

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

1021

House Bill 269
Section 3

Kachemak Bay State Park Acquisition \$7,000,000

With \$15 million already committed from the Alyeska and EXXON civil settlement monies, approximately \$7 million more is needed from the criminal fund to meet a \$22 million price. This project has particular value in that it matched considerable funds coming from other sources. The property is under imminent threat from logging and contains fish and wildlife species that were injured by the spill.

**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

By: Fred H. Johnson

Its: PRESIDENT

Date: 3-10-93

Timber Trading Company, Inc.

By: John L. Sturgeon

Its: President

Date: 3/15/93

Cook Inlet Region, Inc.

By: Margaret L. Brown

Its: Senior Vice President

Date: 3/17/93

State of Alaska

By: William L. G. L. L.

Its: Attorney General

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>Parcel</u>	<u>Legal Description</u>	<u>Approximate Acreage</u>
1	Township 7 South, Range 12 West	
A.	Sec. 13 (fractional): W 1/2 NE 1/4 NW 1/4 NE 1/4, SE 1/4 NW 1/4 NE 1/4, W 1/2 NW 1/4 NE 1/4, S 1/2 NE 1/4 NW 1/4, S 1/2	575
B.	<u>Sections 22 (fractional): excluding Lot 1 of USS 3606</u>	370
C.	<u>Section 29: excluding USS 4798, ADL 41084-41085 located in NW 1/4 SW 1/4</u>	410
D.	<u>Section 30: excluding USS 3912, USS 3977 Tracts A, C, D, ASLS 76-114, ADL 41704, located in SW 1/4 SW 1/4</u>	408
E.	<u>Sections 19 (fractional), 20 (fractional), 21 (fractional), 23 (fractional), 24 (fractional), 25 (fractional), 27 (fractional), 28, 31, 32, 33, 34, 35: All</u>	6,049
F.	Section 27 (fractional), 26, 36: All	1,580
2	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 1/2 W 1/2 SW 1/4	615
C.	Section 6 (fractional): excluding ADL 48787 and ADL 49431 located in the E 1/2 SW 1/4; ADL 46149, ADL 46150, ADL 46151, ADL 46152, ADL 46153, and ADL 46650 located in the N 1/2, SE 1/4; and ADL 41043 located in the SW 1/4 NE 1/4 and NW 1/4 SE 1/4	300
D.	Section 16 (fractional): excluding ADL 46773 located in the SW 1/4 SW 1/4	615
E.	Section 21 (fractional): excluding ADL 47665 located in the SW 1/4 NW 1/4, ADL 41036 located in the N 1/2 SW 1/4, ADL 41300 located in the S 1/2 SW 1/4	495
	Cumulative Total	23,802

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 15,408.33 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.

ATTACHMENT B

Any and all property in which Timber Trading Company has an interest in the following described Seldovia Native Association land outside Kachemak 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 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.

By: John Sturgeon

Its: President

Date: 3/15/93

State of Alaska

By: Charles L. Loh

Its: Attorney General

Date: 3.10.93

Revised and Acknowledged

Seldovia Native Association

By: Fred H. Ekman

Its: PRESIDENT

Date: 3-10-93

JAN 2 1993

RESOLUTION OF THE
EXXON VALDEZ SETTLEMENT TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the Exxon Valdez Settlement Trustee Council, after extensive review and after consideration of the views of the public, find as follows:

1. The Seldovia Native Association owns lands within Kachemak Bay State Park ("park inholdings"), consisting of approximately 23,802 acres and more particularly described in Attachment A. These inholdings were selected pursuant to the Alaska Native Claims Settlement Act. The timber rights for the inholdings are held by the Timber Trading Company and the subsurface rights by Cook Inlet Region, Inc. ("CIRI"). The subsurface rights held by CIRI are not entirely coextensive with the surface rights due to minor exchanges between the State and CIRI.

2. The park is within the oil spill affected area and the tidelands adjoining the park inholdings were oiled in 1989.

3. A substantial portion of the park inholdings are threatened with imminent clearcut logging. Permit applications are pending for the logging of 5900 acres. Additional acreage is also subject to the threat of logging. The majority of threatened lands are coastal lands surrounding China Poot and Neptune Bays with smaller parcels at the head of Sadie Cove. Logging may commence on these lands during the 1993 season.

4. The park inholdings provide exceptional services to recreational users. Much of the recreational use is concentrated on or adjacent to the park's near shore waters and tidelands including areas which were oiled in 1989. Activities include pleasure boating, sport fishing for silver, pink and sockeye salmon, winter king salmon fishing, recreational dipnetting, clam digging, shrimping, kayaking, crabbing, beachcombing, photography, hiking, mountain bike riding, and wildlife observation. Logging would further impact these services.

