

**HB**

**76**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: March 29, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/10/93

The FINANCE Committee considered:

HB 76

HOUSE BILL NO. 76

APPROP: KACHEMAK BAY ST. PK. TIMBER RIGHTS

"An Act making a special appropriation to the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park; and providing for an effective date."

**RECOMMENDATIONS:**

- [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] a new title
- [ ] have attached amendments(s)
- [ ] do pass
- [ ] do not pass
- [X] no recommendations
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

[ ] fiscal impact \_\_\_\_\_

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. McLean</i> <sup>Maclean</sup>	✓	<i>Ronald J. Larson</i> <sup>Larson</sup>		X	
<i>Ben Sussdorf</i> <sup>Gussendorf</sup>	X	<i>Mark Hanley</i> <sup>Hanley</sup>		X	
<i>Mike Spavone</i> <sup>Navarre</sup>	✓	<i>Terry Martin</i> <sup>Martin</sup>		✓	
<i>Richard Foster</i> <sup>Foster</sup>	X	<i>Sean Parnell</i> <sup>Parnell</sup>		X	
		<i>Tom Hoffman</i> <sup>Hoffman</sup>		✓	
		<i>Tom Therriault</i> <sup>Therriault</sup>		X	

*Eileen P. McLean*  
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB 113

Revision Date: February 12, 1993  
Title: "...regulating the solicitation of charitable contributions...solicitation of sales by telephonic means..."  
Sponsor: Representative Larson  
Requestor: Representative Larson

Department Affected: Law  
BRU: Legal Services  
Component: Fair Business Practices  
COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)  
Please see attached analysis.

Prepared by: Richard I. Peques, Director  
Division: Administrative Services Division  
Approved by Commissioner: Richard I. Peques / FBI  
Agency: Department of Law  
Approved by Commissioner: Charles E. Cole, Attorney General

Phone: 465-3672  
Date: February 12, 1993  
Date: February 12, 1993

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB 113

ANALYSIS: (continued)

This bill would amend Title 45 by adding regulatory provisions to address abuses in charitable fundraising and telemarketing solicitations.

Under this bill, non-exempt charities would be required to:

1. File registration papers with the attorney general identifying the party making the charitable solicitation, and describing the charitable purpose to be served with the proceeds;
2. Execute written contracts with any paid fundraisers establishing the method of payment for the paid fundraiser, including the amount of any contingent fee; and
3. Provide certain information to donors.

Non-exempt telemarketers would be required to:

1. Register with the attorney general; and
2. Execute written contracts with customers as a condition of closing any sales. This provision creates an enforceable "cooling off period" that is currently lacking in these high pressure sales situations.

The bill provides criminal penalties for charitable solicitors who refuse to honor the consumer's right to revoke a deal, or who take the consumer's money without observing the cooling off period under the written contract provision.

This bill is an attempt to solve the related problems presented by high pressure charity fundraisers who make misrepresentations regarding their fundraising purposes; and telephone sales artists who use high pressure tactics to sell merchandise at greatly inflated prices with false promises of extravagant prizes, and other illusory inducements.

Because there is no regulatory scheme now in effect, the Department of Law cannot say with certainty how much additional staff time will be required to meet the paperwork generated by this bill. But we estimate that the initial year's filings will not greatly exceed 250 charities, and 100 telemarketers.

The staff time needed to file the registration documents will be partially offset by a time savings in the investigation sphere, because the files will contain data that significantly reduces investigative effort in cases involving charitable fundraisers and telemarketers. Both types of cases currently involve significant investigative time spent identifying the people and organizations involved. Of course, to the extent that the bill deters illegal conduct, it will result in additional reductions of investigative time, due to the reduction in law violations requiring investigation. Investigators will be free to devote resources to those other pressing matters needing their attention which currently go unaddressed because of reduced funding.

In the event that the time estimates are inaccurate, the Department of Law may need to return with a request for additional funding in the future. Until such time, however, this bill does not require an increased appropriation.

Back-up

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3718

### House Majority Leader

HOUSE BILL 76 (Purchase of inholdings and timber rights in Kachemak Bay State Park)

#### HISTORY OF KACHEMAK BAY BUYBACK

In 1970 the Alaska State Legislature set aside 250,000 acres across from Homer, creating Kachemak Bay State Park in order to protect these pristine lands and waters for their unique and exceptional scenic beauty and recreational use.....

During the years 1971 thru 1974, the Alaska Native Claims Settlement Act allowed the Seldovia Native Association (SNA) to make a selection of 69,000 acres of land in the Seldovia area; however, the state protested two of SNA's selections leaving them no alternative but to select the remaining 30,000 acres within Kachemak Bay State Park.

In 1975, then Governor Jay Hammond agreed that the State would work with the Seldovia Native Association to attain a land trade for SNA's park inholdings.

Four years later, SNA signs a Memorandum of Understanding to exchange its inholdings for state lands of equivalent value.

Four more years go by, and during the period of 1982 thru 1986, only two small land trades take place totaling 5,000 acres and further negotiations failed to trade the remaining inholdings due to a shrinking pool of state lands and disagreements over land values.

sgn  
3-22-93

HISTORY OF  
KACHEMAK BAY BUYBACK

In 1987 land trade negotiations failed again with the state and the Seldovia Native Association sells its timber rights to Timber Trading Company (TTC).

The State in 1988 approaches Timber Trading and the Seldovia Native Association with an offer of a trees-for-trees and a land-for-land trade.

A year later, the state, (SNA) and (TTC) sign a preliminary exchange agreement outlining the process for conducting appraisals and creating replacement pools for land and timber. That same year, SNA's land value is appraised by separate appraisers at different amounts and a three party review panel makes a determination as to a land cash value. Timber Trading receives appraisal figure for the Seldovia area timber while a combined state and TTC arbitrator sets the value at a different level for exchange purposes.

