parties at the plea hearing and, more fundamentally, with the idea that the payments must be used to remedy the injury for which the criminal charges were brought--environmental injury. In other words, properly interpreted in context, "resources" should be understood to mean natural resources, with the sole identified exception for a spill study center.

An argument could also be made that because the definition of restoration in the plea agreement is not exclusive (it says restoration "includes" rather than "means", or some other exclusive term) that other uses of the money are possible. In light of all the other evidence to the contrary, I do not believe this argument standing alone can prevail. Moreover, the force of the argument is severely limited by the general rule of contract and statutory interpretation which provides that if a definition is not exclusive, other possible meanings must be of the same nature or general type as the listed meanings. In this case, the definition of restoration in the agreement lists specific activities which are permissible. Even if the use of the word "includes" is interpreted to mean that other uses of the funds are appropriate, those uses must be of the same general nature as the specifically listed uses.

I have not discussed in this memo any arguments that might be made based on the briefs filed by the parties in support of the plea agreement. I simply did not have time to review them. If it would be helpful to you, I will try to find the time later in the week.

HOUSE BILL 411

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*CORRESPONDENCE*  
&  
*PROPOSALS*

\*\*\*\*\*

*HABITAT*  
*ACQUISITION:*

**COOK INLET**



# Cook Inlet Seiners Association

P.O. Box 4311  
Homer, Alaska 99603  
235-2656

## Memo

Date: February 10, 1992

To: Theo Matthews

From: Chris Moss & Ken Castner

Subject: HB 411 and Other Restoration Funds

Post-It™ brand fax transmittal memo 7671		# of pages > 2
To Jay Nelson	From Pam Brodie	
Co. House Resources	Co. Sierra Club	
Dept.	Phone # 276-4048	
Fax # 465-3444	Fax # 258-6807	

Cook Inlet Seiners Association has the following projects and requests for funding for restoration of fisheries resources impacted or lost due to the oil spill of 1989 caused by the wreck of the *Exxon Valdez*.

1) We generally support the concept of acquisition of uplands habitat as a way of mitigating future adverse impacts to fisheries. This is, in a sense, a proactive "restoration", a prevention of loss before it occurs. In lower Cook Inlet there are few areas that make any sense on a fisheries protection rational.

2) If lands are purchased, we would insist that the land managers allow uplands fish enhancement projects. We are currently prevented from doing any stocking or lake fertilization work on lands in the Kenai Fjords National Monument, Katmai National Park, Lake Clark National Park and the federal moose range. It would be ironic to allow the acquisition of lands that, by some management scheme, preclude the ability to mitigate impacts of the spill.

3) We would like the state, through HB 411, to purchase lands near the mouth of the Rocky River, located on the outer coast of the Kenai Peninsula. The site should be large enough to provide for a hatchery and airstrip. We also would like to have the state acquire a conservation (strict water quality and flow reservation) easement for the Rocky River watershed.

4) We would like a provision inserted in HB 411 allowing the Department of Natural Resources to lease not more than two acres (one location) in the Kachemak Bay Wilderness Park for the storage and support of restoration

programs in Port Dick. The programs would be supported by the Rocky Bay hatchery facility.

5) We would like HB 411 to also provide funds to do a sockeye program in outer Resurrection Bay (Thumb Cove).

6) The estimated costs (HB 411) for the land acquisition and the sockeye program will not exceed three million dollars.

7) We will ask Senator Stevens to help us with the funds needed for the hatchery construction, and the Trustees for the operating funds for the time necessary needed to fulfill the restoration mandate. It would be a combined facility for finfish and shellfish to do mitigation for both fishery and subsistence losses.

We have considered other projects, such as Paint River stocking, but feel very strongly that the money be spent in the area that sustained the most damage from the oil spill. There is no debate that Port Dick, Rocky Bay, and Windy Bay were among the most heavily impacted habitats. While Rocky Bay and Windy Bay, and most of the other private land on the outer coast, have already been logged off, we still see real benefit in the land acquisition.

Please call if you have any questions concerning this proposal.

## BEAR CREEK WEIR PROJECT

In the summer of 1989, oil spilled by the Exxon Valdez flowed out of Prince William Sound impacting the Kenai Peninsula coast all along the Gulf of Alaska. The spill damaged a variety of resources utilized by the resident and visitor populations of Seward.

### Background

Bear Lake is located about 5 miles north of Seward, Alaska (Figure 1). The Alaska Department of Fish and Game (ADF&G) initiated a coho salmon enhancement program in Bear Lake in 1962. Since that time Bear Lake has been the centerpiece of the coho salmon enhancement program in Resurrection Bay. Annual releases of coho fingerling in Bear Lake and coho smolt in Seward Lagoon have made Resurrection Bay the second largest sport fishery for coho salmon in the State (Vincent-Lang et al. 1988).

Initially Bear Lake was treated with a fish poison in an effort to eliminate sockeye and stickleback populations which were thought, at that time, to compete for food with young coho salmon. A weir was constructed at the lake outlet to allow for enumeration of migrating salmon and to prevent recolonization of the lake by stickleback. Despite massive efforts, sockeye salmon were never eliminated from the system; eventually it became policy to each year allow a token number of adults to pass upstream into the lake's spawning grounds. ADF&G applied fertilizer to Bear Lake from 1981 through 1986 in order to increase its carrying capacity for young salmon.

In July of 1988 Cook Inlet Aquaculture Association (CIAA) took over operation of the State's Trail Lakes Hatchery. All coho fingerling stocked into Bear Lake are incubated and reared at Trail Lakes Hatchery.

In December 1988, the Alaska Board of Fisheries modified its Bear Lake Management Plan allowing for re-establishment of a commercially significant sockeye run. It is currently believed that both sockeye and coho smolts can be grown in the lake without effecting each other because they occupy separate rearing areas. Since spawning area in Bear Lake is extremely limited and cannot often furnish proper numbers of fry to maximize production, enhancement of sockeye and coho stocks is to proceed simultaneously. CIAA first collected sockeye salmon eggs for release into Bear Lake during the summer of 1989.

In 1990 CIAA took over responsibility for operating ADF&G's Bear Creek weir. Use of the weir is essential for monitoring and evaluating smolt production from, and adult return to the lake. All coho broodstock utilized for CIAA's fingerling stocking program and ADF&G's Resurrection Bay smolt stocking program are held for ripening in the associated raceway.

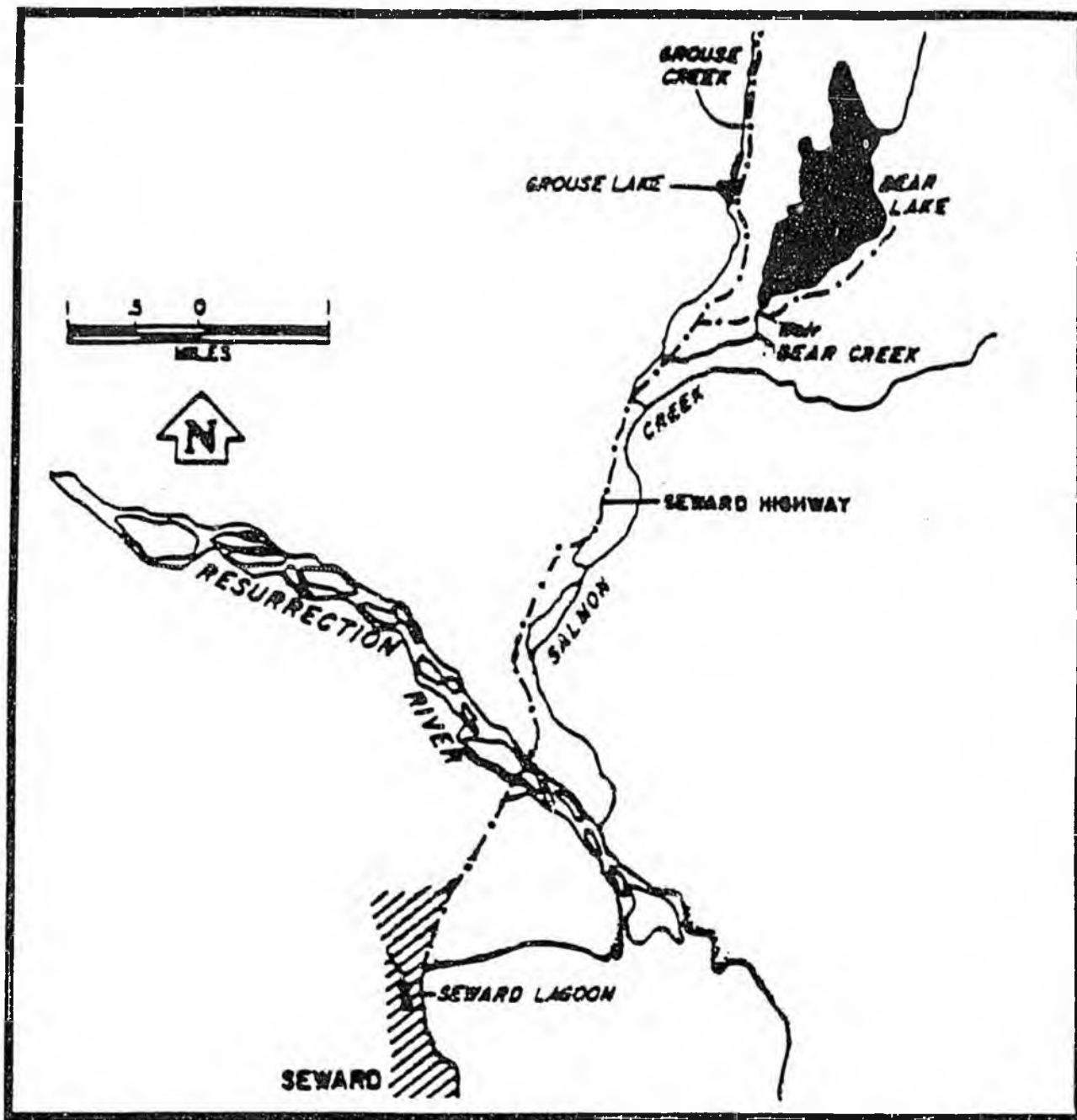


Figure 1. Location of Bear Creek Weir

With continued stocking of coho and sockeye fingerling and resumed fertilizer applications, Bear Lake can be expected to produce about 90,000 coho smolt (Koenings and Petanovitch 1986) and 440,000 sockeye smolt (Koenings and Burkett 1987) which will result in annual returns of more than 6,000 adult coho and, beginning in 1992, returns of up to 90,000 adult sockeye.

Coho are harvested exclusively in the Resurrection Bay sport fishery. Sockeye, worth about \$750,000 annually, will be harvested in a springtime commercial purse seine fishery.

### Existing Bear Creek Facilities

The Bear Creek weir site is a State owned, triangularly shaped property of about 0.25 acres. The two long legs of the triangle are comprised of Bear Creek and Bear Creek Road (Figure 2).

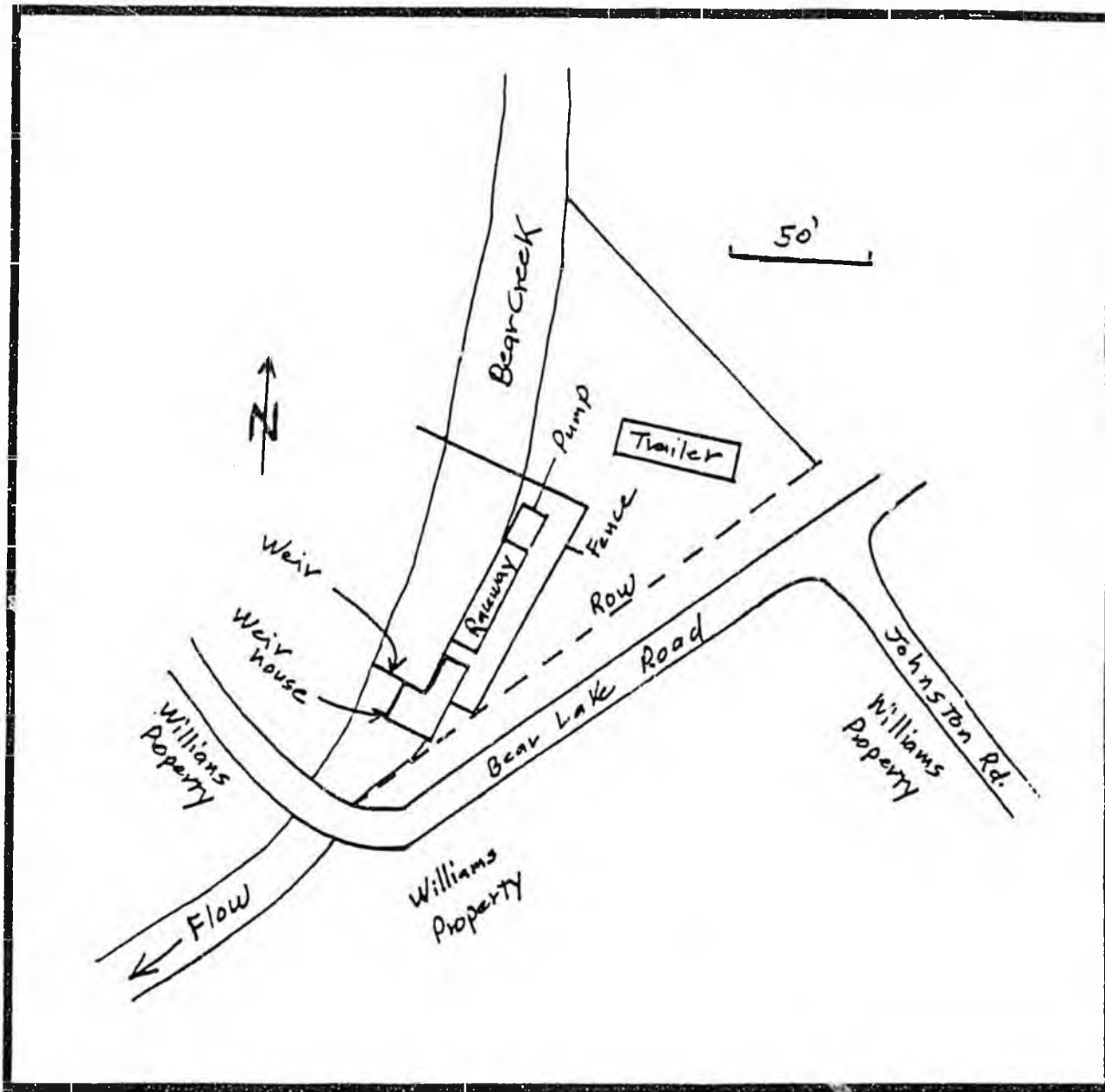


Figure 2. Bear Lake Weir Site.

Facilities were constructed by ADF&G at various times since 1962. The "fish-proof" weir is a low-head dam comprised of concrete piers and wooden gates (dam boards). Facilities for capture of adults and smolts are incorporated into the weir and are enclosed in a heated building.

An associated concrete raceway is used as a release site for hatchery-produced smolts and as a ripening area for coho broodstock. Creek water is pumped to the raceway.

Since commencing operation of the site CIAA has spent at least \$20,000 remodelling the State-owned weir and raceway facilities in order to make them more functional, reliable and in conformance with State electrical and safety codes. Additional major maintenance will be required.

A State-owned 30 ft. house trailer (1971 model) is provided for crew housing. The floor coverings, walls, ceilings, appliances and furnishings are badly worn. A secondary roof was built over the trailer some years ago. Well water is not drinkable. There is no disposal method for gray water. The outhouse is located too close to Bear Creek to be legal. The property is too small and too near the Creek for construction of an approved septic tank and leech field.

#### Land and Facilities Acquisition

CIAA became aware the parcel of land (Kenai Peninsula Borough Tax Number 125-010-32, hereafter called the Williams property) across Bear Creek Road from the weir site is for sale. The unsurveyed parcel within the N 1/2 of the N.E. 1/4 of Section 13, T1N, R1W consists of 33 wooded acres more or less. A portion of Salmon Creek also crosses the property. The Borough assessment for this property is \$87,400.

CIAA has an option to purchase the Williams property for \$75,000 which expires June 30, 1992. The Williams property uniquely satisfies CIAA's need for additional space within close proximity to the Bear Creek weir site.

The Williams property offers an excellent location for construction of crew housing, indoor shop/storage and outdoor storage facilities. Housing CIAA crew members near the weir is essential any time fish are being held in the raceways and desirable during the remaining work periods. Presence of the crew members nearby insures prompt response in case of electrical or pump failures and minimizes loss of broodstock to poachers.

Construction of significant indoor and outdoor storage on the Williams property would allow CIAA to remove a small and unsightly fenced storage area from the weir site. All of the boats, fork lifts, trucks, pumps, fertilizer barrels, etc. associated with Bear Lake fertilization could be stored on the Williams property.

Removal of the existing house trailer, outhouse and outdoor storage areas from the weir site would allow that space to become available for an additional raceways, visitor parking and an interpretive display. As sockeye salmon returns build additional space near the weir will be necessary for fish handling equipment (totes, icing station, steam cleaning area).

### Project Budget

Phase I- purchase the Williams property	\$ 75,000
Phase II- construct facilities	
Crew housing	90,000
Indoor shop/storage (40'x60')	<u>132,000</u>
Total	\$297,000

### LITERATURE CITED

- Koenings, J.P. and G. Petanovitch, 1986. Production of coho (O. kisutch) smolts from Alaskan Lakes: the importance of a littoral zone defined by light penetration. Ak. Dep. Fish and Game, F.R.E.D. Division, 27p.
- Koenings, J.P. and R.D. Burkett. 1987. Population characteristics of sockeye salmon smolts relative to temperature regimes, euphotic volume, fry density and forage basin within Alaskan lakes, p. 216-234. In H.D. Smith, L. Margolis and C.C. Wood (ed.) Sockeye salmon (Oncorhynchus nerka) population biology and future management. Can. Spec. Publ. Fish. Aquat. Sci. 96.
- Vincent-Lang, D., D. Bernard and D. N. McBride, 1988. Evaluation of past enhancement of coho, chinook, and sockeye salmon stocks of Bear Lake and Resurrection Bay, Alaska, with recommendations for the future. AK. Dep. Fish and Game, Fishery Manuscript Series No. 6. 46p.

HOUSE BILL 411

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*CORRESPONDENCE  
&  
PROPOSALS*

\*\*\*\*\*

*HABITAT  
ACQUISITION:*

**KACHEMAK  
BAY**

1/7/92

**SELDOVIA NATIVE ASSOCIATION, INC.**

**P.O. Drawer L**

**Seldovia, Alaska 99663**

**(907)234-7625 Fax 234-7637**

December 31, 1991

Honorable Representative Cliff Davidson  
P.O. Pouch V (MS 3100)  
Juneau, AK 99811

**Re: Kachemak Bay State Park Trade  
HB 83 and SB 148**

Dear Representative Davidson:

With the 1992 Legislative session due to start soon, I am writing this letter to explain and hopefully clarify the current status of the Seldovia Native Association (SNA) Lands within the Kachemak Bay State Park (KBSP), and the proposed State buyout of this land.

The Seldovia Native Association, Inc. is an Alaska Native Corporation established pursuant to the Alaska Native Claims Settlement Act, Public Law 92-203.

SNA's Land Entitlement in the Seldovia withdrawal area is 69120 acres. SNA's first land selections were at Seldovia Bay and Valley, Jakalof Bay, and Tutka Bay. The State filed protests against SNA selections in the Jakalof Bay and Tutka Bay areas, because these lands were selected by the State under the State Mental Health Land Selection Act.

With the uncertainty of being able to secure these selections SNA then selected Land within the boundaries of the Kachemak Bay State Park.

On February 5, 1975, SNA with the help of Clem Tillion (a founder of the KBSP) met with Governor J. Hammond. SNA and Gov. Hammond agreed we could work out a land trade which would transfer to the State SNA's inholding in the KBSP and give to SNA land which could generate revenue for the corporation. Initially SNA was interested in the State owned land at the Penland Trailer Park in Anchorage. That land became unavailable for trade when it was used for the Anchorage Municipal Land Entitlement.

The Kenai Peninsula Borough Land Entitlement also had priorities on lands which SNA had expressed an interest in. The Cook Inlet Region Incorporated (CIRI) Land Trade removed land from the State pool also. State Agency reviews and public hearings as well as Department of Natural Resources (DNR) inhouse decisions took land away from the trade.

On May 9, 1979, the Seldovia Native Association, Inc., the Kenai Peninsula Borough, the Cook Inlet Region Inc. and the State of Alaska entered into a four party agreement to facilitate the States acquisition of SNA's surface rights and CIRI's subsurface rights to about 30,000 acres of land within the Kachemak Bay State Park.

CIRI traded about 10,000 acres of it's subsurface estate for some of the Kenai Gas Field, thus CIRI has about 20,000 subsurface acres in the park remaining.

Two partial trades totaling 5000 acres were accomplished by DNR and SNA. Further trades stalled over land value disagreements and the State DNR's inability to make land available that was satisfactory to SNA. SNA now has 24,000 acres in the Park.

In 1976 the State Department of Fish and Game began using SNA's land at China Poot Bay for a sport and dip net Fishery. This project was done without permission of SNA, in fact without notice to SNA . The State posted signs directing the public use of SNA Land for the dip net fishery.

This has become a popular sport, commercial and personal use Fishery with people Statewide.

The State has also started a new Fish program at Hazel Lake and the Wosnesenski River. This program had its first Red Salmon return this year (1991). With Hazel Lake and the Wosnesenski River fronting SNA land, there will be more public use of SNA land by sport and personal use Fishermen.

These Fishery enhancement programs are very popular with all Alaskans, yet they encourage trespass on our land. If the State buys this Land from SNA, all problem of trespass would be resolved.

In 1988, after negotiations with the State DNR to trade land for land broke down, SNA made a proposal to sell it's inholdings to the State for cash. Senator Paul Fischer introduced a bill for this purpose. Hearings were held by the Senate Resource Committee. DNR spoke against the bill and it died in committee. After the State decided it would not buy the land, SNA took this to mean the 1979 agreement was ended.

With no further interest shown by the State, SNA sold timber in the area to Timber Trading Co. (TTC). Thus although SNA still owns the land, TTC owns the trees.

Because of concerned citizen's requests and input, the State again said it wanted to acquire SNA's land for Park purposes. SNA and TTC both agreed to work with DNR to put together a package deal for the State Legislator's approval.

For this renewed trade, SNA agreed to appraise its corporate land and the State agreed to appraise the State land. When the SNA appraisal of 25 million dollars was done, the State rejected it. SNA's appraiser then did a supplemental appraisal, which conformed to the State's land appraisal regulations. This second appraisal stated that SNA's land in the KBSP is valued at 22.7 million dollars, as Park and Public interest land.

The State then hired a firm to do another appraisal of SNA's land for market value. This came in at 11.9 million. Three appraisers then did a review of the SNA appraisal and the State appraisal. This review panel gave SNA's land a cash value of \$15,490,000. (without the TTC trees).

From Feb. 1975 to Feb. 1990 the State DNR and SNA have worked at a "value for value" land trade. There have been many ups and downs through the years. State regulations require DNR to hold local public hearings wherever proposed trade lands are located. Most public comments have not been favorable to SNA acquiring land adjacent or near to those responding.

Along with the two small trades actually accomplished there have been several other attempts to trade, which did not work out.

Finding replacement timber for TTC's trees in the Park also brought several unsolvable problems.

At a meeting, Feb. 28, 1990, The State offered to pay SNA \$15,490,000 cash for it's inholdings of The Kachemak Bay State Park. The State also offered TTC \$4,510,000. for its timber in the park.

Recognizing the improbability of trading land and timber for land and timber of equal value both SNA and TTC agreed to accept the States offer.

By accepting this offer SNA will be receiving \$7,210,000 less than the appraised value of its land. TTC also will be accepting substantially less than value for it's trees.

During the 1990 Legislative session House Bill 590 and Senate Bill 536 were introduced. Both bills were to effect the buyout plan.

Both bills were introduced late in the session. They did not get through the various legislative committees prior to the end of the 16th session, and they then died.

When the 17th session started in 1991 H-B 83 and S-B 148 were introduced H-B 83 made its way through committees and was approved by the State House of representatives.

S-B 148 did not get acted on - Senate C.S. for H-B 83 was introduced by the Senate Labor and Commerce Committee. This bill did not reach the Senate floor for action, and remained in the Senate resources committee.

The second half of the 17th session will start in January 1992. As I understand the procedure, the Senate resources committee has the present bill before it.

Included in the Bill is \$2,000,000 to buy the remaining CIRI subsurface. I do not know how many acres of subsurface CIRI has remaining in the Park. Previously CIRI and the State made a trade for about 1/3 of CIRI's holdings for some of the Kenai Gas field.

As the State legislators and Governor address this issue again, we need to look at the options available.

#### IS THE BUYOUT A GOOD DEAL FOR THE PARTIES ?

(A) It is good for the State because the State will have the Kachemak Bay State Park whole again, instead of two parcels separated by private lands. The China Poot sport and dip net Fishery will be able to continue. The Wosnesenski River Fishery will be totally on State land.

The future of Kachemak Bay as a reachable recreation area for all Alaskans will be assured. The SNA land at 3 miles distance is the closest land to Homer Spit.

The State will acquire \$22,700,000 of SNA land for \$15,490,000. The State will acquire the TTC Timber valued at \$6.4 million for \$4,510,000.

I cannot speak about subsurface values. They are owned by the Cook Inlet Region Inc. which did make one trade with the State.

(B) Is the deal good for T.T.C.? They are in the business of buying standing timber, cutting it and marketing logs. This is why they bought the SNA trees.

TTC prides itself on being a logging company that is sensitive to logging without damaging the environment as much as possible. They recognize the timber stand is in a park area, and highly visible.

They have stated a willingness to sell the Timber to the State for \$4,510,000 but at the same time, they are actively pursuing the necessary permits to begin harvesting.

(C) Is the deal good for SNA ? SNA is an ANCSA Native Corporation with a 69,000 acre land entitlement in the Seldovia area. It's main land activities are homesite and recreation leases. SNA does not offer its land for sale.

SNA agreed to sell this land to the State when the land for land trade did not work out. This land sale agreement is to the State only. The terms of 68 cents for each dollar of value is not available to any others.

After all the years spent trying to accomplish and finalize a mutually satisfactory deal, I would say the buyout plan is good for SNA.

SNA has worked very hard at being a good corporate citizen. Finalizing the plan to restore this land to State ownership would be another demonstration of our efforts.

IF THE STATE DOES NOT COMPLETE THE PROPOSED BUYOUT, WHERE ARE WE ?

Most likely the Legislative session will be over and any bills not acted on will die.

People and groups that lobbied for the buyout will be disappointed. Some may file lawsuits or try to interfere with the logging when it starts.

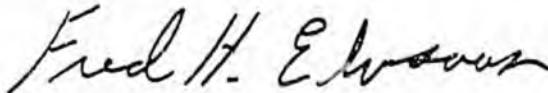
SNA will offer three additional sections (1920 acres) of timber in the China Foot Bay area for sale. These three sections were not part of the initial timber sale.

TTC will begin timber cutting, road and camp construction.

SNA has an obligation to TTC that it must honor, and it will, although this may put SNA in an adverse position with the conservation groups.

SNA feels the proposed buyout is best for all concerned and we support the concept.

Sincerely,



Fred H. Elvsaa President  
Seldovia Native Association, Inc.

STATEMENT OF INTENT

WHEREAS, the Seldovia Native Association (SNA), Timber Trading Company (TTC), and Cook Inlet Region, Inc. (CIRI), collectively referred to as "the Parties," own certain property and timber rights within the Kachemak Bay State Park (KBSP); and

WHEREAS, during its 1991 session the Alaska Legislature proposed legislation authorizing the State of Alaska to purchase all property and timber rights of the Parties within the KBSP for a total purchase price of twenty two million dollars (\$22,000,000).

NOW THEREFORE, the Parties agree that they will sell their collective property rights within the KBSP to the State of Alaska subject to the following terms and conditions:

1. The Legislature approves a \$22,000,000 1992 appropriation for the purchase of the property and timber rights of the Parties within the KBSP;
2. The Governor does not veto the appropriation;
3. The Boards of Directors of the Parties approve the subsequent purchase agreement presented to the Parties by the Alaska Department of Natural Resources and receive the appropriated funds; and
4. Purchase is completed by July 1, 1992.

Nothing in this Statement of Intent shall restrict TTC's ability to pursue permits necessary for timber harvest operations; provided, however, TTC shall not commence timber harvest operations until such time as this Statement of Intent has expired.

AGREED TO THIS 14 DAY OF FEBRUARY, 1992.

Seldovia Native Corporation

Timber Trading Company

By: Fred H. Ekstrom

By: Neil J. Stinson

Its: President

Its: President

Cook Inlet Region, Inc.

By: Carl H. Hines

Its: Savior, Vice President

RECEIVED FEB 27 1992

11001 Hideaway Trail  
Anchorage, AK 99516  
February 25, 1992

Mr. Cliff Davidson  
State Capitol Rm. 108  
Juneau, AK 99801

Dear Mr, Davidson:

On a recent trip to Homer we were shown the vast area across Kachemak Bay that is currently scheduled for clear-cut logging. Having seen the results of this kind of logging in certain areas of Washington State, and having been Alaskan residents for thirty-three years, we find it difficult to believe that Alaska does not have laws already in place to prevent such an operation here. Besides destroying one of the most beautiful areas of our state, the clear cutting of timber would impact dozens of bird species which nest there, including bald eagles. The animals of this forest would also be harmed. One of the worst ecological disasters would result in future years as tons of soil would wash off these steep slopes into the clear waters of the various bays which are now very productive in terms of salmon, halibut, and a variety of shellfish. A beautiful recreation area would be devastated.

The kind of logging proposed is the very worst kind for the environment. A proposed slide for the logs into Peterson Bay would fill the area with floating bark, sawdust and soil.

One financial consideration is the loss of taxes from the owners of private land in the logging area as this recreation land becomes worthless due to the noise and crowding caused by the logging operation itself as well as the ruination of the view and the loss of the recreational value of the area.

Please try to preserve this area by voting for the state to buy back ~~these~~ timber rights. Please do not let Alaska become a horrible ~~example~~ to be used in other states to fight this kind of environmental abuse.

Thank you,

*Jack Sprague*  
Jack and Jeanne Sprague

*Jeanne Sprague*

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: SUSAN REILLY  
TITLE:  
ADDRESS: 1833 CINDYLEE LANE  
CITY: ANCHORAGE ZIP: 99507  
PHONE: 562-1024

BILL NO:  
SUBJECT: KACHEMAK BAY BUY BACK  
MESSAGE: KACHEMAK BAY IS A JEWEL IN OUR CROWN. AS A FREQUENT VISITOR TO THE SOUTH SIDE OF THE BAY I APPRECIATE THE WILDERNESS EXPERIENCE OFFERED TO FAMILIES WITH LIMITED TRAVEL BUDGETS. MY FAMILY'S VACATION DOLLARS ARE SPENT IN ALASKA ON KACHEMAK BAY. WE SUPPORT THE BUY BACK OF TIMBER AND MINERAL RIGHTS. /JSM

POID: 03132338  
DATE: 92/02/27  
TIME: 13:23:38  
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COPIES: REPRESENTATIVES SENATORS

BAKER	COLLINS
PARNELL	STURGULEWSKI
CARNEY	
FINKELSTEIN	
HUDSON	
IVAN	
LEMAN	
LINCOLN	
MOYER	
ZAWACKI	
DONLEY	
ELLIS	
GRUENBERG	
GRUSSENDORF	
MARTIN	
TAYLOR	

HOUSE BILL 411

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*CORRESPONDENCE  
&  
PROPOSALS*

\*\*\*\*\*

*HABITAT  
ACQUISITION:*

**KODIAK ISLAND AREA**

coastal areas of  
particular  
concern  
recreation, scenic and heritage  
resources



**kodiak  
archipelago**

DRAFT

Recreation, Scenic and Heritage  
Areas of Particular Concern:  
Kodiak Archipelago

A Report by  
Alaska Division of Parks  
Department of Natural Resources

Kathryn A. Troll  
with initial research by  
Pete Martin and  
Jo Antonson Mohr

This project was supported through funds provided by the Coastal Zone Management Act of 1972, as amended through the Coastal Energy Impact Program, administered by the Office of Coastal Zone Management, National Oceanographic and Atmospheric Administration U. S. Department of Commerce and administered for the State of Alaska by the Department of Community and Regional Affairs.

July, 1979

ACE 5075609

3



afognak and neighboring  
islands

## AFOGNAK AND NEIGHBORING ISLANDS

The only villages in the area, Afognak and Port Williams, were abandoned some time ago, leaving this area free of human development. Afognak Island is surrounded by Raspberry Island to the south, Shuyak Island to the north, and Marmot Island to the east.

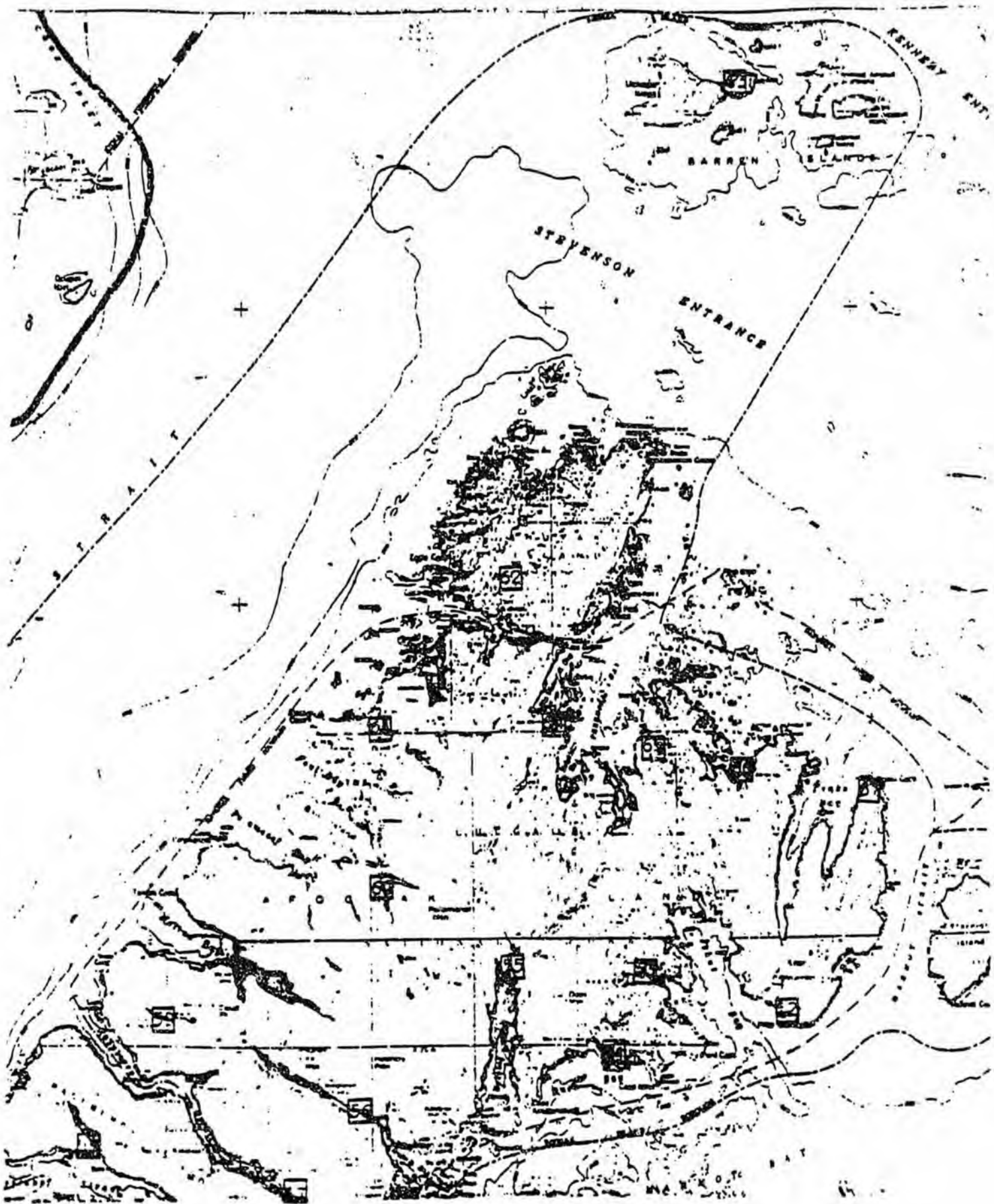
The vegetation on Afognak Island and adjacent islands is unique in that the forests are devoid of western hemlock, and serve as the vanguard of forest invasion into the grasslands. The pattern of vegetation is generally a combination of grasslands and Sitka spruce stands. Along the indented bays and on scattered islands, Sitka spruce stands tall and thick. The exception to this pattern are the tundra areas in the west and on the exposed capes.

Afognak's wildlife is spectacular with brown bear, elk, bald eagles, and Sitka black-tail deer inhabiting the area in pockets of high concentrations. Along the coast there are many areas where sea birds, sea lions, sea otters are just as much a part of the summer scenery as the sea cliffs.

Recreational opportunities in this area impress even the casual visitor. Much of the recreational activity consists of bear, elk and deer hunting, and boating by those with sizeable watercraft. Anton Larson Bay, where many boaters originate, is nearby making Afognak's southern bays and Raspberry Straits accessible for exploration and enjoyment, even for those in skiffs. In 1976, 33% of all deer harvested and 50% of all bear hunted and all elk successfully hunted in the Kodiak Archipelago came from this area. Attesting to the recreational opportunities yet to be fully realized in this area is the existence of a recreation camp and a wilderness lodge.

Some of the Native village corporations of Kodiak have formed a timber management company named KONCOR. Logging is currently ongoing on part of Afognak Island and can be expected to expand to other parts of Afognak in the future. Kazakof Bay has been identified as a potential base site for outer continental shelf (OCS) oil development and liquified natural gas (LNG) facilities. It is likely that more suitable sites may be ascertained in studies for leasing of additional oil and gas tracts.

Multiple use management can integrate resource values in a manner that stresses use compatibility. For instance, timber operations can open up new areas to recreationists as well as be designed to mitigate impacts to wildlife and to the scenic qualities of an area. Since, Afognak Island is being logged and other neighboring islands may be logged or developed in some fashion, identification of resource values in this area is paramount to the initiation of timely multiple use management of the area. APC's identified herein should assist any such efforts.



Numbers refer to individual APC's  
as referenced on area maps.

# A COASTAL AREA OF PARTICULAR CONCERN

1) Name of Area: Malina Lakes

2) Value Classification

• Primary: Recreation

• Associated: Scenic, Wildlife

3) Location

• Region/Subregion: Southcentral Region/Kodiak Archipelago

• Latitude/Longitude: 58° 11' N, 153° 13' W

• Community/Orientation/Distance: Malina Lakes are about 48 air miles northwest of the City of Kodiak and 36 boat miles from Anton Larsen Bay.

• Topographic Quad/ 1:63,380: Afognak A-4

4) Upland Acres (Hectares): 5,987 acres (2395 hectares)

5) Seaward Distance for Protection: 1 mile

6) Existing Ownership: The entire area is in federal ownership. Litnik, Inc. and other native corporations have selected the area, pursuant to the Koniag D-2 amendment and historical place selections.

7) Existing Management: Until conveyance all federal lands are managed by the U.S. Forest Service as part of the Chugach National Forest.

8) Adjoining Ownership/Management: All adjoining lands are federally owned lands with similar selections.

9) Area Description

• Dominant Physical/Biological Features: Malina Lakes are two, mile-long lakes surrounded by mountains and ridges on three sides. A small freshwater creek, Malina Creek drains the lakes and flows into Shelikof Straits where a wide sandy beach lies at the mouth. The vegetation on the lower slopes is comprised of alder and willow mixed with grasslands, while the higher slopes are predominately alpine tundra. While seals and sea lions are only seen on occasion, sea otters congregate in high density near the mouth of Malina Creek. The grasslands surrounding the beach serve as an elk winter range. The uplands provide habitat for elk and deer during the summer. Malina Creek provides spawning habitat for pink salmon while upper Malina

Lake provides spawning habitat for silver and red salmon. Brown bear concentrate around the lakes in spring. Small mammals common to the area include muskrat, beaver, weasel, land otter, and red fox.

• **Recreation, Scenic, Heritage or Wilderness Significance:** Malina Lakes receive significant use by Kodiak residents as they offer good to excellent elk hunting, sportfishing, and hiking. The Forest Service maintains a recreational cabin at upper Malina Lake and has constructed trails that link up to Afognak Lake and Muskomee Bay. The protection from winds and bad weather, and the ease of hiking will continue to attract hunters to this area. The scenery at Malina Lakes enhances the recreational attributes of the area. The high, steep mountain peaks around Cloud Peak are a beautiful backdrop as one looks over the clear blue waters of the lake and the lush green, grassy hills. The historic fishing village of Nuniliak is located at the mouth of Malina Creek.

• **Other Significant Resource/Land Use Values:** There are no forest stands of commercial value within this area. While the grasslands may hold some grazing potential it is unlikely that this area would be used for such purposes as there are better grasslands closer to the City of Kodiak. A small amount of gold was located in Malina Bay in 1937. No productive mining is known to have occurred. If offshore oil production does occur in Shelikof Straits this area may be considered suitable for an OCS terminal base, however, more protected waters are nearby. Site suitability studies for oil and gas leasing and production in Shelikof Strait have not been initiated. Soils and slopes in this area are generally unfavorable for development. Silver and lead lodes have been identified toward the mouth of Malina Creek.

10) **Recommended Management:** Malina Lakes' management emphasis should remain as recreation. The village corporations and the State Division of Parks should seek a cooperative management agreement to ensure that the recreation and scenic values of the area are maintained and enhanced.

11) **Allowable Uses** Hunting, trapping and sportfishing as managed by the Alaska Department of Fish and Game should continue. Grazing activities should be allowed provided that there is sufficient regulation and management at the appropriate time to protect public recreation values and access to these lands.