5. The park inholdings include important habitat for several species of wildlife for which significant injury has been documented. There is substantial evidence that the park inholdings at Neptune and China Poot Bays are particularly important marbled murrelet nesting areas. The extent to which marbled murrelets are naturally recovering is unknown. Harlequin ducks, a species which continues to suffer injury, nest and forage in the China Poot drainage. Logging would directly effect these activities and hence rehabilitation of these two species. Restoration of black oyster catchers and river otters, which use shore lines adjacent to uplands slated for logging, would be impacted by logging. Harbor seal haul outs, numerous archeological sites, anadromous fish streams and intertidal and subtidal biota are all found in

substantial quantity in the threatened areas and would be impacted. Sea otters in China Poot Bay may be impacted by the increased logging activity. A murre colony on Gull Island which is immediately offshore from the timber harvest area will likely be impacted by the increased disturbance that attends any logging operation. Murres and sea otters were injured by the oil spill and do not yet appear to be recovering.

6. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other developmental activities. However, restoration, replacement and enhancement of resources injured by the EXXON VALDEZ oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect resources, biologists, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will likely have a beneficial affect on recovery of injured resources and lost or diminished services.

7. There has been widespread public support for the acquisition of the park inholdings.

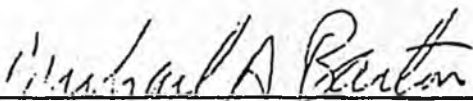
8. The purchase of the park inholdings is an appropriate means to restore injured resources and services in the Kachemak Bay region.

9. Approximately 7,500 acres of land, identified by an underlined marking on Attachment A, have been specifically identified as having both high natural resource or service values and as being immediately threatened with logging. This acreage has an estimated value of approximately \$7,500,000 to \$8,400,000.

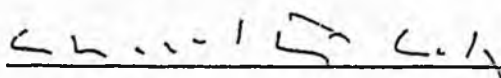
THEREFORE, we request the Attorney General of the State of Alaska and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to petition the United States District Court for the District of Alaska for withdrawal of the sum of \$7,500,000 from the EXXON VALDEZ Oil Spill Settlement Account ("Exxon Settlement Account") established in the Court Registry Investment System as a result of the governments' settlement with the Exxon companies. These funds shall be paid into the Alyeska Settlement Fund established by the State of Alaska as required in the Alyeska Settlement Agreement, and, together with the interest thereon, used to purchase fee simple title to the park inholdings. Title to the land shall be granted to the State of Alaska for inclusion of the lands in the Kachemak Bay State Park. The use of these funds is conditioned as follows: (1) the purchase must be completed by December 31, 1993; (2) the total purchase price may not exceed \$22,000,000; and (3)

the park inholdings must be purchased in fee simple title including all timber and all subsurface rights. If any of these conditions is not met the funds shall be returned, together with accrued interest, to the Exxon Settlement Account.


Dated this 11th Day of December, 1992 at Anchorage, Alaska.



MICHAEL A. BARTON
Regional Forester
Alaska Region
USDA Forest Service



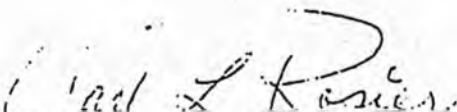
CHARLES E. COLE
Attorney General
State of Alaska



CURTIS V. MCVEE
Special Assistant to the
Secretary
U.S. Department of the Interior