Former Governor Steve Cowper, in 1990, introduces an appropriations bill to provide for the cash purchase of SNA's park inholdings and TTC's timber in lieu of the state presenting any timber or land exchange package. Four days before the close of the legislative session, Cook Inlet Region, Inc. (CIRI) enters the proposed purchase for subsurface rights within the park. The appropriations bill fails the House on a 20-20 vote.

Following the bill's failure, TCC begins the application process to secure the necessary permits to begin timber harvesting.

In 1991, legislation is introduced in both the House and Senate to purchase land, timber and subsurface rights within Kachemak Bay State Park. Neither bill is enacted and TCC formally submits preliminary permit applications to the State of Alaska. The state holds public hearings in Anchorage, Homer and Seldovia.

Major focus is on the Kachemak Bay Buyback during 1992. SNA, TCC and CIRI agree to a \$22 million cash buyout package. Legislation is introduced in both the House and Senate for the purchase from Exxon Oil Spill monies and/or through a contingent appropriation from the Restoration Endowment. Legislation fails to pass the 17th Legislature.

Before the 18th Legislature convenes on January 11, 1993, the following events occurred: \$20,500,000 is deposited in the Alyeska Settlement Fund from an Agreement & Consent decree (civil settlement) entered November 25, 1992 which includes an allocation of \$7,500,000 for the purchase of the inholdings in Kachemak Bay State Park; additionally the Exxon Oil Spill Trust Council okays a \$7,500,000 appropriation from Exxon Settlement Funds for Kachemak purchase and House Bill 76, which Representative Gail Phillips introduces on January 22, provides for the remaining appropriation of \$7,000,000 from the criminal fines levied against Exxon to complete the funding package for the purchase.

On March 4, Governor Hickel formally announces an agreement between all concerned parties to buyback the private inholdings in Kachemak Bay State Park. The agreement is formally signed by the Seldovia Native Association, Cook Inlet Region, Inc., Timber Trading Company, Inc., and the State of Alaska.

Kaib

# NEWS RELEASE

STATE OF ALASKA

OFFICE OF THE GOVERNOR  
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Juneau, Alaska 99811-0001

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Governor

JOSEF P. HOLBERT  
Director of Communications



JOHN MANLY  
Press Secretary

JOHN HENDRICKSON  
Deputy Press Secretary  
Anchorage Office: 561-4228

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907-465-3500  
FAX: 907-586-8369

FOR RELEASE: March 4, 1993  
No. 93-053

## GOVERNOR HICKEL ANNOUNCES KACHEMAK BUYBACK

JUNEAU--Kachemak Bay State Park will be made whole again under an agreement to buyback private inholdings announced today by Governor Walter J. Hickel.

The purchase agreement between the State of Alaska and the Seldovia Native Association, Timber Trading Company and Cook Inlet Region Inc., would transfer all rights to 23,802 acres of timberland within the park back to the state. The purchase price is \$22 million.

"This has taken a long time to put together, but I think we have a workable agreement where everybody wins," Governor Hickel said. "I want to thank all the interested parties for their patience and perseverance. And I hope the Legislature will look the agreement over and act quickly to approve it."

Of the \$22 million purchase price, \$15.5 million will go to SNA, \$4.5 to TTC, and \$2 million to CIRI. The agreement is subject to the Legislature appropriating \$7 million from the \$50 million criminal restitution fund resulting from the Exxon Valdez spill and endorsing the Alyeska settlement, which provides another \$7.5 million. The Exxon Valdez settlement trustees have agreed to fund the final \$7.5 million.

House Majority Leader Cail Phillips, R-Homer, commented, "Many, many Alaskans have worked for years to get to this day. My appreciation goes to the Governor and the A.G. and all Alaskans for achieving this finality. I'm very, very pleased for the Seldovia Native Association for their lands issue finally to be resolved."

Rep. Mike Navarre, D-Kenai, who's been working on the issue for many years, said, "I was always confident this would eventually be

2-2-2-2

93-053

Mar. 4, 1993

accomplished, and I'm glad to see it's finally been resolved. I'm hopeful the Legislature and the SNA board will approve the components of the agreement. My congratulations to Governor Hickel and Charlie Cole and to the Citizens' Coalition for all their help."

Senator Suzanne Little, D-Soldotna, added, "While the progress we've made is terrific, there's much remaining to be done. There are three bills currently in, but a lot needs to be done to put together the legislation. I'm looking forward to working on it."

All three legislators expressed their thanks to SNA President Fred Elvsaas for his tenacity on the issue.

####

# Timber Trading Company

March 23, 1993

CONTACT: Kim Benton  
(907) 522-2163

## KACHEMAK BAY POSITION STATEMENT

In 1987, Timber Trading Company (TTC) purchased timber harvesting rights from Seldovia Native Association (SNA) for selected SNA lands south of Kachemak Bay. In addition to the Seldovia area purchase, substantial timber was acquired elsewhere in the state including Montague and Knight Island in Prince William Sound, on the Kuskokwim River and at Tyonek.

In 1988, following the Seldovia area purchase, Timber Trading Company and Seldovia Native Association were approached by the State of Alaska with an offer to attempt a trees-for-trees, land-for-land trade.

In 1989, a Preliminary Exchange Agreement was signed by SNA, TTC and the state outlining the process for conducting appraisals and creating replacement pools for land and timber. TTC's completed timber cruise appraised the Seldovia area timber at \$7.5 million. A state/TTC arbitrated value was set at \$6.4 million for exchange purposes.