## 12) Information Sources

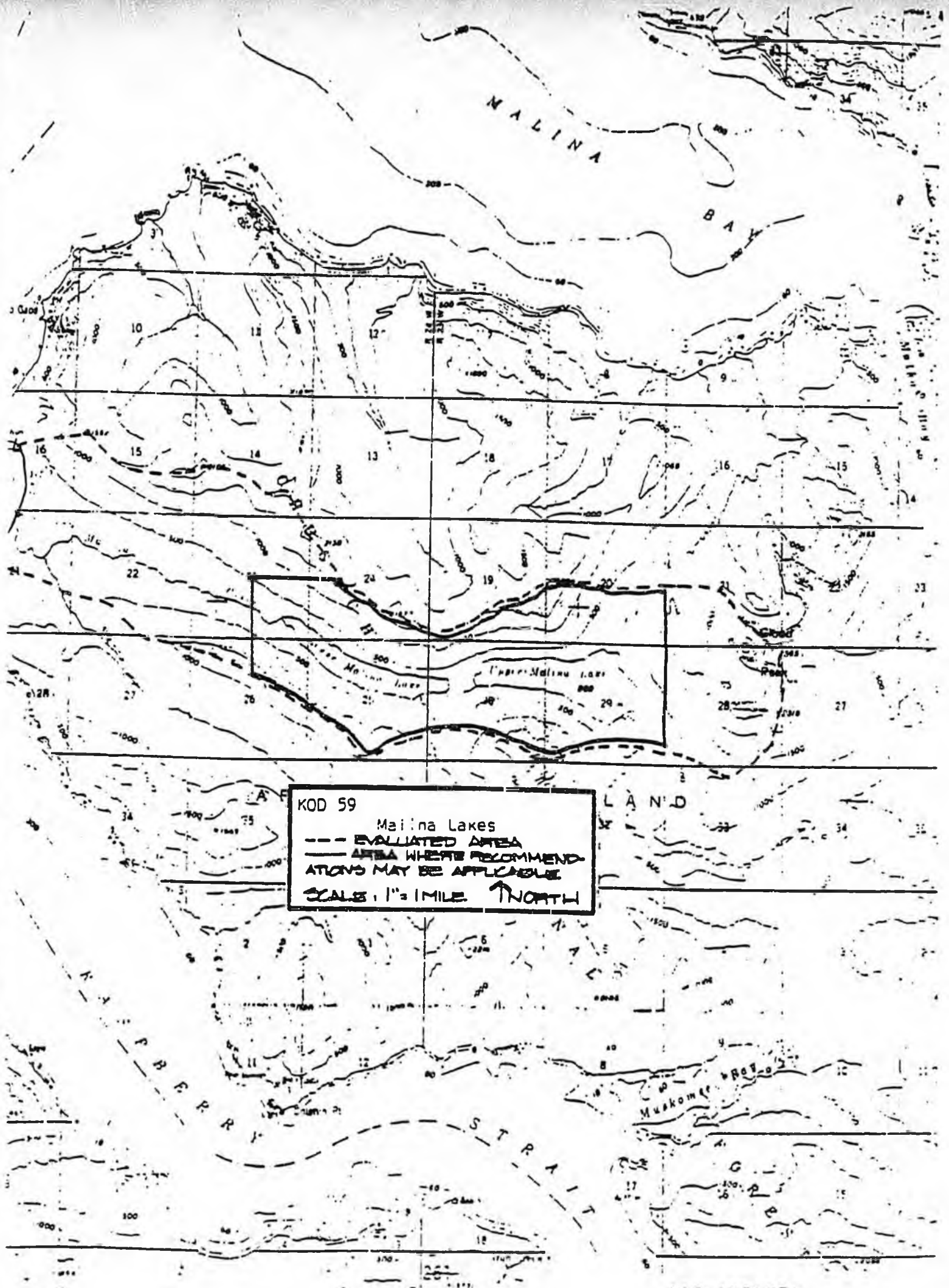
### Literature:

U.S. Forest Service, Chugach National Forest, 1979. Inventory and use records. Kodiak, Alaska.

U.S. Forest Service, 1974. Final Environmental Statement: Chugach National Forest Land Use Plan. Prepared by Chugach National Forest in accordance with federal statutes and regulations. Anchorage, Alaska.

### •Knowledgeable Contacts:

Roger Smith, Alaska Department of Fish and Game, Kodiak.  
Lee Culbertson, U.S. Forest Service, Anchorage.  
Dave Wanderaas, U.S. Forest Service, Kodiak.  
Kate Troil, Alaska Division of Parks, Anchorage.



KOD 59  
 Malina Lakes  
 --- EVALUATED AREA  
 --- AREA WHERE RECOMMENDATIONS MAY BE APPLICABLE  
 SCALE: 1" = 1 MILE NORTH

# A COASTAL AREA OF PARTICULAR CONCERN

1) Name of Area: Pauls and Laura Lakes

2) Value Classification

•Primary: Recreation

•Associated: Scenic, Wildlife, Historic

3) Location

•Region/Subregion: Southcentral Region/Kodiak Archipelago

•Latitude/Longitude: 58° 21' N, 152° 11' W

•Community/Orientation/Distance: Pauls Lake is 42 air miles directly north of the City of Kodiak and some 60 boat miles.

•Topographic Quad/ 1:83,380: Afognak B-1

4) Upland Acres (Hectares): 4674 acres (1870 hectares)

5) Seaward Distance for Protection: Two miles

6) Existing Ownership: Pauls and Laura Lakes lie in federal ownership. All federal lands have been selected by Shuyak, Inc. and by other native corporations.

7) Existing Management: Until conveyance the lands are managed by the U.S. Forest Service as part of the Chugach National Forest.

8) Adjoining Ownership/Management: The lands adjoining this area are U.S. Forest Service lands that have been similarly selected.

9) Area Description

•Dominant Physical/Biological Features: The coast of Pauls Bay is primarily a protective cove wherein lies a gravel beach and small offshore islands. The Bay and the lakes are surrounded by a tall, mature Sitka spruce forest underlain by a carpet of mosses and lichens. Pauls Lake is connected to the bay by a narrow passage which can be traveled at high tides. Laura Lake is a large lake (the largest on Afognak) with a highly convoluted shoreline. There are occasional grass and alder openings in the forest. Within Pauls Bay harbor seals can be found in high densities, while sea otters and sea lions are seen less frequently. Bird life consists of a small gull rookery and extensive nesting by a variety of waterfowl at Pauls

and Laura Lakes. A few eagles can also be found nesting in the area. Both Pauls and Laura Lakes serve as major fisheries for Dolly Varden, rainbow trout, pink salmon, silver salmon, red salmon, and steelhead. Accompanying these salmon runs is a high concentration of brown bear throughout the area. The forest surrounding Pauls Lake and Bay provide winter habitat for elk. Deer, land otter, beaver, muskrat, short-tailed weasel, and red fox are common mammals to this area.

• **Recreation, Scenic, Heritage or Wilderness Significance:** Pauls and Laura Lakes receive significant recreation use as many residents have identified this area as a "fine" fishing spot. Due to the many small lakes surrounding Pauls and Laura Lakes this area offers an excellent opportunity to establish a canoe/portage system with excellent sportfishing. There is a private recreation cabin in the area. Some deer, bear, duck, and elk hunting occurs, but not in high numbers. There is a possibility of logging roads eventually connecting up to Danger Bay (Kazakof Bay) which may cause an increase in recreational use. Due to the rolling topography, the towering Sitka spruce, and the highly irregular shorelines with many secluded coves, Pauls and Laura Lakes offer lake and forest scenery at its best. Two archaeological sites of unknown significance can be found near Pauls Bay.

• **Other Significant Resource/Land Use Values:** The spruce forests are within an area considered to be "Afognak's quality timber area". Stand volume is variable ranging from less than 10 MBF per acre to 35 MBF per acre in individual patches. Logging roads were once proposed throughout the area. No known mineral deposits or claims can be found in this area. Located offshore in Pauls Bay is a major purse seining area for salmon. Soils and slopes are generally favorable for development.

10) **Recommended Management:** Multiple-use resource management practices should be closely implemented in this area in order that the scenic qualities, key wildlife habitat, and recreational attributes are protected and provided for in the design of timber sales. Stream and shoreline buffers, landscaping patch clearcuts, logging in the off seasons, minimization of roads, etc. are all mitigation measures that should be practiced in this area of outstanding resource value. The development of a canoe/portage system and campsites should be considered, wherein the Division of Parks could be consulted for assistance.

11) **Allowable Uses** Hunting, trapping and sportfishing as managed by the Alaska Department of Fish and Game should continue. Some residential development could be allowed. Setback controls and greenbelts to protect the scenic and recreation values of the area should be considered if residential

development were to occur.

## 12) Information Sources

### Literature:

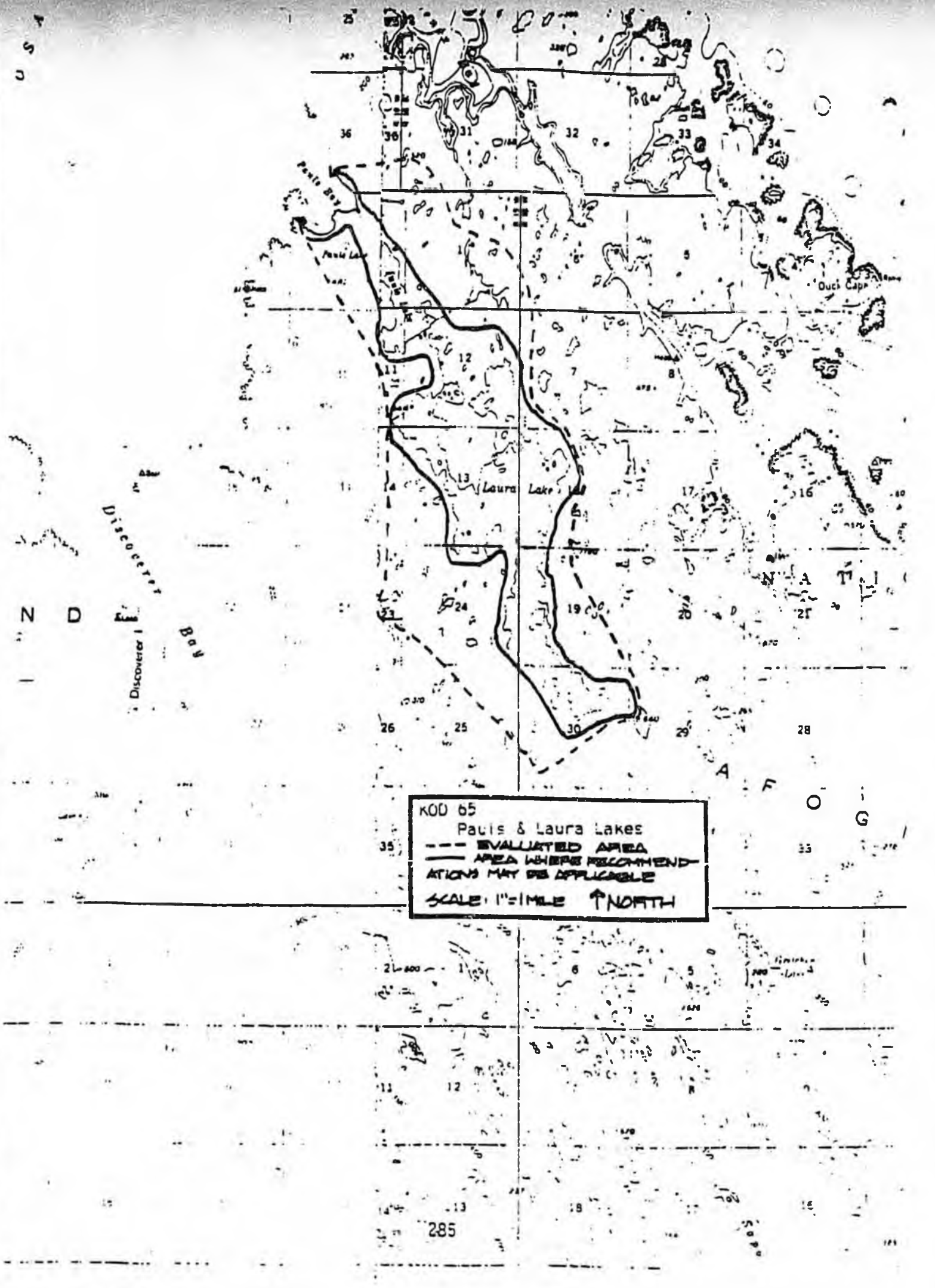
U.S. Forest Service, 1974. Final Environmental Statement: Chugach National Forest Land Use Plan. Prepared by Chugach National Forest in accordance with federal statutes and regulations. Anchorage, Alaska.

U.S. Forest Service, 1974. Final Environmental Statement: Perenosa Timber Sale. Prepared by Chugach National Forest in accordance with federal statutes and regulations. Anchorage, Alaska.

### • Knowledgeable Contacts:

Roger Smith, Alaska Department of Fish and Game, Kodiak.  
Lee Culbertson, U.S. Forest Service, Anchorage.  
Dave Wanderaas, U.S. Forest Service, Kodiak.  
Kate Troll, Alaska Division of Parks, Anchorage.

U S A



Discoverer

N D

Discoverer Bay

KOD 65  
 Paula & Laura Lakes  
 --- EVALUATED AREA  
 — AREA WHERE RECOMMENDATIONS MAY BE APPLICABLE  
 SCALE: 1"=MILE ↑ NORTH

HOUSE BILL 411

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*CORRESPONDENCE*  
&  
*PROPOSALS*

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*HABITAT*  
*ACQUISITION:*

**PRINCE WILLIAM  
SOUND**

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE  
LABOR & COMMERCE COMMITTEE  
RESOURCES COMMITTEE  
RULES COMMITTEE  
CHAIRMAN, SPECIAL COMMITTEE ON  
DOMESTIC & INTERNATIONAL  
COMMERCIAL FISHERIES



P O BOX 143  
SITKA, ALASKA 99835

P O BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4916

FAX (907) 465-4928

MEMORANDUM

TO: Rep. Eileen MacLean, Co-Chair  
Rep. Mike Navarre, Co-Chair  
House Finance Committee

FROM: Sen. Dick Eliason *Dick Eliason*

DATE: March 24, 1992

RE: HB 411, making appropriations for restoration projects  
relating to the Exxon Valdez oil spill

The House Finance Committee has scheduled a hearing this afternoon on CSHB411(Res), making appropriations for restoration projects relating to the Exxon Valdez oil spill.

I'd like to take this opportunity to state my strong support for the provisions in this bill (Sec. 5) relating to transfer of the timber rights on the Cape Suckling parcel to the Dept. of Natural Resources. This is a legitimate expenditure of the compensatory payments on "acquisition of equivalent resources." Accomplishing this transfer will settle a protracted dispute between the University of Alaska and the Dept. of Natural Resources, and will also resolve many concerns of the citizens and government of Yakutat. The inclusion of the Cape Suckling provisions in the legislation has been supported from the outset by Yakutat and Cordova, and is considered an integral part of the package.

Please give the provisions in the bill relating to Cape Suckling your favorable consideration. Thank you.



# Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, Alaska 99801 (907) 586-694

## Southeast Alaska Conservation Council Testimony on HB 411 House Resources Committee -- March 5, 1992

Good afternoon, my name is Theresa Svancara and I am representing SEACC, the Southeast Alaska Conservation Council. SEACC is a grassroots coalition of fifteen local community, volunteer conservation groups in twelve communities across the Alaska panhandle, from Ketchikan to Yakutat. SEACC's individual members number well over one thousand, and are Alaskans from all walks of life. On SEACC's Board of Directors we have a pulp mill worker, several former loggers, a number of commercial fishermen, tourism business operators, teachers, biologists, and local community volunteers.

SEACC supports House Bill 411 and the acquisition of habitat as an appropriate use of the Exxon Valdez settlement funds. The funds received by the state under the criminal plea agreement can be used most effectively for restoration which includes replacement and enhancement of affected resources, and acquisition of equivalent resources.

We support acquiring habitat which prevents further environmental stress resulting from timber harvesting or other industrial activities. Timber and land acquisition will assist the recovery of the already damaged coastal estuaries.

As policy makers discuss options to enhance the recovery and restore the oil damaged resources, we urge you to think in terms of the entire ecosystem affected by the tragic Exxon Valdez oil spill. This entails careful consideration of the shoreline, estuaries, and upland forest habitat areas as well as the waters themselves.

For example, imminent logging, road construction, and related activities compound the impacts of the oil spill and threaten areas available for replacement of impacted resources. Clearcut logging and road building create soil erosion, muddying streams and suffocating life in the streams and on the ocean floor near the mouths of streams. These are habitats that support salmon, shellfish, and marine mammals. Protecting forest habitat is essential near salmon streams because the trees maintain a moderate in-stream temperature and prevent silt from eroding stream banks from suffocating the salmon eggs.

Marbled murrelets, a bird severely damaged by the Exxon Valdez oil spill, not only spends time in the water but also nests in old growth forests.

Animals that we commonly think of as forest dwellers such as brown and black bear, deer, mink, and other small mammals also use the intertidal areas to forage for food and have been impacted by the Exxon Valdez Oil Spill. Studies have shown that both brown bear and deer in the oiled areas, have elevated oil levels in their tissue and fecal samples. Preserving their forest habitat will help them recover.

People in the communities impacted by the spill will also benefit from habitat acquisition. Jobs tied to intact forest and coastal habitat include commercial fishing, hunting and fishing guiding, recreation, and tourism. Cultural lifestyles are possible when habitat to allow subsistence use is preserved.

House Bill 411 makes sense. Common sense tells us if you're trying to nurture a stressed area back to health and revive fish and wildlife populations you don't clearcut and destroy the forests where they live.

Habitat acquisition is what the public wants. I've participated in several public meetings addressing how the restoration money should be spent. At each meeting citizens consistently and overwhelmingly called for restoration purchase of critical coastal forest habitat. The public is sending a clear message that habitat acquisition is a high priority for the settlement money.

HB 411 represents a chance to solve statewide conservation area protection issues. It provides for habitat acquisition in Prince William Sound, Afognak Island, Kachemak Bay, and Cape Suckling.

The area that SEACC is particularly interested in is Cape Suckling. It is highly valued as an economic resource by our member group the Yakutat Resource Council and SEACC has a long standing concern for this area.

Cape Suckling, the Suckling Hills, and the watersheds encompassed therein, will provide equivalent subsistence, sport, and commercial fishing, recreation and tourism opportunities to replace those resources essential to Cordova and other Prince William Sound communities that were damaged by the oil spill.

The Cape Suckling area is state land just east of Cordova, adjacent to the Yakataga State Wildlife Refuge. The timber rights, which the Alaska Department of Natural Resource has yet to convey properly to the University of Alaska, include the Suckling Hills in a 32,000 acre parcel between Cape Suckling and the Seal River.

When the Yakutatuga refuge bill passed in 1990 legislators recognized the valuable habitat of Cape Suckling and placed a moratorium on timber cutting until the timber rights were repurchased. This repurchase remains unachieved, however, because of a stalemate between the University of Alaska and the Department of Natural Resources. Sadly, cutting could begin in this valuable coastal habitat in 1993. Now, money appropriated from HB 411 to repurchase timber rights at Cape Suckling can fulfill a legislative goal and preserve one of the most valuable habitat areas in the state.

Appropriating money to Cape Suckling serves multiple purposes. First, it replaces resources that were damaged by the oil spill. Impacts to Prince William Sound and other regions increase our reliance on potential replacement habitats, such as Cape Suckling. Cordovans have a history of using Cape Suckling for fishing, guiding, and tourism and is very economically important to them.

Second, critical fisheries will be safeguarded. The Suckling Hills is laced with several anadromous salmon streams boasting some of the best Coho habitat on the Pacific Coast. The Kiklukh River is commercially fished by Prince William Sound and Yakutat gillnet fishermen. Thirty gillnet fishermen holding permits for Eshamy in Prince William Sound can also fish in the Cape Suckling area with their permits. Both the Kiklukh and Seal Rivers host intensive commercial set net fisheries. The Okalee and Tashalich rivers are other important salmon streams. This rich salmon resource is not only important to commercial fishermen but also lures sport fishermen and sustains subsistence fishermen.

Third, a thriving wildlife habitat will be protected. Mountain goats live in the Suckling Hills of Boone and Crockett record size. Adjacent areas once held Alaska's largest goat population, but in the last 10 years have suffered a 75% decline, in part due to logging. Exceptional populations of brown bear, black bear, and moose are found in the Cape Suckling area. A guide from Cordova told me he counted 40 bears in a single strawberry patch. Bird life in this region is astounding. The nearby Eastern Copper River Delta nesting and migration areas are world-famous, and Cape Suckling includes significant expanses of contiguous habitat.

A fourth purpose served by appropriating money to Cape Suckling is an investment in the University of Alaska. Money allocated to purchase the timber rights will go into a trust fund available for educating Alaskans. This is an investment in our citizens, our children, and our future.

When it comes to Cape Suckling the Legislature cannot go wrong by investing in coastal forest habitat at Cape Suckling and the University of Alaska.

We encourage you to support House Bill 411 with the inclusion to re-purchase Cape Suckling's timber rights.

RECEIVED JAN 30 1992



## CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

(907) 424-3447

January 27, 1992

Representative Cliff Davidson, Chair  
House Resource Committee  
P.O. Box V, Room 108  
Juneau, Alaska 99811

Dear Representative Davidson:

The Board of Directors for CDFU appreciates your willingness to consider our input for using the State's Exxon settlement money and we thank you for providing us an opportunity to work with you and your staff on HB 411. The Board has held several workshops to review the bill and we would like to offer the following comments and recommendations:

**\$7 Million:** CDFU strongly supports the purchase of lands on Afognak Island, particularly since timber harvesting on Afognak may impact Steller sealion rookeries in the area.

**\$11 Million:** The purchase of timber in-holdings within Kachemak Bay State Park is also a priority item. The fact that other funding alternatives may exist through unexpended monies from the Bradley Lake project and Rep. Navarre's HB 83 make it difficult to decide how much of the settlement should be earmarked for the project.

Since the price tag for Kachemak Bay has been quoted at approximately \$22 million, CDFU suggests putting aside \$11 million for the Kachemak timber buy-back. This amount is roughly half of the total cost for the Kachemak Bay timber and it can be used in combination with the anticipated funding from Bradley Lake or to reduce the fiscal note on HB 83.

**\$6 Million:** CDFU has also identified the Suckling Hills timber tract near Cape Yakataga as a high priority for acquisition. We are aware of the on-going difficulties with the University of Alaska in determining a fair price for the Suckling Hills timber rights, but we've heard indications that the University might settle for \$12 million. At this point, we suggest an initial budget of \$6 million to begin negotiations. CDFU feels that there's plenty of wiggle-room in HB 411 to shift dollars around and accommodate various buy-back projects. This initial suggestion of \$6 million is simply an arbitrary starting point for beginning negotiations with the University of Alaska. We fully expect the actual purchase price for the Suckling Hills timber to be much higher and we intend to support the necessary increases to fund the acquisition.

**\$17 Million:** At this point, the combined allocations which we've proposed for Kachemak Bay State Park and Cape Suckling amount to \$17 million. This leaves \$17 million of the initial \$34 million set aside in HB 411 for timber buy-backs for use in Prince William Sound. Realistically, \$17 million may not buy a great deal of timber, but it would certainly provide us with a tool to begin talking with various timber owners in the Sound.

CDFU has identified several critical areas in PWS for potential timber acquisitions:

- a. Tatitlek Village Corporation holdings around Port Fidalgo; particularly Fish, Whalen and Landlocked Bays.
- b. Chenega Village Corporation holdings in the Southwest district; particularly the areas around San Juan Hatchery on Evans Island and the area which includes Chenega Island and Eshamy Bay.
- c. Chugach Native Corporation holdings on Montague Island at Macleod Harbor and Patton Bay.

CDFU will be contacting the Tatitlek, Chenega and Chugach corporations to determine their interest and willingness to negotiate buy-backs of their lands and/or timber holdings.

**\$9 Million:** CDFU recognizes the need to direct funds toward spill-related projects and supports the general intent for the proposed allocation of \$9 million to appropriate state agencies. However, we wish to see these monies directed to specific projects rather than just giving discretionary money to various state departments.

In the PWS region, there are a number of on-going salmon tagging and enumeration projects which are in danger of being cut from this year's ADF&G budget. CDFU recommends allocating \$5 million to ADF&G to continue research in PWS to assess spill damage to salmon and herring resources and to conduct resource restoration projects.

Although we are not aware of any particular projects being conducted by DEC, it is our opinion that funding would be better utilized for funding fish and habitat-related activities through ADF&G. Since DEC has access to the 470 Fund for spill-related projects, we feel that \$2 million is a reasonable allocation for that agency.

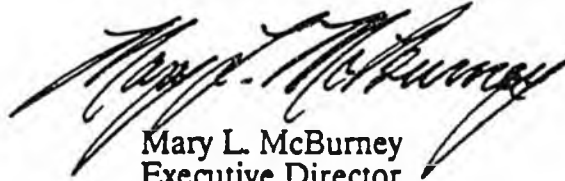
The CDFU Board also strongly recommends directing a portion of the money designated for the DOE to funding public radio stations in Valdez, Kodiak and Homer. During the oil spill, KCHU Radio played a critical role in providing current and accurate information to the communities around PWS. Since that time, KCHU has dedicated a great deal of time and effort to keep the public informed on various environmental issues related to the Exxon Valdez oil spill, marine oil transportation, and the Alyeska oil terminal. We suggest that \$0.5 million be allocated to the Department of Administration to be divided equally between the public radio stations in Valdez, Kodiak and Homer.

Finally, if there are appropriate education projects which require state funding, we propose allocating the remaining \$1.5 million to the Department of Education.

In summary, the Board of CDFU would like to see the bulk of the settlement monies spent on timber acquisition and resource enhancement projects in the spill impacted areas. The CDFU Board of Directors looks forward to working with you and other interested groups on HB 411. We appreciate your assistance and consideration.

Sincerely,

CORDOVA DISTRICT FISHERMEN UNITED

A handwritten signature in black ink, appearing to read "Mary L. McBurney", written in a cursive style.

Mary L. McBurney  
Executive Director  
for the Board of Directors

cc: Representative Gene Kubina  
Senator Jay Kerttula  
Senator Curt Menard



## **THREE GOOD REASONS TO SUPPORT BUYBACK OF CAPE SUCKLING TIMBER RIGHTS IN HB 411**

**1) Buyback of Cape Suckling timber rights would protect critical habitat and compensate Cordova and other spill impacted communities with an acquisition of equivalent resources authorized under the settlement.**

Cape Suckling is among the highest value fish and wildlife habitats in Alaska. People in Cordova and Prince William Sound rely on the coastal ecosystem for their livelihoods and recreation. As a result of the oil spill damage, alternate resources become increasingly important. Commercial and sport fishermen, hunting guides, tourism operators and recreationists from Cordova and other spill impacted communities rely on Cape Suckling for jobs and recreation. Repurchase of Cape Suckling timber is an appropriate use of Exxon settlement monies. The criminal penalty settlement authorizes repurchase of equivalent resources.

Cape Suckling contains some of the best coho salmon habitat in the state supporting commercial, sport and subsistence fisheries. Over 1000 bald eagles from heavily oiled western Prince William Sound migrate to Cape Suckling for fall and winter Coho runs. The area also supports exceptional populations of mountain goats, brown and black bear, and moose.

**2) Buyback of Cape Suckling timber rights would fulfill a long-term legislative and community goal.**

Thanks to the hard work of local communities, the University and many others, the Alaska Legislature designated the Yakataga State Game Refuge in 1990. This legislation specified that once a repurchase agreement is worked out, the Cape Suckling area would be added to the adjacent Game Refuge.

**3) Buyback of Cape Suckling timber rights is an investment in the University of Alaska.**

Because the timber rights are held by the University, money spent to purchase Cape Suckling timber rights will go into a trust fund for education Alaskans. This is an investment in our citizens, our children, and our future.

**VOTE "YES" ON HB 411!**

## **STATEMENTS OF SUPPORT FOR HB 411 - Exxon Settlement Monies**

**“We have listened to the people in the oil spill affected areas and HB 411 represents how they want the Exxon Valdez restoration money spent.”**

**--Representative Cliff Davidson, Chairman House Resource Committee and sponsor of HB 411.**

**“Cordova District Fishermen United supports the intent of HB 411. CDFU also urges the legislature to give primary consideration...for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams...”**

**--CDFU Position Paper on HB 411.**

**“I’d like to take this opportunity to state my strong support for the provisions in this bill (Sec. 5) relating to transfer of the timber rights on the Cape Suckling parcel to the Dept of Natural Resources. This is a legitimate expenditure of the compensatory payments on “acquisition of equivalent resources.”**

**--Senator Dick Eliason, President of the Senate in a letter to the House Finance Committee**

**“We support HB 411 and in particular the inclusion of Cape Suckling as it will resolve a longstanding dispute between local governments, the University, the state and conservation interests.”**

**--Brian Rogers, Vice President of the University of Alaska, testimony to the House Resource Committee.**

**VOTE “YES” ON HB 411**

# CHENEGA CORPORATION

POST OFFICE BOX 8060  
CHENEGA BAY, ALASKA 99574-9999  
TELEPHONE (907) 573-5118 TELECOPIER (907) 573-5155

## FACSIMILE COVER PAGE

TO: REPRESENTATIVE Cliff Davidson DATE: 02-14-92  
Attn: Jay Nelson TIME: 9:50 A  
telecopier 465-3444

FROM: Carol K. EVANOFF

RE: 02/13/92 Kubina Itr.

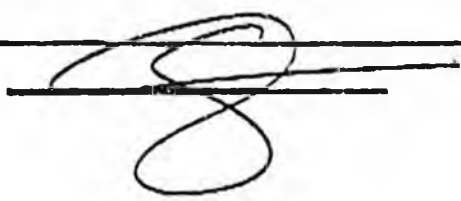
We are transmitting \_\_\_ pages (including this cover page) with a SHARP FO-010, if you do not receive all pages, please contact \_\_\_\_\_ at (907) 573-5118 immediately.

--Originals will follow this transmission via \_\_\_\_\_  
--Originals will not follow this transmission unless requested.

\* \* \* \* \* MESSAGE \* \* \* \* \*

Mr. Nelson: Thought I'd share this Itr. from  
Chenega Corp to Kubina on our  
prelim. thoughts.

Thank you for talking w/me.



# CHENEGA CORPORATION

Post Office Box 60  
Chenega Bay, Alaska 99574-0060  
(907) 573-5118

February 13, 1992

Representative Gene Kubina  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Kubina:

I am responding to a letter written to Rep. Cliff Davidson, Chairman of the House Resource Committee from the Cordova District Fishermen United on January 27, 1992.

Chenega Corporation is carefully considering the language in the proposed Bill, where \$41 million is outlined for acquisition of resources in Prince William Sound, the Kenai Peninsula and Kodiak.

It has long been the position of Chenega Corporation as one of the larger private timber holding companies in PWS, that outright sales of our lands goes in direct conflict of our acquiring these lands under the Alaska Native Claims Settlement Act.

I am supportive of your position whereby you, at this time, are not supporting this bill until you hear debate on the Bill. It is evident that debate is ensuing by CDFU's letter to Rep. Davidson.

Chenega Corporation does not have the financial resources to research options of the State buying land, timber or development rights in PWS. But, is willing to participate in PWS coastal community public meetings should they occur.

If for instance, Chenega Corporation elects to offer select timber stands that are in high environmental risk areas i.e., fisheries, tourism, aquaculture, and it gets placed in National Park status, what is our assurances that the State or Federal Government wouldn't become in direct conflict with any of our economic endeavors for the future? Disenfranchise the Corporation's ability to compete for economic opportunities on behalf of the public's interest? In reality, the only access into PWS is by air or boat, use and enjoyment is seasonal, mostly summer months, and opportunities are for those with money.

What would be the parameters of "non development easements" if the public wants easy access or simply the comforts while enjoying PWS scenic beauty?

Selling Chenega Corporation lands, fee simple, may not be the way to go for us. The quick money it would bring would be. But, that's a tradeoff our shareholders would never accept.

Proposing a PWS Resource Council that would enable the coastal communities to work together by consensus to identify common public use areas for fisheries, sport fishing, tourism, recreation, development, and management has a lot of appeal. Currently, as you are aware, the state and federal government whose representatives do not even remotely live in the area, set the rules and we have to live by them.

Proposing infrastructure to better serve the public is very appealing. I would propose the development of a refueling station in Chenega Bay where fuel sales to boats, and float planes is a reality.

A Research Center in Chenega Bay. Studying the effects of the Oil Spill is an immediate and future requirement. But studying habitat, fisheries and ecosystems to support commercial, sport and subsistence resources is also needed. The glacial erosion in our environment and the health of our resources are in question. The use of interpol and customblen, bioremediation agents, used on all the PWS beaches, by Exxon is a constant threat to the ecosystem in the PWS.

Communication links with the larger communities in PWS and South Central Alaska are still in the dark ages and a direct health and safety hazard. There are no Repeaters in areas south of Whittier in PWS. Repeater site stations could be identified under the Fund.

Clean-Up. Chenega Corporation lands were hard hit. Oil contamination is still present. Many beaches have not been restored as they were before the Spill. The only thing that is preventing that restoration, is the Federal Government and Exxon. I am very tired of the Government's disregard to our "public" statements that oil is still present on the beaches. The free flowing and subsurface oil must be removed. I propose future clean up monies come from the Fund.

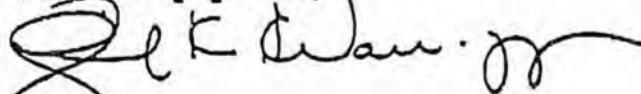
For Comment purposes, I am at a loss as to what interest a fish marketing company, CDFU, would take electing Chenega Corporation's privately owned lands for acquisition by the Fund without first consulting us on the matter. To this date we have not been contacted by CDFU for any meetings.

February 13, 1992

I am not supportive of Chenega Corporation selling any of its land in the interest of the public. I think we could best serve the public by land lease arrangements. Chenega Corporation works well with recreationalists and the general public when there is a land use interest. Chenega Corporation allows maximum use with maximum control.

We with the Chenega Corporation would appreciate receiving any kind of supplemental material to HB 411 and/or information regarding calendar hearings on the EVOS Fund.

Sincerely yours,



Gail K. Evanoff  
Vice-President of Corporate Operations

jlk/GKE

pc: file

## RESOLUTION 91-92

A RESOLUTION OF THE CITY OF CORDOVA, ALASKA, EXPRESSING SUPPORT FOR THE STATE/FEDERAL TRUSTEES FOR NATURAL RESOURCES DAMAGED BY THE EXXON-VALDEZ OIL SPILL TO NEGOTIATE WITH WILLING SELLERS THE ACQUISITION OF PRIVATELY HELD TIMBER RIGHTS IN AND AROUND PRINCE WILLIAM SOUND IN THE INTEREST OF RESTORATION

WHEREAS, the Exxon Valdez Oil Spill caused enormous biological, economic, sociological, and psychological damage to PWS, Cordova, and its residents, and

WHEREAS, the State/Federal Trustees are required by law to use damages collected from Exxon to attempt to return the damaged ecosystem to its pre-spill condition, and

WHEREAS, the pre-spill condition of the impacted ecosystem included fully forested coastal uplands, and

WHEREAS, the Eyak Corporation and the Sherestone Corporation have publicly expressed their sincere willingness to sell their timber assets in the highest public interest, and

WHEREAS, the commercial fishing industry, recreational users, tourism industry, and many other local residents have expressed strong support for the acquisition and protection of coastal forests, and

WHEREAS, such acquisitions will resolve a highly contentious and divisive issue in Cordova to the satisfaction of all parties, and

WHEREAS, such acquisitions are probably the only way to resolve this conflict,

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS: that the Mayor and the City Council support the concept that the highest priority use of Exxon settlement monies be the acquisition of timber assets in and around Prince William Sound in order to conserve coastal forests for the public good and in the interests of oil spill restoration, and that the Trustees act immediately to secure lease/option arrangements on these forests that would fairly compensate timber owners in the region in exchange for a 2-3 year moratorium on all timber harvesting activities so that the Trustees can methodically assess all acquisition options and integrate them into a systematic Restoration plan, without such options being foreclosed.

PASSED AND APPROVED THIS 18<sup>th</sup> DAY OF December, 1991

\_\_\_\_\_  
Mayor, Kelley Weaverling

\_\_\_\_\_  
City Clerk

HOUSE BILL 411

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*CORRESPONDENCE  
&  
PROPOSALS*

\*\*\*\*\*

*EDUCATION AND  
MISCELLANEOUS PROPOSALS*

# Alaska State Legislature



Representative Eugene Kubina

Chairman  
State Affairs  
Committee  
  
Legislative Council  
  
Transportation  
Committee

During Session:  
State Capitol  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4850

During Interim:  
P.O. Box 2463  
Valdez, Alaska 99686  
(907) 835-2111

## Memo

To: Representative Mike Navarre, Chairman  
House Finance Committee

From: Representative Gene Kubina

Date: 23 April 1992

A handwritten signature in cursive script, appearing to read "Gene", written over the printed name "Representative Gene Kubina".

Re.: Amendment to CS for House Bill 411

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Enclosed is a packet of material outlining five projects that I believe should be included within HB 411. Based upon my discussions with members of the Attorney General's legal staff, I believe that each of these projects has valid justification for being funded via the Exxon Valdez Oil Spill penalty monies.

I think that the specific funds to pay for this comprehensive \$5,985,000 package could be realized in the following manner:

- A. Fund Cape Suckling land purchases from University of Alaska at \$6,000,000. My discussions with members of the University lead me to believe this is reasonable.
- B. Trim \$2,985,000 from the approximately \$18,000,000 destined for projects in District Five.

I believe this approach would leave adequate revenues to fund all projects currently listed in HB 411 while providing the \$5,985,000 funds needed for these projects. I appreciate your assistance in this matter.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •



# Alaska State Legislature



Representative Eugene Kubina

Chairman  
State Affairs  
Committee

Legislative Council

Transportation  
Committee

During Session:  
State Capitol  
P.O. Box V  
Juneau, Alaska 99811  
(907) 485-4859

During Internt:  
P.O. Box 2483  
Valdez, Alaska 99686  
(907) 835-2111

Date: 27 March 1992

## Capital project list for amendment to CS for HB 411

1. Alaska Oil and Hazardous Training Center	(Vdz.)	\$3,500,000
2. Prince William Sound Science Center	(Cdv.)	\$ 500,000
3. Chenega Bay Saltery Removal & Cleanup	(ChB)	\$ 585,000
4. Shellfish Hatchery	(Sew)	\$ 800,000
5. Alaska Sealife Center	(Sew)	\$ 600,000

Total: \$5,985,000

### Brief descriptions of each project:

#### Alaska Oil and Hazardous Training Center (AOHTC).

OAHTC would be composed of two programs:

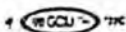
1. The Cold Weather Oil Spill School
2. The Oil Spill Cooperative Training Center

The Cold Weather Oil Spill School would be established to study and research the state-of-the-art techniques for response and prevention of oil spills in Alaska. Texas A&M University has an oil spill school but it deals predominantly with warm weather clean-up techniques--air and water temperature differences being significant factors.

The U.S. Coast Guard directed Oil Pollution Act of 1990 (OPA-90) recommends that tanker crews should have oil spill response training.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •



The Cold Weather Oil Spill School located in Prince William Sound could fulfill this educational need.

The Oil Spill Cooperative Training Center would incorporate training in a wider scope than the Cold Weather School, including reforestation efforts, and animal and fish projects. The Training Center would provide both training and certification via classes set up to meet the requirements of the public and private sectors.

The Alaska Oil and Hazardous Substances Training Center (AOHSTC) would work in concert with other state wide resources, utilizing the University of Alaska, its resources and faculty, the Sitka security training (State Police-VSPO) site, the Anchorage fire fighting training facility, and other such related facilities around the state.

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#### Prince William Sound Science Center

This Center, located in Cordova, was established in 1989 for the purposes of doing biological research related to oil spills in the marine environment and provide a central repository for scientific information. The work performed by the Center since its creation has included the "Ecosystem Overview of the Prince William Sound/Copper River/Gulf of Alaska," a comprehensive database that will provide information and focus for future research, monitoring, and educational programs.

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#### Chenega Bay Saltery Removal

The village of Chenega is the site of a dilapidated herring saltery. Located next to the village's dock, the site contains oil and other contaminants, as well as being a structural danger. Removal will include destruction of the old facility, and evacuation of buried fuel tanks that have leaked into the surrounding area.

DNR, DEC, and DOT have included \$30,000 in their joint Contaminated Sites FY 93 Clean-up CIP to prepare a cost estimate for removal of hazardous substances and soil sampling.

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#### Shellfish Hatchery

In January of this year, a Department of Fish and Game report on aquatic farming activities in Alaska noted that "a major component

lacking in Alaska is a hatchery industry to provide a dependable supply of [shellfish] seed to aquatic farms."<sup>1</sup>

A shellfish hatchery, built under the direction of the Chugach Regional Resources Commission (CRRC), would be a significant step forward in assisting such villages as Tatitlek and Chenega to continue to develop their mariculture activities. Approximately 700,000 oysters will be harvested this summer, one year ahead of schedule.

The CRRC is currently looking for matching funds for this project.

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#### **Alaska Sealife Center**

This center will have as its primary mission research on the endangered species in the region and develop solutions to halt their alleged decline. No similar facility that includes research, education, and rehabilitation exists or is planned in the world.

Research projects are anticipated to draw \$10 to \$12 million of research funds and employ 60 to 70 scientists year round. Basic seasonal employment at the facility will be 200 to 400 new jobs. It is estimated 400,000 tourists will visit the facility annually.

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<sup>1</sup>Report on Aquatic Farming Activities in 1991. Alaska Department of Fish and Game, Division of Fisheries, Enhancement and Development. Prepared by James O. Cochran, Mariculture Coordinator.

**PRINCE WILLIAM SOUND  
SCIENCE CENTER**

**\$500,000**



P.O. Box 705  
Cordova, AK 99574  
(907) 424-5800 FAX: (907) 424-5820

---

The Prince William Sound Science Center is a non-profit research organization established in Cordova shortly after the 1989 Exxon Valdez oil spill (EVOS). Prior to EVOS citizens and researchers recognized the need for establishing the Center to conduct impartial scientific studies related to natural resource and ecological processes in Prince William Sound, and studies relating how these resources and processes might be influenced by natural and human-induced perturbations. For nearly two decades, researchers working in Prince William Sound have advocated development of a centralized research facility to generate an interdisciplinary analysis of the diverse ecosystems in the region. The 1989 oil spill reiterated the need for basic and applied ecological research on the effects of oil spills in subarctic regions. EVOS also emphasized how limited the ecological database available was to assess the spill's damage.