STEVEN PENNOYER
Director, Alaska Region
National Marine
Fisheries Service



CARL L. ROSIER
Commissioner
Alaska Department of
Fish and Game



JOHN A. SANDOR
Commissioner
Alaska Department of
Environmental Conservation

HABITAT PROTECTION ACQUISITION PARCELS

Kachemak Bay, Alaska

Scale 1:125,000

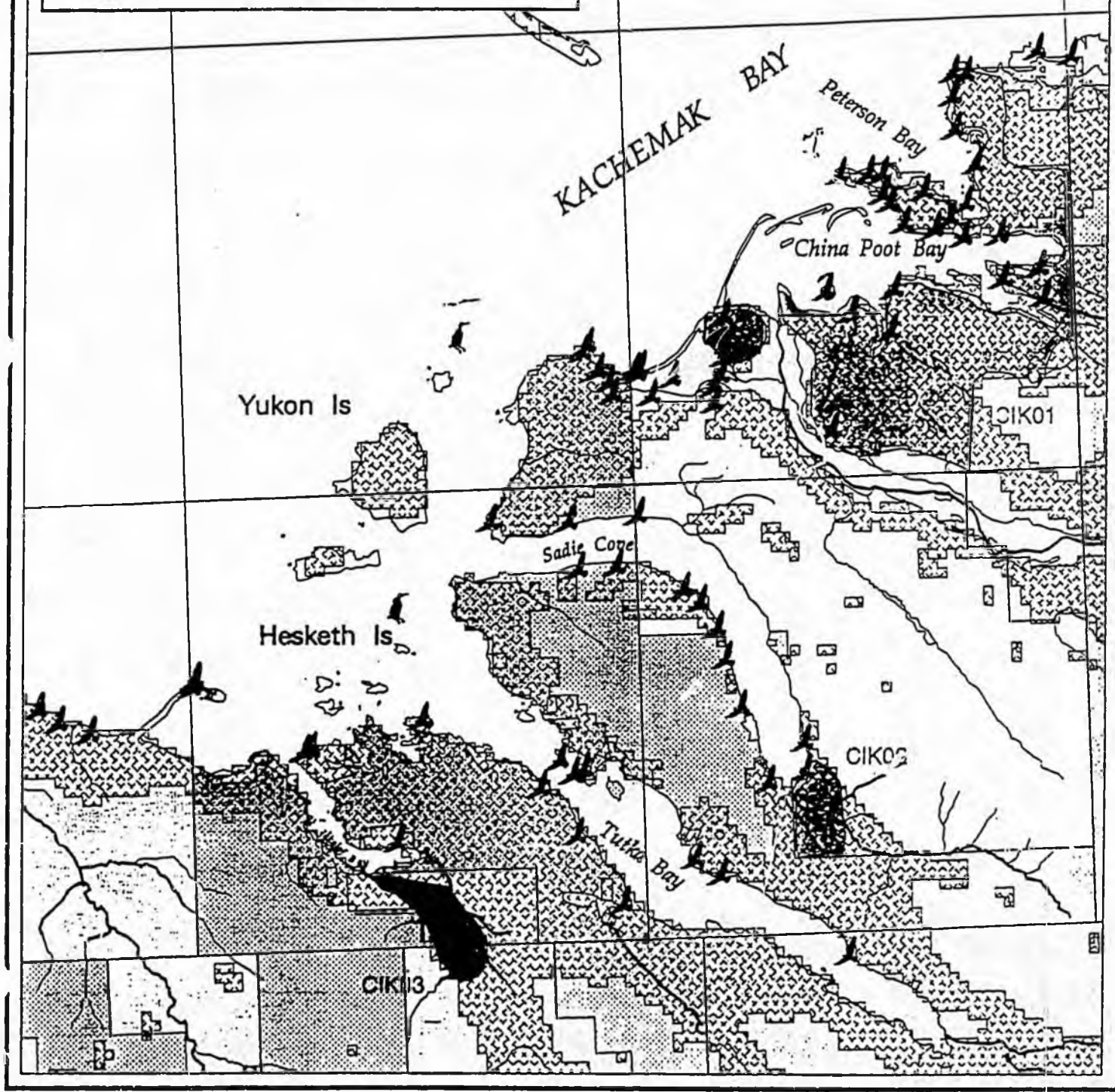
Albers Equal Area Projection

LEGEND

- | | | | |
|--|-------------------------------------|-------|--------------------|
| | Public (State or Federal) | | Streams |
| | Private | | Anadromous Streams |
| | Timber Harvest Areas | | Eagle Nests |
| | 1993 Projected Timber Harvest Areas | | Seabird Colonies |
| | Native Selected | C:K02 | Parcel Number |
| | Forest Cover | | |

Date printed: January 27, 1993

SOURCES:
 Current and planned timber harvest areas provided by Alaska Department of Fish and Game (ADF&G) and Alaska Department of Natural Resources, Division of Forestry, 1992.
 Land status was provided by ADNR, Land Records Information System (LRIS), 1992.
 Forest Cover data provided by US Geological Survey (USGS)/FWS Alaska Field Office, using LANDSAT MRB images resampled to a 700 meter grid.
 Eagle and Seabird distribution patterns provided by US Fish and Wildlife.
 Streams were summarized by ADF&G-LRS from the USGS topographic maps (1:62,500). Anadromous streams classification was determined by the ADF&G, 1990.



HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #: CIK 01		PARCEL NAME: China Poot, Kachemak Bay	
LANDOWNER: Seldovia Native Association	² PARCEL ACREAGE: 7,500	³ TOTAL ACREAGE: 106,000	⁴ AFFECTED ACREAGE: 5,300
INJURED RESOURCE / SERVICE	POTENTIAL FOR BENEFIT	COMMENT	
Anadromous Fish	Moderate	Five cataloged anadromous streams on parcel. Coho, chum, sockeye, and pink salmon and Dolly Varden spawning and rearing habitat; enhanced sockeye salmon runs in Leisure Lake and Hazel Lake.	
Bald Eagle	High	Intertidal foraging and feeding on anadromous fish. Thirty seven documented nest sites on parcel.	
Black Oystercatcher	Low	Likely that oystercatchers use gravel spits and intertidal for feeding and nesting.	
Common Murre	Moderate	Murre colony (est. 5,075 birds) on Gull Rock may benefit from adjacent habitat protection.	
Harbor Seal	Moderate	Harbor seals feed in area and frequently haul-out on nearshore rocks and bars.	
Harlequin Duck	Moderate	Probable nesting in upper riparian areas; probable feeding in streams and estuaries.	
Intertidal/subtidal biota	High	China Poot Bay is documented as one of the most productive shallow benthic habitats in Kachemak Bay.	

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #: CIK 01	PARCEL NAME: China Poot, Kachemak Bay	
Marbled Murrelet	High	High confidence that nesting occurs on parcel. Large numbers of murrelets forage on Kachemak Bay.
Pigeon Guillemot	Low	Foraging occurs in adjacent marine waters.
River Otter	Moderate	High use area for feeding and latrine sites; possible denning inland.
Sea Otter	Low	Established population in area; feeding and possible pupping in adjacent marine waters.
Recreation/Tourism	High	Neptune, Peterson, and China Poot bays and Gull Rock receive high use. Highly visible from Homer and Kachemak Bay. Adjacent to Kachemak Bay State Park.
Wilderness	Low	Area is moderately developed, primarily recreational homesites. High human use area.
Cultural Resources	Moderate	Twenty eight documented archeological sites on parcel.
Subsistence	Moderate	Within resource use area of Port Graham and English Bay.
<p>ECOLOGICAL SIGNIFICANCE: China Poot, Neptune, and Peterson bays are highly productive estuaries that provide habitat for birds, anadromous fish, mammals, and intertidal marine life. This area receives very high recreational use, has significant archeological sites, and is highly visible from Homer and adjacent marine waters. The timbered lands are probably important to marbled murrelets. This area also provides access to a recreational dip-net fishery at the outlet of Leisure Lake.</p>		

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #: CIK 01	PARCEL NAME: China Poot, Kachemak Bay
<p>ADJACENT LAND MANAGEMENT: This parcel is adjacent to Kachemak Bay State Park; the park receives a significant amount of recreational use by residents of Anchorage and the Kenai Peninsula and is also an important tourist attraction. The parcel is also adjacent to other Seldovia Native Association lands.</p>	
<p>IMMINENT THREAT/OPPORTUNITY: This parcel is proposed for logging in 1993. Permit approvals are pending additional information, Corps of Engineers Public Notice, and ACMP review.</p>	
<p>PROTECTION OBJECTIVE: 1) Maintain water quality of the estuary and associated riparian habitats for anadromous fish; 2) maintain bald eagle, marbled murrelet, and harlequin nesting habitat; 3) maintain and enhance recreational opportunities and scenic values; and 4) maintain public access to Leisure Lake stream.</p>	
<p>USEFUL PROTECTION TOOL(S): Timber acquisition; fee simple purchase; conservation easement; cooperative management; public access acquisition.</p>	
<p>RECOMMENDED ACTION: The Trustee Council has approved a resolution to acquire fee title for Kachemak Park inholdings. Habitat and service values are among the highest for imminent threat lands evaluated. Request SNA to provide interim protection; begin negotiations to acquire long term protection; December 31, 1993 deadline.</p>	

1. Parties other than landowner may own partial rights (eg. timber, minerals).
2. Area evaluated.
3. Estimated acreage held by the owner in the spill area.
4. Estimated area to be affected by imminent development activity.