In early 1990, failing to present any timber or land exchange package, Governor Steve Cowper introduced an appropriations bill providing for a cash purchase of SNA's park holdings and TTC's timber. TTC and the state agreed to a \$4.51 million cash buyout. Rationale that allowed TTC to accept a less than appraised market value included TTC's recognition of the high public interest in acquiring this inholding and a strong desire to assist a fellow Native corporation in resolving their eighteen year-long dilemma of ownership. Upon reconsideration by the House a bill introduced by Rep. Mike Navarre failed in a 20-20 vote.

Following the failed appropriations bill, TTC began the permit application process to secure necessary permits for timber harvesting.

In 1991, Representative Mike Navarre introduced House Bill 83, an appropriations bill to purchase land, timber and subsurface rights within Kachemak Bay State Park. HB 83 passed the House with a 30-9 vote, but was not voted on in the Senate.

In 1992, Rep. Cliff Davidson introduced HB 411, using the \$50 million Exxon Valdez Oil Spill (EVOS) criminal penalty money as a funding source. HB 411, which included approximately \$11 million for the Kachemak Bay purchase, passed both the House and Senate but was vetoed by Governor Hickel.

In late 1992, Governor Hickel announced a \$32 million settlement with Alyeska Pipeline Corporation for their role in the Exxon Valdez Oil Spill. The settlement includes \$7.5 million for the purchase of SNA, TTC and CIRI inholdings in Kachemak Bay State Park, but the settlement is subject to final legislative approval.

In January 1993, the EVOS Trustee Council approved \$7.5 million from the \$900 million civil penalty monies for acquisition of imminently threatened habitat within Kachemak Bay State Park.

Main Office: 3501 Donall, Suite 202  
Anchorage, Alaska 99503  
(907) 562-3335  
FAX (907) 562-0599

Marketing Div.: Transpacific Trade Center, Suite 418  
3700 Pacific Highway East  
Tacoma, Washington 98424  
(206) 922-5510 FAX (206) 922-8044

TTC Kachemak Bay Position Statement  
March 23, 1993 Page 2

It has been the position of Timber Trading Company to cooperate with governmental, environmental and citizen's groups in their efforts to obtain a state purchase of Kachemak Bay State Park inholdings. It is in that spirit of cooperation that TTC appreciates the recognition of Kachemak Bay's importance by the State of Alaska through the introduction of HB 76 and SB 63. In that these bills would complete the \$22 million funding necessary to purchase land, timber and subsurface rights within Kachemak Bay State Park, we are supportive. However, TTC recognizes and supports the intent of other bills as vehicles for the purchase of Kachemak Bay inholdings as well. TTC remains committed to working with those parties interested in the purchase of this unique area with the ultimate goal of securing \$22 million for all three parties as agreed to and supported by Seldovia Native Association, Cook Inlet Region, Inc. and TTC.

However, as Timber Trading Company Native shareholders are due a return on their investment that a state-approved appraised timber value as well as a substantially higher timber market represents, TTC has moved forward with timber harvesting plans. We presently have completed an initial public comment aspect of the permit application process, have hired the independent engineering firm of Peratrovich, Nottingham & Drage, Inc. and remain active in aggressively pursuing the permits necessary to commence timber harvesting. Permit application status information may be obtained through the Division of Governmental Coordination Anchorage Office.

While timber harvesting of this area has consistently been a focus, it is Timber Trading Company's position that this is not a timber harvesting issue but rather an issue of what the people of Alaska determine the highest and best use of this land to be. If the people determine, through the Legislature, the best use to be parkland, Timber Trading Company, Seldovia Native Association and Cook Inlet Region, Inc. have given the people an opportunity to purchase this timber well below present market value. If the people decide the best use to be development by not appropriating the purchase, then Timber Trading Company is prepared to commence timber harvesting in compliance with all existing laws.

# KACHEMAK BAY \$22 MILLION FUNDING



November 1992 - \$32 million Alyeska Settlement announced. **\$7.5 million** included in settlement for the purchase of Seldovia Native Association, Timber Trading Company and Cook Inlet Region, Inc. inholdings in Kachemak Bay State Park.

January 1993- Exxon Valdez Oil Spill Trustee Council approved **\$7.5 million** from the \$900 million civil penalty monies for acquisition of imminently threatened habitat within Kachemak Bay State Park.

January 1993- House Bill 76 and Senate Bill 63 introduced appropriating **\$7 million** from \$50 million Exxon criminal penalty monies for purchase of inholdings of Seldovia Native Association, Timber Trading Company and Cook Inlet Region, Inc. within Kachemak Bay State Park.

AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS WITHIN  
KACHEMAK BAY STATE PARK

THIS AGREEMENT is made by and between the Seldovia Native Association (SNA), Timber Trading Company (TTC), Cook Inlet Region, Inc. (CIRI), as "Sellers", and the State of Alaska as "Purchaser" (collectively, the "Parties").