The Science Center is the only private, non-profit scientific facility within Prince William Sound. The Center has adopted the "monitored ecosystem" approach to develop the long-term data necessary for a better understanding of its critical ecosystems.

#### Organizational Mission and Values

The mission of the Prince William Sound Science Center is to contribute effectively to the comprehensive description, sustained monitoring, and more complete ecological understanding of Prince William Sound and its wetlands, river systems, and drainage basins, and thereby to serve as an information resource for decision-makers responsible for the development and conservation of this diverse and complex ecosystem.

The Science Center's bylaws demand that it be objective, productive, professional, and completely open in communicating information from monitoring and research programs to the public. The Science Center will be steadfast in upholding the ethics of research: truth, due credit, tolerance, collaboration, and self-criticism.

#### Research and Education Programs

- Organized the March 1990 conference titled "Research for the 1990's in Prince William Sound and the Copper River Delta", attended by 115 participants including scientists from both the private and public sectors, resource managers, several legislators, and the general public. The meeting's purpose was to identify research topics important to the long-term health and biodiversity of the region, with particular attention to long-term impacts from the Exxon Valdez oil spill.

Page Two - PWS Science Center

- Published the Prince William Sound/Copper River/North Gulf Ecosystem document, presenting an initial overview of the primary components of the region and demonstrating the importance of a better understanding of ecosystem interdependence in order to maintain ecological features critical to the production of renewable resources.
- Continuous development of a geographic information system to improve and promote the quality and quantities of regional ecological research.
- Hosted a workshop held in November 1991 on the "Biological interactions of natural and enhanced stocks of salmon in Alaska." An Interim Group Report from this meeting will be available in mid-April, 1992 and individual papers will be published in a scientific journal later this year.
- Contracted the services of marine mammal researchers to conduct field studies to determine the effects of the Exxon Valdez oil spill on sea otters in Alaska (a cooperative project with the U.S. Fish & Wildlife Service).
- Provided logistical support and office services for several other oil spill related studies, particularly the U.S. Fish & Wildlife Service bald eagle research project and a socio-economic impact study conducted by the University of South Alabama, Mississippi State University and the University of Pennsylvania.
- Produced the Alaska Oil Spill Curriculum, a teaching guide for grades pre-school through 12, and distributed it to school systems throughout Alaska and the nation.
- Developed a community science education program in cooperation with the Cordova Public Schools, the U.S. Forest Service, and the Prince William Sound Community College. Program elements include an after-school Science Club for elementary school children, field trips and lectures for all ages and an Adopt-a-Scientist program for the schools.

Sources of support funding (Over \$1 million to date)

City of Cordova  
 Alaska State Legislature  
 Pew Charitable Trust  
 Murdock Charitable Trust  
 Conservation International  
 Alyeska Pipeline Service Co.  
 BP Exploration, Inc.  
 Ecotrust

Skaggs Foundation  
 ARCO Marine, Inc.  
 Davis Super Foods, Cordova  
 Prince William Sound Aquaculture Corporation  
 Cordova District Fishermen United  
 Prince William Sound Community College

## Staff

Director: *Dr. G.L. Thomas* - Ph.D. University of Washington, Fisheries Science, 1978. Experience: conducted basic and applied research since 1971 for Scripps Institute of Oceanography (UC), Fisheries Research Institute (UW), Cooperative Fisheries Research Unit (UW), and Applied Physics Laboratory (UW). Administratively, served as Assistant Leader of the Cooperative Fishery Research Unit and as Internal Director of the North Pacific International Chapter of the American Fisheries Society.

Administrative Coordinator: Nancy Bird  
Office Manager/Bookkeeper: Penelope Oswalt  
Education Coordinator: Elizabeth Trowbridge

### Board of Directors

Dr. Pete Mickelson - Wildlife ecologist  
R.J. Kopchak - Commercial fisherman  
Lisa Rotterman - Research associate  
Spencer Beebe - Pres., Ecotrust  
Dr. Ken Hill - Veterinarian

### Citizens Advisory Panel

Capt. Jerald Aspland, ARCO Marine, Inc.  
Robert Donald, City of Valdez  
Christopher Gates, City of Seward  
David Janka, PWS Conservation Alliance  
Doug Miller, National Wildlife Federation  
Jerry Sanger, City of Whittier  
Stan Stephens, Stan Stephens Charters

### Scientific Advisory Council

Dr. Harriet Christensen, Copper River Delta Institute, Cordova  
Dr. John P. Harville, Founding Interim Director, PWS Science Center  
Dr. John Goering, University of Alaska  
Dr. John Gordon, Yale University  
Ken Hill, D.V.M., Cordova  
Jerry Imm, Minerals Management Service, Anchorage  
Dr. William J. McNeil, Hatfield Marine Science Center, Newport, Oregon  
Jon M. Nelson, U.S. Fish & Wildlife Service, Anchorage  
Dr. Riki Ott, Cordova  
Dr. Stan Rice, Alaska Fisheries Science Center, Auke Bay  
Dr. Donald B. Siniff, University of Minnesota  
Dr. Lavern J. Weber, Hatfield Marine Science Center, Newport, Oregon  
Dr. George West, Homer  
Dr. Francis S.L. Williamson, Institute of Arctic Biology, Fairbanks  
Rosita Worl, Smithsonian Institution

## Future

A major grant from the Murdock Charitable Trust and federal funding of the Prince William Sound Oil Spill Recovery Institute (OSRI) by NOAA has allowed Dr. Thomas to assume a full-time position and move to Cordova. He will be working on developing the Oil Spill Recovery Institute and the annual workshops -- 1991: Biological Interactions of Natural and Enhanced Salmon, and 1992: Timber, Fish and Wildlife -- sponsored through a major grant from the Few Charitable Trusts.

**CHENEGA BAY SALTERY  
REMOVAL & CLEANUP**

**\$585,000**



# United States Department of the Interior



## NATIONAL PARK SERVICE

IN REPLY REFER TO

ALASKA REGIONAL OFFICE  
2525 Gambell Street, Room 107  
Anchorage, Alaska 99503-2892

N2219(KEFJ)

05 JUN 1990

Dr. A. J. Paul  
P.O. Box 1197  
Seward, Alaska 99664

Dear Dr. Paul:

Thank you for your letter of May 1 requesting our support for the proposed Marine Mammal Center in Seward. We agree that Seward seems to be an ideal place for such a center and that the time for a project of this nature is ripe. Such a center could add vital dimensions to the knowledge and protection of sea mammals and benefit many parties, especially our sister agency, the Fish and Wildlife Service. They have the primary responsibility for the protection and management of sea mammals.

I have enclosed a copy of a letter to Mayor Bill Noll from Kenai Fjords Superintendent Anne Castellina regarding the center. I have also asked Ms. Castellina to contact her counterpart at Alaska Maritime National Wildlife Refuge and let him know of this project. She will contact you as events progress.

Good luck with your efforts to establish this important scientific and educational facility.

Sincerely,

Paul F. Hensel

Acting Regional Director

Enclosure



**TEXAS A&M UNIVERSITY AT GALVESTON**

Marine Mammal Research Program  
Department of Marine Biology  
P.O. Box 1675  
Galveston, TX 77553-1675

Director: (409)740-4413  
Technician: 740-4420  
Students: 740-4425  
FAX: 762-8276

July 24, 1990

Mayor William Noll  
Seward Association for the Advancement of Marine Science  
P.O. Box 730  
Seward, AK  
99664

Dear Mr Mayor

I am an Assistant Professor of Marine Mammalogy at Texas A&M University at Galveston and have been active in marine mammal research for 11 years. I am writing in support of the proposal to build a marine research facility in your city. I think that such a facility would be incredibly useful from both the research perspective and public education. I have only recently moved to Texas from California, where I was located at the University of California at Santa Cruz, and previous to that was at the University of Guelph, in Canada. Both of these facilities had the capability of holding captive marine mammals and I am now in the position of attempting to create a research program without that capability for the first time. I dearly miss it. The capability to hold marine mammals in captivity, even for short periods of time, allows us to learn things about their biology that we could never learn in the wild state. This knowledge will expand our capabilities for the better protection of endangered species as well as possibly preventing other species from becoming threatened. I enthusiastically support the development of a facility in Seward and would very much like the opportunity to make use of those facilities at some time in the future.

Sincerely yours

*Graham A.J. Worthy*  
Graham A.J. Worthy  
Assistant Professor of Marine Mammalogy



# United States Department of the Interior

## NATIONAL PARK SERVICE

Kenai Fjords National Park

1212 Fourth Avenue

Post Office Box 1727

Seward, Alaska 99664

IN REPLY REFER TO:

N2219

May 23, 1990

William C. Noll  
Mayor, City of Seward  
P.O. Box 167  
Seward, AK 99664

Dear Mayor Noll,

Kenai Fjords National Park would like to take this opportunity to offer its support for the proposed Seward Marine Mammal Center outlined in your May 10, 1990 letter. The goals of scientific research, public education, and rehabilitative services for distressed or injured mammals are consistent with Kenai Fjords' Congressional mandate to:

"...maintain unimpaired the scenic and environmental integrity of the...coastal fjords and islands in their natural state; and to protect seals, sea lions, other marine mammals, and marine and other birds, and to maintain their hauling and breeding areas in their natural state..."

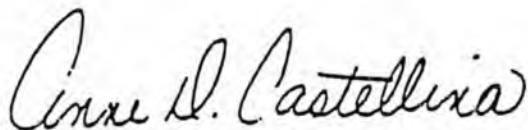
Recognition by Congress of this area's outstanding natural environment, diverse ecosystems, and abundant wildlife led to the establishment of the park in 1980. Since then the park has worked to study, protect and interpret the living laboratory of change characterized by the 580,000 acres within the park boundaries.

Over the past ten years we have become increasingly concerned by the as yet unexplained decline in seal and sea lion populations, the long term effects on marine mammals of oil spills and other pollution, and the possible adverse effects of increasing numbers of visitors and commercial operators in the fjords. These, and other areas of concern, deserve study. The National Park Service in Alaska is currently engaged in strengthening and expanding its efforts in resource management. The "Alaska Science Initiative" was endorsed by Congress and partially funded in 1990 and shows promise of receiving additional funding in 1991 and beyond. Kenai Fjords will benefit from this initiative with the addition of several resource management specialists. Their ability to interact with scientists at a Marine Mammal Center such as the one proposed would greatly enhance their work. Park interpreters involved in environmental education programs would also reap the benefits from the Center as would the community of Seward and the larger worldwide scientific community.

The City of Seward, Kenai Fjords National Park, the Alaska Maritime National Wildlife Refuge, and the Institute of Marine Science, Seward Marine Center would all gain from the establishment of a Marine Mammal Center in Seward as would the growing number of visitors and schoolchildren to this area. Seward offers a unique location for this facility. The study subjects are here in abundance and easily accessible. Federal and State agencies concerned and mandated to protect the marine mammals are already based in Seward. There cannot be many other areas in Alaska (if any) where all of these factors mesh as well as they do here.

We look forward to working with you and the Seward Association for the Advancement of Marine Science (SAAMS) as your objectives and plans continue to expand and clarify.

Sincerely,

A handwritten signature in cursive script that reads "Anne D. Castellina". The signature is written in dark ink and is positioned above the typed name and title.

Anne D. Castellina  
Superintendent



# UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive  
Anchorage, Alaska 99508

July 26, 1990

OFFICE OF THE CHANCELLOR

Mayor Bill Noll  
City of Seward  
PO Box 1789  
Seward AK 99664

Dear Mayor Noll:

I was pleased to learn of your proposal to establish a marine mammal study center in Seward. Such a center, incorporating research and public education, would be of great value to Alaska and to other parts of the circumpolar north.

The future of our ecosystems which support our natural resources is dependent upon an accurately informed citizenry. This requires education based upon up-to-date information generated by scientists on the cutting edge of their fields. Marine ecosystems will be under increasing pressure as oceans are increasingly utilized for food, minerals and sources of transport. Due to the positions they occupy in food webs, marine mammals are important indicator species for the health of these ecosystems. Thus the importance of increased knowledge of these animals is clear.

A marine mammal center in Seward would attract productive scientists from other states and nations, as well as Alaska. It would be of great value to the University of Alaska in pursuing research and public service activities. From the standpoint of the University of Alaska Anchorage (UAA), such a center would provide opportunities for faculty and graduate student research in physiology, morphology, ecology, etc. Basic research opportunities would transcend the interests of marine scientists, and include those focused on human health. This would include UAA and UAF scientists in the Washington-Alaska-Montana-Idaho (WAMI) medical program and in the Alaska-Siberia Medical Research Program. All of these endeavors should combine to bring increased federal and private foundation funding to Alaska for high priority needs.

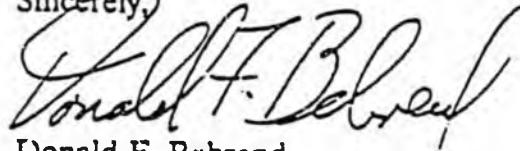
The educational value of a marine mammal center would range from formal college course work for credit to a broad array of short courses, seminars, conferences, and other programs for a variety of publics. The UAA College of Continuing Education could be invaluable in helping to plan and implement a broad program of public education for the proposed center.

UNIVERSITY OF ALASKA ANCHORAGE  
Office of the Chancellor

Mayor Bill Noll  
Page 2  
July 26, 1990

In summary, I envision many significant advances in research and education that could flow from a marine mammal study center in Seward. These advances would be of great value to Alaska, the nation, the northern Pacific Rim nations, and the circumpolar north. Accordingly, I commend you for your vision and initiative in proposing this center, and pledge the support of UAA in assisting you to make it a reality.

Sincerely,



Donald F. Behrend  
Chancellor

DFB:st

CHENEGA BAY, ALASKA  
A PLAN FOR THE SITE RESTORATION OF THE ABANDONED CANNERY

December 10, 1990

This study and report will present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

SUMMARY:

1. The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulations.
2. Project budget in 1991 dollars is \$535,000.

GENERAL INFORMATION:

Chenega Bay is located on Evans Island in Prince William Sound, Alaska, on the shore of a small cove formerly known as Crab Bay. It's coordinates are

Latitude: 60°04'N  
Longitude: 142°02'W

The abandoned fish processing plant at this location is reported to have been constructed about 1930 although the machinery it contains and the style of construction would indicate it to be ten years older. It operated as the Chatham Stuart Fish Company until about 1958. It operated spasmodically after that depending on the fish run until 1960 and has not operated since then. Nor has it been maintained. The original construction utilized locally cut and milled spruce insofar as practical. During the past several years much of the useable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its attendant piping is supported off the floor by rotting wood. The installed machinery included a steam boiler and a quantity of steam piping which was insulated with asbestos/plaster wrapped with muslin cloth in the style of the time. Only a few scattered remnants of this insulation remain -- the rest having weathered off the pipe, fallen to the floor, and been washed away by rain and snow.

FAXED  
4-2-92

---

MT. MARATHON NATIVE ASSOCIATION

Facsimile Cover Sheet

To: Representative Kubina  
Company: Alaska State Legislature  
Phone: 465-4859  
Fax: 465-2287

From: Ken Blatchford, President

Company: Mt. Marathon Native Association  
Phone: 224-3118  
Fax: 224-5874

Date: 04/02/92

Pages including this  
cover page: 1

Comments:

Dear Representative Kubina:

I am writing to support the inclusion of \$800,000 in HB 411 to support the development of the Chugach Regional Resources Committee OYSTER SPAT HATCHERY. The Chugach Regional Resources Committee of which Mt. Marathon is a member, has been very successful in the development of the Oyster industry in Prince William Sound. An Oyster Spat Hatchery built by CRRC in cooperation with the Alaska Shellfish Growers Association the ADF&G FRED division and others will have a powerful influence on the success of the Oyster industry in Alaska. If you need any technical information you can contact Dave Daisy at the CRRC office in Anchorage. His number is 586-4155.

Thank you for your support of this important matter.

*Ken Blatchford*

# CHENEGA BAY I. R. A. COUNCIL

## U R G E N T

April 3, 1992

via TELECOPIER and FIRST CLASS MAIL

Representative Eugene Kubina  
ALASKA STATE LEGISLATURE  
Post Office Box V  
Juneau, Alaska 99811

APR 1 C 1992

RE: HB 411

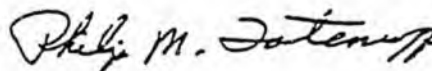
Dear Gene:

We strongly support the CHUGACH REGIONAL RESOURCE COMMISSION'S request for \$800,000.00 to build an oyster spat hatchery. We strongly urge and request that you provide support for House Bill 411.

Please keep us informed as to the progress on this bill. Thanking you in advance for your assistance.

Sincerely,

CHENEGA BAY I.R.A. COUNCIL



Philip M. Totemoff, President

mariculture.kubina@alaska.gov

Excerpt from  
Saltery Restoration Plan by James R. Clinton  
December, 1990

The study and report present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

Summary:

The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulation.

General Information:

The original construction utilized locally cut and milled spruce. During the past several years much of the usable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its' attendant piping is supported off the floor by rotting wood.

Several large steel tanks exist outside and immediately adjacent to the plant. Several were fuel tanks in which was stored bunker oil and probably, diesel oil. These tanks are supported from three to five feet off the ground on wood piers, wood caps, and a timber deck system, all of which is in a condition ranging from good to advanced decay. All have been damaged severely by rust and snow loads.

In its' present advanced state of decay it is difficult to overstate the danger this structure presents to anyone in it, on it, or under it. Unfortunately it presents an irresistible temptation to the village children as a place to play. To protect their safety it must be removed.

Cost Estimate Summary:

Mobilization and demobilization	\$239,000
Dismantling and disposal	257,000
Contract preparation and administration	39,000
Project contingency	50,000
Total Estimated Project Cost	\$585,000

# Alaska State Legislature

Legislative Research Agency



P.O. Box Y  
Juneau, AK 99811-3100  
Phone: (907) 465-3991  
Fax: (907) 463-3351

June 27, 1991

## MEMORANDUM

TO: Representative Gene Kubina

FROM: Glenn T. Gray <sup>GTG</sup>  
Legislative Analyst

RE: Hazardous Substances at Chenega Bay Saltery Site  
Research Request 91.313

You asked for information about a herring saltery at Chenega Bay that the community would like to have removed. You specifically asked about possible funding sources to do the work, which involves removal of hazardous substances. This memorandum provides a history of the problem and identifies the current status of the clean-up effort as well as possible funding sources.

## Background

The Chenega Bay herring saltery site currently poses several threats to local villagers. First, the buildings are collapsing and village leaders fear that someone will be injured. Although the site is posted against trespassers, children and other villagers are often seen at the site. Second, friable asbestos is present in the buildings, both on the floor and on pipes and other fixtures. Third, large fuel oil tanks are leaking bunker crude onto the ground and into the water. Other threats include 55-gallon drums containing unidentified substances. The creosote-treated pilings supporting the structures are also considered a hazard and cannot be burned. A report by the Alaska Health Project identifies these and other concerns (Attachment A).

Although the site is currently administered by the State of Alaska, the federal government originally owned the land. The U.S. Forest Service issued various fish processing companies special use permits to use the Chenega Bay herring saltery site. Use of the site ended in the 1940s. The community of Chenega Bay relocated close to the saltery after the 1964 earthquake. The Chenega Native Corporation selected this saltery site as part of its land entitlement under the Alaska Native Claims Settlement Act (ANCSA), and the Bureau of Land Management (BLM) issued an interim conveyance to the corporation in 1979. Authorized by a provision in the ANCSA [Section 14 (c) (3)], the corporation conveyed the land to the state in trust during 1983 until a local municipality

Representative Kubina  
June 27, 1991  
Page 2

becomes incorporated.<sup>1</sup> The site, administered by the Department of Community and Regional Affairs (DCRA) as part of the Municipal Lands Trustee Program, was leased to the Chenega Village Council in 1984 for future use as a bulk fuel storage site.

After the land was conveyed to the state, the Alaska Department of Environmental Conservation (DEC) identified the hazardous substances at the site and notified the Village of Chenega Bay (Attachment B). In 1985, the State of Alaska sued the Forest Service (i.e., the Secretary of Agriculture) in an attempt to get federal funding to clean up the site. During September 1990, the federal district court granted judgment to the federal government, and the Attorney General decided not to appeal the case (Attachment C).

Rick Elliot, program manager for the Municipal Lands Trustee Program, said that the community originally planned to use the site for bulk fuel storage. According to a letter written by Marty Rutherford of the DCRA, the community of Chenega Bay now intends to develop a port facility at the saltery site (Attachment D). Before the port facility can be developed, however, the buildings will have to be removed. Prior efforts to remove the buildings by the community have been curtailed because of special treatment needed to remove the asbestos, fuel oil and creosote-treated pilings.

According to Lynn Chambers of the North Pacific Rim, the regional nonprofit Native corporation, the saltery buildings were constructed on pilings over the water. The buildings are currently collapsing and some of the oil tanks still have about a foot of sludge in them that is slowly leaking. Ms. Chambers said that an engineering firm (H4M Engineering) has estimated that it will cost about \$585,000 to remove the buildings and that the Chenega Bay Village Council does not have resources to pay for such a removal. The removal of the buildings includes storage of the creosote-treated pilings, treatment of the asbestos, removal of the fuel tanks, and removal of machinery.

#### Clean-up Funding Options

According to Jane Tonkin of DEC's Cordova office, various funding options have been or are currently being explored to remove the contamination. The department has unsuccessfully tried to add the site to the superfund list (the list of the nation's worst sites contaminated by hazardous substances) and the agency is currently exploring the possibility of using funds available for emergency response. The site, however, ranked low on the state's hazardous sites priority list.

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<sup>1</sup>AS 44.47.150 directs the commissioner of the Department of Community and Regional Affairs to "accept, administer, and dispose of land conveyed to the state in trust by village corporations" pursuant to the ANCSA provision.

Representative Kubina  
June 27, 1991  
Page 3

Lynn Chambers of the North Pacific Rim said that she has unsuccessfully attempted to obtain removal funds from the U.S. congressional delegation. Ms. Chambers noted that the site has been included on a BLM list of contaminated sites conveyed to Native corporations. A recent article in the Anchorage Times claims that Congress will ask the BLM to negotiate with the Alaska Federation of Natives to determine how these sites will be cleaned up (Attachment E). However, according to Wayne Svejnoha, a BLM hazardous materials specialist, it is unlikely that the BLM would assist with the clean-up of this site because the contamination occurred while the Forest Service managed the land.

The party or parties liable for the clean-up of this site is unclear. However, according to Assistant Attorney General Breck Tostevin, the state is not liable for the clean-up because of how it received the land. A federal court has found that the USDA Forest Service is not liable for the asbestos removal. The Chenega Native Corporation could be found liable for clean-up costs, but the corporation does not have funds for this clean-up. Mr. Tostevin thinks that if federal funds cannot be obtained for the clean-up, it may be necessary to appropriate state funds for this purpose.

I hope that you find this information useful. Should you wish additional information about this issue, please contact this agency.

Attachments

## STATE OF ALASKA -- ELECTION DISTRICT REPORT

SALEDST

## DISTRICT 06 PRINCE WILLIAM SOUND

3/19/92

## CAPITAL BUDGET SUMMARY

PAGE 6

FISCAL YEAR 1993

BUDGET COMPONENT	GOV CAP
DEPARTMENT OF EDUCATION	
AVTEC MAINT/EQUIP/DORMITORY	300.0 ✓
DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES	
CENTRAL REGION FEDERAL HIGHWAY	
SEWARD HWY, MP 50-65.5 RECONST	15414.3 ✓
EXIT GLACIER RD, MP 0-3.9	443.6 ✓
CENTRAL REGION FED AVIATION	
CHENEGA BAY ARPT DEVELOPMENT	3320.2 ✓
NORTHERN REGION FEDERAL HWYS	
COPPER RIVER HWY, PE	970.0
VALDEZ ARPT RD INTER UPGRADE	150.0 ✓
NORTHERN REGION FED AVIATION	
CORDOVA AIRPORT IMPROVEMENTS	1320.0 ✓
VALDEZ SAND STORAGE BUILDING	400.0 ✓
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS	
CHENEGA CONTAM SITE CLEANUP	30.0
*** ELECTION DISTRICT TOTAL ***	22356.1
FED RCPTS	22026.1
GENERAL FUND	330.0

CHENEGA BAY DEMOLITION PLAN

Cost Estimate Summary

CONTRACT COSTS:

Labor	224,350.
Equipment	123,500
Petroleum, oils, & lubricants	15,100
Transportation	<u>32,500</u>
Total estimated cost	3415,550
Contractor contingency, O. H., profit	<u>31,000</u>
Total estimated contract	3496,550

ROUNDED CONTRACT COST 496,000

ADMINISTRATIVE OVERHEAD: 39,000

PROJECT CONTINGENCY: 50,000

TOTAL ESTIMATED PROJECT COST IN 1991 DOLLARS 3525,000

A PLAN FOR THE RESTORATION  
OF  
THE SITE OF THE ABANDONED CANNERY  
AT  
CHENEGA BAY, ALASKA

Prepared By

JAMES R. CLINTON

December 10, 1990

For

THE NORTH PACIFIC RIM  
3300 C Street  
Anchorage, Alaska

CHENEGA BAY, ALASKA  
A PLAN FOR THE SITE RESTORATION OF THE ABANDONED CANNERY

December 10, 1990

This study and report will present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

SUMMARY:

1. The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulations.
2. Project budget in 1991 dollars is \$565,000.

GENERAL INFORMATION:

Chenega Bay is located on Evans Island in Prince William Sound, Alaska, on the shore of a small cove formerly known as Crab Bay. It's coordinates are

Latitude: 60°04'N  
Longitude: 142°02'W

The abandoned fish processing plant at this location is reported to have been constructed about 1930 although the machinery it contains and the style of construction would indicate it to be ten years older. It operated as the Chatham Stuart Fish Company until about 1956. It operated spasmodically after that depending on the fish run until 1960 and has not operated since then. Nor has it been maintained. The original construction utilized locally cut and milled spruce insofar as practical. During the past several years much of the useable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its' attendant piping is supported off the floor by rotting wood. The installed machinery included a steam boiler and a quantity of steam piping which was insulated with asbestos/plaster wrapped with muslin cloth in the style of the time. Only a few scattered remnants of this insulation remain - the rest having weathered off the pipe, fallen to the floor, and been washed away by rain and snow.

Several large steel tanks exist outside and immediately adjacent to the plant. Several were fuel tanks in which was stored bunker oil and, probably, diesel oil. These tanks are supported from three to five feet off the ground on wood piers, wood caps, and a timber deck system, all of which is in a condition ranging from good to advanced decay. The tanks are of bolted construction. All have been damaged severely by rust and snow loads. It is probable that the bottoms below the outlets contain sludge residues of the products that were stored in them. Some spills have occurred around the tanks. At the time of inspection the snow and ice cover in the area rendered it not possible to estimate how much product has spilled, but other investigators have previously estimated that about 3,000 gallons or a little more have emptied on the ground. It was not possible to see how far it has spread or to what degree it has weathered.

The piles supporting the over water portion of the structure are a mixture of native spruce and other wood piles which appear to have received some sort of treatment which is probably creosote. The untreated piles are rotting above water and destroyed by marine worms below water. The creosote piles have weathered almost surface clean but appear to be in better shape. A sixteenhundred square foot area of the center of the pile supported structure has collapsed into the waters' edge at this writing. It would not strain the imagination to picture the whole pile supported section collapsing into the bay with this winters' snow load during the southeasterly storms which are common to the area. In such an event the debris would be scattered by wind, wave, and tide throughout Prince William Sound to become a hazard to both navigation and the fishermen who use these waters.

In its' present advanced state of decay it is difficult to overstate the danger this structure presents to anyone in it, on it, or under it. Unfortunately it presents an irresistible temptation to the village children as a place to play. To protect their safety it certainly must be removed.

#### DEMOLITION PLAN:

1. MOBILIZATION. It has been assumed in the preparation of the cost estimate for this project that the equipment and supplies for the project will be moved to Chenega Bay from Seward or Whittier. Mobilization from Valdez or Cordova would cost about the same.

Conversations with the Community Administrator of Chenega Bay indicate that the community desires that local residents be given preference in hiring for the work. This is desirable in all respects depending on the availability of qualified people at the time needed. If the job is timed correctly it should be started as soon as the snow is gone in the spring to take advantage of the best weather for the work. But this would time the work to be in full swing at the same time as the fishing season in the Sound. Obviously, since Chenega Bay is a fishing village, this would present a choice to qualified local residents.

It was also indicated that the residents would not fully enjoy the influx of a crew from outside the community. It is a quiet, insular community. Intrusions of this nature are very distressing to them.

In resolving these issues the conservative option has been taken in preparing the cost estimate. The cost of a temporary camp which will accommodate a maximum of 14 people is included. This camp will require cooperation from the village in providing a suitable site with access to sewer and water. It might be of interest to the community to use this as an opportunity to leverage the acquisition of some quarters for accommodating visitors to the village.

1. ASBESTOS. Two sets of regulations apply:

- a) Alaska Department of Labor  
Division of Labor Standards and Safety  
Occupational Safety And Health Standards  
Construction Code (Asbestos)

Copies of this code may be obtained in Anchorage at the Alaska Department of Labor, 3301 Eagle Street.

- b) United States Environmental Protection Agency  
Office of Pesticides and Toxic Substances  
Washington, DC 20460  
Guidance for Controlling Asbestos-  
Containing Materials in Buildings

Ref: Paragraphs 61.145, 61.146, 61.147

Copies of these regulations may be obtained in Anchorage at the Alaska Operations Office, Federal Court House, 222 W. 7th Ave., Room 537.

Note should be taken of 61.145(c). If a higher governmental authority (Borough or State) ordered demolition then the EPA requirements are simplified. Unfortunately no Borough exists and no State agency claims that authority.

The written notice required in para 61.146 is mandatory and must be submitted as specified.

The general effect of these regulations is to require that the asbestos be removed by trained, certified people. These workers will be required to wear respirators and disposable protective clothing. Nobody will be permitted on the jobsite during asbestos removal excepting these equipped workers. They will have to keep the material which they are removing wet while it is being handled. The asbestos will be packaged in marked, sealed, double bags. Disposal of the bags must be in a permitted landfill. The closest permitted landfill is in Anchorage. This work is a specialty and is ordinarily subcontracted out by a General Contractor to a specialist. Prudent care must be taken by both the General Contractor and the Subcontractor to keep this phase of the operation safe for the workers.

2. GENERAL DEMOLITION. The overall plan for demolition is as follows:

- a) Remove the asbestos.
- b) Prepare the community landfill site to receive the scrap wood for burning.
- c) Clean up the sludge as it may appear inside the tanks and package the sludge in acceptable tanks and the soiled sorbents and waste in poly bags. These containers will be stockpiled for later shipment with the asbestos containers and scrap iron to acceptable disposal sites.
- d) Dismantle or cut up the tanks into convenient sizes for handling and shipping, and stockpile them in the area of the beach landing site.
- e) Clean up the spilled oil sludge from the ground, and package and stockpile it for later shipment. Alaska DEC regulations require the ground contamination to be reduced to 20 parts per million.
- f) Continue the onshore demolition. Haul the wood to the landfill and pile and burn it. Reduce the iron to convenient handling and shipping size and pile it for loading and shipping.

- g) The demolition of the portions of the structure which are supported on piles over the water requires some discussion.

It is possible that a resourceful demolisher could remove the pile supported sections of the structure from the land. It would be risky and inconvenient to do so, but it can be done. In the interest of safety and the more conservative approach, the cost estimate contained herein has been based on working from the water utilizing a crane mounted on a barge to remove the over-water portions of the structure. These operations can and should be conducted concurrently with the onshore work.

Everything above the pile heads will be hauled to the landfill site and burned.

The piles will be removed by breaking them off at the mud line with the crane. The native spruce piles can be burned. Alaska DEC regulations 18AAC 50.030(b)(c) forbid burning creosote treated piles. They must either be salvaged and stockpiled for future use or removed from Chenega Bay and hauled to and buried in a licensed landfill. Anchorage is the closest place. This plan anticipates salvaging and stockpiling the creosoted piles in the area of the Chenega Bay landfill. The creosoted piles should not be stacked in a tight pile, but they should be cribbed with space between piles and tied at the corners to keep them from rolling. The salvaged piles will be useful in the future as building piers.

### 3. DISPOSAL.

- a) Asbestos, properly bagged and marked, will be sent to the landfill in Anchorage.
- b) Oil, oily waste and grease will be sent to a disposal site in Oregon.
- c) Creosote treated piles will be salvaged and stockpiled at the landfill site in Chenega Bay.
- d) Scrap iron will be sent to Anchorage for consolidation with other scrap for shipment to the scrap markets outside.

- e) Scrapped lumber and any other combustibles will be burned at the Chenega Bay Landfill and the residue buried. Other noncombustible trash will be buried in the landfill.

PROJECT BUDGET:

Mobilization and demobilization	\$229,000
Dismantling and disposal	257,000
Contract preparation and administration	39,000
Project contingency	<u>50,000</u>
TOTAL PROJECT BUDGET	\$555,000

CHENEGA BAY DEMOLITION PLAN

Cost Estimate Summary

CONTRACT COSTS:

Labor	224,350.
Equipment	123,500
Petroleum, oils, & lubricants	15,100
Transportation	<u>52,500</u>
Total estimated cost	\$415,550
Contractor contingency, O. H., profit	<u>81,000</u>
Total estimated contract	\$496,550

ROUNDED CONTRACT COST 495,000

ADMINISTRATIVE OVERHEAD:

39,000

PROJECT CONTINGENCY:

50,000

TOTAL ESTIMATED PROJECT COST IN 1991 DOLLARS

585,000

# CHENEZA BAY DEMOLITION PLAN

## Operation Schedule & Labor

No.	Operation	Cal Days	Man-days	Rate	Tot. Labor
1	Mobilize in Anchorage	10	40	200	8000
2	Load & Ship	5	20	400-	12000
3	Unload & Setup @ Chenega	6	36	425-	15300
4	Prepare Landfill & Jobsite	3	18	425-	7650
5	Remove Asbestos & Haz. Wastes	14	56	675-	37200
6	Dismantle & Stockpile Tanks @ Beach	12	72	350-	25200
7	Remove Scrap Iron	12	36	350-	12600
8	Extend Access Ramp @ Jobsite	1	.5	350-	1050
9	Remove & Burn Onshore Combustibles	4	24	350-	8400
10	Mobilize Work & Tender Scows	5	30	200	6000
11	Dismantle Overwater Structure,	12	102	425-	43350
12	Handle & burn NO. 11 Above	6	36	350-	12600
13	Remove Concrete	3	12	350-	4200
14	Load & Ship Scrap Iron	3	18	350-	6300
15	Unload & Rehandle Scrap Iron	2	12	350-	4200
16	Dispose of Hazardous Wastes	3	6	200	1200
17	Demobilize @ Chenega	4	24	350-	8400
18	Ship Equip't to Place of Origin	1	6	350-	2100
19	Demobilize at Point of Origin	10	40	200	8000
TOTALS			392.5		322435

**NOTES:**

\* Denotes that a room & board allowance of \$150 per man-day is included.

Small computational errors in items 7 & 11 were discovered corrected to give a revised total for labor from that which app in the report.

## CHENEBA BAY DEMOLITION PLAN

### Equipment, Transportation & Administrative Overhead

#### EQUIPMENT:

Units	Item	Time	Rate	Total	POC
1	Beach crane or hoe	3 Mo.	9000	27000	2050
1	Bulldozer	" "	3600	10800	1620
2	Dumptrucks	" "	4000	24000	3600
1	Front end Loader 3 cy	" "	5000	15000	2250
1	Compressor 150 cfm	" "	300	900	135
1	Water pump 5" Hi press.	" "	300	900	135
1	Welding Machine 200 amp.	" "	300	900	135
1	Clamshell bucket	" "	150	450	68
4	Chainsaws	" "	LS	500	90
1	Jackhammer	2 wks	LS	100	15
	Camp for 14 men	3 Mo.	Included in Labor		---
1	Crane-barge 50 ton	1 "	25000	25000	1500
1	Tender barge	2 "	4000	8000	1000
1	Work skiff & motor	3 "	500	1500	160
lot	Hand tools & rigging		LS	5000	---
lot	Misc vehicles & equip't	3 Mo.	---	2400	350
	<b>TOTAL</b>			<b>\$123550</b>	<b>\$15115</b>
	<b>ROUNDED</b>			<b>\$123500</b>	<b>\$15100</b>

#### TRANSPORTATION:

2 R/T	Hvy duty lowboy	1050	2100
6 R/T	Flatbed or Van	650	3900
30 R/T	Air charters	250	7500
6 R/T	Tug charters	5000	30000
2 C/L	Scrap shipment	2000	4000
	Hazardous waste shipment	LS	5000
	<b>TOTAL</b>		<b>\$42500</b>

#### ADMINISTRATIVE OVERHEAD:

Contract preparation	2650
" Advertising	500
" supplies & printing	750
" administration	29000
" Transportation 9 R/T @ 250	2250
Testing fees	4000
<b>TOTAL</b>	<b>\$32900</b>
<b>ROUNDED</b>	<b>\$32900</b>

## RECAP OF CHENEGA BAY SALTERY HISTORY

- March 1930 U. S. Forest Service issued a use permit to Chatham Straits Fish Company.
- July 1965 U.S. Forest Service issued a special use permit to Washington Fish and Oyster Company for the 5.3 acre site for use in connection with fish processing. Improvements consisted of: Cannery, Residence, Bunkhouse, Outbuildings and dock.
- Feb. 1968 Above permit terminated for failure to comply with permit conditions, namely maintaining the improvements and premises acceptably to forest officer in charge.
- June 1979 Federal Interim Conveyance of surface rights to Chenega Bay Corp. and subsurface rights to Chugach Corp.
- Sept. 1984 Alaska Department of Environmental Conservation first learned, that prior to the conveyances, 4000 gal. of oil had spilled, leaked or discharged from storage tanks, penetrating the ground and migrating into the waters of Prince William Sound.
- Sept. 1987 State of Alaska files suit against U. S. Secretary of Agriculture asking the court to order clean up and containment of all pollution at the cannery site.
- Dec. 1990 State of Alaska accepts Sept. 1990 federal court judgement for the United States. The court concluded there was insufficient evidence that asbestos was disposed of during federal ownership. State Dept. of Law recommends renewed efforts to seek federal funding, in light of new emphasis in Congress on cleaning up former federal facilities.

# Alaska State Legislature

Chairman  
State Affairs  
Committee

Legislative Council

Transportation  
Committee



Representative Eugene Kubina

During Session:  
State Capitol  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4859

During Impaneled:  
P.O. Box 2463  
Valdez, Alaska 99686  
(907) 835-2111

August 13, 1991

Edgar Blatchford, Commissioner  
Department of Community and Regional Affairs  
P.O. Box B  
Juneau, AK 99811

Dear Edgar,

When we last met in June, we discussed the issue of the herring saltery in Chenega Bay and the necessity of its removal. We agreed at that time to each look further into the matter. My efforts continue to be thwarted by the legalities involved. Have your inquiries yielded any answers?

As you know, the saltery is an ongoing health and safety threat to the people of Chenega Bay. I feel it is urgent that we figure out a way to solve the responsibility question and move on toward a removal of this hazard at the soonest opportunity.

Thank you very much for your help in this matter. I look forward to hearing from you soon.

Sincerely,

A handwritten signature in cursive script that reads "Gene".

Representative Gene Kubina  
District Six

-- DISTRICT SIX --

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •

ALASKA PACIFIC  
SHELLFISH HATCHERY

\$800,000

## SEWARD SHELLFISH HATCHERY

### SUMMARY SHEET

#### The Alaska Mariculture Industry

- The shellfish mariculture industry in Alaska is expanding rapidly.
- The number of permitted aquatic farms in Alaska now exceeds the number for Oregon and Washington combined.
- Shellfish sales from Alaska farms is expected to reach \$2 million in 1992 and exceed \$4 million in 1993.
- The concern about health problems associated with eating shellfish from polluted waters has significantly dampened market demand. Alaska, with its pollution free waters and strict inspection program for naturally occurring toxins such as PSP and domoic acid, is one of the very few places that can market shellfish that is genuinely safe to eat. This could turn the state into a major shellfish supplier.

#### Hatchery Rationale

- Insure a reliable supply of oyster seed for the grow-out farms. Currently, all oyster seed is supplied by two hatcheries located outside the state, one in California and one in Washington state. If either hatchery loses its certification or has production problems, it could devastate the industry in Alaska.
- There is a concern that bringing large volumes of oyster seed into the state will increase the risk that a shellfish pathogen will slip through the detection net and be introduced into Alaska waters. An oyster hatchery in Alaska would significantly reduce the need for seed from outside the state.
- Currently there is no effort to culture clams or scallops in the state because it is too difficult to obtain clam or scallop seed. A hatchery in the state could provide a source for clam and scallop seed and allow shellfish farmers to begin taking advantage of the exceptional markets for both these species.
- Re-seeding projects to restore clam beds destroyed by the Exxon Valdez oil spill will need an in-state hatchery to supply the seed stock.

#### Concept

- The Chugach Regional Resources Commission (CRRC), a Native consortium involved with natural resource development in the Chugach Native region, is proposing to oversee construction and operation of a shellfish hatchery located in Seward. This hatchery will be used to supply seed stock to shellfish farmers including those operations located in the Native villages in the region.

- The hatchery will be located in Seward on land provided by the University of Alaska, Institute of Marine Science. Seward has all the infrastructure necessary to support the hatchery. Both the Alaska Department of Fish & Game and the Alaska Shellfish Growers Association have endorsed Seward as a primary hatchery location.
- The hatchery will produce mainly oyster seed but will also develop seed stock for clam and scallop operations.

### Design

- The hatchery is being designed to produce between 10 million and 12 million oyster seed a year at full capacity plus a small amount of clam and scallop seed.
- Production strategy will be to have all seed ready for distribution to the grow-out farms in May and June of each year.
- It is estimated that it will take between three and five years for the hatchery to reach full capacity. If the hatchery is constructed in 1993, year to year increases in production capacity will parallel the increasing demand for oyster seed in the state. Demand will outstrip capacity by 1998.
- The hatchery building will encompass 20,000 square feet. About 10,000 ft.<sup>2</sup> will be used to house offices, wet lab/R&D setup, broodstock holding, the spawning area and the seed production area. The water treatment and distribution system and the algae production area will be located in the remaining 10,000 ft.<sup>2</sup>.
- Hatchery water supply will be saltwater with a salt concentration of at least 20 parts per thousand. Water source will be a combination of a deep water intake in Resurrection Bay and saltwater wells.