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #: CIK 02		PARCEL NAME: Sadie Cove	
LANDOWNER: Seldovia Native Association	² PARCEL ACREAGE: 400	³ TOTAL ACREAGE: 106,000	⁴ AFFECTED ACREAGE: 400
INJURED RESOURCE / SERVICE	POTENTIAL FOR BENEFIT	COMMENT	
Anadromous Fish	Moderate	Two cataloged anadromous streams. Pink and chum spawning.	
Bald Eagle	Moderate	Three documented nest sites on parcel.	
Black Oystercatcher	None		
Common Murre	None		
Harbor Seal	Low	Foraging in Sadie Cove estuary.	
Harlequin Duck	Low	Possible nesting in upper reaches of riparian habitat (adjacent to parcel). Potential feeding in lower stream and estuary.	
Intertidal/subtidal biota	Low	Species diversity and richness relatively low at head of Sadie Cove.	
Marbled Murrelet	Low	No evidence of use of this parcel.	
Pigeon Guillemot	None		
River Otter	Low	Probable feeding in adjacent marine habitat and stream.	
Sea Otter	Low	Occasional use of Sadie Cove for feeding and shelter.	
Recreation/Tourism	Moderate	Recreational cabins and boating. High scenic values.	
Wilderness	Low	Area is moderately developed, primarily recreational homesites. Moderate evidence of human use.	

HABITAT PROTECTION PARCEL ANALYSIS

PARCEL #: CIK 02	PARCEL NAME: Sadie Cove	
Cultural Resources	None	No evidence that archeological sites exist on parcel.
Subsistence	Low	Waterfowl, marine mammals
<p>ECOLOGICAL SIGNIFICANCE: Sadie Cove is a deep fjord estuary that provides habitat for anadromous fish and overwintering waterfowl. It is a moderately used recreational area accessible by boat from Homer.</p>		
<p>ADJACENT LAND MANAGEMENT: Kachemak Bay State Park; Seldovia Native Association.</p>		
<p>IMMINENT THREAT/OPPORTUNITY: This parcel is proposed for logging in 1993.</p>		
<p>PROTECTION OBJECTIVE: 1) Maintain water quality of the estuary and associated riparian anadromous fish habitat; 2) protect bald eagle nesting and roosting habitat.</p>		
<p>USEFUL PROTECTION TOOL(S): Timber acquisition; fee simple purchase; conservation easement; cooperative management.</p>		
<p>RECOMMENDED ACTION: Request interim protection from SNA, partial interests (timber rights, easement) and/or cooperative management may provide adequate long-term protection.</p>		

1. Rights other than title may be held by other parties.
2. Area evaluated.
3. Total acreage held by the owner in the spill area.
4. Estimated area to be affected by imminent development activity.

House Bill 269
Section 4

Kachemak Bay State Park Visitors Center \$500,000

This section provides funding for the construction of a visitors' center and associated facilities in or near Kachemak Bay State Park. Access to the Kachemak Bay State Park is currently provided by charter and tour boats from Homer, Seldovia, Halibut Cove and Peterson Bay. In addition, the Center for Alaskan Coastal Studies at Peterson Bay was visited by approximately 2000 people last year, including 600 students from throughout Alaska who spent two nights and three days in the park.

Presently the park has no facility to serve as an introduction to the park and its natural resources and is lacking in other visitor facilities. With the acquisition of the park inholdings and anticipated growth in visitors to the area, it is expected that more amenities will be needed.

The visitor center and associated facilities would serve as an introduction to the park and educational and interpretative goals of the center. Funding would also be used to provide safe visitor access to the park by placement of mooring facilities and docks for boats in locations that provide easy access to trails and other public use areas.

The Department of Natural Resources will work with the communities of Kachemak Bay and the Kachemak Bay State Park Citizen's Advisory Board to identify the specific nature and location of the center and other interpretative facilities and needed access points.

The Kachemak Bay State Park Citizens' Advisory Board has been discussing the need for a number of capital improvement projects associated with the State Park. The needs identified include: a public dock for accessing park trails, facilities for Halibut Cove Lagoon which would provide improved access to hiking trails, camping and other facilities, and public mooring buoys for placement near trailheads, camping areas, or public use cabins to make the park more accessible to visitors.

House Bill 269
Section 5

Mariculture Technical Center \$3,200,000

Mariculture development in Alaska faces two serious impediments. Regulations prohibit the import into Alaska of shellfish (including shellfish spawn, or "spat") other than oysters. Oyster mariculture operations in Alaska currently have available only spat from outside the state, and that supply is unreliable. Thus, future growth of oyster mariculture is restricted by the lack of an instate spat production facility and development of any other type of mariculture is similarly restricted. A Mariculture Technical Center would provide a site for both research and production of spat for oysters and larval species other than oysters. According to the terms used to define restoration in the oil spill settlement documents, building up the mariculture opportunities would be "acquisition of equivalent services" for the loss of services the oil spill caused to commercial and subsistence fisheries.