1. GRANT OF OPTION. Sellers hereby each grant to Purchaser the exclusive option to purchase all Sellers' property rights within the Kachemak Bay State Park, as more particularly described in Attachment A ("the Property"), such purchase to be made in accordance with the terms and conditions of this Agreement.
2. EXERCISE OF OPTION. Purchaser hereby agrees, subject to all appropriations required to be made by the Alaska Legislature to provide for payment of the purchase price and subsequent approval of such appropriations by the Governor of Alaska, to exercise its exclusive option to purchase the Property in accordance with the terms and conditions of this Agreement.
3. OPTION TERMS. The option payment is Ten Dollars (\$10.00), the receipt and sufficiency of which is hereby acknowledged by Sellers. The option may be exercised during the period beginning with Purchaser's execution of this Agreement and ending December 31, 1993 unless extended in writing by the parties. This option shall be exercised by written notice from Purchaser to Sellers at the below provided addresses.
4. PURCHASE PRICE. The purchase price for the Property is \$22 million, with agreed upon payments of \$15.5 million to SNA, \$4.5 million to TTC, and \$2 million to CIRI.
5. INTEREST CONVEYED. At closing, Sellers each shall execute and deliver to Purchaser such deeds or assignment documents as may be necessary to convey their respective interests to the property. SNA and CIRI do hereby warrant and represent to Purchaser as follows: (1) that SNA and CIRI are vested with title to the property to the extent conveyed to SNA and CIRI pursuant to BLM Interim Conveyance Numbers 139, 304 and 372 with respect to SNA and Interim Conveyance Numbers 102, 140, 305 and 373 with respect to CIRI, and (2) that no liens, encumbrances, defects or third party interests have been created in the Property, except that SNA has conveyed certain timber rights on the Property to TTC pursuant to the Timber Sale Agreement dated May 30, 1987 ("Timber Agreement"). TTC does hereby warrant and represent to Purchaser as follows: (1) that TTC holds all interests in the Property conveyed by the Timber Agreement; and (2) that no liens, encumbrances, defects or third party interests have been created in the interest conveyed to TTC by the Timber Agreement. At closing, Sellers each shall execute and deliver to Purchaser such deeds or assignment documents warranted as above described as may be necessary to convey their respective interests to the Property. If any Seller fails to convey title or other interest as required by this Agreement, Purchaser is no longer bound by this Agreement with respect to any Seller. No Seller shall be liable for the acts or inability of another Seller to convey title.
6. RIGHT TO ENTER PROPERTY. Sellers agree that from the date this Agreement is fully executed by the Parties, Purchaser and its agents, upon reasonable notice, shall have the right to enter the Property for all lawful purposes in connection with this Agreement, including environmental audit purposes, provided Purchaser provides sufficient indemnification to the Sellers.
7. CLOSING PLACE AND DATE. The Parties agree to endeavor in good faith to close on or before 60 days after all appropriations made by the Alaska Legislature have been made and approved by the Governor, including those related to funds provided by the Alyeska settlement and the Exxon Valdez Trustee Council; provided, however, if documents that are required to be provided or completed and executed by the Parties have not been tendered by that date, the closing shall

take place within 60 days after receipt of such documentation. The date, time and location of closing shall be set by Purchaser.

8. OTHER AGREEMENTS AND ACTIONS. The Parties agree to take other action or enter into other agreements reasonably necessary to the exercise and closing of this Agreement, including Attachment C.

9. TERMINATION. Unless otherwise agreed to in writing by each of the parties, this Agreement shall terminate upon closing or on December 31, 1993, whichever is earlier; provided, however, this Agreement shall automatically terminate if, during its 1993 session, the Legislature does not appropriate all funds required to be appropriated to provide for payment of the purchase price, or if the Governor vetoes such appropriation by the Legislature.

10. SEVERABILITY. In the event any of the provisions of this Agreement are deemed to be unenforceable, the enforceability of the remaining provisions of this Agreement shall not be affected.

11. SIGNATURE AUTHORITY. Each signatory to this Agreement represents that he has the authority to bind his principal to this Agreement. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute the same instrument.

12. NOTICE. Written notices shall be provided to the parties at the following addresses:

Seldovia Native Association  
P.O. Drawer L  
Seldovia, AK 99663-0250

State of Alaska  
Department of Natural Resources  
Director, Division of Land  
P.O. Box 107005  
Anchorage, AK 99510-7005

Cook Inlet Region, Inc.  
P.O. Box 93330  
Anchorage, AK 99509-3330

Craig Tillery  
State of Alaska  
Attorney General's Office  
1031 West 4th Ave. Suite 200  
Anchorage, AK 99501

Timber Trading Company, Inc.  
3501 Denali St., Suite 202  
Anchorage, AK 99503

Seldovia Native Association

Timber Trading Company, Inc.

By: Fred H. E. Johnson

By: John L. Sturgeon

Its: PRESIDENT

Its: President

Date: 3-10-93

Date: 3/15/93

Cook Inlet Region, Inc.

State of Alaska

By: Margaret L. Brown

By: C. L. ... L. L. L.

Its: Senior Vice President

Its: Attorney General

Date: 3/17/93

Date: 3-10-93

ATTACHMENT A

SNA LANDS TO BE ACQUIRED BY STATE

\* All land described below is within Seward Meridian and is identified in BLM Interim Conveyances 139, 304, 372

<u>Legal Description</u>	<u>Approximate Acreage</u>
Township 7 South, Range 12 West	
A. Section 13 (fractional): S $\frac{1}{2}$ , NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$	575
B. Sections 22 (fractional): excluding Lot 1 of USS 3606	370
C. Section 29: excluding ADL 41084-41085 located in NW $\frac{1}{4}$ SW $\frac{1}{4}$	410
D. Section 30: excluding USS 3912, USS 3977, Tracts A, C, and D of ASLE 76-114, ADL 41704, located in SW $\frac{1}{4}$ SW $\frac{1}{4}$	408
E. Sections 19 (fractional), 20 (fractional), 21 (fractional), 23 (fractional), 24 (fractional) 25 (fractional), 26, 27 (fractional), 28, 31, 32, 33, 34, 35, 36: All	7,629
Township 8 South, Range 12 West	
A. Sections 1, 2, 3, 4, 7, (fractional), 8 (fractional), 9, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28: All	12,385
B. Section 5 (fractional); excluding ADL 49431 located in the W $\frac{1}{2}$ W $\frac{1}{4}$ SW $\frac{1}{4}$	615
C. Section 6 (fractional): excluding ADL 48787 and ADL 49431 located in the E $\frac{1}{2}$ SW $\frac{1}{4}$ ; ADL 46149, ADL 46150, ADL 46151, ADL 46152, ADL 46153, and ADL 46650 located in the N $\frac{1}{2}$ SE $\frac{1}{4}$ ; and ADL 41043 located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$	300
D. Section 16 (fractional); excluding ADL 46773 located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$	615
E. Section 21 (fractional); excluding ADL 47665 located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ , ADL 41036 located in the N $\frac{1}{2}$ SW $\frac{1}{4}$ , ADL 41300 located in the S $\frac{1}{2}$ SW $\frac{1}{4}$	495
Cumulative Total	23,802