### Cost

- It is estimated that the hatchery will cost between \$1 million and \$1.3 million to design, construct and equip. Design and construction will take approximately one year to complete once funding has been obtained.
- The annual operating cost is estimated to run between \$300,000 and \$350,000.
- CRRC is searching for funding to construct the hatchery.
- CRRC will take responsibility for the operating costs.

scallop production not only to take advantage of additional markets, but to diversify the product base in order to help insulate the industry from problems that may develop with a particular species.

Currently, the lack of available seed stock is preventing farms in the state from producing clams and scallops. It is planned that the hatchery will initiate a program for producing clam and scallop seed stock. Significant production of clam and scallop seed will take several years to develop. Identifying wild stocks of clams and scallops in the state that are suitable for culture operations will take a lot of time. In addition, difficulties in culturing the commercially valuable weathervane scallop will need to be overcome. It is estimated that it will take five to seven years to achieve significant production of clam seed and perhaps longer for scallops.

The hatchery that is envisioned for Seward will require 20,000 ft.<sup>2</sup> of enclosed space. About 10,000 ft.<sup>2</sup> of this will house offices, the wet lab/R&D setup, broodstock holding, spawning and seed production areas. The remaining 10,000 ft.<sup>2</sup> will contain the water treatment and distribution system and algae production. Unlike salmon hatcheries shellfish hatcheries manufacture the food needed to produce the seed stock. Bivalve shellfish eat microalgae through their entire life cycle. These shellfish require great quantities of algae and the most practical way to obtain it in a hatchery situation is to grow it on site. Eight to ten 40,000 liter tanks will be needed to produce the amount of algae needed to grow the 10 to 12 million oyster seed to a size of 15 millimeters or greater. Both algae and the seed stock need saltwater with a salt concentration greater than 20 parts per thousand. Saltwater for the Seward hatchery will be obtained from a combination of a deepwater intake in Resurrection Bay and saltwater wells.

The hatchery will be in production for 10 months a year and be shut down for two months for maintenance and disinfection. The production strategy will be to produce maximum size seed for distribution to grow-out farms in May and June. This will be done by growing the seed in separate production cycles of up to 2 million seed per cycle. Seed reaching the desired size prior to the May - June distribution time will be placed on a maintenance diet and held in a relatively dormant state until it is time for them to be shipped to the grow-out farms.

It is estimated that the hatchery will cost between \$1 million and \$1.3 million to design, construct and equip. The annual operating cost is estimated to be between \$300,000 and \$350,000.

Although the hatchery is a very important part of Alaska's shellfish mariculture industry, the industry is not in a position at this time to underwrite construction and operating costs by itself. CRRC is in the process of putting a package together to cover design and construction. The oil spill restoration fund money is certainly a legitimate source for some of the construction funding. CRRC will also put together a package to underwrite operating costs up to the time the hatchery becomes self sufficient.

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

### OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 3-2000  
JUNEAU, ALASKA 99802-2000  
PHONE: (907) 465-4100

February 20, 1992

Mr. Richard A. Rolland  
Executive Director  
The North Pacific Rim  
3300 "C" Street  
Anchorage, AK 99503-3920

Dear Mr. Rolland:

Thank you for your letter of support to Governor Hickel for the department's proposed Mariculture Technical Center (MTC). You are aware that during this time of declining revenues and increased costs that not all capital requests will be funded. However, because this project will support a new and developing, primarily rural industry in Alaska, I am hopeful that it has a good chance for funding this year.

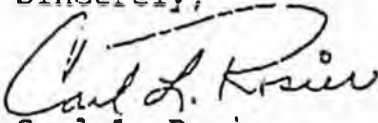
I compliment your organization on the commitment to build Alaska's first commercial shellfish hatchery. It is sorely needed, and is an essential step in the evolution of the industry. The MTC would add the needed extension of research and development of technology that could be applied directly to your endeavor. Aquatic farming has excellent potential to add to the economic base and diversity of the coastal Native communities in Alaska. Your efforts in developing that opportunity are outstanding.

Though a final site has not been selected, a list of sites with suitable physical and biological characteristics was developed by the department in consultation with the aquatic farm industry and University of Alaska staff. The Seward location was rated highly. Should the project be funded, that location will be one of the primary sites considered.

Please feel free to contact Jim Cochran, Division of Fisheries Rehabilitation, Enhancement and Development Mariculture Coordinator, at 465-4160, if you have further questions regarding the project proposal.

Thank you for your interest.

Sincerely,



Carl L. Rosier  
Commissioner

Mr. Richard A. Rolland

-2-

February 20, 1992

cc: Clem Tillion  
Commissioners ADF&G, DCRA, and DCED  
Jim Cochran, FRED  
Jeff Koenings, FRED  
Rodger Painter, ASGA

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

150 THIRD STREET  
 JUNEAU, ALASKA 99801-1291  
 PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
 ANCHORAGE, ALASKA 99508 4302  
 PHONE: (907) 563-1073

March 9, 1992

Mr. Richard A. Rolland  
 Executive Director  
 The North Pacific Rim  
 3300 "C" Street  
 Anchorage, AK 99503-3920

RE: Capital Funds Request for Mariculture Center

Dear Richard:

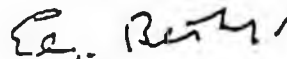
Thank you for your letter of February 11, 1992, requesting support for your funding request to establish a mariculture hatchery in conjunction with a mariculture technology center.

I fully support the development of a mariculture industry in Alaska; it's a natural for our maritime environment. I have brought this issue before the Rural Sub-Cabinet and I feel they are in support as well. Officials from the Department of Fish and Game have reported phenomenal growth in the shoreside mariculture industry and indicate this is only the beginning. I have assigned a staff task force to study the issue of permitting and recommend to the Sub-Cabinet ways to streamline and accelerate currently cumbersome permitting requirements.

The FY93 capital budget is due out early this week. I will review it closely for mariculture funds. At the same time, I caution you to note the severe fiscal crisis looming before the state. Oil revenues are much less than forecast and budget cuts are imminent. Discussions are currently underway to slice some \$200 M plus from the operating budget. Critics note that possibly some cuts should come from the capital budget as well. All this affects our ability to address development funding needs such as yours.

Please stay in close contact with this office as well as the Department of Fish and Game as the budget process works its way to the end. Thank you for your letter and concerns.

Sincerely,



Edgar Blatchford  
 Commissioner

## STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 3-2000  
JUNEAU, ALASKA 99802-2000  
PHONE: (907) 465-4100

March 12, 1992

Mr. Richard A. Rolland  
Executive Director  
The North Pacific Rim  
3300 "C" Street  
Anchorage, AK 99503-3920

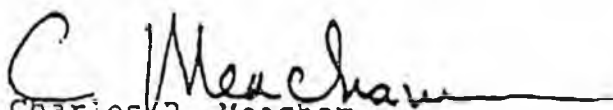
Dear Mr. Rolland:

Thank you for your February 11 letter to Commissioner Rosier that provides additional information on The North Pacific Rim's proposed shellfish hatchery. I also appreciate your continued cooperation and support for the department's Mariculture Technical Center funding request.

I agree that aquatic farming is an excellent opportunity for economic diversification in rural Alaska communities. The program you outline for development of the farms at Tatitlek as well as other communities you are involved with sounds exceptional. I want to assure you that you have my support in these endeavors; I offer my assistance and that of my staff in your efforts. It is a unique opportunity to have the state and private enterprise work together to achieve development of a new industry for Alaska.

Please keep me apprised of your progress and any assistance the department may be able to provide. Thank you for your continued interest and involvement.

Sincerely,



Charles P. Meacham  
Deputy Commissioner

cc: Clem Tillion, Governor's Special Assistant  
Jim Cochran  
Jeff Koenings  
John Nielsen, President, ASGA  
Rodger Painter, ASGA Special Projects

## Alaska State Legislature



Write in Session:  
P.O. Box V  
State Capitol  
Juneau, Alaska 99801  
465-4829

P. O. Box 2463  
Valdez, Alaska 99586  
835-2659

Representative Eugene Kubina

February 20, 1992

Mr. Richard A. Rolland  
Executive Director  
The North Pacific Rim  
3300 "C" Street  
Anchorage, Alaska 99503-3920

Dear Dick:


Thank you for the letter on the Mariculture development taking place in Prince William Sound. I am aware of, and appreciate, all of the effort that the Chugach Regional Resources Commission is involved in with some of the villages in District 6.

We're all aware of the dramatic need for economic diversification throughout the region, and Mariculture seems to be a natural for serving this purpose. The success that the oyster culture test beds have shown in the last year implies that there may be great potential for long term employment if the projects are developed to their full potential. The fact that the villages of Tatiklek and Chenega Bay have the opportunity to be involved is encouraging to say the least.

I intend to include the request, for funding of the Mariculture projects outlined in your letter, in the annual capital improvement projects request as well as in the special restoration funds requests that we are currently preparing. In fact, I talked today to Max Hodel, the Governor's Chief of Staff on the subject. He agreed that this is one area where Exxon Valdez money can and should be used.

It was good to meet with you earlier this month. I hope to see you if you visit Juneau again during the session. Thank you again for all the encouraging information you have provided.

Sincerely,

  
Representative Eugene Kubina  
District 6

GK/rjl



Official Business

# Alaska State Legislature

SENATE

*Committee on Finance*P.O. Box V  
State Capitol  
Juneau, Alaska 99811

RECEIVED FEB 21 1992

February 13, 1992

Richard A. Rolland, Executive Director  
The North Pacific Rim  
3300 C Street  
Anchorage, AK 99503-3920

Dear Mr. Rolland:

I have received your February 11, letter concerning mariculture development. Please extend my congratulations to the villages of Chenega and Tatitlek for their success in oyster development.

I have noted your request for \$1 million in state funding for an oyster hatchery in Seward to be affiliated with the Institute of Marine Science. Also, I have noted your support of the Department of Fish and Game's \$1.8 million request for a mariculture research and development center.

Thank you for keeping me advised of your opinions on these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Keritula".

Jay Keritula  
State Senator

JK:ms



RECEIVED FEB 21 1992

**REPRESENTATIVE LOREN LEMAN** West Anchorage

3111 C Street Anchorage, AK 99503 561-7614 During Session: P.O. Box V Juneau, AK 99811 465-2095

February 18, 1992

Mr. Richard A. Rolland  
Executive Director  
The North Pacific Rim  
3300 C St  
Anchorage AK 99503-3920

Dear Mr. Rolland:

RE: Mariculture Development in Prince William Sound

Thank you for your February 11 letter with supporting information regarding resource development in the Chugach Native Region. I applaud you for your aggressive efforts at establishing a promising new industry.

I support your efforts to fund new facilities. Your projects seem like classic examples for funding from the Exxon Valdez settlement.

You mentioned the development of oyster farms as a means for "replacing resources lost in the Exxon Valdez spill." I know that the spill resulted in substantial loss of birds, otters, seals and sea lions. However, what are the lost resources that oyster farming will replace?

I too enjoyed our brief conversation at the AFN reception. Thank you for stopping to chat with Joseph and me.

Sincerely,

Handwritten signature of Loren Leman in cursive script.  
Loren Leman

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 2, 1992

Mr. Richard Rolland  
Executive Director  
The North Pacific Rim  
3300 C Street  
Anchorage, AK 99503-3920

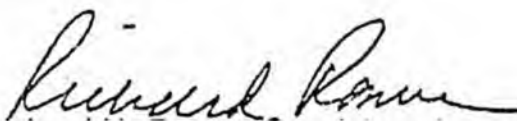
Dear Mr. Roland:

This is to acknowledge your letters to myself and Governor Hickel, both dated February 11, 1992, regarding your organizations mariculture project.

The project appears to show enormous potential for economic development and job opportunities for your communities and region. We are pleased that you are taking the initiative and have the foresight to create the opportunities for local residents. These are the types of projects the Governor likes to see because they have a direct positive impact on the people and their communities.

Please feel free to call or visit next time you are in Juneau.

Sincerely,

  
Richard H. Romer, Special Assistant  
for Rural Affairs

cc:enc: Commissioner Edgar Blatchford, DCRA  
Shelby Stastny, Director, OMB  
Paul Fuhs, Legislative Liaison

bcc:enc: Jackie Brown

ALASKA DEPARTMENT OF FISH AND GAME

DIVISION OF  
FISHERIES, REHABILITATION, ENHANCEMENT AND DEVELOPMENT



REPORT  
on  
AQUATIC FARMING ACTIVITIES  
in 1991

JUNEAU, ALASKA  
JANUARY, 1992

Prepared by:

James O. Cochran, Mariculture Coordinator

Jeffery P. Koenings, Ph.D., Director

## THE MARICULTURE PROGRAM

### Background

The Aquatic Farm Act (Section 19, Chapter 145, SLA 1988) was signed into law on June 8, 1988, authorizing the Commissioner of ADF&G to issue permits for the construction or operation of aquatic farms, and hatcheries to supply aquatic plants or shellfish to aquatic farms. The intent of the program was to create an industry in the state that would contribute to the state's economy and strengthen the competitiveness of Alaska seafood in the world marketplace, broadening the diversity of products and providing year-round supplies of premium quality seafood. The law limited aquatic farming to shellfish and aquatic plants. In 1990 CSHB 432 became law, prohibiting farming of finfish in the state.

Regulations to administer the aquatic farm program were developed by the resource agencies during 1988 and 1989. The Department of Natural Resources (DNR) divided coastal Alaska into eleven districts. The law required that each district be opened annually for 60 days for farm site application. Permits for farm or hatchery sites not located on state land may be applied for at any time.

The ADF&G, FRED Division Mariculture Program, in cooperation with the department's fisheries management and Habitat Divisions, carries out the statutory and regulatory responsibilities of the department pertaining to aquatic farming in Alaska.

The Mariculture Program responsibilities include:

- in cooperation with ADF&G Habitat Division, coordination of the permitting process for aquatic farms and hatcheries
- review of aquatic farm and hatchery permit applications for site suitability and technical and operational feasibility
- issuing and administering the department aquatic farm and hatchery permits
- interdivisional coordination of the aquatic farm program
- administration and coordination of aquatic stock acquisition permits for the purpose of supplying brood stock and seed stock to aquatic farms and hatcheries
- administration and coordination of the shellfish and aquatic plant transport permit system
- administration and coordination of research permits for aquatic farming and hatchery activities
- provide technical assistance to other divisions, agencies and the public sector

- coordinate aquatic farming and hatchery research activities statewide

### Program Implementation

The FRED Division Mariculture program continued to evolve in 1991. Budget constraints eliminated the research program and reduced technical assistance provided to the industry. The administrative work load associated with the large number of permittees continued to grow.

Considerable interaction with the other resource agencies, including the Department of Environmental Conservation (DEC), DNR, Division of Governmental Coordination (DGC) and Federal agencies was required to review and revise the permitting process and insure coordination of effort. The Interagency Mariculture Workgroup (IAMWG) ceased to formally exist with the change of administration. An informal group of agency representatives met several times to review and revise the aquatic farm permit application form and to discuss applications. FRED Division and Habitat Division continued to coordinate the farm permitting process. FRED Division coordinated the overall department program, reviewed permit applications, and issued aquatic farm permits. Habitat Division coordinated the department Alaska Coastal Management Program (ACMP) and statutory review, providing that information to DGC.

Permitting and administration responsibilities for aquatic stock acquisition, shellfish and aquatic plant transport and Scientific or Educational Permits were administered. One clerical position was assigned to the program to assist with administrative functions.

Forty eight aquatic farm permit applications were received and processed this year. Thirty one farm operation permits were issued. Three permits were closed at the request of the respective permittees. Scientific/educational (research) and acquisition/transport permit applications were at levels consistent with the number of permitted farms (table 11.1) and are expected to increase again in 1992, reflecting the increase in active farms.

A statewide opening of all aquatic farm districts is again scheduled for March/April, 1992.

The division proposed a Mariculture Technical Center (MTC) for inclusion in the Governor's capital projects budget for fiscal year 1993. The Commissioner supported the request and prioritized it in the top 1/3 of projects submitted by the ADF&G to the Governor for consideration. If funded, the MTC would be a central facility providing assistance to the industry through practical research and development, providing indigenous seed stocks not available from commercial sources, and space for private mariculture development projects. The Alaskan Shellfish Grower's Association (ASGA) voted unanimous support of the project and elected sub-committees to work with the department during project development. A committee composed of the FRED Division Mariculture Coordinator and University of Alaska staff met to initiate the site selection process. Considering only technical criteria, locations were ranked according to physical and biological variables that would not compromise facility operations for any species of potential value to the industry. Two locations, Seward and Juneau, were determined to

meet the criteria defined. Other sites (Sitka, Seldovia area) were determined to have features that would compromise the facility. Two sites, Kodiak and Yakutat, could not be evaluated because of insufficient information. A conceptual design and detailed cost estimate were prepared. Further work on the project was deferred awaiting a determination on facility funding.

### Aquatic Farm Operations

1991 was a pivotal year for the aquatic farm industry in Alaska. With the implementation of the Aquatic Farm Act, farmers could acquire a farm site permit from DNR that was a property right revokable only for breach of permit conditions. The initial permit is for a three year period, during which the permittee must attain goals agreed upon in the farm's development plan. Once the goals are attained the permittee may apply for a ten-year lease which is assignable. This added stability to the industry and should provide some remuneration for the effort and investment of developing a farm site. A number of farms reached their development plan goals in 1991. The first applications for conversion of DNR permits to leases are expected in 1992.

Aquatic farmers aggressively pursued operations in 1991, even though the Southcentral permits were issued late in the spring. Thirty seven of the 56 permitted farms reported inventory in the water at the end of 1991 (table 11.2). At market size, this inventory was valued at over \$2.7 million. Aquatic farm sales for 1991 were again slightly less than \$100,000. Production was dominated by oysters, with a small amount of mussels produced in southcentral Alaska. This was expected because no new farms had received permits by beginning of the growing season and the existing farms had taken a conservative approach to seed purchases and acquisition in 1989 and 1990.

Southeast farmers received an average of \$0.28/oyster, up slightly from the \$0.27 received in 1990. The Southcentral value was, as last year, higher at \$0.42/oyster. This was down from \$0.48 in 1990. The average price received for mussels was \$1.73/lb. The amount of product sold was small, though, and probably does not reflect the price farmers are likely to receive for mussels as production increases. One farmer harvested wild, adult mussels and cycled them through his farm for periods of several weeks to a few months. Though legally definable as farm product, this "semi-farmed" product represented a quality question for the industry. For purposes of blue mussel value projections, \$1.50/lb seemed attainable. (table 11.2) All prices were based upon landed value at the farms and did not take into account production or transportation costs.

A growing facet of the aquatic farm industry was employment opportunities provided by farm operations. Excluding owner-operators and non-resident managers or consultants, 94 individuals were employed by the farm industry this year, working over 3600 person-days (table 11.2). No figures for jobs in the processing sector were available.

### Industry Projections

Though 1991 production was low, the end of year inventory of farm product was

encouraging. Over 5.5 million oyster spat were purchased by Alaskan farmers. Production was regional in nature, attributable to successes of farms within the regions. The picture will change in 1992, though, primarily due to active native corporation farms in Southcentral. Southeast Alaska will cease to be the state's largest producer of farmed shellfish. Oysters available from the farms should increase significantly, statewide. Mussel production is not expected to increase. No other species of shellfish or aquatic plants will contribute to farm sales.

Large-scale aquatic farm industry development was again constrained in 1991 by the lack of government assistance (loan funds, grants, etc.) and the general lack of loans or other sources of investment capital from the private sector. Out-of-state businesses did not show interest in investing in the industry this year. This is almost certain to change. Nationwide, shellfish production is constrained by pollution and competition for limited coastal resources. The major eastern U.S. production areas, such as Chesapeake Bay, have ceased to be a major factor in shellfish production. For the first time, Washington state became the largest oyster producer in the United States. There, increasing effects of pollution, upland development and user conflicts are occurring and will limit growth of the industry. Washington has approximately half the number of permitted aquatic farms that Alaska has, though they are larger. British Columbia's industry is growing, receiving considerable support from the public sector. Alaska, with its clean waters and large amount of protected coastline, has immense potential of becoming a major aquatic farming area. Investment capital, the logistics of producing and selling product, and lack of a vertically integrated industry are major constraints that will have to be addressed before this can occur.

A major component lacking in Alaska is a hatchery industry to provide a dependable supply of seed to aquatic farms. No shellfish or aquatic plant hatcheries exist in-state. All oyster seed must be imported from Washington. Collection of indigenous stock seed is susceptible to the vagaries of nature. To help address this problem, the North Pacific Rim, representing native people in the southcentral Alaska area, committed to construction of an oyster hatchery in Seward. This facility is intended primarily to produce seed for native-owned farms in the area. If funded, the MTC will also help provide a consistent supply of shellfish and, possibly, aquatic plant seed until other commercial hatcheries come on-line.

The benefits of aquatic farming as a source of income and economic stability is of interest to a number of rural Alaskan communities. In 1991 development and site suitability research was conducted near Angoon in Southeast and Chenega Bay in Southcentral. Active farms were being operated by the Klawock Heenya Corporation and Yak-Tat Kwaa in Southeast, and the Tatulek Native Corporation in Southcentral. Considerable interest in aquatic farming was shown by villages on Kodiak Island, Prince William Sound and the Kenai Peninsula. Even the educational community was involved, with Petersburg High School operating a for-profit farm.

Table 11.1. 1991 Aquatic Farm Program Permit data.

	Southeast Districts	Southcentral Districts	TOTAL
<u>OPERATIONS</u>			
Permit applications	10 <sup>1)</sup>	38	48
Permits issued	2	29	31
Permits withdrawn	2	1	3
Permits pending or still in process	6	19	25
Permitted farms as of 12/31/91	26	30	56
Farms operating in 1991 that reported inventory	20	17	37
Farms in certified growing areas <sup>2)</sup>	17	22	39
<u>RESEARCH</u>			
No. permit applications received	5	4	9
Permits issued	4	2	6
Permits pending	0	1	1
<u>SHELLFISH AND AQUATIC PLANT ACQUISITION/TRANSPORT</u>			
Permit applications received	39	68	107
Permits issued	33	64	97
Permits pending	6	1	7

1) Includes 3 applications for significant permit amendments

2) More than one farm may be located in a growing area as defined by the Department of Environmental Conservation

Table 11.2. 1991 Aquatic Farm Operations Data.

	<u>Southeast Districts</u>	<u>Southcentral Districts</u>	<u>TOTAL</u>
<u>SALES</u>			
Oysters (ind.)	160,376 <sup>1)</sup>	61,380	221,756
Value \$44,440	\$25,780	\$70,220	
Mussels (lbs)	0	17,076	17,076
Value \$0	\$29,628	\$29,628	
	Total Aquatic Farm Sales		\$99,848
<u>END OF YEAR INVENTORY</u>			
Oysters (ind.)	4,933,600 <sup>2)</sup>	2,849,655 <sup>1)</sup>	7,783,255
Value (\$0.35/ind)	\$1,726,760	\$997,379	\$2,724,139
Mussels (lbs)	3,600	45,800	49,400
Value (\$1.50/lb)	\$5,400	\$64,566	\$69,966
	Total Aquatic Farm Inventory Value		\$2,794,105
<u>EMPLOYMENT SUMMARY</u>			
No. employees	31 <sup>3)</sup>	63 <sup>3)</sup>	94
Days worked	1,921	1,700	3,621
No. volunteers	16 <sup>4)</sup>	0	16
Days worked	55	0	55

1) One active farm did not report production data in 1991. 1990 information used to extrapolate estimate in this table.

2) One active farm did not report end of year inventory.

3) Does not include farm owner or non/resident manager

4) Includes participants at school owned site

ALASKA  
SEALIFE CENTER

\$600,000

CITY OF SEWARD  
CAPITAL PROJECT ASSISTANCE 1992

CATEGORY - ECONOMIC DEVELOPMENT

PROJECT TITLE: ALASKA SEALIFE CENTER

PROJECT COST: EXCESS OF \$40,000,000

ANNUAL O & M COST: \$4,000,000 TO \$5,000,000

DESCRIPTION:

The Center will consist of a world-class, state-of-the-art research, rehabilitation and public viewing facility that will be a national and international destination point. It will be located on the south shoreline of Seward's downtown business district, south of Railway Avenue between Third and Fifth Avenues and adjacent to the University of Alaska Institute of Marine Science. The area will be developed into a park like setting, with promenades and pedestrian amenities connecting buildings, pools and other facilities.

IUSTIFICATION:

Seven species of marine life, including four animals and three birds that live in the subarctic area adjacent to the Alaskan coastline are classified as threatened. If any of these species are classified as endangered, severe restrictions will be enforced in the area where they reside and upon their natural food, which includes salmonoid and bottom fish. Such restrictions could have a disastrous effect on the economy of Alaska, especially coastal fishing and tourist communities. The center will have a primary mission to research the endangered species and develop solutions to halt their alleged decline. Public education and rehabilitation of stranded, injured or sick animals, whether from natural or environmental disasters, will be equally important functions.

No similar facility that includes all three areas - research, education and rehabilitation exists or is planned in the world. The facility will have a profound economic impact on Alaska. Research projects are anticipated to draw \$10 to \$12 million of research funds and employ 60 to 70 scientists year around. Basic seasonal employment at the facility will be 200 to 400 new jobs. It is estimated 400,000 tourists will visit the facility annually.

OPERATING COST: Estimated to be 4.5 to 5 million dollars per year.

<u>SOURCE OF FUNDING:</u>	Local (Inkind and cash)	\$ 2,000,000
	Private Contributions	150,000
	State (Oil Spill Settlement fund)	<u>\$40,000,000</u>

CONTACT: Darryl Schaefermeyer  
City Manager  
224-3331

The Honorable Walter Mackel  
Governor of Alaska  
February 1, 1991  
Page 2

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premiere center for Arctic marine mammal research. However, the AMMC is needed to achieve this goal.

Another area of concern is the lack of facilities within the state capable of rehabilitating injured or ailing marine mammals. At the present time, they are transported to sites outside the state, at great expense and at increased risk to the animal, for rehabilitation. The AMMC would provide state of the art care in the animals' natural environment as well as additional information to the research arm of the AMMC.

Exxon operated a temporary marine mammal rescue center in Seward during the oil spill. They invested over \$8 million in that facility. Ironically, it is now dismantled and would have to be totally rebuilt in the event of another spill. The AMMC project would take care of that eventuality.

Static displays and viewing areas will be incorporated into the design of the facility to give tourists and Alaskans alike the opportunity to see and learn about our marine mammal life. Our natural curiosity about seals, sea otters, and other marine life will make the AMMC a popular attraction for adults and children alike throughout the year. We foresee a time when school children from throughout southcentral Alaska will make annual trips to Seward as part of their school's science program.

Once the Alaska Marine Mammal Center is built we plan to cover operating costs from operating revenues.

The Alaska Marine Mammal Center is not just a dream. The local community has contributed in excess of \$20,000 to the project. By resolution, the Seward City Council has officially dedicated waterfront property as a site for the facility and has appropriated \$10,000 to assist SAAMS during its initial organizational phase. So far, we have about \$50,000 additional in donated scientific, engineering and legal services. Considering the value of our land, we have a million dollar head start on making the AMMC a reality. We will be meeting with representatives of Cambridge Seven, an internationally recognized design firm, next week to begin development of a site plan and conceptual drawings. We will provide you a set as soon as they are ready.

The groundwork for the Alaska Marine Mammal Center has been laid. The need for the AMMC has been justified by the scientists. Funds are now needed to complete design work and to begin construction. I urge you to keep this project in mind during your discussions with Exxon and as you deliberate on the use of

The Honorable Walter Hickel  
Governor of Alaska  
February 1, 1991  
Page 3

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settlement funds for excellent Alaskan projects. We would be most happy to meet with you or with representatives of Exxon to further discuss this project. Thank you very much for your consideration.

Sincerely,



William C. Noll  
Mayor of Seward

Enclosures: Letters of Support

cc: Senator Kerttula  
Senator Menard  
Representative Kubina  
Deputy Chief of Staff Roberts  
Municipal Liaison Overstreet  
OMB Director Stasny  
OMB Budget Review Director Fresca  
Commissioner Blatchford

CS 4/12/90



OREGON STATE UNIVERSITY  
2030 S. Marine Science Drive • Newport, Oregon 97365-5296  
Telephone 503-867-0100 Fax 503-867-0138  
Bitnet HMSC@ORSTATE.BITNET

September 5, 1990

Mayor William Noll  
Seward Assoc. for the Advancement  
of Marine Science  
P.O. Box 730  
Seward, AK 99664

Dear Mayor Noll:

I am writing you at the request of Dr. Michael Castellini of the University of Alaska, Fairbanks who advised me that you are endeavoring to obtain information from the scientific community of interest in the proposed construction of a marine mammal center in Seward.

There are few opportunities where people can view marine mammals endemic to the Alaska region and even less where scientists might have access to these animals for non-lethal studies. I would personally favor seeing such a facility available to University of Alaska and researchers throughout the world to conduct studies of importance for a better understanding of these animals. Many such studies are important for continued conservation of these animals.

I have been active in marine mammal research for over 20 years and can assure you that such a facility would be used by many responsible scientists.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Bruce R. Mate'.

Bruce R. Mate, Ph. D.  
Associate Professor  
Oceanography

BRM:vb



National Oceanic and Atmospheric Administration  
NATIONAL MARINE FISHERIES SERVICE  
1335 East-West Highway  
Silver Spring, MD 20910  
OFFICE OF THE DIRECTOR

JUL 24 1990

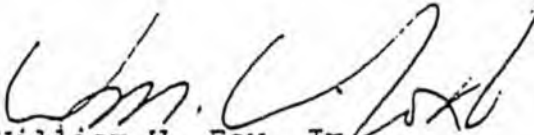
Dr. A. J. Paul  
University of Alaska Fairbanks  
School of Fisheries and Ocean Sciences  
Seward, Alaska 99664

Dear Dr. Paul:

Thank you for your letter regarding my reply to Senator Ted Stevens about the feasibility of establishing a new marine mammal research center in Seward.

I continue to believe that Alaska's Institute of Marine Science conducts valuable marine mammal research at its Seward Marine Center, and Seward may be the appropriate location to conduct long-term studies on resident populations of marine mammals.

Sincerely,

  
William W. Fox, Jr.

THE ASSISTANT ADMINISTRATOR  
FOR FISHERIES



UNIVERSITY OF CALIFORNIA, SAN DIEGO

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



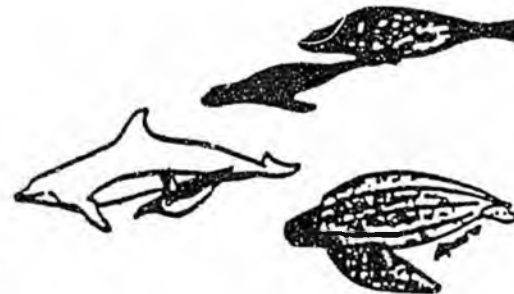
SANTA BARBARA • SANTA CRUZ

SCRIPPS INSTITUTION OF OCEANOGRAPHY  
PHYSIOLOGICAL RESEARCH LABORATORY  
SCHOLANDER HALL A-004

LA JOLLA, CALIFORNIA 92093-0204

July 24, 1990

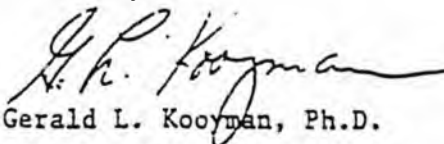
Mayor William Noll  
Seward Association for the Advancement  
of Marine Science  
P.O. Box 730  
Seward, Alaska 99664



Dear Mayor Noel:

On my recent visit to Seward and your offices with Dr. M. Castellini, I was very impressed with the potential facilities there. I hope your plans for establishing a marine mammal center are realized. There is no doubt in my mind that if such a facility, in its key location, were available that myself and my colleagues would be anxious to use it in the course of our ongoing research on the behavior and physiology of birds and mammals. Therefore, if there is any assistance I can give you or Dr. Castellini in this endeavor, please feel free to contact me.

Sincerely,

  
Gerald L. Kooyman, Ph.D.

GLK:pf

cc: M. Castellini



P.O. Box 705  
Cordova, AK 99574  
(907) 424-5800 FAX: (907) 424-5820

FOR IMMEDIATE RELEASE

APR 20 1992

April 15, 1992

The Prince William Sound Science Center was awarded a major competitive grant in March from the M.J. Murdock Charitable Trust of Vancouver, Washington. The three-year \$300,000 award will provide start-up support for the Center's operation. This funding has allowed Dr. Gary Thomas to assume a full-time position as Director and establish Cordova residence on April 1.

"The M.J. Murdock Charitable Trust recognizes the importance of developing a self-supporting research organization in this region that will provide critical resource information and encourage local participation in natural resource stewardship," said Dr. Thomas. "The Science Center is promoting an ecosystem monitoring and research program that will give resource managers and users better information to consider in balancing the continuing pressures of development with the need to maintain a healthy ecosystem."

This is the second major grant the Science Center has received from national foundations. In late 1990, the Pew Charitable Trusts, of Philadelphia, Pennsylvania, awarded the Center \$120,000 over two years to organize workshops on critical resource management issues.

The Science Center was established in 1989, shortly after the EXXON VALDEZ oil spill. A non-profit research organization, its purpose is to conduct research and ecosystem monitoring to improve

monies in the testing of promising concepts and in the launching of well-thought out programs which have the potential to thrive beyond the stage of initial funding.

In 1990, the M.J. Murdock Charitable Trust provided monies to support the initial phase of a geographic information system (GIS) project for the Greater Prince William Sound region. The GIS program was initially based in Anchorage but the Science Center is looking for cooperators to move this computer facility to Cordova this summer.

The Trust also supported the publication in 1991 of a 16-page document with color maps presenting an initial overview of the Greater Prince William Sound region's ecosystems. Titled Prince William Sound/Copper River/North Gulf Ecosystem, it examines the physical and biological resources, as well as the role of human activities in relation to the resources of the region.

Other accomplishments of the Science Center include the hosting of two workshops, one in 1990 on the long-term research needs for the region, and the second in 1991 on the interactions of natural and enhanced stocks of salmon in Alaska. In addition to the ecosystem overview document, Center publications include: Research for the 1990's in Prince William Sound and the Copper River Delta, and Biological Interactions of Natural and Enhanced Stocks of Salmon in Alaska - Interim Report from the Cordova Workshop, November 10-15, 1991.

In the education field, the Science Center in 1990 helped

RECEIVED MAR 10 1992



## NORTH GULF OCEANIC SOCIETY

P.O. BOX 15244  
HOMER, ALASKA 99603  
(907) 235-6590

Hon. Rep. Cliff Davidson  
Alaska Legislature  
Juneau, Alaska 99811

Atten: Jay Nelson

Date: March 5, 1992

Re: Proposal to Continue Long Term Killer Whale Research  
in Prince William Sound, Alaska via SB 379

**Background:**

Since 1983 systematic photoidentification studies have been conducted in the Sound by our group. We have been able to determine changes that have occurred in the highly stable resident killer whale pods, first as a result of interactions with the longline fishery and then as a result of the Exxon Valdez Oil Spill. Support from the State of Alaska via the Alaska Legislature and then Senator Mike Symanskis office was instrumental in providing pre-spill data to assess changes in killer whale pods after the spill. Over the past 3 years the Federal Government has supported this critical work, but funding has now ended (as result of Trustees decision) despite the demonstration of damages. These are whales that are viewed by the tour boats and attract visitors from all areas. The Federal Government does not have the long term view of this work that the State has demonstrated in the past. We are asking that the State provide research monies once again to insure the continuity of the project through 1992. Bringing the project back under the State will improve communication and dissemination information as we have been extremely limited in this regard under the Federal program.

**Research**

The project involves the yearly photographic identification of each animal in the killer whale pods that use Prince William Sound. It is possible to keep track of births, deaths, and other changes within the killer whale population if the process is completed each year. Graduate projects at the University of Alaska and University of British Columbia have been fostered by this study and examine other aspects of killer whale biology. Recently NGOS has produced catalogues of individual whales (for both humpback and killer whales) that soon will be available to the individuals and the tour boat industry for use in identifying whales.

Budget

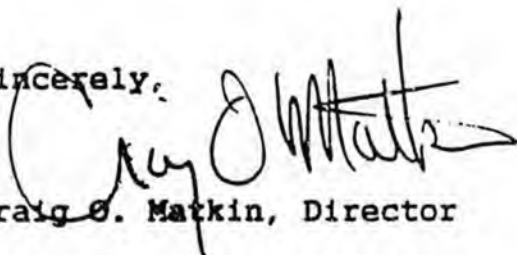
Because of in kind donations, and other support developed by our non-profit research group, the cost to the State for maintaining this project is substantially less than actual cost. Each season NGOS operates a fieldcamp and at least two research vessels and have 6 individuals working part time on the project. The total requested to continue operations in 1992 is \$60,000.

This includes the preparation and completion of the field program, data analysis, and annual report. As was our policy before the oil spill and federal funding, all data files remain open for use by other workers. At this time other users are primarily graduate students.

Breakdown:

Salaries	24,000
Vessel Operations (includes food, fuel, logistic support, etc.)	27,000
Photographic Processing	5,200
Communications, Computer	3,100
Travel	700
	<hr/>
	60,000

Sincerely,

  
Craig O. Matkin, Director

RECEIVED MAR 3 1992



HOMER SOCIETY OF NATURAL HISTORY  
PRATT MUSEUM  
3779 Bartlett Street  
Homer, Alaska 99603  
(907)235-8635



February 28, 1992

Rep. Cliff Davidson, Chairperson  
House Resources Committee  
Alaska State Legislature  
Box V  
Juneau, AK 99811

RE: HB411

Dear Rep. Davidson,

The Pratt Museum educates thousands of students each year about the marine environment. More recently we have had the opportunity to educate children and the general public about the consequences of an enormous oil spill on that environment. In addition to our in-house education program, we have created an exhibit on the effects of the spill which will reach millions of people throughout the United States as it travels for the next three years.

We urge you and your fellow legislators to appropriate at least three million dollars (out of the 50 million criminal settlement) for education. By making this money available over time to organizations such as ours, the legislature will be able to play an important part in preventing such a disaster from happening again. Much has been lost, but now it is time to look to the future. Setting this three million aside for education is the greatest assurance that we will all not have to go through this again.

Sincerely,

Betsy Pitzman  
Museum Director

cc: Gov. Walter Hickel      Rep. Gail Phillips      Rep. Mike Navarre  
    Sen. Paul Fischer      Rep. Georgianna Lincoln      Rep. Ivan Ivan  
    Rep. Pat Carney      Rep. David Finkelstein      Rep. Bill Hudson  
    Rep. Tom Moyer      Rep. Loren Leman      Rep. Jim Zawacki



# KCHU

Terminal Radio, Inc.

P.O. Box 467 • Valdez, Alaska 99686 • (907) 835-4665 • FAX 835-2847

Representative Cliff Davidson  
Capitol Building, Room 108  
Juneau, Alaska 99811

March 2, 1992

Dear Representative Davidson,

I would like to offer the thanks of the KCHU, Valdez Board of Directors and membership for your sponsorship of HB 411. KCHU is also very pleased to have the opportunity to provide input to the bill. Most important and pertinent here was the provision for the funding of educational projects. Section 6 of the bill includes funding for "grants for environmental education projects related to the Exxon Valdez oil spill and coastal studies". Public information is the sine qua non of any plan for public involvement in the activities of the Trustees Council for the Exxon Valdez Settlement. An informed public makes good decisions and public radio is an integral part of Alaska's information network.

Since March 1989, the numerous social, environmental and political effects of the spill have consumed a sizeable portion of the time and energy of the Valdez/Cordova, Homer and Kodiak public stations. The story continues to be of primary interest to the residents of affected areas. Through the services of the Alaska Public Radio Network, a steady stream of oil spill news and information has been made available to virtually all interested Alaskans. Some, however, still do not have such access. Last week, I received a request from Gail Evanoff of Chenega Bay Corporation for access to KCHU and public radio.

Unfortunately, due to substantial cuts in State of Alaska funding for public broadcasting, the ability of local stations and of the network to respond to requests for service from isolated communities and to provide essential information has been considerably reduced. The residents of Chenega Bay are the most spill impacted population and get no public radio signal. They have little access to news of the trustees or the activities of the Legislature or the Governor that closely affect their lives. Yet the need for public information and public education remains very high.

Community licenced radio stations in spill-impacted areas have been the primary provider of oil spill information and education, to the very limit of their resources, for almost three years. This coverage has been very costly and early on nearly bankrupted KCHU. The cost to the other stations is a burden that becomes daily more difficult to carry. KCHU, Valdez, KMXT, Kodiak, KBBI, Homer and APRN continue to be the logical vehicle for the collection and dissemination of this information. They are also a legitimate recipient of funding through this legislation.

COPPER RIVER DELTA FISH AND WILDLIFE

Memorandum of Understanding

for Cooperative Management of  
the Copper River Delta Fish and Wildlife Management Area

between

the U.S. DEPARTMENT OF AGRICULTURE

FOREST SERVICE  
ALASKA REGION

and

the U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT  
ANCHORAGE, ALASKA

and

the U.S. DEPARTMENT OF THE INTERIOR

FISH AND WILDLIFE SERVICE  
ANCHORAGE, ALASKA

and

the STATE OF ALASKA

DEPARTMENT OF FISH AND GAME  
JUNEAU, ALASKA

and

the STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES  
JUNEAU, ALASKA

THIS MEMORANDUM OF UNDERSTANDING (hereinafter this "MOU") between the U.S. Department of the Interior, Fish and Wildlife Service, hereinafter called the Fish and Wildlife Service (FWS); the U.S. Department of the Interior, Bureau of Land Management, hereinafter called the Bureau of Land Management (BLM); State of Alaska Department of Fish and Game, hereinafter called the Alaska Department of Fish and Game (ADF&G); State of Alaska Department of Natural Resources, hereinafter called the Alaska Department of Natural Resources (ADNR); and the U.S. Department of Agriculture, Forest Service, hereinafter called the Forest Service (FS), combines and supersedes the Copper River Delta Game Management Area Cooperative Agreement dated April 5, 1962, and is consistent with: the Act of June 30, 1914, pertaining to cooperative funds, the provisions of Section 601 of the Economy Act of June 30, 1932, the Master Memorandum of Understanding (MOU) between the FS and the ADF&G (FS #81009) dated July 6, 1981, and Sections 501(b) and 809 of the Alaska National Interest Lands Conservation Act (ANILCA), Public Law 96-487 dated December 2, 1980, the Bering River-Controller Bay Trumpeter Swan Management Area Cooperative Agreement (FS #76007) dated October 19, 1976, the Copper River Delta Critical Habitat Area established in A.S. 16.20.230(11), and the Alaska Coastal Management Act. This MOU applies to the following lands defined herein as the Copper River Delta Fish and Wildlife Management Area (hereinafter "the Area"): lands defined under Section 501(b) of ANILCA, and adjacent lands administered by BLM and State of Alaska lands collectively depicted on the attached map with a written description, inclusive of the Bering River and Controller Bay drainages shall be identified as The Copper River Delta Fish and Wildlife Management Area.