**Mariculture Technical Center
Alaska Department of Fish and Game**

House Bill 269
Section 5

TOPIC

Restoration of bivalve shellfish resources and commercial fishing and subsistence services lost due to the Exxon Valdez Oil Spill through support of the Alaska aquatic farm industry by construction and operation of a mariculture center for technology development and seedstock production.

ISSUE

Several varieties of clams have been negatively impacted by the spill and oil remains under a number of blue mussel beds. These beds may eventually have to be cleaned and the mussels will need artificial reseeding for rapid recovery after cleaning. Further, salmon and herring fisheries, among others, have been negatively affected as have subsistence hunting and fishing. The project described herein would be required for any direct restoration of bivalve shellfish and would support a mariculture industry that would serve as a replacement for lost subsistence and commercial fishing services. The aquatic farm industry does not have practical research and development facilities or a source of native seedstocks available to it. Growth of the industry is severely constrained as a result. Facilities do not exist to assist in the restoration of shellfish resources important to subsistence or commercial users.

**POSITION OF THE
DEPARTMENT**

To address the most critical constraints, ADF&G requests funding for construction and operation of a Mariculture Technical Center. The department is neutral on the location of the Center as long as the technical needs (water quality, productivity, etc.) of the facility are met and the location does not compromise its usefulness to the aquatic farm industry.

**POSITION OF OTHER
DEPARTMENTS**

DCED and DCRA have funded projects to help develop the industry. DNR, DEC and OMB/DGC are actively involved in permitting aquatic farms.

BACKGROUND

Native littleneck and butter clams were impacted by both oiling and clean-up, particularly high pressure, hot water washing. Littleneck clams transplanted to oiled areas in 1990 grew significantly less than those transplanted to unoiled sites. Subsistence harvests of fish and wildlife in 10 of 15 villages surveyed declined from 4 - 78% when compared to pre-spill levels. The decline was and continues to be particularly notable in the villages of Tatitlek and Chenega. In 1989 emergency commercial fishery closures were ordered throughout the oilspill

area. Many species suffered biologically significant injury and are currently under more restrictive management.

The private for-profit aquatic farm (mariculture) industry was formalized by legislation passed in 1988. A moratorium was placed on finfish farming, which was prohibited by legislation passed in 1990.

To date 163 farm applications have been received. Eighty one farms were permitted. Eleven applications are currently in final stages of review. Sixty nine farms have current permits. A statewide application period is scheduled to end April 30. The 1992 farm product inventory was valued at \$4.8 million.

Farming of locally occurring species such as scallops, little-neck clams, blue mussels and abalone has been severely constrained by lack of knowledge about the culture and farming of these and a source of seed. By establishing the technology to culture and farm them, the aquatic farm industry would be able to diversify and be very competitive on the world market.

This facility would provide staff and space to accomplish applied research such as development of hatchery techniques for scallops and little-neck clams and of Alaskan specific broodstocks that could be utilized directly by private shellfish hatcheries that would be developed in-State. The facility would be able to provide seedstocks while private facilities were coming on-line. Space would be available in the facility for private research and demonstration projects. ADF&G would operate the basic facility. The industry could help fund Center operations by purchasing seedstocks produced by facility projects. The opportunity exists to restore or replace locally important subsistence and commercial shellfish stocks using technology and facilities developed at this center.

The Alaska Shellfish Grower's Association (ASGA) unanimously supported the proposal. At the department's request, ASGA appointed a committee to work with the department in developing the facility concepts, design and location.

Sites were considered and ranked according to biological, technical, and logistical factors by a technical subcommittee and an industry subcommittee. Seward and Juneau (Auke Bay) were considered to have the highest technical potential.

CONTACT PERSON

Carl L. Rosier, Commissioner
465-4100

**MISCELLANEOUS
FACTS**

* Operational funds of \$300,000/ year in 1995 and beyond would be derived from reprogramming general funds currently

budgeted for the transition of some hatcheries to the private sector.

- * 69 aquatic farms have current permits in Alaska.
- * There are no operating shellfish hatcheries in Alaska.
- * All Pacific oyster seed is purchased from hatcheries outside Alaska.
- * Native corporations in Kodiak, Tatitlek, Cordova, Yakutat, Klawock, Chenega and Angoon have obtained farm permits.
- * The most interest in aquatic farming has been demonstrated in Kachemak Bay and Prince William Sound. There are currently 23 farms in Kachemak/Resurrection Bay and 17 farms in Prince William Sound.
- * The Chugachmiut Corporation, a non-profit corporation representing the people of the Chugach Native Region proposed a small oyster hatchery in Seward to provide dependable supply of seed to their farms. This facility would be able to directly apply technology developed at the Center.