Attachment C

AGREEMENT REGARDING TIMBER HARVEST RIGHTS

ON LANDS ADJACENT TO PETERSON BAY

State of Alaska agrees that nothing in that Agreement for Sale and Purchase of Lands and Interests Within Kachemak Bay State Park (the "Agreement") shall restrict the ability of Timber Trading Company, Inc. ("TTC") to pursue the permits necessary for timber harvest operations on lands subject to the Agreement provided, however, TTC shall not commence timber harvest operations on such lands until such time that the Agreement has terminated. TTC agrees not to exercise its timber harvest rights on lands adjacent to Peterson Bay, including Island Peninsula, before April 30, 1999, as more particularly described in Attachment B to the Agreement or to convey such harvest rights to any other entity except to Seldovia Native Association ("SNA"), provided if the transfer is to SNA it will be subject to this restriction against harvest prior to April 30, 1999.

Timber Trading Company, Inc.

State of Alaska

By: John Sturgeon

By: Charles L. Cook

Its: President

Its: Attorney General

Date: 3/15/93

Date: 3.10.93

Revised and Acknowledged

Seldovia Native Association

By: Fred H. Edwards

Its: PRESIDENT

Date: 3-10-93

ATTACHMENT B

Any and all property in which Timber Trading Company has an interest in the following described Seldovia Native Association land outside Kachamak Bay State Park - Peterson Bay and Island Peninsula.

Township 7 South, Range 12 West, Seward Meridian.

Section 10: USS 4737, Lots 1, 2, and 3  
: That portion of Tract "A" excluding: USS 1539

Section 11: That portion of Tract "A" excluding: USS 1557  
USS 3362 - Tract B, Lots 1 and 2

Section 14 & 15: That portion of Tract "A" excluding:  
USS 1539  
USS 2893  
Tract A of USS 3362  
USS 3908  
USS 3918  
Lots 1, 2, 3, and 4 of USS 3973  
Lots 1 and 2 of USS 4736  
Lots 1 and 3 of USS 4737  
Lots 1-13 inclusive, Block 1, Harbor Heights Subdivision  
Lots 1-11 inclusive, Block 2, Harbor Heights Subdivision

### Attachment A

#### CIRI Lands Remaining w/in Kachemak Bay State Park

##### Seward Meridian, Alaska

Township 7 South, Range 12 West  
 Sec. 12, W2, SE4, S2NE4;  
 Sec. 31, all;  
 Sec. 33-34, all.

Containing 2,469.00 acres, more or less.

Township 8 South, Range 12 West  
 Sec. 2, W2;  
 Sec. 3-4, all;  
 Sec. 5, (fractional), excluding ADL 49431;  
 Sec. 6, (fractional), excluding ADL 48787, ADL 49431, ADL 46149, ADL 46150, ADL 46151, ADL 46152, ADL 46153, ADL 46650 and ADL 41043;  
 Sec. 7-8, (fractional), all;  
 Sec. 9-11, all;  
 Sec. 13-15, all;  
 Sec. 16, (fractional), excluding ADL 46773;  
 Sec. 21, (fractional), excluding ADL 47665, ADL 41036 and ADL 41300;  
 Sec. 22-27, all;  
 Sec. 28-29, (fractional), all;  
 Sec. 30, (fractional), excluding U. S. Survey 3605;  
 Sec. 31-33, (fractional), all;  
 Sec. 34, all.

Containing 15,408.83 acres, more or less.

Township 8 South, Range 13 West  
 Sec. 24, Lot 8 of U. S. Survey 4742.

Containing 5.00 acres.

Township 9 South, Range 13 West  
 Sec. 1, (fractional), all;  
 Sec. 2, E2, NW4;  
 Sec. 11, NE4.

Containing 1,275.00 acres, more or less.

Aggregating 19,157.83 acres, more or less.

## KACHEMAK BAY CITIZENS COALITION PROFILE

In October 1988, a broad-based group of Homer and Anchorage residents met in Homer to discuss a response to a timber sale on Seldovia Native Association land within Kachemak Bay State Park. From the initial group of about 15, the Kachemak Bay Citizens Coalition increased in numbers as news of the problem spread. Efforts were made to contact potentially concerned people through mailings and meetings.

Currently, over 7000 people have signed petitions in support of a buyback of inholdings of Seldovia Native Association, Timber Trading Company, and Cook Inlet Region, Inc. within Kachemak Bay State Park. These people want the State of Alaska to purchase these private inholdings for inclusion in Kachemak Bay State Park. Additionally, citizens do not want to see logging take place just outside the park on the Island Peninsula separating Peterson and China Poot bays, or in the Rocky River-Red Mountain area.

The largest number of petition signers from Alaska, about 39%, are from the Anchorage-Girdwood-Chugiak area. About 31% are from the Homer-Anchor Point area, and 29% are from 66 other cities, towns, and villages in Alaska, from Barrow to Ketchikan. Additionally, over 1000 persons from all 50 states, the District of Columbia, and 15 countries have also signed KBCC petitions, tourists who are drawn to the Kachemak Bay area's scenic beauty, recreation and fishing opportunities. Interest in the issue has continued to grow, especially in the last three years.