WITNESSETH:

WHEREAS, the FWS is the Federal agency having primary responsibility for the management and protection of migratory birds in the State of Alaska, and

WHEREAS, the BLM, under guidelines for public land administration established by Public Law 94-579, the Federal Land Policy and Management Act, administers land including Native-selected land adjacent to the Chugach National Forest boundary near Mt. Campbell, Upper Oaklee River, and Berg Lakes in the Bering River-Controller Bay drainages, and

WHEREAS, the FS, by authority of the Constitution, laws of Congress, and regulations of the U.S. Department of Agriculture, is the Federal agency responsible for the administration and multiple-use management of the natural resources within the Chugach National Forest, to include management of fish and wildlife habitat, recreation, wilderness, range, minerals, timber, and watershed, and

WHEREAS, the ADF&G has been created under the laws of the State of Alaska to protect, conserve, manage, enhance and rehabilitate the fish and wildlife resources of the State of Alaska, and

WHEREAS, the ADNR has been created under the laws of the State of Alaska to conserve and develop the natural resources, other than fish and wildlife, on land under State jurisdiction in the best interests of the public, and is in the process of developing the Prince William Sound Area Plan for State lands in this area, and

WHEREAS, the Alaska State Legislature has created in A.S. 16.20.230(11) the Copper River Delta State Critical Habitat Area to protect and preserve habitat areas especially crucial to the perpetuation of fish and wildlife, and

WHEREAS, the Prince William Sound Area Plan will be used to establish intent and guidelines for the management of State lands subject to this MOU. This MOU and the Bering River-Controller Bay Trumpeter Swan Management Area Cooperative Agreement (FS #76007) will be re-evaluated upon completion of the Prince William Sound Area Plan, and

WHEREAS, there are private lands interspersed within the boundaries covered by this MOU, and this MOU has no force or effect on private lands, patented lands, or Native lands currently conveyed, or to be conveyed during the term of this agreement, and

WHEREAS, under Section 501(b) of ANILCA, the FS is directed to manage the Copper/Rude River Addition and the Copper River-Bering River portion of the existing Chugach National Forest for the conservation of fish and wildlife and their habitat as the primary purpose, and

WHEREAS, the FS has been directed under Section 501(b) of ANILCA to draft special regulations for adoption by the Secretary of Agriculture for multiple-use management for the Copper/Rude River addition and the Copper River-Bering River portion of the Chugach National Forest consistent with the conservation of fish and wildlife and their habitat, and

WHEREAS, multiple-use activities shall be permitted in a manner consistent with the conservation of fish and wildlife and their habitat as set forth in special regulations adopted by the Secretary of Agriculture, and

WHEREAS, the taking of fish and wildlife shall be permitted pursuant to applicable State and Federal Law, and

WHEREAS, the Area includes wetlands that are essential nesting, rearing, and staging habitat for a distinct subspecies known as the dusky Canada goose which breeds almost exclusively on the west Copper River Delta, and

WHEREAS, the Area also provides nesting and rearing habitat for one of the largest concentrations of trumpeter swans in North America, and

WHEREAS, the Area's diverse habitats support a wide variety of other breeding water birds, and are a very important spring and fall staging area for a large number of migrant shorebirds, Pacific flyway waterfowl, and sandhill cranes, and

WHEREAS, the Area provides breeding and feeding habitats for large concentrations of bald eagles and a variety of other raptors, and

WHEREAS, the Area provides important habitat for moose, mountain goats, brown and black bears, Sitka black-tailed deer, wolves and other furbearers, and a variety of other species of mammals and birds, and

WHEREAS, the Area includes spawning and rearing waters for significant populations of chinook, pink, sockeye, and coho salmon, and supports both resident and anadromous trout, char, whitefish, halibut, and shellfish, and

WHEREAS, the Area currently provides opportunities for hunting, fishing, trapping, and a broad range of outdoor recreational activities, and

WHEREAS, the FS, FWS, BLM, ADF&G and ADNR recognize the increasing need to coordinate resource planning and policy development for the lands, waters and fish and wildlife of the Copper River Delta Fish and Wildlife Management Area, and

WHEREAS, it is the mutual desire of the FS, FWS, BLM, ADF&G, and ADNR, to cooperate in protecting, developing, maintaining and managing the diverse fish and wildlife and their habitat in the Copper River Delta Fish and Wildlife Management Area for the best interest of the public of Alaska and the United States of America.

NOW THEREFORE:

A. THE FISH AND WILDLIFE SERVICE AGREES:

1. To exercise management authority over migratory birds and to enforce appropriate laws and regulations.
2. To conduct periodic surveys of dusky Canada geese and trumpeter swans.
3. To conduct fish and wildlife research in cooperation with all parties to this MOU.
4. To coordinate with and assist all parties in waterfowl management activities.
5. To provide technical assistance to all parties for waterfowl habitat improvement.

B. THE ALASKA DEPARTMENT OF FISH AND GAME AGREES:

1. To exercise State management authority for migratory birds in accordance with appropriate State laws and regulations.
2. To coordinate and cooperate with all parties to this MOU in planning and conducting fish and wildlife management projects.
3. To conduct migratory bird surveys in cooperation with the FWS and the FS.
4. To cooperate with the FS, BLM, FWS, and ADNR in habitat studies and habitat improvement work to maintain and enhance waterfowl and other fish and wildlife populations of the area.

5. To recommend and enforce harvest regulations that are compatible with the maintenance of fish and wildlife populations and their habitat.
6. To conduct fish and wildlife research in cooperation with all parties.
7. To review under A.S. 16.20.250-260 and 5AAC 95 all proposed land use activities on lands administered by the State within the Copper River Delta Critical Habitat Area and authorize only those activities on lands administered by the State which are compatible with the conservation of fish and wildlife resources, habitats, and uses, as described in A.S. 16.20 Of the Alaska Statutes and 5AAC 95 of the Alaska Administrative code.
8. To develop a management plan for the Copper River Delta Critical Habitat Area.
9. To involve all parties to this MOU in the formulation of the management plan for the Copper River Delta Critical Habitat Area.
10. To conduct an active monitoring and enforcement program on lands administered by the State for land use activities authorized under A.S. 16.20.250-.260 and 5AAC 95.

C. THE ALASKA DEPARTMENT OF NATURAL RESOURCES AGREES:

1. To administer State lands within the Copper River Delta Critical Habitat Area consistent with the State Legislature's intent for those lands.
2. To manage lands within the area encompassed by the Bering River-Controller Bay Cooperative Agreement consistent with that agreement and consider fish and wildlife values when making permit, lease or other disposal decisions on State lands within the Copper River Delta Fish and Wildlife Management Area.
3. To take appropriate measures consistent with current authority and to develop, where appropriate, additional measures to prevent or mitigate significant damage, disturbance, deterioration, or misuse of waterfowl, fish, or other wildlife and their habitat on the lands administered by the State within the Area through the Prince William Sound area planning process.
4. To assist the ADF&G in monitoring land use activities within the Copper River Delta Critical Habitat Area and report any unauthorized land uses promptly to the ADF&G.
5. To assist the ADF&G during the development of a management plan for the Copper River Delta Critical Habitat Area.

D. THE BUREAU OF LAND MANAGEMENT AGREES:

1. To coordinate with all parties to this agreement in the conduct of wildlife and fish research and in the management and protection of the breeding, resting, and feeding habitat of waterfowl, bald eagles, fish, and other wildlife of the area on lands administered by BLM.
2. To cooperate with all parties to this MOU in fish and wildlife habitat work necessary to maintain or enhance fish, waterfowl, and other wildlife populations of the Area.
3. Upon request, to assist all parties to this MOU in their fish and wildlife management activities to the extent possible.

E. THE FOREST SERVICE AGREES:

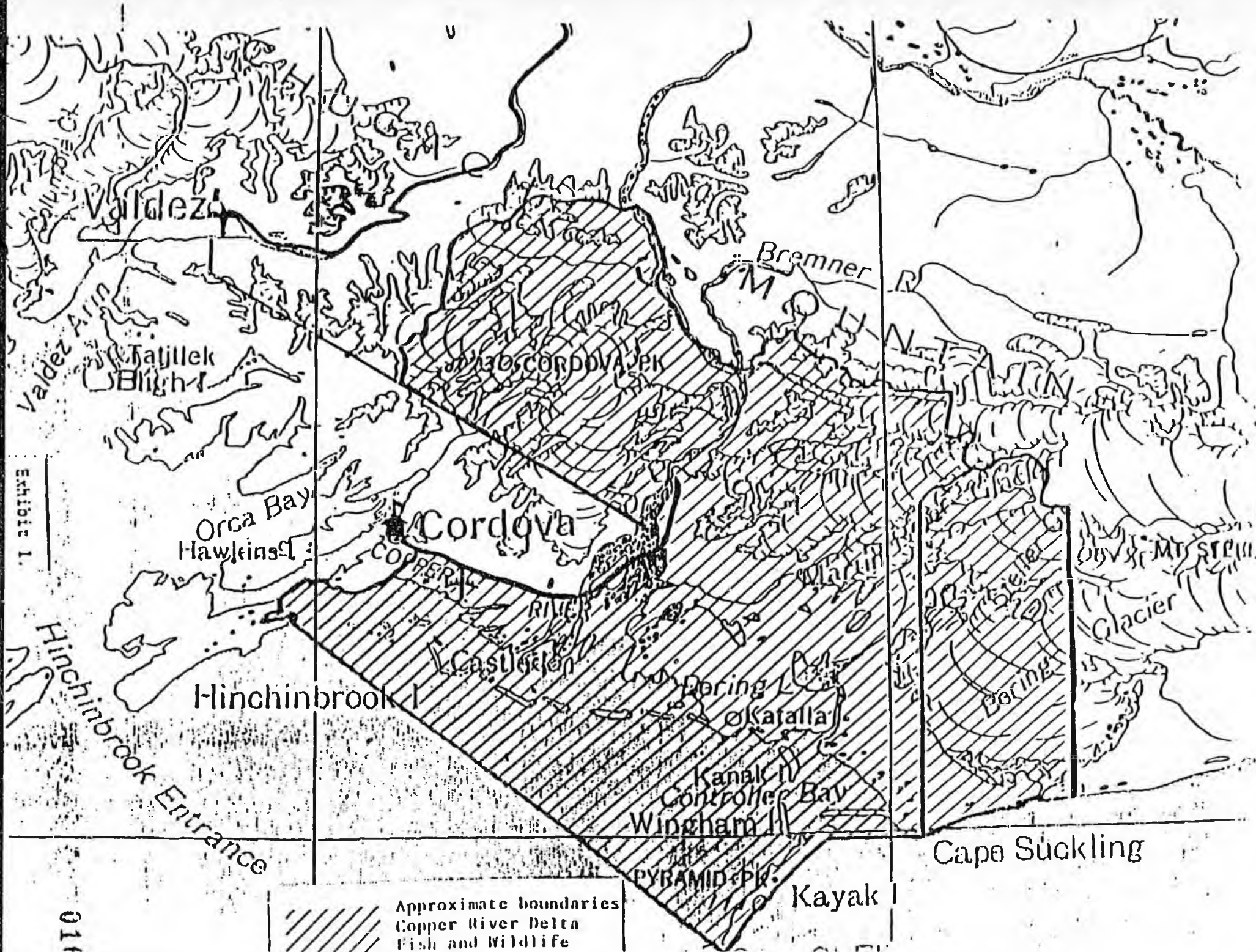
1. To manage and protect the breeding habitat, resting and feeding grounds of waterfowl, bald eagles, fish and other wildlife of this Area.
2. To provide leadership in the management of fish and wildlife habitat to maintain or enhance fish and wildlife carrying capacity on lands administered by the FS within the Copper River Delta Fish and Wildlife Management Area.
3. Upon request to assist all parties to this MOU in their wildlife management activities to the extent possible.
4. To coordinate and cooperate with all parties to this MOU where possible in all fish and wildlife research and habitat management activities.
5. To undertake an area analysis of the Copper/Rude River addition and the Copper River-Bering River area to plan multiple-use management activities consistent with the conservation of fish and wildlife and their habitat, and
6. To involve all parties to this MOU in the formulation of draft regulations, Forest plans, management area analyses, and management plans for the Copper River Delta.

F. THE FISH AND WILDLIFE SERVICE, THE BUREAU OF LAND MANAGEMENT, THE ALASKA DEPARTMENT OF FISH AND GAME, THE ALASKA DEPARTMENT OF NATURAL RESOURCES, AND THE FOREST SERVICE MUTUALLY AGREE:

1. That the area identified on the attached map shall be designated as the Copper River Delta Fish and Wildlife Management Area.
2. That Federal lands in the Copper River Delta Fish and Wildlife Management Area and State lands within the Copper River Delta Critical Habitat Area will be managed primarily for the conservation of fish and wildlife and their habitat.

3. That the primary uses, management intent, and management guidelines for State lands outside the Copper River Delta Critical Habitat Area will be determined through the Prince William Sound Area Plan.
4. To acknowledge that multiple use activities shall be permitted on lands administered by the FS on the Copper River Delta Fish and Wildlife Management Area in a manner consistent with the conservation of fish and wildlife and their habitat as set forth in special regulations adopted by the Secretary of Agriculture.
5. To meet annually to discuss the specific management programs each agency plans to implement in the forthcoming 12 months.
6. That all parties to this MOU will cooperate in the development, execution, maintenance, and periodic revision of management plans that incorporate lands, waters, fish and wildlife of the Copper River Delta Fish and Wildlife Management Area.
7. To the extent consistent with and allowed by each party's applicable laws, regulations, and policies, to recognize and support the planning, enforcement, and permit authority of each other party with respect to the lands, waters, fish, and wildlife of the Copper River Delta Fish and Wildlife Management Area.
8. To make no changes or departures from the approved management plans without consultation with the parties to this MOU.
9. To consult with each other when developing policy, regulations or legislation that affects the Copper River Delta Fish and Wildlife Management Area.
10. To develop such cooperative interagency agreements or memoranda of understanding between the parties as may be required to implement the provisions contained herein or as needed to address other operational matters.
11. That each and every provision of this MOU is subject to the laws of the State of Alaska and the laws of the United States.
12. That the parties to this MOU will consult with each other before the issuance of leases for oil or permits for mineral explorations, or other resource development activities consistent with regulations in place at the time of the action.
13. That nothing in this MOU shall be construed as obligating the State of Alaska or the Federal Government in the expenditure of funds or for future payment of money in excess of appropriations authorized by law.
14. That nothing in this MOU shall be construed to enlarge or diminish the authority of the State of Alaska, the Secretary of the Interior, or the Secretary of Agriculture over the management of any lands, waters, interests therein, or management of fish and wildlife and their habitats.

15. That amendments to this MCU may be proposed by any party to this agreement and shall become effective upon written approval by the authorized representative of each party.
16. No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.
17. This MCU shall continue in force until terminated by any party upon thirty (30) days notice in writing to the others of their intention to terminate and a date indicated.



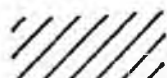

 Approximate boundaries  
 Copper River Delta  
 Fish and Wildlife

Exhibit 1

COPPER RIVER DELTA FISH AND WILDLIFE MANAGEMENT AREA  
BOUNDARY DESCRIPTION

All public land, tideland, submerged land, and water contained in the following description: Beginning at a point on the south edge of the Copper River Highway right-of-way 200 feet west of its intersection with the Eyak Trail trailhead; thence southwesterly 200 feet west of the Eyak Trail and parallel to it approximately 4 miles to the mean high tide line; thence southwesterly along the mean high tide line to Point Whitsned; thence northwesterly along the mean high tide line to a point of intersection at the west edge of Section 21, T16S, R4W, C.R.M. and the mean high tide line at the mouth of Orca Inlet; thence westerly a distance of approximately 3 miles to the northeast tip of Little Mummy Island; thence southwesterly a distance of approximately 4 miles to the intersection of the south edge of Section 33, T16S, R5W, C.R.M. and the mean high tide line; thence along the mean high tide line on the east portion of Hinchinbrook Island, including Boswell Bay to Point Bentinck; thence approximately south 129 degrees east approximately 66 miles more or less to a point approximately 1/2 mile southeast of Pinnacle Rock adjacent Cape Saint Elias, Kayak Island; thence following the Chugach National Forest boundary to Cape Suckling; thence continuing northwesterly along the mean high tide line approximately 19 miles to a point due south of the west edge of Midtimber Lake; thence north to the boundary of Wrangell-Saint Elias National Park; thence following the Park boundary northwesterly to the left bank of the Copper River at its junction with the Wernicke River; thence following the boundary between the Chugach National Forest and Wrangell-Saint Elias National Park to the confluence of Cleave Creek with the Copper River; thence westerly following the Chugach National Forest boundary and continuing southwesterly to an angled point southeasterly approximately 122 degrees along the former Chugach National Forest boundary approximately 36 miles to a point on the east boundary of the Copper River Highway right-of-way identified as the 39th mile post of the Copper River and Northwestern Railway, established by U.S. Survey 3600 as Lat. 60 degrees, 32 minutes, 02.02 seconds North; Long. 144 degrees, 47 minutes, 20.08 seconds West; thence southwesterly along the south edge of the Copper River Highway right-of-way excluding all areas within the Cordova Airport boundaries, to the point of beginning.

Exhibit 2.

G. In witness whereof, the parties hereto have executed this agreement as of the latest date written below.

STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES

Ernest C. Winnicke 10/21/81  
ERNEST C. WINNICKE Date  
Commissioner

STATE OF ALASKA  
DEPARTMENT OF FISH AND GAME

Don W. Collinsworth 10.23.81  
DON W. COLLINSWORTH Date  
Commissioner

U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

Michael A. Barton 10/1/81  
MICHAEL A. BARTON Date  
Regional Forester, Alaska Region

U.S. DEPARTMENT OF THE INTERIOR  
FISH AND WILDLIFE SERVICE

Robert E. Gilmore  
ROBERT E. GILMORE Date  
Regional Director, Alaska Region

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Michael J. Penfold 11-10-81  
MICHAEL J. PENFOLD Date  
State Director, Alaska

# KODIAK REGIONAL AQUACULTURE ASSOCIATION

BOX 3407 KODIAK, ALASKA 99615

(907) 488-8553



March 5, 1992

Representative Cliff Davidson  
Alaska State Legislature, House Dist. 27  
Box v  
Juneau, AK 99811

Dear Cliff:

In reference to the legislation you have introduced this session which deals with appropriations for restoration projects relating to the Exxon Valdez Oil Spill, namely HB 411, the Kodiak Regional Aquaculture Association (KRAA) strongly supports the provisions of that bill.

Our association has often expressed support of habitat protection efforts, especially for those where both natural and artificial salmon populations are critically associated with that habitat. Of special appeal to KRAA is that portion of HB 411 which would provide an appropriation for the acquisition of portions of Afognak Island from 'willing sellers of land surrounding the Paul's Lake and Malina Lake systems.' Since the mission of our association is to help stabilize salmon production in the Kodiak area for the benefit of all user groups, we are very cognizant of how extremely important the retention of pristine habitat is for successful and sustainable fish production. The provisions of HB 411 which would provide for such habitat preservation through acquisition represent a tangible legacy which will benefit all users of Kodiak salmon resources. These provisions also represent a very positive initiative towards ameliorating the adverse impacts to salmon habitat associated with the 1989 Exxon Valdez oil spill.

Our association has recognized that the Paul's and Malina Lake systems are major salmon producers on Afognak Island. Each system supports significant sockeye and coho populations and Malina has a very productive pink salmon population. Each system experiences heavy use by all of our area's fisheries groups, namely subsistence, commercial, recreational sport and commercial sportfish operators. This level of use is further magnified by the heavy use of hunters, photographers, kayakers, etc.

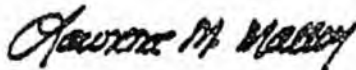
Recently, concern has been developing regarding the currently diminished stock status of sockeye salmon populations in each of these systems. Consequently, KRAA, in conjunction with the Department of Fish and Game, has targeted sockeye rehabilitation efforts on these two systems whereby 1992 represents the fourth year of at least a nine year rebuilding program for these two sockeye stocks. KRAA's funding of these efforts reflects the recognition and importance that Kodiak's commercial salmon fishermen attach to these two systems. HB 411 compliments that recognition by identifying habitat which we feel is necessary for achieving maximum salmon production from these systems. Again, KRAA strongly supports the proposed appropriations for habitat acquisition identified in this bill.

Rep. Cliff Davidson

Page 2

Another portion of HB 411 which appeals to KRAA, and hopefully to all fisheries resource users who appreciate the importance and significance of environmental and resource monitoring in developing base line data, is Section 5 of the bill which would appropriate funding to the Department of Fish and Game for such activities. Our recommendations center on ADF&G's proposed acquisition in the Kodiak area of relatively small parcels of land associated with existing fish weir and research sites and the hatchery site on Afognak Island. All of these facilities represent the key to preserving the health of our areas heavily sought after salmon resources. These facilities function perfectly and critically as environmental monitoring and research sites. Currently many of these sites have annual leasing arrangement from private land owners. As state budgets trend downward and annual leasing fees increase, several of these sites will be in jeopardy. This would be a quantum leap backward in caretaking these heavily used resources. Since the Kodiak area appears to not have fared that well with the Trustee Council appropriations to proposed restoration and mitigation projects, we would recommend that a significant portion of the funding associated with Section 5 of HB 411 be considered for ADF&G's small parcel land acquisition proposal.

Sincerely,



Lawrence M. Malloy  
Executive Director

cc: Senator Fred Zharoff



## CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

### Position Paper

#### HB 411

Cordova District Fishermen United supports the intent of HB 411. CDFU also urges the legislature to give primary consideration to using the criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams as opposed to funding blanket timber buy-backs. We also support the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

Resource restoration and enhancement issues should be more fully addressed in HB 411. CDFU supports the funding of specific restoration and enhancement projects such as rehabilitating the Coghill Lake sockeye run, continuing existing pink salmon tagging programs or completing the cleanup of garbage on Prince William Sound beaches left over from the Exxon Valdez oil spill.



Good afternoon Ladies and Gentlemen of The House Resource Committee. My Name is Chuck Totemoff. I am President and C.E.O. of the Chenega Corporation. I will be speaking about some changes we believe are necessary to your proposed legislation.

First, we note that lands we own in Prince William Sound are the subject of Section 4 of HB 411. I have previously testified that Chenega is not interested in selling lands, but we would consider negotiating sales of development rights.

Section 4 uses the word "and" between "land" and "development rights". We believe that the word "or" should be used. See, for example Section 8 of HB 411, regarding Rocky River Timber rights, Section 4, as it reads now, creates an impasse, if you want to seriously pursue purchase of replacement resources in our area.

Second, we are relieved that the latest draft contains language concerning restoration of subsistence resources. However, we propose a new Section 4a, which specifically identifies areas the residents of Chenega Bay rely upon for subsistence resources. We also propose an appropriation of \$ 3 Million from unappropriated funds and from other Sections. The appropriation will be used for restoration of subsistence services by oil removal in areas where oil is still mobile and heavy. We are also requesting an appropriation for cultural stewardship, the ability to protect cultural and archeological sites from looters and pot hunters.

We believe that restoration of subsistence services and amelioration of harm to our sites is mandated by the terms of the restitution payment the State received.

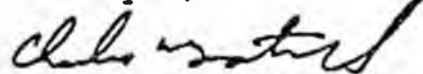
We support the satellite reception appropriation for Chenega Bay. We only request that you use the correct name of our village, Chenega Bay. To us, Chenega is our old village and Chenega Bay is where we now live.

We are concerned about Section 20 of the Bill. Without adequate safeguards, cultural and archeological sites will be exposed to plunder, looting and vandalism. Federal and State laws both recognize the importance of confidentiality with regard to such sites. We are opposed to mapping of sites. We also bring to your attention that, under the settlement agreement we have with the Federal and State Governments our archeological and cultural sites on our lands are private. Assessment and restoration of those sites require our consent. Under Federal and State laws, permits are required before persons can study archeological and cultural sites. We have suggested language to make this clear.

In conclusion, although House Bill 411 recognizes the need to restore subsistence services, it does not address how. We support Chenega Bay I.R.A. Council's inclusion, and the appropriation of funds to restore, at a few sites, subsistence services. We also support an appropriation to protect archeological and cultural sites.

We do not believe sale of land is something we can support. We urge the Legislation to authorize a purchase of development rights.

Thank you,

  
Charles W. Totemoff

✓

CHENEGA CORPORATION

Please deliver A.S.A.P.

POST OFFICE BOX 8060  
CHENEGA BAY, ALASKA 99574-9999  
TELEPHONE (907) 573-5118 TELECOPIER (907) 573-5135

Thank you

FACSIMILE COVER PAGE

TO: REP. Cliff Davidson DATE: 3-17-92  
House Resource Committee TIME: 1:45  
telecopier 465-2864  
FROM: Charles W. TOTEMOFF  
RE: TESTIMONY

We are transmitting (4) pages (including this cover page) with a SHARP FO-033, if you do not receive all pages, please contact \_\_\_\_\_ at (907) 573-5118 immediately.

--Originals will follow this transaission via Reg. Mail  
--Originals will not follow this transmission unless requested.

\*\*\*\*\* MESSAGE \*\*\*\*\*

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Gail E.

# CHENEGA CORPORATION

Post Office Box 8060  
Chenega Bay, Alaska 99574-8060  
(907) 573-5118

March 13, 1992

Representative Cliff Davidson  
House Resource Committee  
P.O. Box V, Room 108  
Juneau, Alaska 99811

RE: House Bill 411

Dear Representative Davidson:

I am attaching another copy of my testimony given on March 6, 1992 to the House Resource Committee members pertaining to House Bill 411.

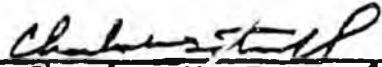
I am also attaching proposed language changes to House Bill 411.

I would like to further discuss this matter with you.

Thank you for the opportunity to give testimony.

Very truly yours,

CHENEGA CORPORATION

By:   
Charles W. Totemoff  
President

CWT:cbm (2:bill411.doc)  
Attachments:

cc: Representative Eugene Kubina w/encl.  
Alaska State House of Representatives  
Senator Curt Menard w/encl.  
Alaska State Senate  
Senator Jay Kerttula w/encl.  
Alaska State Senate  
Ernest Piper  
Alaska Dept. of Environmental of Conservation

# CHENEGA CORPORATION

Post Office Box 8069  
Chenega Bay, Alaska 99574-8069  
(907) 573-5118

## M E M O R A N D U M

TO: State of Alaska, House Resource Committee Members

FROM: Charles W. Totemoff

DATE: March 6, 1992

RE: House Bill 411

Thank you Mr. Chairman, my name is Chuck Totemoff, the President and C.E.O. of the Chenega Corporation, which is the local ANCSA Corporation for the Village of Chenega Bay. Chenega Corporation believes that a portion of the criminal fine money from Exxon should be used for restoration of subsistence services. Subsistence activities are diminished at oiled sites. Chenega Corporation's lands continue to be oiled. Chenega residents' subsistence activities continue to be reduced. Representative Davidson's bill should include an appropriation for restoration of subsistence activities at sites used by residents of Chenega Bay.

Such restoration activities would include removal of oil from the sites selected, and removal of oily waste to toxic waste sites or other storage areas. It is our estimate that such restoration of subsistence resources would amount to approximately \$ 1.5 million.

The criminal fine should also be used, in part, for cultural site stewardship, including protection of the sites from pot hunters.

Other proposed uses of the criminal fine money have included the purchase of private timber rights. Chenega is extremely wary of such proposals, which could involve the purchase of private fee simple lands. We have waited a long time for title to our lands and resources. Our policy is no sale of land.

We believe that the restoration of resources injured by the spill and the protection of such sites also harmed by the spill are meaningful ways to utilize the criminal fine money. Although we are not interested in selling our land we are not foreclosed to the idea of nondevelopment easements in certain areas. If we get subsistence resources restored we also want to make sure our resources would continue to be available. Thank you Mr. Chairman.

ATTACHMENT 2

PROPOSED AMENDMENTS HOUSE BILL 411

1. At Section 4 by changing the word "and" at Section 4, line 13, to "or"; and
2. By adding a new section 4(a) to the Bill to read as follows:

In order to restore, replace, and enhance subsistence resource services in southwestern Prince William Sound, particularly areas in and about Chenega Bay Alaska, including but not limited to Eshamy Bay, Granite Bay, Chenega Island, Evans Island, Elington Island, Bainbridge Island, Latouche Island and Knight Island effected the Exxon Valdez oil spill upon which the people of Chenega Bay are dependant, to acquire resources and services equivalent to those affected and/or lost by the Exxon Valdez oil spill, and to conduct long term restoration of such services, the sum of \$3 million is appropriated to the Chenega IRA Council and the Chenega Bay Local Response Program from the remedial and compensatory payments received by the State under the plea agreement in the United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 Cr., for restoration of subsistence services, including but not limited to removal of oiled sediment, oil, oil debris, stunted stock, ravagation of destroyed rye grass, and amelioration of the Exxon Valdez oil spill, and for cultural stewardship, including monitoring assessment and inventory of cultural sites within and along the islands and shorelines aforesaid.

3. At Section 19, line 27, by correcting the name of our village by adding the word "Bay" after "Chenega".
4. At Section 20, line 31, strike the period and add:

Subject, however, to the requirements of federal and state laws, statutes and regulations, including but not limited to the Archaeological Resources Protection Act of 1979, 16 U.S.C. 470aa, et seq., The State Historical Preservation Act, A.S. 41.35 010 et seq. and the terms and conditions continued within the Consent Decree entered by US Federal Court. Judge Holland in Native Village of Chenega Bay v. United States and State of Alaska, A91-454 Civ. on January 16, 1992.



# CHENEGA CORPORATION

Post Office Box 8060  
Chenega Bay, Alaska 99574-8060  
(907) 573-5118

## M E M O R A N D U M

TO: State of Alaska, House Resource Committee Members

FROM: Charles W. Totemoff

DATE: March 6, 1992

RE: House Bill 411

Thank you Mr. Chairman, my name is Chuck Totemoff, the President and C.E.O. of the Chenega Corporation, which is the local ANCSA Corporation for the Village of Chenega Bay. Chenega Corporation believes that a portion of the criminal fine money from Exxon should be used for restoration of subsistence services. Subsistence activities are diminished at oiled sites. Chenega Corporation's lands continue to be oiled. Chenega residents' subsistence activities continue to be reduced. Representative Davidson's bill should include an appropriation for restoration of subsistence activities at sites used by residents of Chenega Bay.

Such restoration activities would include removal of oil from the sites selected, and removal of oily waste to toxic waste sites or other storage areas. It is our estimate that such restoration of subsistence resources would amount to approximately \$ 1.5 million.

The criminal fine should also be used, in part, for cultural site stewardship, including protection of the sites from pot hunters.

Other proposed uses of the criminal fine money have included the purchase of private timber rights. Chenega is extremely wary of such proposals, which could involve the purchase of private fee simple lands. We have waited a long time for title to our lands and resources. Our policy is no sale of land.

We believe that the restoration of resources injured by the spill and the protection of such sites also harmed by the spill are meaningful ways to utilize the criminal fine money. Although we are not interested in selling our land we are not foreclosed to the idea of nondevelopment easements in certain areas. If we get subsistence resources restored we also want to make sure our resources would continue to be available. Thank you Mr. Chairman.



# CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

## Position Paper

### HB 411

Cordova District Fishermen United supports the intent of HB 411. CDFU also urges the legislature to give primary consideration to using the criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams as opposed to funding blanket timber buy-backs. We also support the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

Resource restoration and enhancement issues should be more fully addressed in HB 411. CDFU supports the funding of specific restoration and enhancement projects such as rehabilitating the Coghill Lake sockeye run, continuing existing pink salmon tagging programs or completing the cleanup of garbage on Prince William Sound beaches left over from the Exxon Valdez oil spill.

To: Jay Nelson

From: John French (789-4441)

SEC. 21 In order to achieve the purposes of the remedial and compensatory payments, the sum of \$100,000 is appropriated from the remedial and compensatory payments to the University of Alaska to develop a conceptual plan and design for expanded multi-agency fishery technology and research facilities on Near Island, Kodiak, Alaska. The next phase of this facility is to include a gravity fed seawater system, wet and dry marine laboratories and associated systems.

During the *Exxon Valdez* oil spill many fisheries were closed due to the presence of oil in the water and on the beaches. Although major lethal effects on fish were not documented, chronic and sub-lethal effects are difficult to measure. The planning and design funds for the next phase of the multi-agency fishery technology and research would enable the user agencies to (1) initiate research projects on the efficacy of restoration practices, (2) the enhancement of fishery resources in the effected areas, such as king crab, sea urchins, and molluscan shellfish, (3) the enhanced utilization of equivalent fishery resources to those in spill area, such as arrowtooth flounder, and (4) to initiate long term research programs to better understand and ameliorate the effects of oil spills on the fisheries of the western Gulf of Alaska. Seven federal and two State agencies, the University of Alaska, School of Fisheries and Ocean Sciences, Kodiak Island Borough, and the City of Kodiak have all participated in the planning for the multi-agency facility.

The seawater system and associated facilities will be designed to enhance research on fish behavior, physiology and perception, marine biology, and aquatic toxicology of normal and stressed fisheries. Stressed conditions could include other human activities, including fish harvesting, in addition to spilled crude oil. In addition the completed multi-agency fishery technology and research facility will provide a variety of analytical testing and monitoring capabilities within Kodiak Island Borough. These capabilities were severely lacking during the oil spill when all samples had to be sent off-island for analysis.

The first Phase of the University of Alaska, School of Fisheries and Ocean Sciences, Fishery Industrial Technology Center (FITC) has been completed. It is the first building of the proposed multi-agency fishery technology and research facilities. The FITC Owen Building is being used by the University of Alaska and National Marine fisheries Service Utilization Research Division personnel. Co-location of these two groups has resulted in efficient use of facilities and encouraged pooling of expertise to pursue efficient use fishery resources to produce diverse, high quality products, and eliminate waste.

Currently the other agencies interested in co-locating are isolated from each other, the public and the fishing community, and occupy out dated and inadequate facilities. The importance of the fisheries in the western Gulf of Alaska to the State and nation are expanding, and the oil spill emphasized the need for more specific information on these fisheries. Many of the fisheries activities in Kodiak are expanding to meet these needs. The multi-agency fishery technology and research facilities will be necessary to meet the agencies needs and the public's need for better access to information and training in a timely manner.

The City of Kodiak has donated the land for fisheries research facilities on Near Island. The City of Kodiak has committed to using its revenue bonding power to fund construction of portions of these facilities to the extent that lease monies are committed by user groups and agencies, if other funding sources are not available. As one of the users of the expanded facilities the National Marine Fisheries Service has been authorized by congress to lease space on Near Island at an annual lease not to exceed \$1,000,000 per year. Use of remedial and compensatory payments to assure planning and design of the oil spill restoration-related portions of the multi-agency facilities will assure that these critical activities and research needs are accounted for in the next phase and will help assure that construction funds will be secured from other sources.

MAR 05 09 13:00 CORDOVA CITY HALL

# CITY OF CORDOVA



March 5, 1992

Representative Cliff Davidson  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, AK 99801

Dear Representative Davidson:

The Cordova City Council has recently voiced its support, in concept, of House Bill 411.

On March 4th, in response to a request, the Council voted to include the City's name as a sponsor of the reception on HB 411 scheduled for March 23rd.

I called your office today and informed your staff of Council's action. The City would appreciate being kept informed of the Bill's status as it moves along.

Thank you in advance for your assistance.

Sincerely,

Lynda Plant  
City Clerk

cc: Rick Urion



# UCIDA

UNITED COOK INLET DRIFT ASSOCIATION  
P.O. Box 389 • Kenai, Alaska 99611 - 0389  
(907) 283-3600 • FAX (907) 283-3306

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March 6, 1992

Sent by telefax-hard copy to follow

Rep. Cliff Davidson  
Chair, House Resources Committee  
State Capitol  
Juneau, AK 99801-1182

Subject: HB 411

Dear Rep. Davidson,

United Cook Inlet Drift Association (UCIDA) represents the 585 salmon drift permit holders in Upper Cook Inlet. Some 350 permit holders are current members of our association. UCIDA is also active at the state and federal levels as a member of the Executive Committee of United Fishermen of Alaska (UFA).

I would like to outline UCIDA's concerns and recommendations regarding the state "criminal" dollars available for restoration relating to the damages caused by the Exxon Valdez oil spill. I would be happy to discuss these issues in more detail with you or your staff at anytime. ..

1) We agree with the concept that the funds should be spent in the three oil impacted areas - Prince William Sound, Kodiak, and Cook Inlet.

2) "Cook Inlet" must be defined to include both Upper and Lower Cook Inlet.

3) The Kenai sockeye run could arguably be the fishery resource most impacted by the Exxon Valdez oil spill due to the large overescapement which resulted from the total closure of the drift fishery.

- ADF&G has just recently released test results which would indicated minimal returns to the Kenai in 1994. The parent year for the 1994 return is 1989 - the year of the Exxon Valdez oil spill.

- The Kenai sockeye run is the "backbone" of Upper Cook Inlet commercial fishery upon which fishermen, processors, cannery workers, transporters and local businesses are very dependent.

4) Land acquisitions of "statewide interest" should not be counted, so

to speak, against an oil spill area's "piece of the pie".

For example, there appears to be great interest in the dedication of \$11 million towards the purchase of Kachemak State Park timber rights. However, the commercial fishermen of Cook Inlet see little benefit to this purchase as an "area" specific interest which would preclude other funds for Cook Inlet.

5) UCIDA feels that the various interests within PWS, Kodiak and Cook Inlet should decide how to spend the funds dedicated to their areas.

6) For this reason we suggest the simple but useful idea of dividing the available funds first between the areas so that each area can set its priorities within a known range of expenditures. UCIDA feels that the dollars earmarked for Cook Inlet - not including funds for Kachemak timber - should be on a par with the Kodiak area.

7) We DO NOT agree that the only use for these funds should be land acquisition and the purchase of timber rights - although it is certainly within the prerogative of an area to choose such a course - e.g. Kodiak and the purchase of Afognak lands. To the fullest extent possible affected resources and users should be "restored". For the short term this would include minimizing the impacts of current activities on a recovering resource.

8) UCIDA feels that for Upper Cook Inlet it is imperative for the short term that:

a) We protect the impacted resource - Kenai river sockeye.

b) WE protect the livelihood of impacted citizens as much as possible without retarding the recovery of the resource.

9) To accomplish these goals we have identified three projects:

1) Continued study of the Kenai system to identify problems and possible remedial efforts.

2) Development of better scientific techniques to identify Kenai sockeye - genetic stock I.D. techniques and better monitoring equipment.

3) Intensive management in 1993 and 1994 to allow for as much commercial harvest as possible without overfishing Kenai sockeye.

10) UCIDA and the state EVOS trustees have succeeded - but only with great difficulty - in acquiring EVOS federal "civil" funds to accomplish the first two goals. Similarly needed research projects for PWS were unfortunately not fully funded.

For fiscal year 1992 the federal trustees have approved three projects which will help Upper Cook Inlet - FS 27, R53, and R59 - for approximately \$1.5 million. These projects will be needed for 3 years.

11) To accomplish the final goal of the infield application of these new management tools we have identified four needed projects. UCIDA requests \$495,000/year for the 1993 and 1994 salmon seasons to be funded by HB 411. Given the difficulty we experienced with the federal trustees and the need for two more years of federal expenditures at the level of \$1.5 million per year, it is extremely unlikely that any additional federal funds can be realistically expected in the future.

UCIDA is sensitive to concerns that state departments might attempt to "pad" their budgets with "Exxon dollars". The four projects we have identified are not currently in place and have no realistic chance of being added as supplements with state general fund dollars given the current "budget" crisis. The goals of these projects will be to identify the run size and composition as soon as possible and to permit as much harvest as possible consistent with the goal of not over-harvesting Kenai sockeye.

These projects and their annual fiscal notes as currently estimated are:

- Quadrupal test boats on southern boundary of the Central District, \$280,000.
- Apply genetic stock I.D. at southern boundry, \$50,000.
- Analysis of previous year's 4 yr. old component, \$15,000.
- Apply genetic stock I.D. on restricted Eastside fishery, \$150,000.

12) UCIDA proposes that the remaining funds dedicated to Upper Cook Inlet be used to acquire conservation easements, habitat etc. along Kenai river - all users of river will benefit. In order to maximize the benefit to the affected sockeye resource, we would suggest starting at the lake and working "down". Local F&G staff has also identified Quartz and Ptarmigan Creeks has possible sites for the use of these funds.

UCIDA appreciates your efforts on behalf of the oil spill affected areas and damaged resources.

Sincerely,



Theo Matthews  
Administrative Assistant



# Alaska Center for the Environment

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501 • (907) 274-3621

TESTIMONY BEFORE THE HOUSE RESOURCES COMMITTEE REGARDING HB 411

Presented by  
Alan Phipps  
State Lands Specialist

March 5, 1992

The Alaska Center for the Environment (ACE) wholeheartedly supports HB 411. The involvement of the Alaska legislature in the restoration process through the passage of this legislation is essential to a successful restoration effort under the Exxon Valdez oil spill settlement. The appropriate use of the \$50 million criminal restitution money which this bill addresses is very important to the overall restoration process and therefore to the future of Alaska.