WHAT

A. Goal

The goal of this project is to assess the feasibility of using aquatic farming technology to restore, replace or enhance bivalve shellfish populations in oil-affected areas and to mitigate the negative affects of the *Exxon Valdez* oil spill on native communities.

B. Objectives

The initial objectives of the project are to assess the feasibility of a shellfish production hatchery and a mariculture technical center to be used to restore, replace and/or enhance bivalve shellfish populations in oil-impacted areas. A report on the feasibility of the proposed facilities relative to potential uses will be generated from data collected during the year. Alternative configurations will be considered and analyzed. This initial study will also attempt to identify potential species and establish production goals for those species.

Native communities and organizations in the affected area would be involved from the outset in development of this project. Pending the results of the feasibility analysis, they would be the logical entity to operate the production shellfish hatchery.

If full funding for construction of the facilities is not realized from oil spill funds, additional funding sources will be required before they can be built. Though this would not affect the stated objectives, it would alter the project time frames and facility priorities

WHY

A. Benefit to Injured Resources/Services

Bivalve shellfish populations were severely impacted by the oil spill and by the cleanup efforts following. All of the affected populations were used to some degree by marine mammals, birds, fishes and in many cases for human subsistence. This project would provide the facilities and infrastructure to research techniques to restore, replace and/or enhance affected populations using shellfish hatchery and aquatic farm-based technology.

HOW

A. Methodology

Utilizing concepts already developed for the Seward shellfish hatchery and the ADF&G Mariculture Technical Center, a feasibility analysis of the project will be conducted. Engineering and biological expertise will be retained to conduct the analysis. If construction funds are later approved, direct restoration, replacement and/or enhancement of bivalve shellfish will be accomplished via an onshore production hatchery operated by the private sector using technology developed at a State-operated research center. The combination of the two facilities is necessary to accomplish the overall production objectives of this project because of the lack of technology for indigenous species.

Project Descriptions

Analysis of similar projects in other areas will be conducted. The information will be incorporated into the project design.

Evaluation and feasibility determinations of potential projects for restoration, replacement or enhancement of bivalve shellfish in more remote areas, but of import to marine mammals, birds and fish will also be accomplished.

B. Coordination with other efforts

During the process of needs assessment and feasibility analysis, necessary coordination of efforts needs will also be determined and analyzed. At this time ADF&G is aware of efforts by Alaska native groups to establish a shellfish hatchery and an aquatic farm industry in the oil-affected area. This project is supportive of and will be coordinated with those efforts to insure maximum efficiency and utility.

ENVIRONMENTAL COMPLIANCE

Project compliance with the National Environmental Policy Act (NEPA) will be assessed during the feasibility phase. Until project design and specifications are finalized, specific NEPA requirements cannot be determined. Aquatic farms are addressed under a Corps of Engineers' general permit (GP 91-7). If facilities are constructed, a determination of compliance with the Alaska Coastal Management Plan (ACMP) will be required. The required State and Federal permits will be identified and incorporated into the project planning process.

WHEN

The feasibility study will occur this budget year (1/1/93 - 9/30/93). The clam restoration/enhancement demonstration project will occur next budget year.

If the project is determined to be feasible and appropriate budgets realized, construction of the facilities will begin in 1993 (Oil Year 6). The facilities will be operational in 1994.

Mariculture Technology Center
Site Review Committee -- Agency/University

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Mariculture Coordinator
Alaska Department of Fish and Game
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Report of the Mariculture Technology Center
Site Review Committee
November 27, 1991

As presented by F.R.E.D. the Mariculture Technical Center will serve a number of purposes.

1. To provide a facility and support services to enable both public and private funded mariculture research and development in support of the Alaska mariculture industry.
2. To provide indigenous species seed stock for the mariculture industry. Sale of the seed stock would be used to assist with operating expenses.
3. To enable the Alaska Department of Fish and Game to conduct research on restoration and enhancement of marine organisms.
4. To provide technical training on culture of shellfish and aquatic plant to participants in the mariculture industry.

To facilitate maximum utilization of the MTC, the objectives of the proposed facility are to:

1. Construct the facility to operate as a macroalgae, and shellfish hatchery.
2. Construct a facility that can be easily modified to support varied types of mariculture research.
3. Site and construct a facility that is capable of culturing multiple species.

The MTC will not be a production size shellfish hatchery. Technological developments and support services will be used to support private shellfish production hatcheries.