The Homer-Anchor Point petitioner signers represent a cross section of area residents, with many working within tourism or commercial and charter fishing industries. Many people there feel very strongly about this issue and adamantly oppose commercial logging in the Kachemak Bay State Park area. Some own or work for businesses that may be jeopardized if commercial-scale logging were to take place within Kachemak Bay State Park. Still others were involved in the Exxon Valdez oil spill cleanup effort.

There are many visitors to Homer from Anchorage, the Kenai Peninsula, the Matanuska-Susitna Valley, and Fairbanks as well as elsewhere who want to see the area preserved for its unique scenic beauty and as a popular tourist and fishing destination. There are petition signers who own recreational or investment property in Homer or have summer homes or cabins in Bear Cove, Halibut Cove, Sadie Cove, Peterson, China Poot, Jakolof, and Tutka bays.

Buyback supporters include teachers, students and volunteer naturalists who visit the area to take part in marine science education programs such as the ones offered by the Center for Alaska Coastal Studies or are involved in adult education in the natural resources field. The students are from public and private schools and come in the

spring or fall to study the rich marine intertidal zone and sea life, forest ecology, etc., from the central Kenai Peninsula, Anchorage, and Matanuska-Susitna Valley to as far away as Talkeetna, Healy and even Juneau.

Among petition signers are sport fishermen who launch their boats at Homer harbor while waiting for a space to moor them there permanently. Others already have a boat stall in the harbor. Commercial fishermen from Anchorage are also involved with the buyback effort, as are members of conservation groups.

The Institute for Marine Science at the University of Alaska Fairbanks has a facility at Kasitsna Bay involved in marine science research, and is concerned about the future of the Kachemak Bay ecosystem. The UAF School of Education has used the Center for Alaskan Coastal Studies facility as a site for Sea Week and other teacher training.

These concerned individuals have participated largely by writing letters to the Governor and to the legislators, also by making telephone calls during the legislative sessions. Many have taken part in teleconferences with legislators, and several have travelled to Juneau at their own expense to give input to the legislators on the buyback. Others have written letters to various news media. A public awareness and education program has come out of Homer and Anchorage. Because of strong feelings about this issue, it is likely that many individuals will continue to participate in the public debate in the future.

Revised 3/93

State-wide Distribution of Kachemak Bay State Park Buyback Supporters



■ Anchorage area	39.4%
▣ Homer area	31.4%
■ Other Alaska	29.3%

# KACHEMAK BAY STATE PARK BUYBACK ISSUE

## Fact sheet

1971 - Kachemak Bay State Park (KBSP) receives temporary approval.

1974 - Under the Alaska Native Claims Settlement Act (ANCSA), Seldovia Native Association (SNA) receives nearly 30,000 acres within KBSP.

1979 - Memorandum of Understanding signed which, among other things, commits the State and SNA to exchange SNA's KBSP holdings for state land of equal value.

1983, 1985 - Two small land exchanges complete, SNA still owns 23,642 acres within the Park.

1987 - SNA signs 12 year timber harvest contract with Timber Trading Co.(TTC) on its lands inside KBSP and on the Island Peninsula directly across Kachemak Bay from Homer, and Jakolof Rocky River/Red Mountain area.

1988 - Kachemak Bay Citizens Coalition forms to facilitate the reunification of KBSP and to prevent logging within KBSP. To date, over 7,000 people have signed petitions to support these objectives.

1990 - Land and timber trade ideas are abandoned in favor of a \$20 million cash buyout that does not address Cook Inlet Region, Inc. (CIRI's) subsurface inholdings. A bill introduced by Rep. Mike Navarre fails in the House on a 20-20 vote.

1990-1991 - TTC unveils a logging plan on SNA land across from Homer using helicopters and barges. Many people testify in objection to this plan in Homer and Anchorage. Another buyback bill, HB 83 introduced by Rep. Mike Navarre passes the House but is not voted on in the Senate.

February, 1992 - SNA, TTC, and CIRI sign a statement of intent to sell their collective property rights within KBSP to the State for \$22 million. This would be divided roughly with \$15.4 million for SNA, \$4.3 million for TTC, and \$2.3 million for CIRI. The agreement expires after July 15, 1992.

Spring 1992 - HB 411, using \$50 Exxon Valdez Oil Spill (EVOS) criminal penalty money and including about \$11 million for the buyback of inholdings in KBSP passes the House and Senate, but is vetoed by Governor Hickel on July 15.

August, 1992 - After the Governor's veto, TTC and SNA announce suspensions of their discount prices to the State and return to earlier appraisers' higher valuations. CIRI does not comment.