It is unlikely that additional direct human intervention will be able to improve significantly on the natural recovery of the injured populations, species, and habitats of the spill impacted region. Most biologists realistically acknowledge that direct restoration efforts will be virtually impossible, and worse, could even cause further harm if not approached with considerable caution.

Given the limited potential of direct restoration efforts, the most helpful thing that can be done to facilitate recovery of the injured environment is to protect it from further damage.

Therefore, the best way we can invest the settlement money is to acquire threatened coastal forest areas. The most immediate and significant threat to this forest is the present and future clearcutting on several hundred thousand acres of privately owned lands. Several ANCSA corporations, recognizing the value to themselves and their local community of selling land or conservation easements instead of logging, have already come forward and expressed an interest in pursuing a habitat acquisition process.

Acquisition of valuable fish and wildlife habitat and recreation sites on a willing seller basis is very important economically as well. Ecosystems within the spill-impacted region continue to support the economies of local communities. Commercial fishing, sport fishing and hunting, tourism, recreation, and subsistence activities, all rely on intact and pristine coastal forest, freshwater, and marine ecosystems, and have for a long time. These activities can continue to provide the primary economic base for the communities within the region. Acquisition of

coastal forest habitat will protect the biological systems which support these activities now and far into the future, thereby securing a strong and diversified jobs base for the region.

Moreover, it is important to note that the money initially invested in habitat acquisition will be invested and reinvested in local communities, since the major recipient of the funds spent on habitat acquisition will be the shareholders of local ANCSA corporations. Money spent on scientific studies or building construction, on the other hand, would largely go outside the region, if not outside the state entirely.

This bill wisely invests the criminal restitution money in a variety of acquisition projects throughout the spill impacted region, providing protection for areas immediately threatened and setting the stage for a more comprehensive, long term program of acquisition which the Trustee Council is currently establishing in relation to the larger pool of civil settlement monies.

The Alaska Center for the Environment is very supportive of the regional consensus behind habitat acquisition, and therefore supports HB 411. Thank you for the opportunity to comment on this bill.



lands of Bligh, Busby, and Reef. Land in Valdez Arm, Galena Bay and even across the Arm at Point Freemantle and Heather Bay in the Columbia Glacier area are under the same Corporation ownership which is clearcutting the land in Two Moon Bay. The values for which these forests are treasured are being compromised by Corporate greed. The Native Culture which has relied on an intact ecological system for thousands of years to sustain itself is threatened as are subsistence uses, commercial and sport fisheries, commercial and personal recreation, scenic values, fish and wildlife habitat, aquaculture, mariculture, recovery from the Exxon Valdez oil spill, tourism and water quality. The economic value alone of any one of these interests overshadows the short term, minimum monetary gains and long term impacts from clearcutting.

In 1778 Captain James Cook anchored the Resolution in Snug Corner Cove in Port Fidalgo. It is the main area in Prince William Sound for herring spawning. This area comes alive in the spring with a Bait, Roe, and Roe on Kelp Commercial Fishery, along with the eagles, whales, sea lions and other bird and animals returning to the area for the first big feed of the year. This area is rich in wild salmon streams and is being utilized by the Valdez Fisheries Development Association for a remote release site for salmon. Because of these remote releases this area will see an increase in commercial fishing activities. Brown bear and mountain goat have one of their more extensive populations for Prince William Sound in this area. The native village of Tatitlek and the abandoned mining town, now land development of Ellamar are located here.

A person can view the Two Moon Bay clear cut and the now infamous Bligh Reef in a single glance. Some beaches in this area have known oil. The impacts of clearcutting on the sustainable health and diversity of this biologically, economically and culturally rich region are incalculable.


Prince William Sound Conservation Alliance urges you to give this area high standing when considering help through HB411/SB379. Land acquisitions, purchase of development rights, conservation easements and timber rights are actions that would protect these old growth forests.

It has not been clear to us who was to make the contacts or how the contacts were to be made to the Corporations. It is difficult to compete with corporations and large organizations which have access to the money and expertise needed. We hope the facts about the Port Fidalgo area help you with bringing this area on line with the process for protection.

Again we wish to strongly support those areas spoken of earlier and hope the Port Fidalgo area will also be included for consideration.

Thank you and please feel free to contact us if you have any questions or if we can be of any assistance.

Sincerely,

  
David P. Janka  
Executive Director

cc Representative Gene Kubina



# Prince William Sound Conservation Alliance

P.O. Box 1697  
 Valdez, Alaska 99686  
 (907) 835-2799  
 Fax (907) 835-5395

----- FAX -----

Board Members

Representative Cliff Davidson  
 Senator Curt Menard  
 Alaska State Legislature  
 P.O. Box V (MS3100)  
 Juneau, Alaska 99811

March 9, 1992

Vince Kelly  
 President

Nancy R. Lethcoe  
 Vice-President

RE: Follow up information on the Prince William Sound Nature Center and Request for Startup Funding from HB411/SB379

JoAnn Lundfelt  
 Secretary/Treasurer

Greetings,

Kim McCarty

Stan Stephens

Executive Director

David P. Janka

Administrative Assistant

Nancy Phelps

The Prince William Sound Conservation Alliance has been coordinating with non-profit, for profit, local, state and federal organizations in order to establish an environmental education center in Valdez. We have been working on this project one way or another for a couple of years now. We have had limited success when it has come to obtaining financial support. At this time there are no facilities to promote environmental awareness or to introduce the visitor to the diversity of natural attractions in Valdez and the surrounding areas of Prince William Sound.

The purpose of the center is to introduce visitors and locals to the natural world of Prince William Sound and demonstrate the connections between our lifestyle and our impact on the environment through the use of educational displays, interaction with a staff naturalist, guided interpretative walks, lectures, and multi-media viewing. Displays will cover topics such as local flora and fauna, marine and wetland ecology, geology, wildlife viewing (the dos and don'ts), recycling, human impacts on the environment such as oil in the marine environment, waste reduction, energy conservation, household wastes, alternative energy sources and marine pollution. A small sales area would have books, maps and relevant items available. Space would also be available for organizations and activities pertinent to the

Prince William Sound region such as the Exxon Valdez Restoration, US Forest Service, Valdez Fisheries Development Association (Local Hatchery) and the Prince William Sound Science Center (Cordova).

The Prince William Sound Community College and the Valdez Fisheries Development Association have granted permission to use the site of an abandoned fish hatchery building located on the Richardson Highway, one mile north of downtown Valdez, at the edge of the Valdez Duck Flats. Liability insurance must be covered by the Conservation Alliance before activities can begin.

The Valdez Duck Flats is a wetland which is host to 95 species of birds which utilize the area for nesting, perching, feeding, migratory stopovers, and winter habitat. A salmon stream runs behind the building. There is also a highway pullout/parking lot, a salmon spawning viewing platform, and a bike and walking path in place at this time. Somewhere in the neighborhood of 50,000 people stop here each year to view the salmon. The bike path would provide alternative access to the center as well as a great place to start natural history walks along the edge of the Duck Flats. The site has potential for setting up hydro, solar, and wind power displays.

Prince William Sound Conservation Alliance requests startup money for this facility from the Exxon Valdez Criminal Settlement Money through HB411/SB379, Section 6, which deals with money for educational purposes.

At this time a two to three year startup budget of \$150,000 would enable us to put together and open a dynamite facility. It would be possible to open this spring with limited displays. This funding would include such things as building repairs and upgrades, administrative costs (not to exceed 15%), liability insurance, salaries for naturalist/volunteer coordinator, display design and setup and equipment purchases. Once the facility was up and running we feel that donations, sales, grants, trained volunteers and possibly some funding from the Exxon Valdez Civil Settlement would enable the Prince William Sound Nature Center to continue on.

Thank you for considering this proposal and especially for introducing these bills. Please feel free to contact us if you have any questions.

Sincerely,

  
David P. Janka

Executive Director

cc Representative Gene Kubina

# VALDEZ FISHERIES DEVELOPMENT ASSOCIATION, INC.

P O BOX 125  
VALDEZ, ALASKA 99686



main. 835-4874  
835-4831  
tebery 835-5947  
835-5951

March 16, 1992

Representative Cliff Davidson  
Box V  
Juneau, Ak. 99811

Dear Representative Davidson;

Upon reviewing the working draft of House Bill # 411 I have noticed a very severe shortage of attention to the fisheries resources in Prince William Sound. While I have not seen most of the data from the assessment work, I am sure that many serious actual impacts have been documented that would warrant a great deal more attention in this bill. I know this process can not avoid being highly politicized but it seems odd that the most valuable resource in Prince William Sound is being grossly underrated.

Prince William Sound fisheries, particularly salmon, are suffering from many problems many of which are spill related. I would strongly suggest that this imbalance be addressed in this bill to restore the appropriate level of priority to this valuable resource. The fisheries problems with marketing and supply and demand are short term. In a way they are facilitating the necessary steps to the long term health of the industry which is mainly product diversification. Funding a higher level of fisheries projects in Prince William Sound is in my opinion the best use of the criminal settlement funds.

I would urge that you change the amount specified in Section 13 of the working draft of HB 411 to \$10,000,000. instead of \$1,400,000.. These funds would facilitate the following projects:

Early Marine Studies of Salmon with the Cooperative Fisheries and Ocean Studies consortium being the coordinating group.

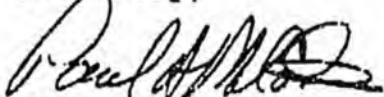
Post spill fisheries management expansion. The department is grossly under funded in its' task of managing the PWS fishery.

Assessment Summary Project specifically to assemble much of the important spill assessment data collected for presentation to the public which simply requires a signed waiver that none of the information will be used in litigation.

Wild stock enhancement program to rebuild the declining wild stocks in PWS.

Please let me know if you need any additional detail on these projects. I have been talking to the fishing groups, ADF&G, and the University of Alaska on these issues and know that there are a lot of us thinking along these lines. Please help us with this very critical situation.

Sincerely,



Paul McCollum  
Executive Director

cc: Rep. Navarra  
Rep. Gruenberg  
Rep. Finkelstein  
Rep. Ellis  
Rep. Kubina  
Dr. Robert T. Cooney  
Prince William Sound Salmon Harvest Task Force Members  
Mark Willete, A.D.F.&G.  
Commissioner Carl Rosier, ADF&G  
George Covell, PWS F&G Advisory Committee

RECEIVED MAR 13 1992

**APPLIED MARINE SCIENCES, INC.**

2155 Las Positas Court, Suite V  
Livermore, CA 94550  
Telephone No. (510) 373-7142  
Facsimile No. (510) 373-7834

March 11, 1992

Representative Plis Davidson  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Representative Davidson,

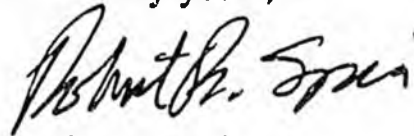
I am writing on behalf of Craig Matkin of the North Gulf Oceanic Society who wishes to have some of the monies from the criminal settlement of the *Exxon Valdez* oil spill for study of killer whales in Prince William Sound in 1992. There were abnormally high mortalities from one particular pod of killer whales (AB pod) between September of 1988 and June 1990--a total of 13 individuals are missing from this pod, many times the rate of expected natural mortality. Some of the missing animals are females, who left calves behind. The social structure of the pod has been disrupted. It may take this pod as long as 10 years to return to its prespill population level. There is some question of the cause(s) of death in this pod, as we do not know of a mechanism that would cause such acute mortality from oil. Also, this pod is the only one with a history of harassing commercial fishing operations and bullet wounds have been documented in some members of the pod. So, heavy damage occurred at the time of the spill, but there are significant uncertainties as to the cause of death of these whales.

The Trustee Council has supported assessment of damage to killer whales for the last three years and will be providing funds to NOAA to finish the ~~damage~~ assessment work in 1992. However, there is no funding allocated for new field work this season. Craig Matkin and his crew have done a wonderful job of tracking and identifying killer whales that frequent Prince William Sound. They now have a continuous data base on this and other pods that goes back into the early 1980s. They can carry out their work this summer for about \$60,000.

If the Alaska State Legislature were to provide funds to the North Gulf Oceanic Society for monitoring killer whales you can assume that work will be well done and performed for a very reasonable cost. As you are doubtlessly aware, killer whales are a very important and visible in

alaskan state waters and these studies will provide valuable information on this species in Prince William Sound.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Robert B. Spies".

Robert B. Spies  
Chief Scientist, *Exxon Valdez*  
Spill Studies

## KENAI RIVER HABITAT RESTORATION AND PROTECTION

March 4, 1992

### Kenai River Habitat

A review of the technical literature indicates, even prior to the Exxon Valdez spill, that loss of riparian vegetation and wetlands and an increased potential for erosion and flood damage through development within the floodplain threaten the productivity of the Kenai River ecosystem. With its unusually abundant runs of early and late chinook, coho and sockeye salmon, the Kenai River is of primary importance to recreational fishing interests. The Kenai River enjoys the same status among commercial fishing interests because most of the ex-vessel value of the Upper Cook Inlet commercial salmon fishery is provided by harvest of late-run sockeye salmon returning to the Kenai River.

Oil spilled from the Exxon Valdez required fishery managers to close the drift gill net commercial fishery which operates in the offshore waters of Upper Cook Inlet. Closure of the drift gill net fishery resulted in substantial over-escapement of sockeye salmon in the Kenai River. Negative impacts associated with the over-escapement include:

- \* devegetation of river banks due to trampling by recreational fishermen attracted to the massive numbers of sockeye passing upstream;
- \* long-term damage to productivity of sockeye salmon nursery lakes due to over-population by emergent fry.

### CIAA Proposal

Cook Inlet Aquaculture Association (CIAA) propose to utilize \$2,250,000 of oil spill restoration funds to create and endow a long-term program to restore and protect aquatic, wetland and riparian (near water) habitats throughout the Kenai River watershed.

The program would involve both restoration of stream bank habitats damaged or further damaged as a result of the oil spill and acquisition of development rights for stream bank and wetland habitats equivalent in value to those damaged as a result of the oil spill.

The primary habitat protection effort, designed to encourage participation of private landowners, would be modelled after The Nature Conservancy's highly successful "registry" and "conservation easement" program. Emphasis would be on the education of and personal contact with landowners which leads to permanent and legally binding acquisition of development rights ("conservation easements") via donation. Purchase of easements for especially sensitive properties would also be considered.

**Kenai River Habitat Restoration and Protection**

March 4, 1992

Page 2

Conservation easements would stipulate wetland or riparian habitats on a particular piece of property be maintained in their natural state. Conservation easements would be sought to protect habitats utilized by salmon throughout the watershed; e.g. sockeye and coho salmon spawning areas in small streams tributary to Kenai Lake, sockeye salmon spawning areas in the mainstem between Kenai and Skilak Lakes, and chinook salmon spawning and rearing areas between Skilak Lake and Cook Inlet.

Restoration efforts would focus on revegetation, rather than armoring, of river banks. Restoration efforts would target primarily public lands. The City of Soldotna is currently seeking funding for a revegetation demonstration project at one of its parks. There are multitudes of sites scattered along the entire length of the Kenai River which, if revegetated, would increase spawning and rearing habitat value for all species of salmon.

CIAA is a private nonprofit corporation "which exists to: (1) protect self-perpetuating salmon stocks and the habitats upon which they depend; (2) rehabilitate self-perpetuating salmon stocks; (3) rehabilitate salmon habitat; (4) maximize the value of the Cook Inlet (Area H) common property resource by applying science and enhancement technology to supplement the value attained from protection and rehabilitation of self-perpetuating stocks" (CIAA Mission Statement).

CIAA would maintain any funds received for the Kenai River Habitat Protection Project in a dedicated and regularly audited account totally separate from other CIAA accounts.

**Rep. Cliff Davidson  
Sen. Curt Menard  
Rep. Mike Navarre**

**Rep. David Finkelstein  
Rep. Johnny Ellis**

*and*

**Afognak Joint Venture  
Afognak Native Corporation  
Alaska Center for the Environment  
Alaska Environmental Lobby  
Area K Seiners Association  
City of Cordova  
City of Yakutat  
Cook Inlet Seiners Association  
Cordova District Fishermen United  
Eyak ~~Corporation~~ Corporation  
Kachemak Bay Citizens Coalition  
Kenai Peninsula Fishermen's Association  
Kodiak Area Native Association  
Kodiak Audubon  
Kodiak Regional Aquaculture Association  
Koniag, Inc.  
National Outdoor Leadership School  
Northwest Association of Marine Educators, Alaska Chapter  
Prince William Sound Conservation Alliance  
Seal Bay Timber Company  
Seldovia Native Association  
Sherstone, Inc.  
Sierra Club, Alaska Chapter  
Southeast Alaska Conservation Council  
United Cook Inlet Drift Association  
United Fishermen of Alaska**

*invite you to a reception in support of*

**HB 411 and SB 379**

**Monday, March 23, 1992  
5:00 pm to 7:30 pm  
Centennial Hall  
Juneau**

*Complimentary food, beer, and wine will be served*

STATEMENT OF  
JIM CARMICHAEL  
MANAGER, AFOGNAK JOINT VENTURE  
KODIAK, ALASKA

HOUSE FINANCE COMMITTEE

MARCH 24, 1992

Mr. Chairman, members of the Committee, I am Jim Carmichael, Manager of the Afognak Joint Venture (AJV) in Kodiak. AJV is a partnership, created in 1980, by Sec. 1427 of the Alaska National Interest Lands Conservation Act (ANILCA). AJV owns approximately 180,000 acres of land on Afognak Island. The two major partners in AJV are the Afognak Native Corporation and Koniag, Inc. There are also several smaller partners.

The Afognak Joint Venture supports HE 411, as passed by the Resources Committee. We own land surrounding Pauls Lake and Lower Malina Lake which are referred to in Sec. 10 of the bill. Those areas are part of two large AJV holdings, totalling 125,000 acres, stretching across the north and west sides of Afognak Island, on either side of the 50,000 acre Red Peaks unit of Kodiak National Wildlife Refuge, and nearby to the State's Shuyak State Park and western Raspberry Island.

This land ownership pattern is a result of recent events.

Afognak Island was originally set aside by the federal government as a Forest and Fish Culture Reserve in 1892. Until 1980, it was, like the lands in Prince William Sound, part of the Chugach National Forest. Extensive selections by village corporations on the southern portion of the island followed passage of the Alaska Native Claims Settlement Act (ANCSA). Later, ANILCA transferred extensive native selections from the Alaska Peninsula to most of the remaining portions of the island through the creation of the Joint Venture. Only the remnant Red Peaks unit, transferred from the Forest Service to the Fish and Wildlife Service, and a smaller State selection remain in public ownership.

Since that time, much of the southern portion of the island has been roaded and logged. Afognak Native Corporation, an AJV partner, maintains a logging camp on the island, and plans to continue timber harvest operations. But, AJV's holdings east and southwest of the federal land remain undeveloped.

These holdings contain outstanding fish and wildlife resources including large elk herds, Kodiak bears, and many of the species "injured" in the Exxon Valdez oil spill. Afognak was within the spill zone and some its shores were "oiled."

Testimony by  
Afognak Joint Venture  
March 24, 1992  
Page 2

It had been AJV's intention to extend logging operations into the AJV holdings and to explore other income producing options for some of the islands non-timbered areas, such as cabins and lodges along the shore and at the high lakes. As a corporation, we owe it to our partners and their shareholders to return dividends.

However, for the past two years we have explored ideas which would lead to the sale of some or most of our holdings to federal and state land managing agencies. If successful, such an arrangement could enable our corporation to create a permanent fund and diversify our business operations. Of course, we would continue developing those lands which are not sold.

In that effort, we advocated passage by Congress for the funding of a special study of Afognak inholdings. In November, 1991, Congress authorized the study. We are currently cooperating with the Fish and Wildlife Service as it studies our lands. And in February, we testified before the Trustees of the Oil Spill Fund regarding our plans.

The lands identified in HB 411 are among the highest on the island for wildlife and recreational value.

Malina Lakes are the home of a significant elk herd and is a favorite hunting destination. The state Department of Fish and Game is fertilizing the lakes to increase productivity. This area lies immediately across Raspberry Strait from valuable recreation lands owned by that State and managed by Fish and Game.

Pauls Lake, an area of rich timber resources, is likely to be considered a particularly important area of "equivalent habitat" by the scientists reviewing the island. The salmon-bear-eagle ecosystem of the Pauls Lake-Laura Lake watershed is one of the three best on the island. The others have either been developed or are not being considered for public ownership. Neighboring Shuyak Island State Park is managed for kayaking and other primitive recreation values. Pauls Lake and the shoreline of the island may offer even better opportunities.

A one time purchase of these lands as envisioned by HB 411 would give AJV some working capital so that other deserving lands could be considered by the Trustees before they are developed. But, this rather small acquisition by itself would not be sufficient for us to reach our corporate goals of diversification and a permanent trust fund.

Testimony by  
Afognak Joint Venture  
March 24, 1992  
Page 3

Rather, it is our hope that your efforts and the federal study will lead to a staged acquisition process, coordinated with both the state and federal governments to acquire a substantial portion of the AJV's assets; up to the entire 125,000 acre block. We would continue timber operations on those portions of the island now under development, but we would build our other financial options through sale of those lands identified by state and federal officials as deserving to remain undeveloped.

We are confident that Afognak's natural resource values will fare well in comparison to other areas within the spill zone. We are also hopeful that the presence of sizable tracts, contiguous to the large federal holding, and a cooperative seller will be attractive to the Trustees. If Afognak has a disadvantage, it is that its resources are not as well known as some other areas. We hope an objective investigation of the resources will overcome that disadvantage.

While we have participated in the hearings conducted by the Trustees, we understand that action by the Trustees may take some time. It costs our corporation money to refrain from development while the lands are considered for acquisition. The immediate purchase of these small but important tracts in HB 411, then, serves to reduce that liability.

Moreover, we believe that the areas in which the state is most likely to be interested are the areas listed in HB 411. Each is productive, undeveloped fisheries and wildlife habitat. Each is near state holdings and could be acquired as practical resource management units.

Having laid out what AJV offers, let me outline some conditions necessary for us to meet our obligations to our partners and shareholders.

First, we are interested in sale of lands, not development rights. If we are unable to sell most of the lands, we want to see sales of relatively compact parcels so we are not left with discontinuous tracts, lands encumbered by easements or holdings otherwise made difficult to develop.

Second, we are interested in selling a mix of timbered and non-timbered lands. To give up ownership of land, we must demonstrate to our partners that we are receiving a fair price and that the sale of the lands is an attractive alternative to timber development. We will not engage in a series of sales which leaves us holding lands with no revenue potential and no hope of further sales.

Testimony by  
Afognak Joint Venture  
March 24, 1992  
Page 4

Third, we have already voluntarily withheld logging on many of our holdings while we have explored land sales. We have incurred substantial expenses in our efforts to work with Congress and the Trustees. We would not wish to be penalized for our cooperative efforts either by receiving bids lower than those offered to hostile sellers or to seeing sales of our lands delayed while uncooperative sellers are treated expeditiously. We have been open and cooperative and we expect fair play in return.

We have worked in cooperation with fishermen and public officials in the Kodiak Borough and we have appreciated their support for this proposal.

In conclusion, we believe that land acquisition is an important use of the settlement funds. We believe that land sales can help our shareholders and those of other corporations in the state. Unlike some other suggestions for the settlement money, investments and dividends flowing from the corporations should have long term economic benefits for our region and for the state. If we are successful in our efforts to establish a permanent fund, it will place our partner corporations on solid financial footing for the future.

We also believe that maintaining the best hunting, fishing and recreational resources is good for the region's economy.

We hope you will approve HB 411 and we hope to work with you to achieve the benefits of the legislation. Thank you.



# Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, Alaska 99801 (907) 586-6942

## Southeast Alaska Conservation Council Testimony on HB 411 House Finance Committee -- March 24, 1992

Good afternoon, my name is Theresa Svancara and I am representing SEACC, the Southeast Alaska Conservation Council. SEACC is a grassroots coalition of fifteen local community, volunteer conservation groups in twelve communities across the Alaska panhandle, from Ketchikan to Yakutat. SEACC's individual members number well over one thousand, and are Alaskans from all walks of life. On SEACC's Board of Directors we have a pulp mill worker, several former loggers, a number of commercial fishermen, tourism business operators, teachers, biologists, and local community volunteers.

SEACC supports House Bill 411 and the acquisition of habitat as an appropriate use of the Exxon Valdez settlement funds. The funds received by the state under the criminal plea agreement can be used most effectively for restoration which includes replacement and enhancement of affected resources, and acquisition of equivalent resources.

We support acquiring habitat which prevents further environmental stress resulting from timber harvesting or other industrial activities. Timber and land acquisition will assist the recovery of the already damaged coastal estuaries.

As policy makers discuss options to enhance the recovery and restore the oil damaged resources, we urge you to think in terms of the entire ecosystem affected by the tragic Exxon Valdez oil spill. This entails careful consideration of the shoreline, estuaries, and upland forest habitat areas as well as the waters themselves.

For example, imminent logging, road construction, and related activities compound the impacts of the oil spill and threaten areas available for replacement of impacted resources. Clearcut logging and road building create soil erosion, muddying streams and suffocating life in the streams and on the ocean floor near the mouths of streams. These are habitats that support salmon, shellfish, and marine mammals. Protecting forest habitat is essential near salmon streams because the trees maintain a moderate in-stream temperature and prevent silt from eroding stream banks from suffocating the salmon eggs.

PELICAN FORESTRY COUNCIL • FRIENDS OF BERNERS BAY, Juneau • WRANGELL RESOURCE COUNCIL • SITKA CONSERVATION SOCIETY  
FALSE ISLAND-KOOK LAKE COUNCIL, Tenakee Springs • LYNN CANAL CONSERVATION, Haines • TAKU CONSERVATION SOCIETY, Juneau  
NARROWS CONSERVATION COALITION, Petersburg • FRIENDS OF GLACIER BAY, Gustavus • TONGASS CONSERVATION SOCIETY, Ketchikan  
ALASKA SOCIETY OF AMERICAN FORESTDWELLERS, Point Baker • JUNEAU GROUP SIERRA CLUB • YAKUTAT RESOURCE CONSERVATION COUNCIL

Marbled murrelets, a bird severely damaged by the Exxon Valdez oil spill, not only spends time in the water but also nests in old growth forests.

Animals that we commonly think of as forest dwellers such as brown and black bear, deer, mink, and other small mammals also use the intertidal areas to forage for food and have been impacted by the Exxon Valdez Oil Spill. Studies have shown that both brown bear and deer in the oiled areas, have elevated oil levels in their tissue and fecal samples. Preserving their forest habitat will help them recover.

People in the communities impacted by the spill will also benefit from habitat acquisition. Jobs tied to intact forest and coastal habitat include commercial fishing, hunting and fishing guiding, recreation, and tourism. Cultural lifestyles are possible when habitat to allow subsistence use is preserved.

House Bill 411 makes sense. Common sense tells us if you're trying to nurture a stressed area back to health and revive fish and wildlife populations you don't clearcut and destroy the forests where they live.

Habitat acquisition is what the public wants. I've participated in several public meetings addressing how the restoration money should be spent. At each meeting citizens consistently and overwhelmingly called for restoration purchase of critical coastal forest habitat. The public is sending a clear message that habitat acquisition is a high priority for the settlement money.

HB 411 represents a chance to solve statewide conservation area protection issues. It provides for habitat acquisition in Prince William Sound, Afognak Island, Kachemak Bay, and Cape Suckling.

The area that SEACC is particularly interested in is Cape Suckling. It is highly valued as an economic resource by our member group the Yakutat Resource Council and SEACC has a long standing concern for this area.

Cape Suckling, the Suckling Hills, and the watersheds encompassed therein, will provide equivalent subsistence, sport, and commercial fishing, recreation and tourism opportunities to replace those resources essential to Cordova and other Prince William Sound communities that were damaged by the oil spill.

The Cape Suckling area is state land just east of Cordova, adjacent to the Yakutat State Wildlife Refuge. The timber rights, which the Alaska Department of Natural Resource has yet to convey properly to the University of Alaska, include the Suckling Hills in a 32,000 acre parcel between Cape Suckling and the Seal River.

When the Yakataga refuge bill passed in 1990 legislators recognized the valuable habitat of Cape Suckling and placed a moratorium on timber cutting until the timber rights were repurchased. This repurchase remains unachieved, however, because of a stalemate between the University of Alaska and the Department of Natural Resources. Sadly, cutting could begin in this valuable coastal habitat in 1993. Now, money appropriated from HB 411 to repurchase timber rights at Cape Suckling can fulfill a legislative goal and preserve one of the most valuable habitat areas in the state.

Appropriating money to Cape Suckling serves multiple purposes. First, it replaces resources that were damaged by the oil spill. Impacts to Prince William Sound and other regions increase our reliance on potential replacement habitats, such as Cape Suckling. Cordovans have a history of using Cape Suckling for fishing, guiding, and tourism and is very economically important to them.

Second, critical fisheries will be safeguarded. The Suckling Hills is laced with several anadromous salmon streams boasting some of the best Coho habitat on the Pacific Coast. The Kiklukh River is commercially fished by Prince William Sound and Yakutat gillnet fishermen. Thirty set gillnet fishermen holding permits for Eshamy in Prince William Sound can also fish in the Cape Suckling area with their permits. Both the Kiklukh and Seal Rivers host intensive commercial set net fisheries. The Okalee and Tashalich Rivers are other important salmon streams. This rich salmon resource is not only important to commercial fishermen but also lures sport fishermen and sustains subsistence fishermen.

A recent study conducted by the US Fish and Wildlife Service discovered that over 1000 Bald Eagles from the western part of Prince William Sound, the most heavily oiled area, migrate to Cape Suckling for the fall and winter Coho runs. Preserving this food source at Cape Suckling is directly related to the restoration of bald eagles that were damaged in Prince William Sound by the oil spill.

Third, a thriving wildlife habitat will be protected. Mountain goats live in the Suckling Hills of Boone and Crockett record size. Adjacent areas once held Alaska's largest goat population, but in the last 10 years have suffered a 75% decline, in part due to logging. Exceptional populations of brown bear, black bear, and moose are found in the Cape Suckling area. A guide from Cordova told me he counted 40 bears in a single strawberry patch. Bird life in this region is astounding. The nearby Eastern Copper River Delta nesting and migration areas are world-famous, and Cape Suckling includes significant expanses of contiguous habitat.

A fourth purpose served by appropriating money to Cape Suckling is an investment in the University of Alaska. The University supports HB 411 and testified in front of the House Resources Committee in favor of it. Money allocated to purchase the timber rights will go into a trust fund available for educating Alaskans. This is an investment in our citizens, our children, and our future.

When it comes to Cape Suckling the Legislature cannot go wrong by investing in coastal forest habitat at Cape Suckling and the University of Alaska.

We encourage you to support House Bill 411 with the inclusion to re-purchase Cape Suckling's timber rights.

Raptor Management  
U.S. Fish and Wildlife Service  
P.O. Box 768  
Cordova, AK 99574  
(907) 424-5802

#### Summary of Prince William Sound Bald Eagle Movements Data

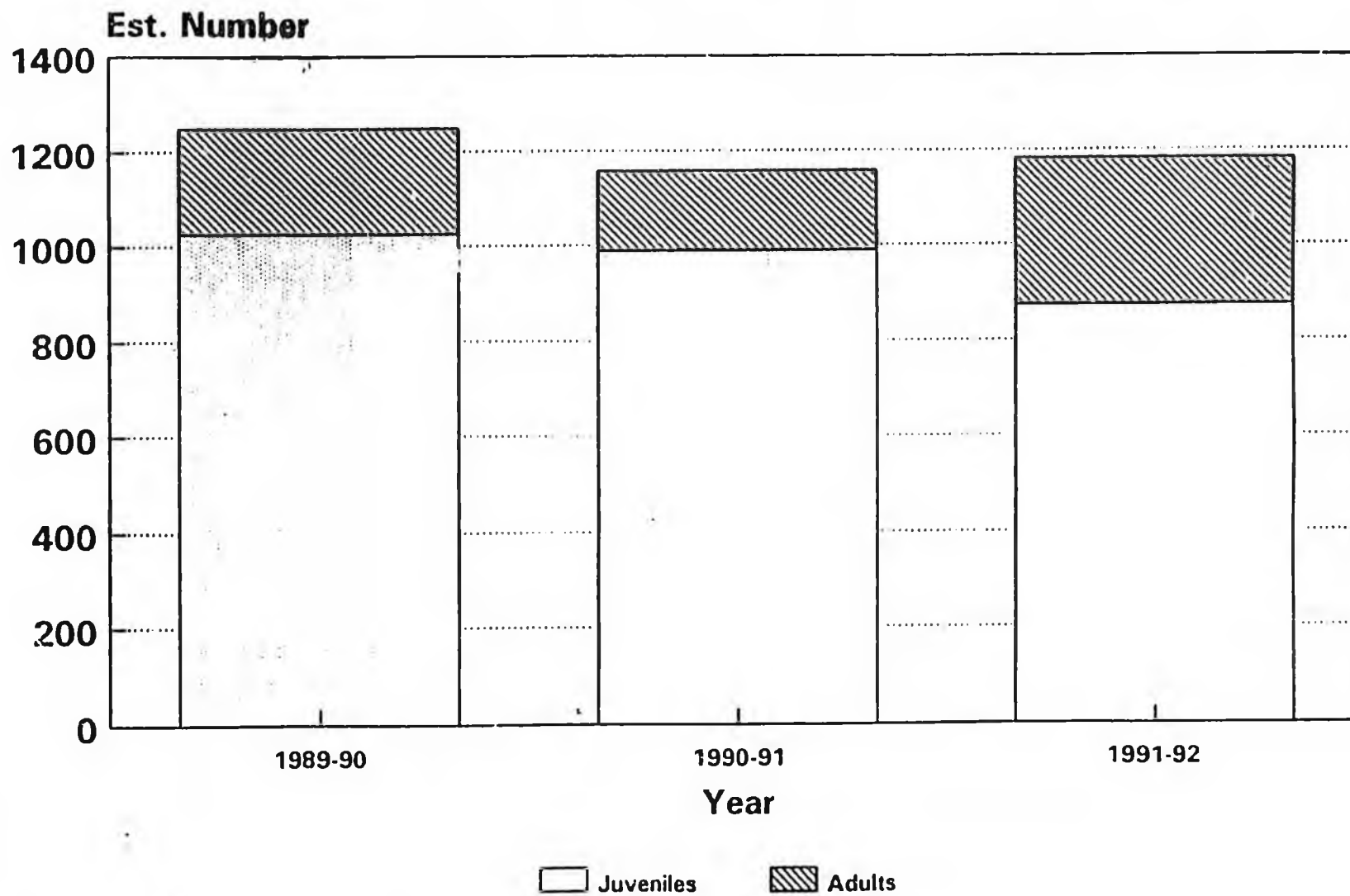
As part of the EVOS bald eagle damage assessment project, approximately 70 nestling and 90 adult bald eagles were radio-marked in Prince William Sound (PWS) in 1989 and 1990. These marked eagles have been tracked since marking began in late summer of 1989. The assessment studies have ended and no additional funding has been provided under restoration programs to continue these studies. Approximately 80 eagles are still equipped with functioning transmitters.

In general, juvenile eagles from PWS nests wander throughout PWS, the Gulf coast and southeast Alaska. They have been found as far west as Homer and as far south as Craig. After leaving their nests in September, young eagles generally move south out of PWS to feed on spawned-out coho salmon along rivers on the Gulf coast. The most important fall and early winter feeding areas we located were the Copper River Delta and the Cape Suckling area. More than 40 percent of the juveniles marked in PWS moved to the Cape Suckling area to feed (see the attached graphs) with an estimated total of 1000 juveniles from PWS using the area. As salmon runs decline and rivers begin to freeze up in January and February, the juveniles disperse. Some move to the east along the Gulf coast and into Southeastern Alaska. Others return to PWS. The south shore of Montague Island is an important wintering area after eagles leave the salmon runs, perhaps attracted to dead deer or marine mammals on the beaches. Juveniles that moved south usually return to PWS in the spring and summer, concentrating at herring and eulachon (hooligan) spawning areas within PWS or on the Copper River Delta. Cape Suckling and areas farther to the east were rarely surveyed in late spring so concentrations in these areas are unknown for this period. No large summer concentration areas were found. Food is apparently abundant during the summer and juveniles stay in PWS.

In contrast to juveniles, adults with nesting territories spend most of their time near their nests. PWS breeders will make long movements during the non-breeding season, but usually no further than the Copper River Delta. A few go as far as the Cape Suckling area, but most breeders do not travel that widely. Although thorough surveys of the area have not been conducted, we know of at least 10 nests in the Cape Suckling/Suckling Hills area, more than 40 between Cape Suckling and Cape Yakataga and more than 30 in the Controller Bay/Bering River area.

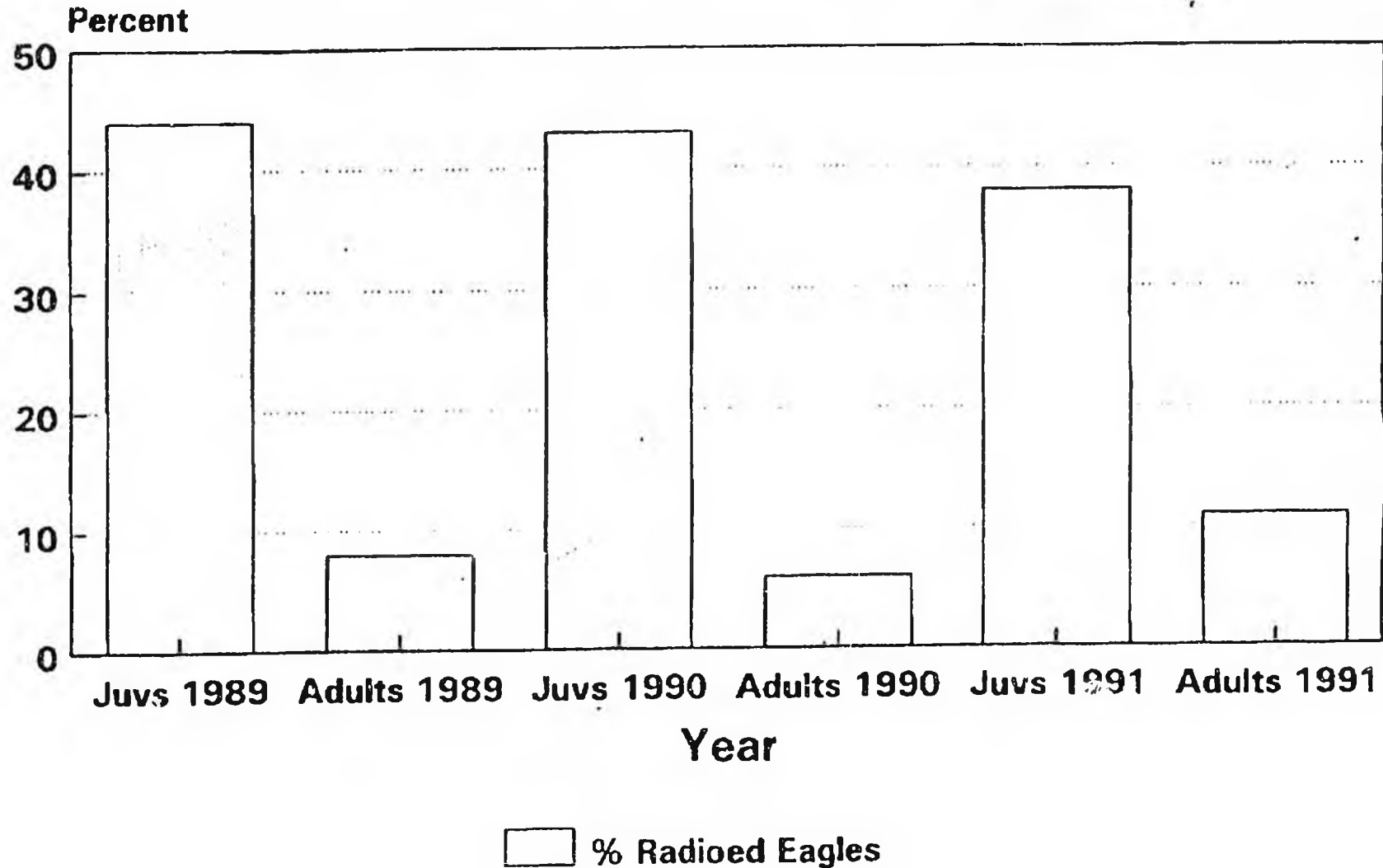
A few adults do not hold breeding territories. These adults wander more than breeders, but not as much as juveniles. No marked non-territorial adults moved further east than Cape Suckling and the majority didn't go beyond the Copper River Delta. Juveniles occasionally leave PWS for extended periods, but non-territorial adults typically restrict their movements to the PWS region.