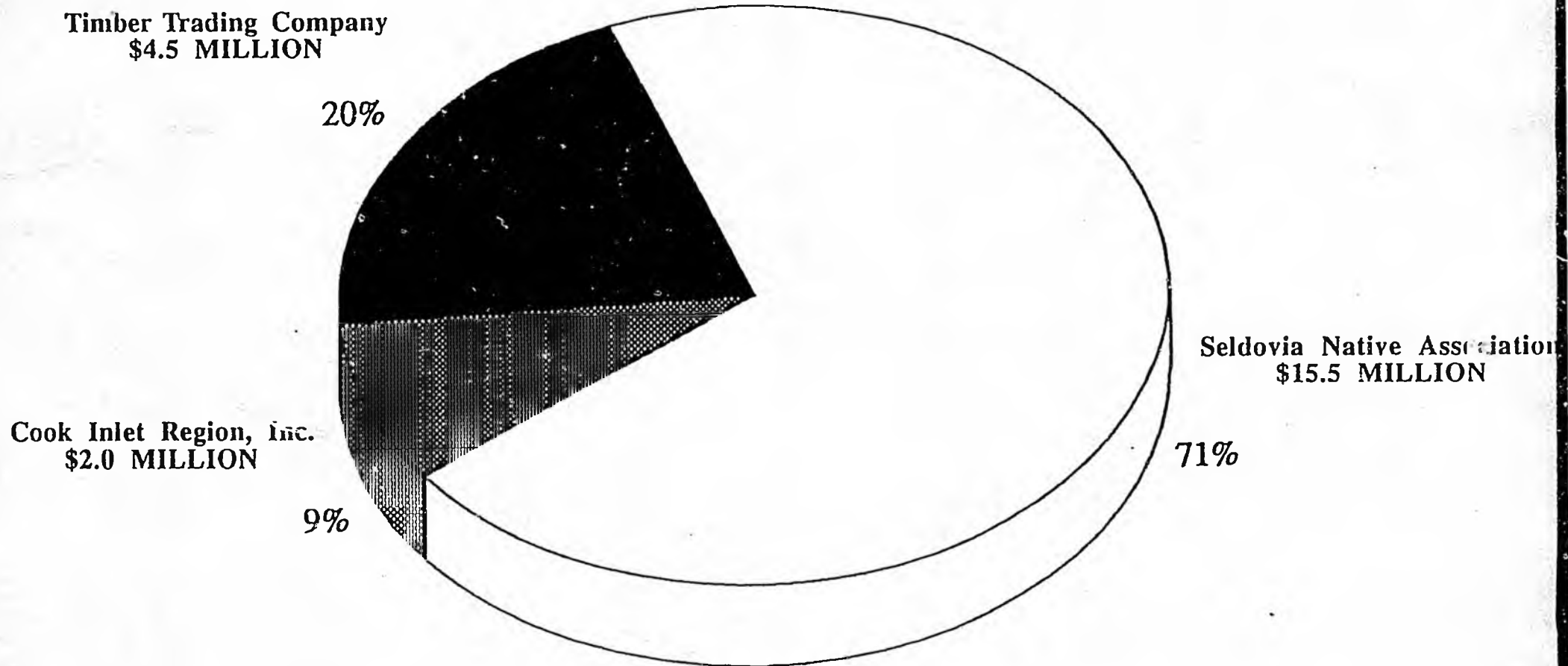
September, 1992- EVOS Trustee Council hears testimony from the public favoring the use of civil penalty money for habitat acquisition.

November, 1992 - Gov. Hickel announces a \$32 million settlement with Alyeska Pipeline Corporation for their role in the Exxon Valdez Oil Spill. The settlement language includes \$7.5 million for the purchase of SNA, TTC, and CIRI's inholdings within Kachemak Bay State Park.

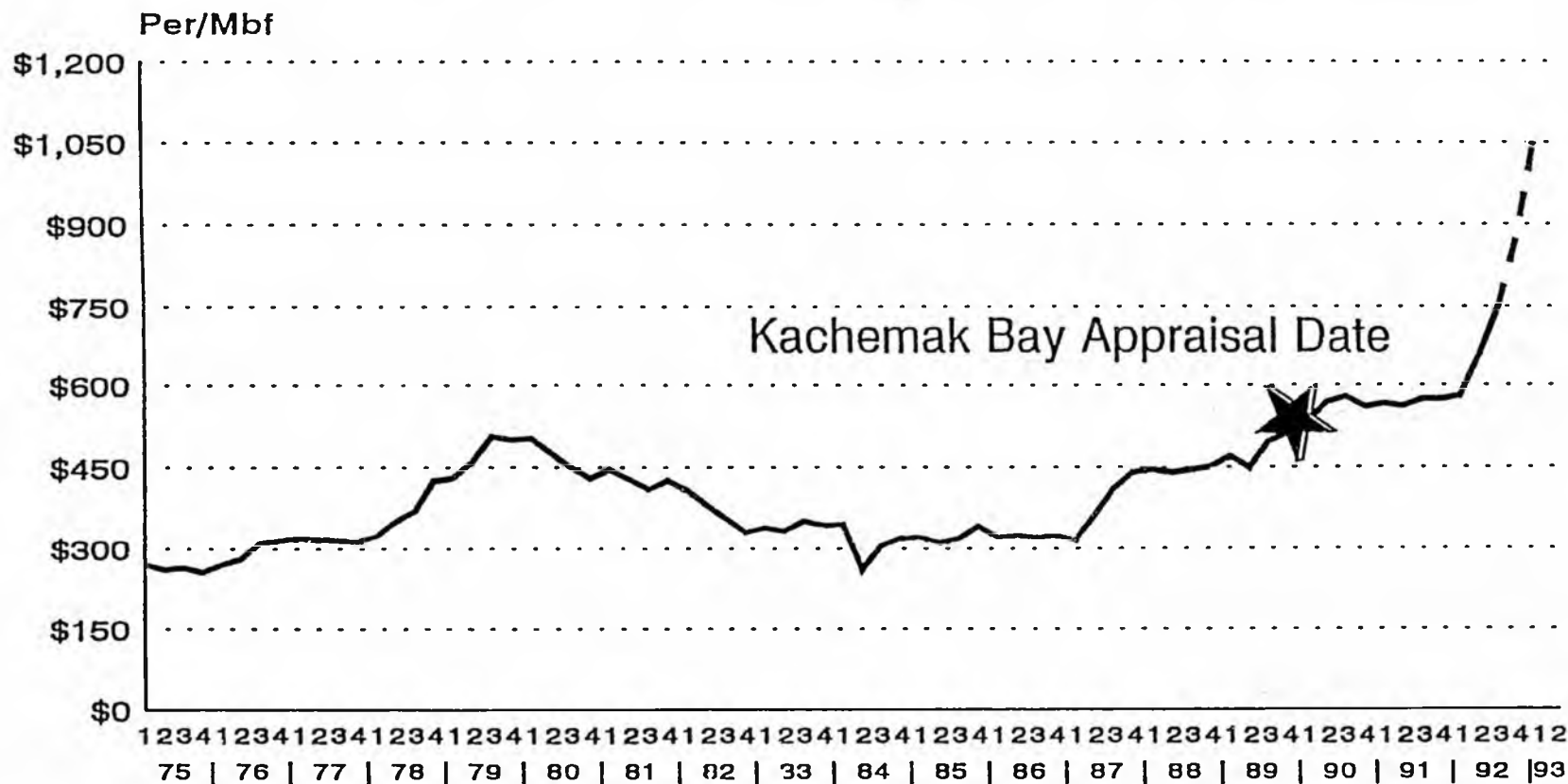
January 19, 1993 - EVOS Trustee Council approves expenditure of \$7.5 million civil penalty money for acquisition of imminently threatened habitat within Kachemak Bay State Park from SNA, TTC, and CIRI, bringing to \$15 million the funds already identified for the purchase of their inholdings.

March 4, 1993 - The Governor's office announces the signing of a purchase agreement between SNA, TTC, CIRI, and the State. The three native groups agree to sell their inholdings to the State for inclusion in Kachemak Bay State Park for \$22 million, the same amount as in 1992.

# KACHEMAK BAY \$22 MILLION PURCHASE



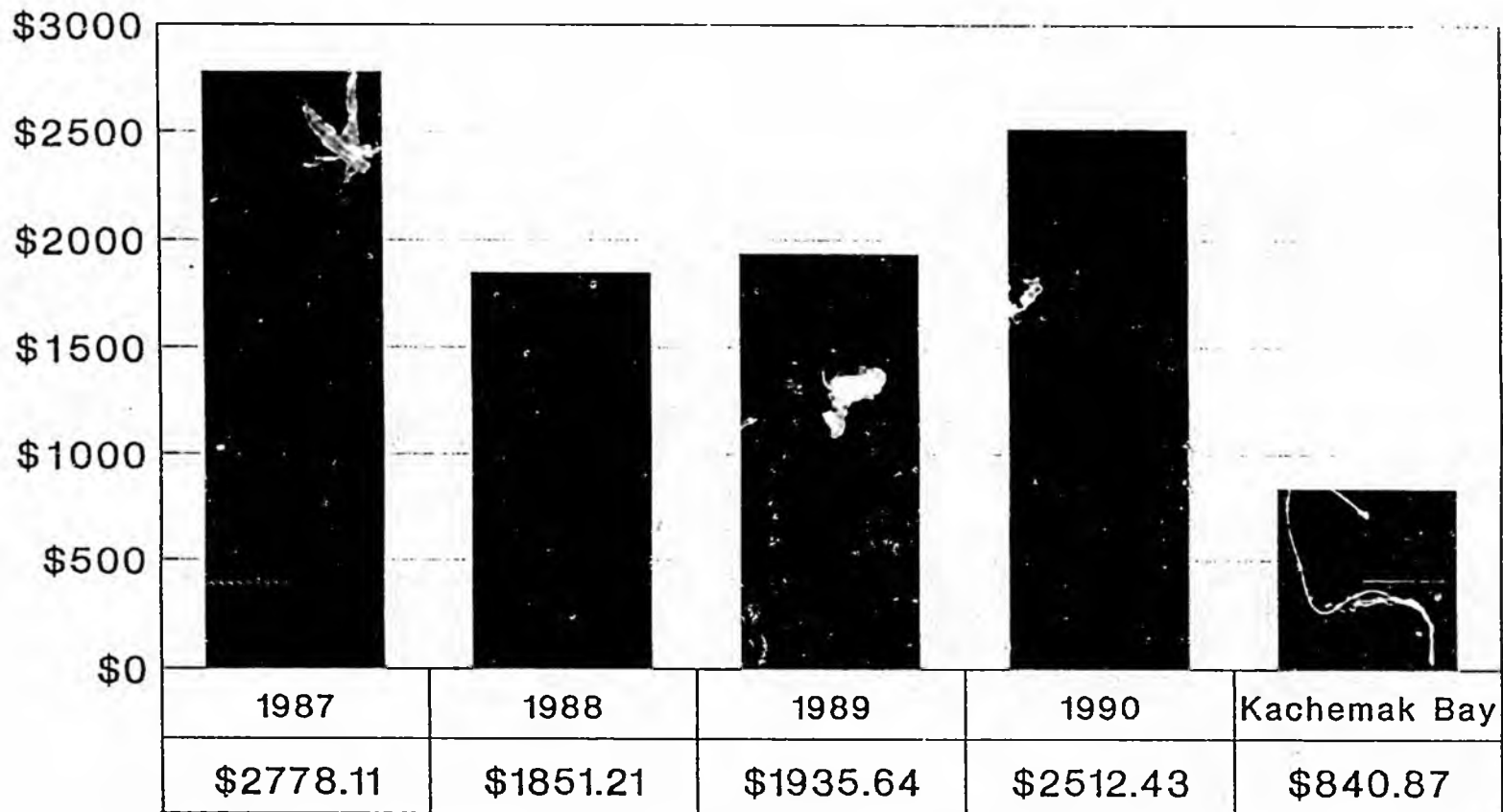
# Quarterly Average Value of U.S. Softwood Log Exports to the Pacific Rim



Source: U.S. Dept. of Agriculture, PNW-432, 1/91 and PNW-RB-193, 9/92.

Note: Average value of 4th quarter 1992 and 1st quarter 93 (---) is estimated by Koncor, 3/93.

# AVERAGE COST PER ACRE STATE PARK LAND ACQUISITIONS ALL STATES COMBINED



Excludes Texas for 1990 due to skewing