# Fall/Winter Use of Cape Suckling Area by Bald Eagles From Prince William Sound



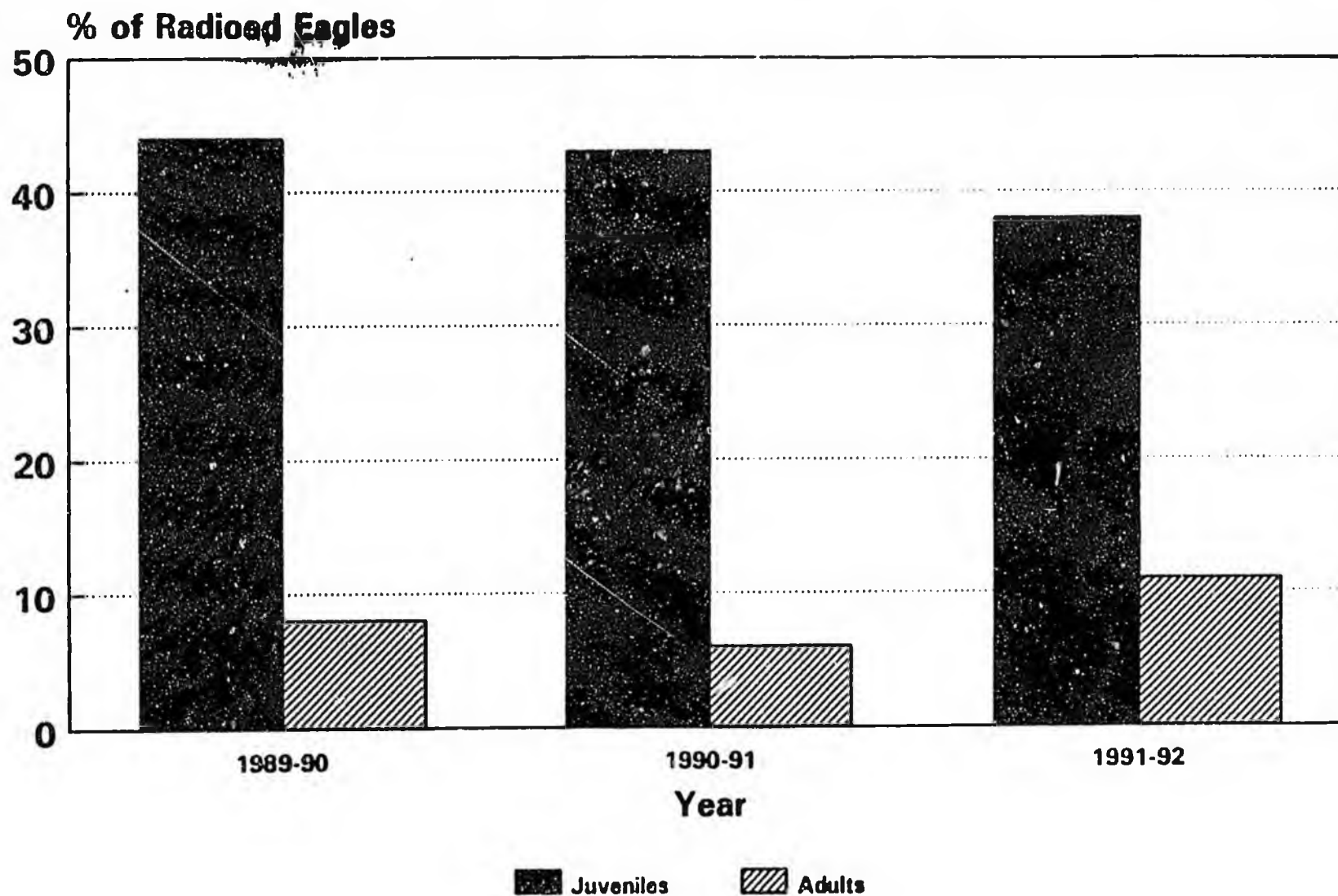
Fall/Winter defined as Oct. thru Jan.

# Fall/Winter Use of Cape Suckling Area by Bald Eagles From Prince William Sound



Fall/Winter defined as Oct. thru Jan.

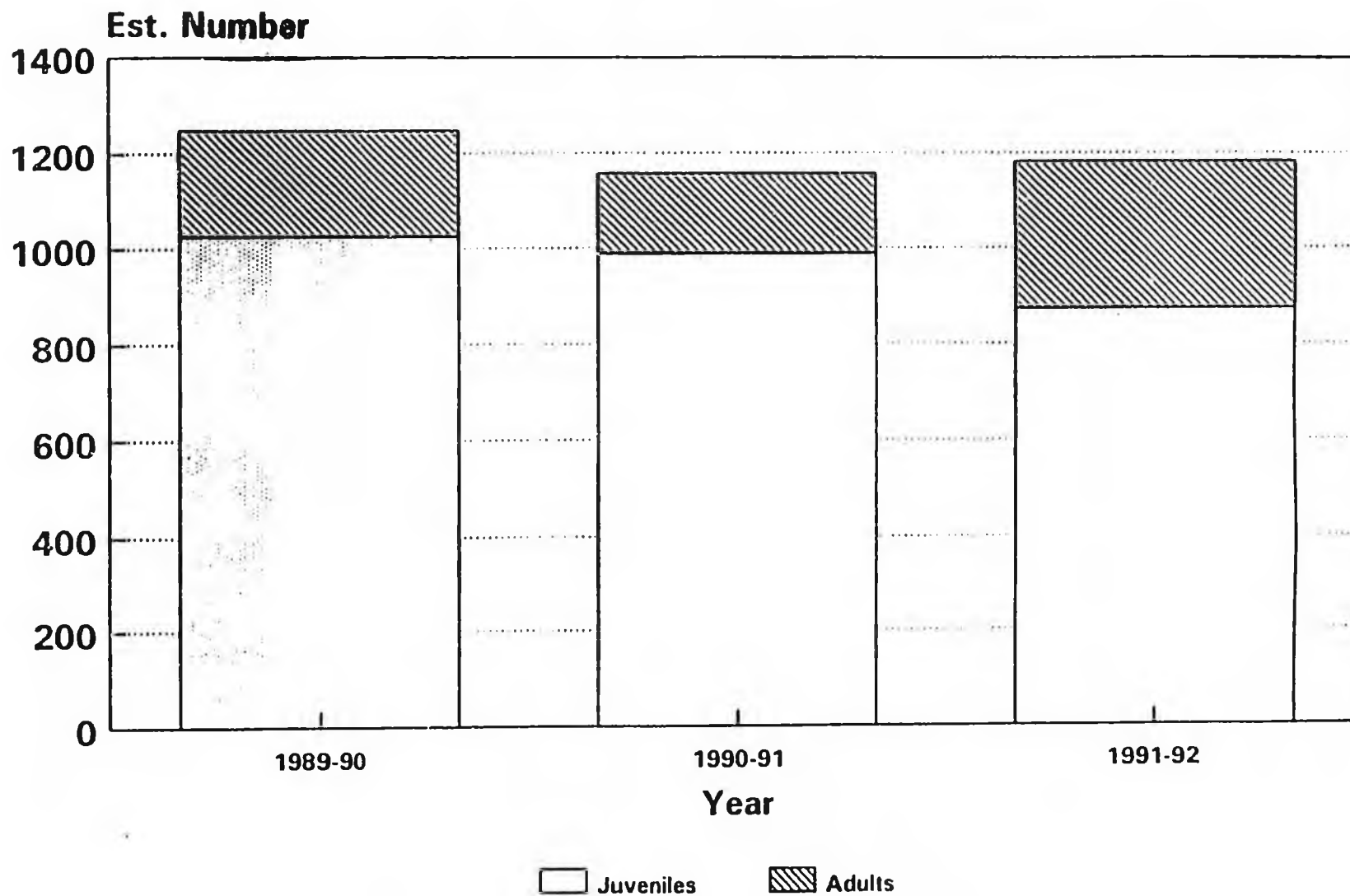
# Fall/Winter Use of Cape Suckling Area by Bald Eagles From Prince William Sound



Fall/Winter defined as Oct. thru Jan.

*Handwritten note:* Study by USFWS

# Fall/Winter Use of Cape Suckling Area by Bald Eagles From Prince William Sound



Fall/Winter defined as Oct. thru Jan.

TESTIMONY FOR RALPH ELUSKA

In Support of H.B. 411

My name is Ralph Eluska. I am President of Akhiok-Kaguyak, Inc., a Native corporation located on Kodiak Island. I am also Vice President of Seal Bay Timber Company, a joint venture between Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation. I am testifying in support of House Bill 411.

The EXXON VALDEZ oil spill has irreparably harmed both Alaska and Alaskans. We cannot recover the pristine shorelines of Prince William Sound or other shores and islands affected by the oil. We cannot bring back to life the birds and sea life decimated by the spill. We cannot adequately compensate the people whose lives and livelihood were affected by the oil spill. And may never be able to erase from our minds the fear of another catastrophe such as this or the impact it will have on all of us.

We can, however, begin the process of restoring and enhancing the valuable lands which were affected by the oil spill. The funds available from the settlement of the criminal case against EXXON VALDEZ can and should be used to acquire valuable habitat affected by this disaster.

Kodiak and islands in the Kodiak archipelago, including Afognak Island, were directly and adversely affected by the oil spill. Some of these lands include lands on Afognak Island, particularly around the Paul's Lake and Laura Lake areas on Afognak which are extremely valuable, not only for their scenic value, but also for its old growth timber. [Referenced in Sec. 11 of draft dated 3/12/92.] The old growth timber located on these lands are presently in jeopardy of being cut. In fact, there is substantial timber presently being cut and being scheduled to be cut on Afognak Island. The monies available from House Bill 411 can and should be

used to seek ways by which these lands and these old growth timber on these lands can be obtained and maintained by the State of Alaska.

Although the EXXON VALDEZ is a true catastrophe, it would be just as disastrous for Alaska if we do not take the opportunity to use these funds to acquire the valuable habitat affected by the spill and which are presently at risk of being spoiled.

.....  
JKW/cl  
2020-1\Testimony.RLE

# **Ted Stevens**

## **United States Senator For Alaska**



### **NATIVE LANDS -- TWENTY YEARS LATER**

Alaska Natives own more than 44 million acres of land. That makes you, the members of the AFN, the largest landowners in the world. Today, twelve of the thirteen regional corporations have received title to 35.7 million of the 44 million acres of land that Alaska Natives were entitled to with the passage of ANCSA.

To ensure the survey and transfer of remaining Native allotments and Native corporation land selections, I requested \$2.3 million in the Bureau of Land Management budget for the Alaska Cadastral Survey program. \$1 million was also included in the BLM budget for the Alaska Lands Programs, to review Native allotment applications and Native land selections.

### **A CLEAN ENVIRONMENT FOR THE FUTURE**

I asked for language to be included in the fiscal year 1992 Department of Defense appropriations bill to provide complete reviews no later than August 1, 1992 of ongoing Department of Defense **environmental cleanup** at Attu, Kiska, Great Stikin, Amchitka and Elson Lagoon. Congress understands that these islands have been contaminated with debris and hazardous materials from defense activities during World War II and pose potential environmental hazards to island residents. In addition, the bill states that DoD must address the complete clearing of Elson Lagoon, and not just the clearance of a navigation channel.

Together with Senator Murkowski and Congressman Don Young, I am working on legislation to address the problem of **hazardous waste on Native lands**. We will work closely with AFN and Native leaders to resolve this difficult problem.

Funds were provided to explore the possibility of acquiring Native and other private lands affected by the oil spill. The Fish and Wildlife Service will evaluate lands owned by Afognak and other Native corporation located in Prince William Sound. It would be up to each corporation to decide whether to sell its lands.

Language is also included in the Department of the Interior appropriations bill to impose a moratorium on oil leasing in the North Aleutian Basin. (No oil or gas leasing is permitted in Bristol Bay.)

At my request, \$5 million was added to the fiscal year 1992 Energy and Water budget for the continuing construction on the Bethel Seawall to protect areas threatened by the erosion of the Kuskokwim Riverbank.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: RICHARD & MOLLY MACINTOSH  
TITLE:  
ADDRESS: 909 MISSION RD.  
CITY: KODIAK ZIP: 99615  
PHONE: 486-3087  
BILL NO: HB 411  
SUBJECT: APPROP: EXXON VALDEZ RESTORATION PROJECTS  
MESSAGE: WE CANNOT MAKE IT TO TESTIFY AT THE TELECONFERENCE THIS  
AFTERNOON BUT WE SUPPORT CLIFF DAVIDSON'S HB 411, MAXIMIZING THE AMOUNT  
OF MONEY GOING FOR PROTECTION OF THE THREE UPLAND SITES.

POHID: 09091212  
DATE: 92/03/17  
TIME: 09:12:12  
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES

CARNEY  
FINKELSTEIN  
HUDSON  
IVAN  
LEMAN  
LINCOLN  
MOYER  
ZAWACKI

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: BRIAN HIMELBLOOM  
TITLE:  
ADDRESS: PO BOX 1066  
CITY: KODIAK ZIP: 99615  
PHONE: 486-6382  
BILL NO: HB 411  
SUBJECT: SB 379 & HB 411  
MESSAGE: I WOULD LIKE TO SEE SUPPORT FOR THE PASSAGE OF THESE BILLS.  
THIS IS A GOOD WAY FOR THE RESTORATION FUNDS TO BE SPENT.

POHID: 09092021  
DATE: 92/03/17  
TIME: 09:20:21  
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES SENATORS

NAVARRE  
CARNEY  
FINKELSTEIN  
HUDSON  
IVAN  
LEMAN  
LINCOLN  
MOYER  
ZAWACKI  
ZHAROFF  
JONES

# Kodiak Area Native Association



402 Center Avenue  
Kodiak, Alaska 99615  
Phone (907) 486-5725

Representative Cliff Davidson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

March 4, 1992

In re: *HB 411*

Prehistoric archaeological sites are utterly non-renewable resources. Kodiak Island's prehistoric record is especially precious. The Kodiak Island region appears to have been the "hearth" area, or staging ground for the dispersals of the first Eskimo cultures. In the period immediately preceding historic contact, Kodiak Island was also home to the most populous and culturally complex societies of the arctic maritime region (arctic coasts of Siberia, Alaska, Canada, and Greenland). Since nearly all of our prehistoric and early historic sites are coastal, archaeologists watched the 1989 Exxon-Valdez oil spill advance into Kodiak Island waters with great trepidation.

In an effort to minimize damage to the sites from shoreline cleanup activities, Exxon employed 26 professional archaeologists in a three-year cultural resource program. Federal archaeologists and State archaeologists were also sent out to monitor archaeological resources on National and State park lands. Shoreline cleanup activities were, nonetheless, very damaging to our prehistoric record. Data on site locations were improperly controlled by Exxon. Site maps were often given out to skippers, and in one case, a number of site location maps were found prominently heaped atop a curbside airport dumpster. Moreover, culture resource impact assessments by Exxon archaeologists did not make it out to field crews on a consistent basis, and very little on-site monitoring took place during cleanup. By Exxon's own admission, 22 sites which lay in the path of cleanup crews were vandalized during the summer of 1989 alone. Of these 22 sites, 17 were in the Kodiak area.

The true toll of three-years of cleanup activities is undoubtedly much higher. Exxon has done some post-spill assessment of archaeological damages, and the Park Service, and State have done some post-spill assessment of archaeological damage on their lands, but a comprehensive assessment of damage on all Kodiak Island lands has never been done. Thus, Native Corporation holdings, which are considered private land holdings, and other privately-owned lands, have largely been left out of consideration.

What is needed is a comprehensive survey of the nature and extent of archaeological resources on Kodiak Island. Proposals to use oil-spill settlement dollars for the purchase of additional park lands or for the establishment of habitat preserves need to consider archaeological resources as part of the equation. The

presence of archaeological resources does affect land valuations. So, the true value of a parcel of land cannot be accurately assessed without information on archaeological resources. Native Corporation land managers ought to have information on archaeological resources before they negotiate the sale of inholdings. All land managers, whether they work for the National Wildlife Refuge, the State parks, the Kodiak Island Borough, or one of Kodiak's many Native Corporations, are now faced with deciding whether any attempt should be made to stabilize vandalized sites. In some cases, stabilization with geo-textiles may be warranted, but this can be quite expensive, depending upon the extent of the damage. Thus, they need information on the extent and nature of archaeological resources so that they can begin to set priorities for stabilization or future site monitoring.

A comprehensive survey of Kodiak Island archaeological resources would also be a wise investment in the event of future oil-spills or other environmental damage. There is a distinct possibility that areas of the Shelikof Strait may be opened up to oil exploration leases. A number of important sections of our coastline, which could be directly impacted by a spill in the Shelikof Strait area, have never really been surveyed such as the west coast of Afognak Island, Olga Bay, southwestern Kodiak Island (south and west of Sturgeon Lagoon). The Kodiak Area Native Association (KANA) has been actively sponsoring archaeological excavations for almost ten years now. KANA has also developed innovative site stewardship and site monitoring programs which have caught the interest of the National Park Service, the State Historic Preservation Office, and the BIA. As a non-profit, KANA could conduct a comprehensive survey of Kodiak archaeological resources and carry out public education programs through its Alutiiq Culture Center with maximum return for the dollar. Accordingly, KANA proposes that *HB-411* allocate funds for comprehensive archaeological survey work and public education/outreach on archaeological resource protection.

Coastal survey and professional mapping costs are expensive. By means of comparison, the National Park Service conducted a post-spill assessment of archaeological sites in Prince William Sound, Kenai, Alaska Peninsula and Kodiak Island during the late summer/early fall of 1991 at a cost of roughly \$500,000. KANA would propose to charter a vessel and employ a six-man crew for a full summer of survey in Kodiak Island waters. The total number of sites which would be visited by KANA's crew would certainly equal the number visited by the Park Service crew. The Kodiak archipelago has more than twice the density of sites than exist in the remainder of the spill area (i.e., the Sound, Kenai Peninsula, and the western Alaska Peninsula). Thus, a comprehensive survey of Kodiak Island archaeological resources would probably cost upwards of \$500,000 allowing \$50,000 for professional mapping equipment (such as six EPS units, a plotter, a graphics image digitizer, and computer) and graphics generating software (AutoCad).

A comprehensive survey will undoubtedly generate several years' worth of laboratory work. Detailed maps and reports, including a photographic baseline of archaeological resources and cultural resource protection plans, will need to be produced once the survey has been completed. KANA would need to dedicate a

full-time staff archaeology position to this project. Although, KANA currently employs one full-time archaeologist, his time is split working on numerous projects.

Thus, it would be beneficial for *HB-411* to set funds aside so that KANA could employ at least one full-time archaeologist for this project. KANA's Culture Heritage Department enjoys good working relations with various Federal, State, and local entities, such as the National Park Service, the State Historic Preservation Office, the National Wildlife Refuge, and the Kodiak Island Borough. KANA has taken the lead in public outreach on matters of archaeological resource protection, and in training local residents in "site stewardship." KANA also operates the Alutiiq Culture Center which serves as a repository for archaeological collections, and research reports, and which disseminates information on archaeology to the general public and specialist audience alike. By setting aside a \$500,000 endowment for a KANA staff-position in archaeology, the State would be making a prudent investment in archaeological resource protection for all landowners and in public education.

Sincerely,

KODIAK AREA NATIVE ASSOCIATION  
KELLY SIMEONOFF, JR., PRESIDENT

*Phyllomena Knecht for Kelly Simeonoff, Jr.*

Phyllomena Knecht, Alutiiq Program



## CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

March 20, 1992

Representative Cliff Davidson  
Alaska House of Representatives  
P.O. Box V  
Juneau, Alaska 99574

Dear Cliff:

The CDFU Board of Directors met with representatives of Prince William Sound Aquaculture (PWSAC), Valdez Fisheries Development Association (VFDA) and ADF&G to identify and prioritize critical resource restoration and enhancement projects to be funded by the \$1.4 million allocated to Prince William Sound in HB 411.

The projects which the group has identified are critical to the basic, on-going management of PWS fisheries and have either been eliminated from the ADF&G budget or have been denied funding through the civil settlement monies by the EVOS Trustees. It is extremely disappointing that we are forced to utilize a portion of the State's criminal settlement to fund ADF&G projects that should be covered by the general fund. However, since funding is not forthcoming from regular sources, we are fortunate that there is at least this small amount of money that can be used as a safety net to keep these critical projects from falling through the cracks.

I wish to point out that we are submitting two lists of prioritized projects. The Priority A list includes projects which have been identified by consensus as being most critical to fisheries enhancement and restoration. The Priority B list is intended as a second tier of vital projects which we feel should be funded if additional monies become available.

### PRIORITY A

**\$175,000:** Herring Spawn Deposition Program for the 1993 spring field season. This program is a necessary basic management tool which provides biologists with a real-time estimate of herring biomass to accurately forecast and assess herring stocks.

**\$900,000:** **Salmon Coded-Wire Tag Recovery Project.** This program covers all species of salmon and provides vital information for assessing wild and hatchery salmon stocks. It also provides basic baseline data on the constitution and definition of salmon populations in Prince William Sound.

**\$65,000:** **Restoration of Coghill Lake Sockeye Run.**

**\$30,000:** **Monitoring Early Marine Growth of Juvenile Salmon.** Estimates of early marine growth of juvenile salmon are needed to evaluate the effectiveness of restoration efforts for wild stock salmon and to refine salmon forecasts.

**\$240,000:** **Run Reconstruction.** This project will estimate the effects of the Exxon Valdez Oil Spill on wild stock PWS pink salmon populations. This information will allow resource managers to take specific action to help restore damaged pink salmon stocks.

**TOTAL PRIORITY A LIST:        \$1,410,000**

#### **PRIORITY B**

**\$40,000**        **Adult Sockeye Weir at Eshamy Lake.** This basic management tool is necessary to achieve escapement levels and maximize the available harvest of Eshamy sockeyes for the 1992 season.

**\$30,000**        **Pink Salmon Aerial Surveys.** This project will provide information for escapement enumeration which will help avoid delays in opening the commercial harvest of pink salmon. Better information on pink salmon populations can ultimately reduce the incidence of watermarked fish and improve the quality of pink salmon harvested in PWS.

**\$30,000**        **Monitoring Sockeye Smolt in Eshamy Lake.** This project would estimate the outmigration of sockeye smolt from Eshamy Lake in the spring of 1993. This information is necessary to monitor the recovery of Eshamy Lake sockeye stocks and to determine fry survival and the lake's carrying capacity.

**\$265,000**        **CFOS Juvenile Salmon Studies.** This money would be appropriated for the Cooperative Fisheries and Oceanographic Studies (CFOS) which include monitoring of oceanic conditions and growth responses of juvenile salmon in PWS. This information is necessary for evaluating the recovery of wild stock salmon and forecasting future returns.

**\$70,000**        **1992 Pot Shrimp Survey.** This project will continue the monitoring of the pot shrimp stock to establish appropriate harvest levels.

**\$700,000**        **Coded-Wire Tagging of Wild Stock Salmon.** Coded-wire tagging of PWS wild stock salmon is needed to monitor the recovery and reduce the exploitation of damaged stocks.

**TOTAL PRIORITY B LIST:        \$1,135,000**

We appreciate your consideration of our input and hope that as many of the projects listed as Priority B receive funding. Again, it doesn't seem right that the State's criminal settlement monies be spent to fund ADF&G's bare-bones management projects. These projects belong in the general fund. HB 411 provides a one-year reprieve for some critical management programs, but it does little to assure continued funding for basic resource management in PWS.

The CDFU Board of Directors appreciates your efforts on behalf of HB 411. The bill may not be perfect, but you have done a remarkable job of accommodating a wide variety of needs and interest groups to the fullest extent possible. Thank you.

Sincerely,

CORDOVA DISTRICT FISHERMEN UNITED



Mary L. McBurney,  
Executive Director



# STATE OF ALASKA

HOUSE OF REPRESENTATIVES

Box V, Juneau, Alaska 99811

(907) 465-2487 • 465-2498

REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

TO: Senator Lloyd Jones, Chairman  
Senate Resources Committee

FROM: Representative Cliff Davidson 

DATE: 8 May 1992

SUBJECT: House Bill 411

House Bill 411 appropriates \$50 million in criminal restitution monies obtained from the Exxon Corporation for violations of the Migratory Bird Treaty Act. Those monies are available for expenditure by the Alaska State Legislature pursuant to the restrictions placed on the uses of those monies by the District Federal Court.

The language in the court order restricting the uses of the restitutionary payments is as follows: The monies "are to be used by the State of Alaska...exclusively for restoration projects, within the State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes restoration, replacement and enhancement of affected resources, acquisition of equivalent resources and services, and long term environmental monitoring and research programs directed to the prevention, containment, cleanup and amelioration of oil spills."

It is my belief that the provisions of HB 411 follow the letter and the spirit of the settlement. Following is a summary of the provisions of CS HB 411(Fin)am.

- Section 1 Findings and Purposes
- Section 2-4 Acquisition of key fish and wildlife habitat in three regions of Prince William Sound - \$8,700,000
- Section 5 Acquisition of and moratorium on Cape Suckling parcel near Cordova - \$6,000,000
- Section 6 Kachemak Bay acquisition - \$14,000,000
- Section 7 Acquisition of conservation easements along Kenai River - \$2,800,000
- Section 8 Prince William Sound Science Center research - \$800,000

Section 9 Weir site acquisition near Seward - \$75,000

Section 10 Acquisition of key fish and wildlife habitat in two key watersheds on Afognak Island, Kodiak - \$7,000,000

Section 11 Acquisition of key fish and wildlife habitat in one watersheds on Afognak Island, Kodiak - \$1,300,000

Section 12 Weir site acquisition - \$350,000

Section 13, 23, 24, 25  
Prince William Sound fishery restoration projects - \$1,410,000

Section 14-17 Cook Inlet fishery restoration projects - \$990,000

Section 18 Fishery restoration project near Seward - \$250,000

Section 19 Prince William Sound killer whale research - \$60,000

Section 20 Subsistence restoration near Chenega Bay - \$200,000

Section 21 Archeology work throughout the spill area - \$800,000

Section 22 Fisheries research for Fisheries Industrial Technology Center, Kodiak - \$100,000

Section 26 Expansion Fort Richardson sport fish hatchery - \$1,785,000

Section 27 Cleanup of Chenega Bay herring saltry - \$585,000

Section 28 Oyster spat hatchery, Seward - \$800,000

Section 29 Alaska Sea Life Center, Seward - \$565,000

Section 30 Oil/grease separators on Valdez storm drains - \$215,000

Section 31 Upgrading Prince William Sound hatchery - \$1,000,000

Section 32, 33 Prince William Sound fishery restoration projects - \$215,000

Section 34-39 Effective date clauses and lapse dates



# Northern Alaska Environmental Center

218 DRIVEWAY  
FAIRBANKS ALASKA 99701  
(907) 452 5021

Post-It™ brand fax transmittal memo 7671		# of pages
To	Senator Jones	From
Co.		Co.
Dept.		Phone #
Fax #	465-3522	Fax #

May 6, 1992

Senator Lloyd Jones  
Alaska Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Senator Jones:

As the session nears an end, there are many important things yet to do. Not least among them is to support HB 411, legislation authorizing the buyback of timber rights in Kachemak Bay, Cape Suckling, Afognak Island, and Prince William Sound.

It is fitting that Exxon settlement monies be used to repurchase timber rights in these areas. Local economies and statewide tourism depend on the protection of these magnificent natural treasures.

We urge you to support HB 411. Thank you for considering this pressing issue.

Sincerely,

David van den Berg  
Assistant Director





# CITY of YAKUTAT

P.O. Box 6  
YAKUTAT, ALASKA 99689  
(907) 784-3323

May 6, 1992

Senator Lloyd Jones  
Alaska State Legislature  
Juneau Alaska

RE: HB 411; Restoration Projects Appropriations

Dear Senator Jones:

On behalf of the City of Yakutat, I strongly urge your support for HB 411. Particularly important to the residents of the Yakutat region is Section 5 of the bill, allocating a \$6 million downpayment for repurchase of extensive timber rights in the Cape Suckling area from the University of Alaska, and providing for a ten year moratorium on timber harvests there to permit negotiation and full repurchase of such timber, as called for by the legislature under Ch. 143, SLA 1990. Under that Act, the legislature previously determined that, upon repurchase of the Cape Suckling timber rights, the tract would automatically become part of the Yakataga State Game Refuge. This was very important legislation to the residents of our area.

The Cape Suckling area is important habitat for diverse wildlife resources, including mountain goats, moose, bear and waterfowl. It is important to maintain a refuge and sanctuary for the area's wildlife, given the extensive logging plans for other portions of the coastal forest by the University, Chugach Alaska Corporation and, perhaps, the Mental Health Trust. The Cape Suckling tract also impacts the drainages of important subsistence and commercial salmon streams.

In the long term, the value of the Cape Suckling area to the State of Alaska, for recreation, subsistence and tourist use, will be greater than a one-time low quality timber harvest by the University. Moreover, the cash paid for the repurchase will go to a good cause, otherwise subsidized by the State, the University of Alaska.

Sincerely,

CITY OF YAKUTAT

Larry Powell, Mayor

Post-It™ brand fax transmittal memo 7671		# of pages
To	From	1
Senator Jones	Larry Powell	
Co.	City of Yakutat	
Dept.	Phone #	



## CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

TESTIMONY: HB 411  
Senate Resources Committee  
May 8, 1992

CDFU strongly supports the intent of HB 411 and urges the Senate Resources Committee to give primary consideration to using the State's criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams. The Cape Suckling tract represents an area which supports one of the richest runs of silver salmon on the Pacific coast and is heavily utilized by the Cordova fishing fleet.

We are also in support of the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal, which is included in Section 2 of the bill, would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

CDFU also supports the allocation of funds to the Department of Fish and Game for various fishery restoration and enhancement projects in Prince William Sound. The projects described in Sections of HB 411 are critical to the basic, on-going management of Prince William Sound fisheries and have either been eliminated from this year's ADF&G budget or have been denied funding through the civil settlement monies by the Exxon Valdez Oil Spill Trustees. It is extremely disappointing that we are forced to utilize a portion of the State's criminal settlement to fund ADF&G projects that should be covered by the general fund. However, since funding is not forthcoming from regular sources, we are fortunate that there is at least this small amount of money that can be used as a safety net to keep these critical projects from falling through the cracks.

Cordova District Fishermen United urges your support of HB 411. There is a real and immediate need to utilize the State's spill settlement funds to protect threatened critical habitat areas and fund projects that assist spill-impacted communities and natural resources to recover from the nation's largest oil spill. The Memorandum of Agreement states that the criminal settlement funds are to be used for restoration of natural resources. There is no greater or higher use of these monies and there is no time of greater need than now.

April 14, 1992

Senator Lloyd Jones  
Room 30, Capitol  
P.O. Box V  
Juneau, AK 99811

Dear Senator Jones,

House Bill 411, and specifically the acquisition of land and/or timber, is an inappropriate use of the Exxon Valdez Oil Spill settlement funds.

The attempt to acquire "upland forest habitat areas" as promoted by various special interest preservation groups is not based on scientific rationale to provide for restoration or enhancement of the affected resources within the Prince William Sound - Gulf of Alaska area. However, this is yet another blatant attempt on their part to halt natural resource development, in this case timber harvest. Feeding on the emotionalism of the oil spill, these preservationists are taking this opportunity to promulgate further misconception, false information and accusations directed against the forest products industry.

Representation have been made that logging, road construction, and its related activities will "compound the impacts of the oil spill". Accusations that "clearcut logging and road building create soil erosion, muddying streams and suffocating life in the streams and on the ocean floor" are simply unwarranted. This has not been the experience in southeast Alaska and simply is not the case in the southcentral Alaska region. The forest products industry within the Prince William Sound - Gulf of Alaska region, as well as throughout Alaska, coordinates all timber harvest operations with various State and Federal regulatory agencies. The Dept. of Natural Resources, Dept. of Environmental Coordination and Dept. of Fish & Game take very active participation in timber harvest operations.

Protection of forest habitat adjacent to salmon streams is essential and in this regard the forest products industry concurs with the fisheries industry that . The recently revised State of Alaska Forest Practices Act and Regulations establishes a mandatory 66 foot streamside buffer requirement on each side of all Class A anadromous fish streams. Based on scientific research, a buffer of this size was determined by the State of Alaska to be sufficient to adequately protect water quality and fish habitat concerns by providing shading to maintain in-stream temperatures and a long term source of "large woody debris" necessary for salmon spawning and rearing habitat. This buffer also creates an untouched area to provide natural filtration should short term erosion occur following timber harvest. Although this is a "taking" of private property, the forest products industry and private landowners supported the establishment of this streamside buffer and is an example of the of the industry's belief in responsible environmentally sound management of a renewable resource. Additionally, although not required to do so, a common industry practice in coastal regions is to establish shoreline buffer

zones for maintenance of wildlife habitat areas for such animals as brown and black bears, deer, otter, mink, bald eagles and the marbled murrelet. This shoreline buffer also aides to minimize any short term visual effects of timber harvest.

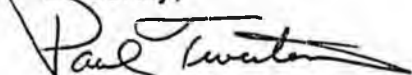
The adverse impacts to wildlife as a result of the oil spill have occurred in their use of the intertidal areas while foraging for food. This has been documented by studies indicating elevated oil levels in the tissue and fecal samples of brown bear and deer. Preserving upland forest habitat will provide neither a short term, nor long term enhancement to the life cycles of the wildlife in the affected areas. Specifically, timber acquisition will not contribute significantly to the recovery of those species severely damaged by the Exxon Valdez Oil Spill. Commercial fishing harvest levels, as documented in southeast Alaska, are not adversely affected by responsible timber harvest operations. The acquisition of forest areas, for the primary purpose of stopping timber harvest, will not protect or enhance the fisheries of this region.

HB 411 has been touted by some as "a chance to solve statewide conservation area protection issues." With the vast acreages of Alaska already set aside for this purpose, including areas within the Prince William Sound - Gulf of Alaska region, the State and Federal governments have previously established their credibility in the area of resource retention/protection.

Communities within the areas impacted by the Exxon Valdez Oil Spill will not receive an increased benefit from the acquisition of the timber over that which is received from the harvest of this renewable resource. Logging camps within this area range in size from 35 to over 80 people. I know of no guiding, recreation or tourism operation which provides as substantial economic benefit to the Prince William Sound - Gulf of Alaska region as the forest products industry. Additionally, the existence of a viable forest products industry is not at the expense or exclusion of the tourism industry. In fact, forest management activities, including timber harvest, provide opportunity for diversified recreational opportunities currently not available to the general public.

Habitat acquisition is not what the general public wants, Economic diversification and employment within the State of Alaska is what the public wants. As oil revenues continue to decline and industry lay-offs occur, the State of Alaska must look to and support development of other resource industries to maintain a healthy local economy. Use of the Exxon Valdez Oil Spill Settlement Funds should not be used to prohibit economic growth of this State. At one time there was a bumper sticker which, in effect, stated: Please Lord give us one more Prudhoe Bay and we will promise not to piss it away. Let's use the Settlement Funds for what it was intended for, that being true enhancement and/or restoration of the fisheries and wildlife seriously affected by the spill. This is what is right for the resources and the residents of the State of Alaska.

Sincerely,



Paul Tweiten  
Anchorage, Alaska

# CITY OF SEWARD

P.O. BOX 167  
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

April 10, 1992

THE HONORABLE LLOYD JONES  
Chairman, Senate Resources Committee  
MS 3100  
Juneau, AK 99811

## HB 411 - OYSTER HATCHERY FUNDING

At its regular meeting of April 8, 1992, the Seward Trade Board voted to give its full support to the \$800,000 appropriation identified in HB 411 for the proposed oyster hatchery to be located in Seward adjacent to the University of Alaska's Institute of Marine Science.

Oyster farming is a relatively new industry in Alaska, and the only obstacle to its success appears to be locating a supply of large spats, produced in cold water, which will produce a marketable product within an economically viable time frame. The proposed oyster hatchery should answer that need.

We urge you and the other members of the Senate Resources Committee to recommend passage of this bill with funding for the hatchery intact.

Sincerely,

THE CITY OF SEWARD, ALASKA

  
WILLARD DUNHAM  
TRADE BOARD CHAIRMAN

cc: North Pacific Rim

WALTER J. HICKEL  
GOVERNOR

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

April 9, 1992

The Honorable Edward Madigan  
Secretary of Agriculture  
14th and Independence  
Washington, DC 20250

Dear Secretary Madigan:

As a result of the state and federal government's settlement of their criminal and civil litigation against Exxon related to the Exxon Valdez oil spill, money has been made available for restoration projects in the areas affected by the spill. The public has responded with a number of ideas on how to spend this money. Chief among them are habitat acquisition, long-term scientific research, and a variety of other restoration projects or enhancements to Prince William Sound and other areas affected by that spill.

As you know, I have long believed that the northern Gulf Coast, especially Prince William Sound, is one of the world's greatest water parks. To make these places accessible and usable by Alaskans and others visiting our state, it is clear that we must provide long-term protection, restoration, and enhancement of the resources in these areas. Toward that end, my administration recommends to the federal government and to our state legislature the following courses of action:

1. We are recommending that the Alaska State Legislature create an endowment from the \$50 million received by the state as criminal restitution as a result of the spill. Investment earnings from the \$50 million in the endowment would be available to finance restoration projects, subject to legislative appropriations, including (a) acquiring critical habitat-and state park lands in Alaska, and (b) financing restoration research and other enhancements in the affected areas.
2. We urge the federal government to use its share of the restitution related to that spill to match our efforts by supporting the same objectives--acquiring land for federally managed areas and supporting similar research in the affected areas of Alaska. We offer our assistance to work with the federal trustees and our congressional delegation to facilitate meeting these objectives.
3. We are recommending a plan to the Alaska State Legislature to buy land in Kachemak Bay State Park that is now privately owned, through annual appropriations of one-half of the investment earnings from the state's proposed

April 8, 1992  
Page 2

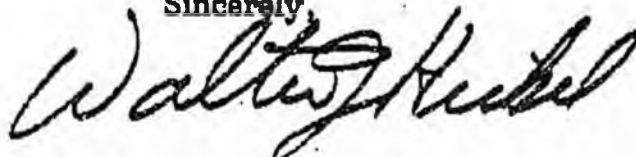
endowment for ten years. Through this purchase, we can return these valuable lands to state-owned public lands. Kachemak Bay State Park was formed in 1970 and designated as part of the state park system. Even though Alaska selected much of this land as part of its statehood entitlement, Native selections took precedence. It is now time that we gain official ownership of these lands through the purchase of these unique resources, and hence the ability to protect those resources as they recover from the effects of the oil spill.

On the federal side, we understand that the United States Fish and Wildlife Service has identified land within the Kodiak Island Wildlife Refuge as critical Kodiak bear habitat that should be returned to the refuge. If a federal endowment is created from its share of the criminal restitution payment, the federal government should consider using investment earnings from that endowment to purchase land on Kodiak, as well as financing restoration research in the affected areas of Alaska. There are also important privately-owned habitats on Afognak Island and in Prince William Sound that we should address together with the federal government for potential purchase and protection as public land.

As you know, our state trustees have also proposed an endowment for the investment of money to be received and managed jointly with the federal government from the Exxon Valdez civil settlement. We hope the federal trustees will join with the state trustees to support this issue. Rather than spending the criminal and civil money as it is received, we can establish these endowments and have the flexibility to address impacts of the Exxon Valdez spill in ways that may not be fully apparent at present.

With best regards.

Sincerely,



Walter J. Hickel  
Governor

cc: Michael A. Barton, Regional Forester  
U.S.D.A. Forest Service

**Area K Seiners Association**  
P.O. Box 2399 Kodiak, Alaska 99615  
Phone 907/486-4686 FAX 907/486-7655

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Senator Lloyd Jones  
Chairman, Senate Resources Committee  
Room 30, State Capitol  
Juneau, Alaska 99801-1182

April 7, 1992

Dear Senator Jones,

We would appreciate your attention to recently introduced legislation dealing with expenditure of the \$50 million criminal penalty from the Exxon Valdez oilspill settlement. SB 379 and its House companion bill, HB 411, are vehicles for promoting restoration projects in the spill affected areas. It is clear that we need the leadership of the Alaska State Legislature to initiate a meaningful restoration program.

HB 411 and SB 379 have received widespread support in Kodiak. We hope that after reviewing this legislation you will join us in supporting this citizens' effort to achieve a wise and productive restoration program.

Sincerely,

*Kelly Schactler*

Kelly Schactler, Director  
Area K Seiners Association

April 4, 1992

Senator Fred Zharoff  
Chairman, Senate Rules Committee

Dear Senator Zharoff,

We would like to thank you and your staff for the time spent communicating with representatives of various Kodiak area groups who have an interest in HB 411 and its counterpart SB 379. Both pieces of legislation deal with the \$50 million criminal penalty from the Exxon Valdez oilspill settlement. This money was dedicated to the Alaska State Legislature under specific guidelines for restoration work in the spill affected areas.

HB 411 has received a substantial amount of input and has undergone several drafts. It now includes proposals which are important to people in all of the spill affected areas. During a recent House Resources Committee hearing on HB 411 a total of 48 individuals and representatives of interested organizations from 13 communities testified. Of this group all but one supported HB 411. The Kodiak area groups which currently support HB 411 include: Area K Seinners, Kodiak Regional Aquaculture Association, Afognak Joint Venture, Seal Bay Timber Joint Venture, the Alutiiq Cultural Center, the University of Alaska Fishery Industrial Technology Center, Kodiak Audubon, and the Kodiak State Parks Citizens' Advisory Board. The Kodiak Borough Assembly unanimously adopted Resolution 92-11 in support of the current draft of HB 411.

Of particular interest are the conservation land purchases included in HB 411. Here exists an opportunity to acquire areas which are critical for fisheries and wildlife habitat, and access by sport and subsistence hunters and fishermen, recreational users, and tourists. Under state management we could expect to both preserve and enhance public use. The state cannot lose under the current scenario by acquiring such valuable assets, namely high quality lands and development rights. Money spent for conservation land purchases would provide an economic boost in various communities when area native corporations invest the purchase funds in local projects. Local economies will also receive a boost when shareholders spend their increased dividends.

SB 379 (Sen. Curt Menard, sponsor) is identical to the initial draft of HB 411. This bill should be expanded and modified so that it is identical to the current draft of HB 411. Any input or guidance you could provide in this area would be greatly appreciated.

In closing, we would like to note that many people are dismayed and disillusioned with the Trustee Council's oversight of spill

settlement funds. The Trustees evidently intend to use all but a pittance of the first year's restitution for reimbursing legal fees and for on going damage assessment studies; studies which may not even be available to the public because of litigation sensitivity. Even more disturbing are next year's funding projections, which include more of the same: legal fees and damage assessment studies. At this time it is unclear if these funds will ever go towards anything of substance. Many people are looking to the legislature to set an example for the trustees. HB 411 and SB 379 are the vehicles for starting true restoration in the spill affected areas.

Thank you for your attention to this important issue. Your staff has been most courteous and helpful in our contacts with your office.

Sincerely,

*Kelly Schactler*

Kelly Schactler  
Director, Area K Seiners Association

*June M. Selby Mayor Kodiak Island Borough*  
*John Frank Director FITC*  
*Kelly Simonoff Jr Kodiak Area Native Association*

*Lawrence M. Malloy - Executive Director, Kodiak Regional ~~Association~~ Assoc.*

*Howard Malloy - Chairman Afognak Joint Venture*

*Roger F. Blackett - Chairman Kodiak State Parks Citizens' Advisory Board*

*Doug Petrich - Conservation Chair, Kodiak Audubon*

cc: Alaska State Senate

*Philomena Kuecht, KANA Alutiq. Culture Center, Kodiak*

STATE COMMITTEE REPORT

5/5/92

FURTHER: Finance

*Frank*

DATE TURNED INTO OFFICE: May 10, 1992

Resources Committee considered CS HB 411 (FINANCE) am (efd fld)

"An Act making appropriations for restoration projects relating to the Exxon Valdez oil spill."

~~and reports as follows~~

and recommends:

replace with 5 CS CS HB 411 Rest  same title  
 adopt previous CS  new title  
 attaches amendment(s) + rpt as follows  technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*APP NO*

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

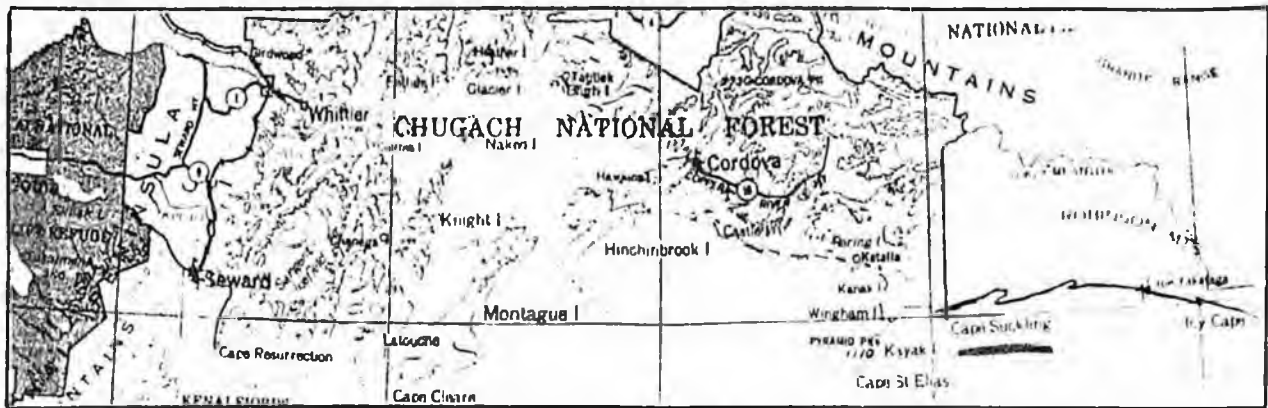
appropriation--no fiscal note

~~DO PASS~~

**OTHER RECOMMENDATIONS:**

*[Signatures]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Frank

1 Lloyd Jones (No Rec)  
Chair: Signature and Recommendation



## **THREE GOOD REASONS TO SUPPORT BUYBACK OF CAPE SUCKLING TIMBER RIGHTS IN HB 411—Exxon Settlement monies**

**1) Buyback of Cape Suckling timber rights would protect critical habitat and compensate Cordova and other spill impacted communities with an acquisition of equivalent resources authorized under the settlement.**

Cape Suckling is among the highest value fish and wildlife habitats in Alaska. People in Cordova and Prince William Sound rely on the coastal ecosystem for their livelihoods and recreation. As a result of the oil spill damage, alternate resources become increasingly important. Commercial and sport fishermen, hunting guides, tourism operators and recreationists from Cordova and other spill impacted communities rely on Cape Suckling for jobs and recreation. Repurchase of Cape Suckling timber is an appropriate use of Exxon settlement monies. The criminal penalty settlement authorizes repurchase of equivalent resources.

Cape Suckling contains some of the best coho salmon habitat in the state supporting commercial, sport and subsistence fisheries. Over 1000 bald eagles from heavily oiled western Prince William Sound migrate to Cape Suckling for fall and winter coho runs. The area also supports exceptional populations of mountain goats, brown and black bear, and moose.

**2) Buyback of Cape Suckling timber rights would fulfill a long-term legislative and community goal.**

Thanks to the hard work of local communities, the University and many others, the Alaska Legislature designated the Yakataga State Game Refuge in 1990. This legislation specified that once timber buyout occurs, the Cape Suckling area automatically becomes part of the adjacent Yakataga Game Refuge.

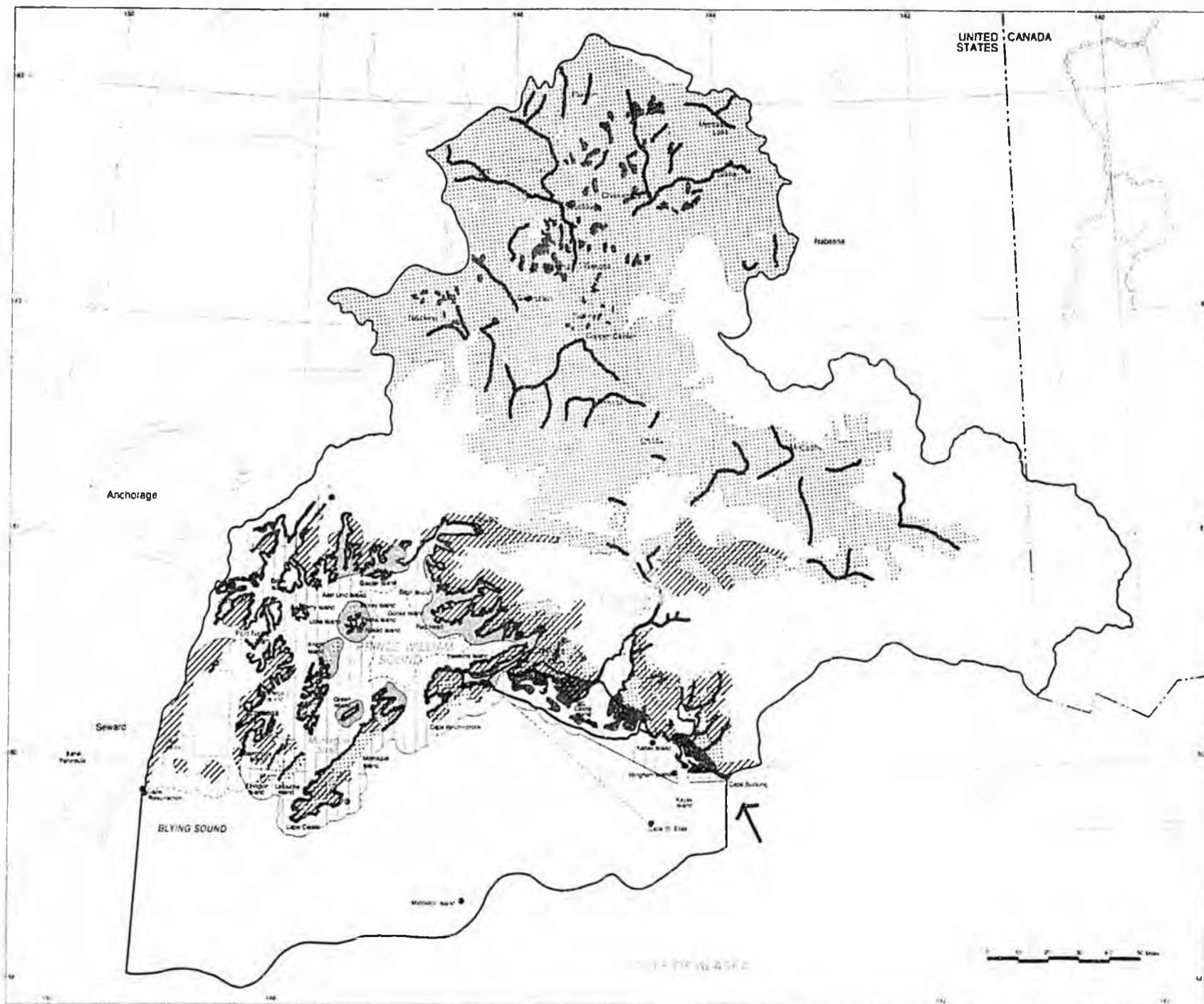
**3) Buyback of Cape Suckling timber rights is an investment in the University of Alaska.**

Because the timber rights are held by the University, money spent to purchase Cape Suckling timber rights will go into a trust fund for educating Alaskans. This is an investment in our citizens, our children, and our future.

### **SUPPORT HB 411**











**Begin restoring and replacing resources damaged in the oil spill!**

# Prince William Sound, Copper River, North Gulf of Alaska Ecosystem

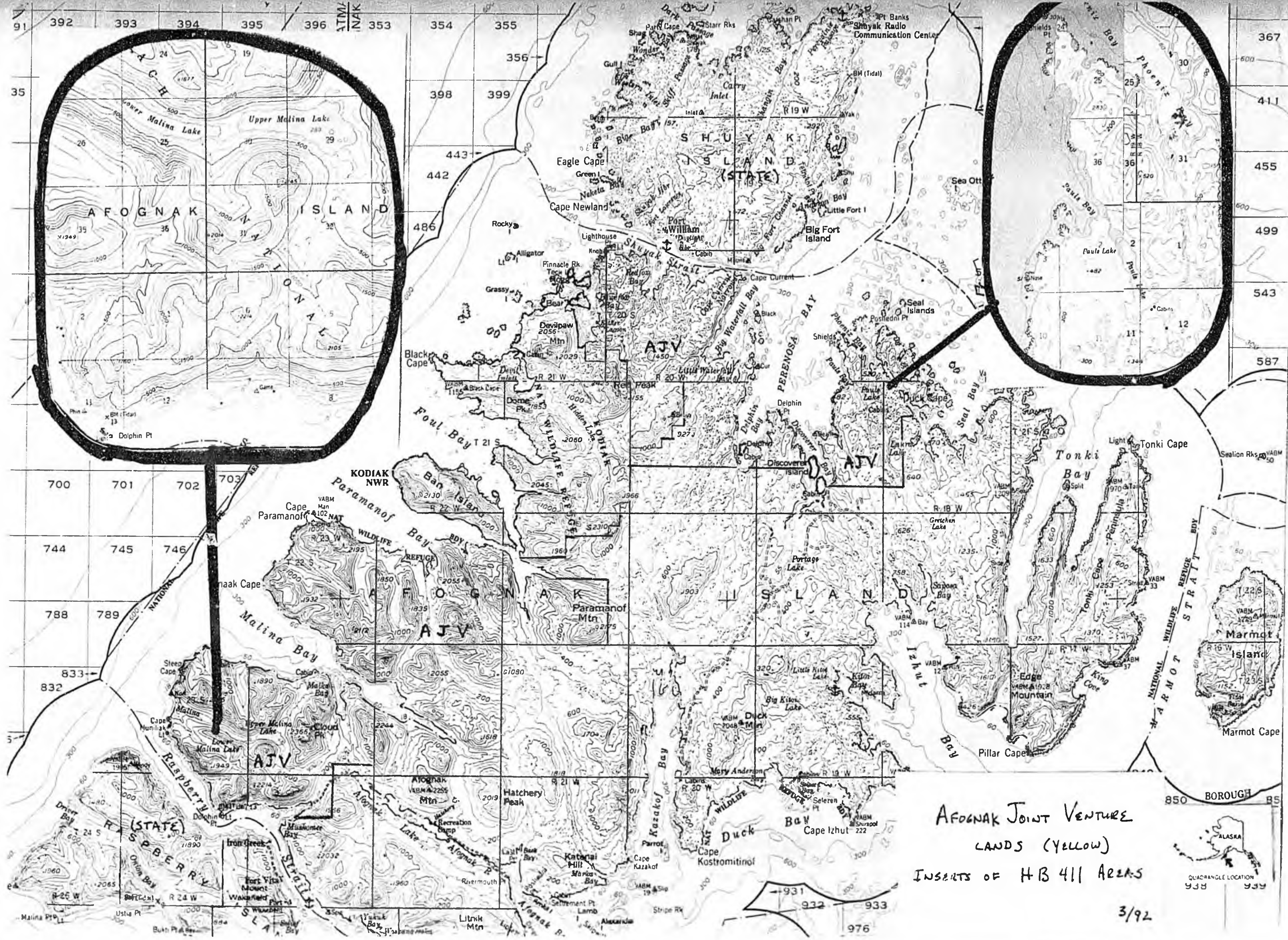


Map 3

## Biological and Ecological Resources

-  Temperate rain forests
-  Salmon spawning
-  Herring spawning
-  Wetlands and tidal flats
- Critical marine environments**
-  Prince William Sound
-  Continental Shelf
-  Shorebird habitats and seabird colonies
-  Black-tailed deer, moose, and caribou ranges
-  Protected areas
-  Ecosystem complex boundary

Projection  
 Universal Transverse Mercator  
 Base Source  
 Arctic Environmental Information and  
 Data Center 1978



AFOGNAK JOINT VENTURE  
LANDS (YELLOW)  
INSERTS OF HB 411 AREAS



3/92

7-LS1718H ✓  
 Utermohle  
 5/10/92

**SENATE CS FOR CS FOR HOUSE BILL NO. 411 (RESOURCES)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY SENATE RESOURCES COMMITTEE**

**Offered:**

**Referred:**

**Funding Information:**   General Fund   \$   -0-  
                                   Other Funds    50,000,000  
   \$50,000,000

**Sponsor(s): REPRESENTATIVES DAVIDSON, Navarre, Gruenberg, Finkelstein, Ellis, Mackie, Kubina**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making appropriations for restoration projects relating to the Exxon Valdez oil  
 2 spill."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1. FINDINGS.** The Seventeenth Alaska State Legislature finds that

5           (1) Under the recently approved criminal plea agreement between the United States and  
 6 Exxon Shipping Company and Exxon Corporation (United States of America v. Exxon Corporation and  
 7 Exxon Shipping Company, United States District Court, District of Alaska, case No. A90-015 CR.), the  
 8 State of Alaska received \$50,000,000 as "remedial and compensatory payments." The payments received  
 9 by the state "are to be used by the State of Alaska . . . exclusively for restoration projects, within the  
 10 State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes restoration, replacement  
 11 and enhancement of affected resources, acquisition of equivalent resources and services, and long-term  
 12 environmental monitoring and research programs directed to the prevention, containment, cleanup and  
 13 amelioration of oil spills."

14           (2) The expeditious appropriation of remedial and compensatory payments for the

1 acquisition and protection of high value resources and services and action on appropriations for  
2 additional restoration, replacement, and enhancement activities will provide interim protection needed  
3 to allow the Exxon Valdez Trustee Council time to develop a systematic restoration plan. The  
4 appropriations made by this Act complement the process being established by the Exxon Valdez Trustee  
5 Council.

6 (3) As stated by the United States Department of Justice in recommending that the United  
7 States District Court accept the criminal plea agreement, "[t]his oil spill was a catastrophe, and it was  
8 also an environmental crime. The criminal remedy should, likewise, in substantial part, be environmental  
9 in nature; . . . The environment, as a victim, must be aided quickly through efforts funded by  
10 restitutionary payments."

11 (4) The health of damaged coastal and near-shore habitats is substantially related to  
12 activities on adjacent uplands. Economically important fish species, including herring and halibut, utilize  
13 near-shore areas, and anadromous species, including five species of salmon, rely on continued access  
14 to both clean streams and unpolluted estuaries for spawning and rearing.

15 (5) Sea otter pups are particularly dependent on pristine water quality, a productive near-  
16 shore and shallow subtidal ecosystem, and a disturbance free environment.

17 (6) Populations of aquatic birds, including the tree-nesting marbled murrelet and bald  
18 eagle and the fresh water nesting species such as harlequin ducks, were severely damaged by the Exxon  
19 Valdez oil spill.

20 (7) Recreational, aesthetic, and subsistence services provided by the prespill environment  
21 were severely damaged. Residents who relied upon these services desire to have these damaged services  
22 replaced through the acquisition and retention of comparable threatened resources.

23 (8) The quality of fresh water entering the estuarine environment is critical to satisfactory  
24 restoration and recovery of the physical and biotic environment in the region affected by the Exxon  
25 Valdez oil spill.

26 (9) Recovery of the coastal estuaries affected by the Exxon Valdez oil spill is placed at  
27 risk by further environmental stress resulting from timber harvesting and other industrial activities that  
28 involve substantial environmental disturbance. In order to minimize the potential for further  
29 environmental stress and to encourage and enhance the natural recovery and restoration of the affected  
30 region, acquisition of coastal related uplands in the affected region, including Prince William Sound, the  
31 Kenai Peninsula, the Kodiak Archipelago, and adjacent biologically related areas, is an important use

1 of "remedial and compensatory payments" received by the state under the criminal plea agreement.

2 (10) Continued citizen involvement and education of residents and nonresidents are  
3 essential to the expeditious and effective restoration of the areas affected by the Exxon Valdez oil spill,  
4 and to the prevention of future oil spills and the restoration of public confidence in the ability of the  
5 state to protect the environment.

6 \* Sec. 2. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
7 \$4,350,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
8 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria  
9 on timber harvesting from willing sellers in the areas of Eyak Lake, Nelson Bay, Simpson Bay, and  
10 Sheep Bay in Township 15 South, Range 2 West; Township 15 South, Range 3 West; Township 14  
11 South, Range 3 West; and Township 14 South, Range 4 West, Copper River Meridian.

12 \* Sec. 3. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
13 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
14 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria  
15 on timber harvesting from willing sellers in the areas of Port Fidalgo and Bligh Island in Township 12  
16 South, Range 6 West; Township 12 South, Range 7 West; and Township 12 South, Range 9 West,  
17 Copper River Meridian.

18 \* Sec. 4. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
19 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
20 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria  
21 on timber harvesting from willing sellers in the areas of Eshamy Bay, Paddy Bay, Ewan Bay, Jackpot  
22 Bay, Chenega Island, Evans Island, and southern Knight Island in Township 1 South, Range 9 East;  
23 Township 1 North, Range 9 East; Township 1 South, Range 8 East; Township 1 North, Range 8 East;  
24 Township 1 North, Range 10 East; Township 2 North, Range 8 East; Township 3 North, Range 7 East;  
25 Township 3 North, Range 8 East; Township 4 North, Range 7 East; Township 4 North, Range 8 East;  
26 Township 4 North, Range 9 East; Seward Meridian.

27 \* Sec. 5. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum  
28 of \$9,000,000 is appropriated from the remedial and compensatory payments to the endowment trust  
29 fund established under AS 14.40.400 upon the completion of an agreement before January 1, 1993,  
30 between the Department of Natural Resources and the Board of Regents of the University of Alaska for  
31 (1) the transfer of timber rights on land between Seal River and Cape Suckling (as

1 conveyed under ADL 223456 and known as the Cape Suckling parcel) to the Department of Natural  
2 Resources under the terms of ch. 143, SLA 1990; and

3 (2) a moratorium on the sale, harvesting, or other development by the University of  
4 Alaska or its agents or contractors of the land described in (1) of this subsection that is subject to timber  
5 rights held by the University of Alaska until December 31, 2002.

6 (b) It is the intent of the legislature that the agreement between the Department of Natural  
7 Resources and the Board of Regents of the University of Alaska described in (a) of this section must  
8 provide that

9 (1) the value of the timber rights on the Cape Suckling parcel is established as the fair  
10 market value of those rights on July 1, 1992, under the process for appraisal and repurchase developed  
11 under ch. 143, SLA 1990, provided that if the Department of Natural Resources and the Board of  
12 Regents are unable to reach agreement as to the fair market value, the Department of Natural Resources  
13 and the Board of Regents shall each submit a final offer that is between the two appraisals and a  
14 mutually acceptable arbitrator shall determine the value of the timber rights by selecting the more  
15 reasonable of the offers submitted by the Board of Regents or the Department of Natural Resources;

16 (2) if the fair market value of the timber rights exceeds \$9,000,000, the Department of  
17 Natural Resources shall seek additional appropriations or provide additional assets necessary to complete  
18 the acquisition of the timber rights; if the University of Alaska has received more than two-thirds of the  
19 total value of the timber rights before December 31, 1997, then the moratorium described in (a)(2) of  
20 this section shall be extended to December 31, 2007; interest shall accrue on the unpaid balance owing  
21 the endowment trust fund at the rate prescribed by AS 09.30.070 and shall be included in the total  
22 purchase price for the timber rights;

23 (3) if timber rights remain to be purchased at the conclusion of the moratorium, the  
24 Department of Natural Resources and the Department of Fish and Game shall select timber rights for  
25 those areas of the Cape Suckling parcel that are most valuable for fish and wildlife habitat and most  
26 desirable for inclusion in the Yakataga State Game Refuge, up to the value of funds already paid to the  
27 endowment trust fund plus an amount for imputed interest at the rate prescribed by AS 09.30.070 from  
28 the date of payment; all timber rights selected by either department shall be valued at the fair market  
29 value on July 1, 1992, plus an adjustment for interest at a rate prescribed in AS 09.30.070; in making  
30 their selections, the departments shall assure that the University of Alaska retains reasonably accessible,  
31 harvestable, and economically viable areas in which to harvest its remaining timber;

1 (4) in the event that the title of the University of Alaska to timber on the Cape Suckling  
2 parcel is determined to be invalid before the end of the moratorium, the terms of this subsection shall  
3 no longer apply and each party to the agreement shall retain the timber rights or funds it possesses on  
4 the date of the determination.

5 \* Sec. 6. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
6 \$5,809,315 is appropriated from the remedial and compensatory payments to the Department of Natural  
7 Resources for the purchase of the inholdings of the Seldovia Native Association and of the Timber  
8 Trading Company, within the Kachemak Bay State Park as identified in the Preliminary Exchange  
9 Agreement dated June 30, 1989, as amended as of the effective date of this Act, between the state, the  
10 Seldovia Native Association, and the Timber Trading Company; and for the purchase of the inholdings  
11 of the Cook Inlet Region, Inc., within Kachemak Bay State Park.

12 \* Sec. 7. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
13 \$2,800,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
14 Resources for the acquisition of development rights or conservation easements in aquatic, wetland, and  
15 riparian areas important to the maintenance of important commercial and sport fish populations within  
16 the Kenai River watershed.

17 \* Sec. 8. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
18 \$800,000 is appropriated from the remedial and compensatory payments to the Department of  
19 Environmental Conservation for payment as a grant under AS 37.05.316 to the Prince William Sound  
20 Science Center for facility renovation, long-term damage assessment and aquatic ecosystem monitoring,  
21 and development of an ecosystem database using a geographic information system for the greater Prince  
22 William Sound ecosystem.

23 \* Sec. 9. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
24 \$75,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
25 Resources for payment as a grant under AS 37.05.316 to the Cook Inlet Aquaculture Association for  
26 acquisition of 33 acres of land (Kenai Peninsula Borough tax number 125-010-32; North 1/2 of the  
27 Northeast 1/4 of Section 13, Township 1 North, Range 1 West, Seward Meridian) adjacent to the Cook  
28 Inlet Aquaculture Association Bear Creek weir site.

29 \* Sec. 10. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum  
30 of \$7,000,000 is appropriated from the remedial and compensatory payments to the Department of  
31 Natural Resources for the acquisition from willing sellers of land surrounding Pauls Lake and Malina

1 Lake on Afognak Island. One-half of this appropriation shall be used to acquire land in Township 20  
2 South, Range 18 West, Seward Meridian, Sections 30 and 31; Township 20 South, Range 19 West,  
3 Seward Meridian, Sections 24, 25, 26, and 36; and Township 21 South, Range 19 West, Seward  
4 Meridian, Sections 1, 2, 3, 10, 11, and 12; the balance of this appropriation shall be used to acquire land  
5 on Afognak Island in watersheds draining into Muskomee Bay and into Malka Bay and land westward  
6 of the watersheds draining into Muskomee Bay and into Malka Bay in Township 23 South, Range 23  
7 West; Township 23 South, Range 24 West; Township 24 South, Range 23 West; and Township 24  
8 South, Range 24 West, Seward Meridian.

9 (b) It is the intent of the legislature that the land acquired under this section be comprised of not  
10 more than two reasonably compact parcels.

11 \* Sec. 11. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
12 \$1,300,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
13 Resources for the acquisition of land or development rights from willing sellers on eastern Afognak  
14 Island in Township 21 South, Range 18 West, Seward Meridian.

15 \* Sec. 12. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
16 \$350,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
17 Game for the acquisition from willing sellers of land, leases, or development rights in land at weir sites  
18 important to anadromous fisheries in the Kodiak Archipelago.

19 \* Sec. 13. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
20 \$175,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
21 Game for a herring spawn deposition program in Prince William Sound.

22 \* Sec. 14. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
23 \$560,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
24 Game for a four-fold increase in test fishing at the boundary of the Cook Inlet Central District to  
25 improve estimates of sockeye salmon run timing in the district.

26 \* Sec. 15. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
27 \$100,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
28 Game to provide "in season" estimates of the contributions of Kenai River, Susitna River, and Kasilof  
29 River sockeye salmon stocks to the total sockeye salmon run at the boundary of the Cook Inlet Central  
30 District by using stock identification techniques.

31 \* Sec. 16. In order to achieve the purposes of the remedial and compensatory payments, the sum of

1 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
2 Game for a study to verify the forecast for 1993 and 1994 five year old Kenai River sockeye salmon  
3 through analysis of the 1992 and 1993 returns of four year old sockeye salmon.

4 \* Sec. 17. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
5 \$300,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
6 Game for a study to provide a total return estimate of the Kenai River sockeye salmon runs in 1993 and  
7 1994 by considering genetic stock identification estimates for the East Side set net fishery.

8 \* Sec. 18. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
9 \$250,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
10 Game for payment as a grant under AS 37.05.316 to the Cook Inlet Aquaculture Association for an  
11 accelerated growth sockeye salmon smolt program in Thumb Cove in Resurrection Bay.

12 \* Sec. 19. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
13 \$60,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
14 Game for a contract to continue long-term research and monitoring of killer whales in Prince William  
15 Sound.

16 \* Sec. 20. In order to restore, replace, and enhance subsistence resources and services in southwestern  
17 Prince William Sound, particularly areas in or around Chenega Bay including Eshamy Bay, Granite Bay,  
18 Chenega Island, Evans Island, Elrington Island, Bainbridge Island, Latouche Island, and Knight Island,  
19 the sum of \$200,000 is appropriated from the remedial and compensatory payments to the Department  
20 of Environmental Conservation for payment as a grant under AS 37.05.316 to the Chenega Bay Local  
21 Response Program for restoration of subsistence resources and services, including removal of oiled  
22 sediment, oil, and oil debris and revegetation of beach rye grass.

23 \* Sec. 21. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum  
24 of \$800,000 is appropriated from the remedial and compensatory payments to the Department of Natural  
25 Resources for contracts to assess, inventory, and map the archeological resources of the area affected  
26 by the Exxon Valdez oil spill.

27 (b) It is the intent of the legislature that contractors employed under (a) of this section agree to  
28 comply with federal and state laws, including the Archeological Resources Protection Act of 1979 (16  
29 U.S.C. 470aa - 470ll) and AS 41.35.010 - 41.35.240, and the terms and conditions of the consent decree  
30 entered by the United States District Court in Native Village of Chenega Bay v. United States and State  
31 of Alaska, United States District Court, District of Alaska, case No. A91-454 Civ.

1 \* **Sec. 22.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
2 \$100,000 is appropriated from the remedial and compensatory payments to the University of Alaska,  
3 Fairbanks, Fishery Industrial Technology Center for design and planning of a fishery technology and  
4 research facility.

5 \* **Sec. 23.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
6 \$1,140,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
7 Game for salmon projects in Prince William Sound.

8 \* **Sec. 24.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
9 \$65,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
10 Game for restoration of the Coghill Lake sockeye salmon run.

11 \* **Sec. 25.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
12 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
13 Game to monitor the early marine growth of juvenile salmon in Prince William Sound.

14 \* **Sec. 26.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
15 \$1,785,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
16 Game, division of fisheries rehabilitation, enhancement and development, for construction of a heated  
17 water pipeline to the Fort Richardson Hatchery.

18 \* **Sec. 27.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
19 \$585,000 is appropriated from the remedial and compensatory payments to the Department of  
20 Environmental Conservation for removal and cleanup of the Chenega Bay herring saltery.

21 \* **Sec. 28.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
22 \$800,000 is appropriated from the remedial and compensatory payments to the Department of  
23 Community and Regional Affairs for payment as a grant under AS 37.05.316 to the North Pacific Rim  
24 Corporation for establishment and operation of an aquatic farm shellfish hatchery.

25 \* **Sec. 29.** In order to achieve the purposes of the remedial and compensatory payments, the sum of  
26 \$565,000 is appropriated from the remedial and compensatory payments to the Department of  
27 Administration for payment as a grant under AS 37.05.315 to the City of Seward for research by the  
28 Alaska Sea Life Center on endangered species in the region affected by the Exxon Valdez oil spill.

29 \* **Sec. 30.** In order to achieve the purpose of the remedial and compensatory payments, the sum of  
30 \$215,000 is appropriated from the remedial and compensatory payments to the Department of  
31 Administration for payment as a grant under AS 37.05.315 to the City of Valdez to install oil and grease

1 separators on the storm drains.

2 \* Sec. 31. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
3 \$1,000,000 is appropriated from the remedial and compensatory payments to the Department of  
4 Commerce and Economic Development for payment as a grant under AS 37.05.316 to the Prince  
5 William Sound Aquaculture Corporation for upgrading the Main Bay hatchery.

6 \* Sec. 32. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
7 \$130,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
8 Game for payment as a grant under AS 37.05.316 to the Valdez Fisheries Development Association, Inc.,  
9 for a study of the migration behavior of juvenile Prince William Sound salmon.

10 \* Sec. 33. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
11 \$85,000 is appropriated from the remedial and compensatory payments to the Department of Fish and  
12 Game for payment as a grant under AS 37.05.316 to the Valdez Fisheries Development Association, Inc.,  
13 for a remote release fry transport study.

14 \* Sec. 34. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
15 \$5,000,000 is appropriated from the remedial and compensatory payments to the Department of Revenue  
16 for establishment of a commercial fisheries development endowment for the Alaska Fisheries  
17 Development Foundation for the purpose of fisheries development and research, including research on  
18 the effects of the Exxon Valdez oil spill on commercial fisheries. The appropriation made by this  
19 section is contingent upon the enactment into law of a bill passed by the Seventeenth Alaska State  
20 Legislature establishing the commercial fisheries development endowment.

21 \* Sec. 35. In order to achieve the purposes of the remedial and compensatory payments, the sum of  
22 \$190,685 is appropriated from the remedial and compensatory payments to the Department of Fish and  
23 Game for the development of a commercial sockeye salmon fishery at Kodiak Island to replace damaged  
24 Red Lake stocks.

25 \* Sec. 36. In this Act, "remedial and compensatory payments" means the remedial and compensatory  
26 payments received by the state under the criminal plea agreement between the United States and Exxon  
27 Shipping Company and Exxon Corporation in United States of America v. Exxon Corporation and Exxon  
28 Shipping Company, United States District Court, District of Alaska, case No. A90-015 CR.

29 \* Sec. 37. The appropriations made by secs. 2 - 7, 9 - 12, and 20 of this Act replace resources and  
30 services injured by the Exxon Valdez oil spill with equivalent resources and services.

31 \* Sec. 38. The appropriations made by secs. 2 - 4, 6, 7, 9 - 12, 21, 22, 26, 30 and 31 of this Act are

1 for capital projects and lapse under AS 37.25.020.

2 \* **Sec. 39.** The appropriations made by secs. 8, 18, 23, 27 - 29, 32, 33, and 35 of this Act lapse into  
3 the fund from which they were appropriated June 30, 1995.

4 \* **Sec. 40.** The unexpended and unobligated balances of the appropriations made by secs. 14 - 17,  
5 19, 20, 24, and 25 of this Act lapse into the fund from which they were appropriated December 31,  
6 1994.

7 \* **Sec. 41.** The unexpended and unobligated balances of the appropriations made by secs. 5 and 13  
8 of this Act lapse into the fund from which they were appropriated June 30, 1993.

9 \* **Sec. 42.** The appropriation made by sec. 34 of this Act is for the establishment of an endowment  
10 and does not lapse.



# STATE OF ALASKA

HOUSE OF REPRESENTATIVES

Box V, Juneau, Alaska 99811

(907) 465-2487 • 465-2498

REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

TO: Senator Lloyd Jones, Chairman  
Senate Resources Committee

FROM: Representative Cliff Davidson 

DATE: 8 May 1992

SUBJECT: House Bill 411

House Bill 411 appropriates \$50 million in criminal restitution monies obtained from the Exxon Corporation for violations of the Migratory Bird Treaty Act. Those monies are available for expenditure by the Alaska State Legislature pursuant to the restrictions placed on the uses of those monies by the District Federal Court.

The language in the court order restricting the uses of the restitutionary payments is as follows: The monies "are to be used by the State of Alaska....exclusively for restoration projects, within the State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes restoration, replacement and enhancement of affected resources, acquisition of equivalent resources and services, and long term environmental monitoring and research programs directed to the prevention, containment, cleanup and amelioration of oil spills."

It is my belief that the provisions of HB 411 follow the letter and the spirit of the settlement. Following is a summary of the provisions of CSHB 411(Fin)am.

- |             |   |
|-------------|---|
| Section 1   | Findings and Purposes   |
| Section 2-4 | Acquisition of key fish and wildlife habitat in three regions of Prince William Sound - \$8,700,000 |
| Section 5   | Acquisition of and moratorium on Cape Suckling parcel near Cordova - \$6,000,000                    |
| Section 6   | Kachemak Bay acquisition - \$14,000,000   |
| Section 7   | Acquisition of conservation easements along Kenai River - \$2,800,000                               |
| Section 8   | Prince William Sound Science Center research - \$800,000  |

Section 9 Weir site acquisition near Seward - \$75,000

Section 10 Acquisition of key fish and wildlife habitat in two key watersheds on Afognak Island, Kodiak - \$7,000,000

Section 11 Acquisition of key fish and wildlife habitat in one watersheds on Afognak Island, Kodiak - \$1,300,000

Section 12 Weir site acquisition - \$350,000

Section 13, 23, 24, 25 Prince William Sound fishery restoration projects - \$1,410,000

Section 14-17 Cook Inlet fishery restoration projects - \$990,000

Section 18 Fishery restoration project near Seward - \$250,000

Section 19 Prince William Sound killer whale research - \$60,000

Section 20 Subsistence restoration near Chenega Bay - \$200,000

Section 21 Archeology work throughout the spill area - \$800,000

Section 22 Fisheries research for Fisheries Industrial Technology Center, Kodiak - \$100,000

Section 26 Expansion Fort Richardson sport fish hatchery - \$1,785,000

Section 27 Cleanup of Chenega Bay herring saltry - \$585,000

Section 28 Oyster spat hatchery, Seward - \$800,000

Section 29 Alaska Sea Life Center, Seward - \$565,000

Section 30 Oil/grease separators on Valdez storm drains - \$215,000

Section 31 Upgrading Prince William Sound hatchery - \$1,000,000

Section 32, 33 Prince William Sound fishery restoration projects - \$215,000

Section 34-39 Effective date clauses and lapse dates



## CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

TESTIMONY: HB 411  
Senate Resources Committee  
May 8, 1992

CDFU strongly supports the intent of HB 411 and urges the Senate Resources Committee to give primary consideration to using the State's criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams. The Cape Suckling tract represents an area which supports one of the richest runs of silver salmon on the Pacific coast and is heavily utilized by the Cordova fishing fleet.

We are also in support of the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal, which is included in Section 2 of the bill, would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

CDFU also supports the allocation of funds to the Department of Fish and Game for various fishery restoration and enhancement projects in Prince William Sound. The projects described in Sections of HB 411 are critical to the basic, on-going management of Prince William Sound fisheries and have either been eliminated from this year's ADF&G budget or have been denied funding through the civil settlement monies by the Exxon Valdez Oil Spill Trustees. It is extremely disappointing that we are forced to utilize a portion of the State's criminal settlement to fund ADF&G projects that should be covered by the general fund. However, since funding is not forthcoming from regular sources, we are fortunate that there is at least this small amount of money that can be used as a safety net to keep these critical projects from falling through the cracks.

Cordova District Fishermen United urges your support of HB 411. There is a real and immediate need to utilize the State's spill settlement funds to protect threatened critical habitat areas and fund projects that assist spill-impacted communities, and natural resources to recover from the nation's largest oil spill. The Memorandum of Agreement states that the criminal settlement funds are to be used for restoration of natural resources. There is no greater or higher use of these monies and there is no time of greater need than now.

Support letters



# CITY of YAKUTAT

P.O. BOX 6  
YAKUTAT, ALASKA 99689  
(907) 784-3323

May 6, 1992

Senator Lloyd Jones  
Alaska State Legislature  
Juneau Alaska

RE: HB 411; Restoration Projects Appropriations

Dear Senator Jones:

On behalf of the City of Yakutat, I strongly urge your support for HB 411. Particularly important to the residents of the Yakutat region is Section 5 of the bill, allocating a \$6 million downpayment for repurchase of extensive timber rights in the Cape Suckling area from the University of Alaska, and providing for a ten year moratorium on timber harvests there to permit negotiation and full repurchase of such timber, as called for by the legislature under Ch. 143, SLA 1990. Under that Act, the legislature previously determined that, upon repurchase of the Cape Suckling timber rights, the tract would automatically become part of the Yakataga State Game Refuge. This was very important legislation to the residents of our area.

The Cape Suckling area is important habitat for diverse wildlife resources, including mountain goats, moose, bear and waterfowl. It is important to maintain a refuge and sanctuary for the area's wildlife, given the extensive logging plans for other portions of the coastal forest by the University, Chugach Alaska Corporation and, perhaps, the Mental Health Trust. The Cape Suckling tract also impacts the drainages of important subsistence and commercial salmon streams.

In the long term, the value of the Cape Suckling area to the State of Alaska, for recreation, subsistence and tourist use, will be greater than a one-time low quality timber harvest by the University. Moreover, the cash paid for the repurchase will go to a good cause, otherwise subsidized by the State, the University of Alaska.

Sincerely,

CITY OF YAKUTAT

Larry Powell, Mayor

Post-It™ brand fax transmittal memo 7671		# of pages → 1
To: Senator Jones	From: Larry Powell	
Co.	Co. YAKUTAT	
Dept.	Phone #	



# Northern Alaska Environmental Center

218 DRIVEWAY  
FAIRBANKS, ALASKA 99701  
(907) 452 5021

Post-It™ brand fax transmittal memo 7671		# of pages
To	Senator Jones	From David van den Berg
Co.		Co. NATEC
Dept.		Phone # 452-5021
Fax #	465-3522	Fax #

May 6, 1992

Senator Lloyd Jones  
Alaska Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Senator Jones:

As the session nears an end, there are many important things yet to do. Not least among them is to support HB 411, legislation authorizing the buyback of timber rights in Kachemak Bay, Cape Suckling, Afognak Island, and Prince William Sound.

It is fitting that Exxon settlement monies be used to repurchase timber rights in these areas. Local economies and statewide tourism depend on the protection of these magnificent natural treasures.

We urge you to support HB 411. Thank you for considering this pressing issue.

Sincerely,

David van den Berg  
Assistant Director





# UCIDA

**UNITED COOK INLET DRIFT ASSOCIATION**  
 P.O. Box 389 • Kenai, Alaska 99611 - 0389  
 (907) 283-3600 • FAX (907) 283-3306

May 8, 1992

Sent by telefax

Senator Lloyd Jones  
 Chair, Senate Resources Committee  
 State Capitol  
 Juneau, AK 99801-1182

Subject: CS For HB 411 (Finance)

Dear Senator Jones,

United Cook Inlet Drift Association (UCIDA) represents the 585 salmon drift permit holders in Upper Cook Inlet. Some 350 permit holders are current members of our association. UCIDA is also active at the state and federal levels as a member of the Executive Committee of United Fishermen of Alaska (UFA).

The Kenai sockeye run could arguably be the fishery resource most impacted by the Exxon Valdez oil spill due to the large overescapement which resulted from the total closure of the drift fishery.

- ADF&G has just recently released test results which would indicated minimal returns to the Kenai in 1994. The parent year for the 1994 return is 1989 - the year of the Exxon Valdez oil spill.
- The Kenai sockeye run is the "backbone" of Upper Cook Inlet commercial fishery upon which fishermen, processors, cannery workers, transporters and local businesses are very dependent.

UCIDA feels that to the fullest extent possible affected resources and users should be "restored". For the short term this would include minimizing the impacts of current activities on a recovering resource.

For Upper Cook Inlet it is imperative for the short term that:

- a) We protect the impacted resource - Kenai river sockeye.
- b) We protect the livelihood of impacted citizens as much as possible without retarding the recovery of the resource.

To accomplish these goals we have identified three projects:

- 1) Continued study of the Kenai system to identify problems and possible remedial efforts.
- 2) Development of better scientific techniques to identify Kenai sockeye - genetic stock I.D. techniques and better monitoring equipment.
- 3) Intensive management in 1993 and 1994 to allow for as much commercial harvest as possible without overfishing Kenai sockeye.

UCIDA and the state EVOS trustees have succeeded - but only with great difficulty - in acquiring EVOS federal "civil" funds to accomplish the first two goals.

For fiscal year 1992 the federal trustees have approved three projects which will help Upper Cook Inlet - FS 27, R53, and R59 - for approximately \$1.5 million. These projects will be needed for 3 years.

To accomplish the final goal of the infield application of these new management tools we have identified four needed projects. UCIDA is sensitive to concerns that state departments might attempt to "pad" their budgets with "Exxon dollars". The four projects we have identified are not currently in place and have no realistic chance of being added as supplements with state general fund dollars given the current "budget" crisis. The goals of these projects will be to identify the run size and composition as soon as possible and to permit as much harvest as possible consistent with the goal of not over-harvesting Kenai sockeye.

These projects and their annual fiscal notes as currently estimated are:

- Quadrupal test boats on southern boundary of the Central District, \$280,000.
- Apply genetic stock I.D. at southern boundry, \$50,000.
- Analysis of previous year's 4 yr. old component, \$15,000.
- Apply genetic stock I.D. on restricted Eastside fishery, \$150,000.

UCIDA proposes that the remaining funds dedicated to Upper Cook Inlet be used to acquire conservation easements, habitat etc. along Kenai river - all users of river will benefit. In order to maximize the benefit to the affected sockeye resource, we would suggest starting at the lake and working "down". Local F&G staff has also identified Quartz and Ptarmigan Creeks has possible sites for the use of these funds.

The intensive management projects identified by UCIDA are incorporated in Sections 14 - 17 of HB 411. Funds for the acquisition of

conservation easements in aquatic, wetland and riparian areas of the Kenai River water shed are in Section 7 of HB 411.

UCIDA respectfully requests that your committee support these projects and appreciates your efforts on behalf of the oil spill affected areas and damaged resources.

Sincerely,



Theo Matthews  
Administrative Assistant

cc: Sen. Kerttula  
Sen. Fischer  
Rep. Phillips  
Rep. Zawacki  
KFFA