The initial phase of development of the proposal is to select a site for construction. F.R.E.D. in cooperation with the Alaska Shellfish Growers Association (A.S.G.A.), and the University of Alaska formed a committee to review possible sites, and make recommendations as to the locations best suited for the MTC. Six sites were selected for review based upon input from F.R.E.D., A.S.G.A., and the University of Alaska. The sites selected for review were: Kasitsna Bay(Seldovia), Seward, Kodiak, Yakutat, Auke Bay, and Sitka.

Each proposed location was evaluated by using the following criteria

1. Water quality of the potential intake water to a facility.
2. Past record of culture of microalgae, macroalgae, and invertebrate larva.
3. Reasonable access to a growout area to enable continuation of research from the MTC to actual marine conditions.

Water quality data were collected from laboratories, Institute of Marine Science cruises, research papers, personal interviews, and environmental impact studies. Most shellfish hatchery operators suggest that a bioassay be conducted of the water supply before hatchery construction. Since bioassay data is not available the proposed sites, a history of successful invertebrate larva culture was included as a selection criteria. Although not a high priority we thought it reasonable that a potential nursery area be accessible since research on marine organisms often is not complete until the organisms are transferred to the marine environment, and their adaptation, survival, and growth are assessed.

Since the MTC is proposed to be a multi species facility, the committee agreed to evaluate each location on the feasibility to culture scallop larva and giant kelp (*Macrocystis*). Laboratory culture of both of these organisms requires more stringent water quality requirements than other marine organisms having mariculture potential. Combining the requirements of both these organisms the water quality requirement we selected were:

1. Water temperature less than 15° C
2. Low primary productivity as indicated by algae cell counts, zooplankton blooms, and chlorophyll a measurements
3. Salinity above 28 ppt (preferred 30-32 ppt)
4. Low heavy metals
5. Low suspended solids (Clear water)
6. Access to deep water to ensure stable, nutrient rich water quality.

Exact water quality criteria cut-off values were not assigned, but an overall estimate as to the quality of each site was assessed from information available about each site. If levels of any or a combination of the above criteria could potentially lead to problems of facility operation, or could be environmentally limiting to the success of scallop larva and giant kelp, the proposed location was ranked accordingly.

As the data was analyzed we found that locations fell into groups.

House Bill 269
Section 6

Ft. Richardson Pipeline \$4,000,000

This pipeline improvement would immediately double fish production of the hatchery that is currently only utilized at 50% capacity due to lack of water. The increased production would be used to mitigate the predicted loss of the Kenai River sockeye salmon sport fishery in 1994, 1995, and perhaps beyond 1995 by planting fish in lakes, and streams throughout Upper Cook Inlet and the Kenai Peninsula.

This sum would cover the full cost of constructing a pipeline to improve the Fort Richardson hatchery operation. This project has extremely high restoration value in providing sport fishing opportunities to the same group of fishermen who have lost and will continue to lose opportunities to catch Kenai River sockeye. The decrease in sport fishing opportunities for sockeye salmon on the Kenai River will have significant social and economic impact on the Cook Inlet area. Over 335,000 angler days were spent in pursuit of salmon on the river in 1990. A major portion of this effort was directed toward sockeye salmon, with an average annual harvest of 107,500 sockeye valued at approximately \$10 million.

This project is largely ready to start; the Municipality of Anchorage strongly supports this project and has prepared an Environmental Assessment that is currently being reviewed by the U.S. Fish and Wildlife Service.

F Hatchery Water Supply System
Alaska Department of Fish and Game
House Bill 269
Section 6

TOPIC Construction of a Water Pipeline at Ft. Richardson Hatchery

ISSUE Sec. 6 of HB-269 (Exxon Valdez oil spill restoration projects) appropriates \$4 million to construct a water pipeline to Ft. Richardson Hatchery which would increase the capacity of that facility to raise fish to benefit sport fisheries.

POSITION OF THE DEPARTMENT ADF&G supports this project. The department believes this project represents the best potential for increasing sport harvest and fishing participation and the resulting economic benefit from sport fisheries in southcentral and interior Alaska.

POSITION OF OTHER DEPARTMENTS

BACKGROUND The Ft. Richardson Hatchery is located in the Anchorage urban area and produces 3 million rainbow trout, 850,000 chinook salmon and 600,000 coho salmon, annually. These fish are released at over 200 sites in southcentral and interior Alaska. Funding for this hatchery comes entirely from sport fishermen through Federal Aid In Sport Fish Restoration Funds (also called D-J or W-B) and from sport fishing license revenues deposited into the Fish and Game Fund. All fish production projects at this facility are designed to benefit sport fisheries, although commercial, subsistence, and personal use fisheries receive some ancillary benefits from the production of anadromous salmon.

Fish production at Ft. Richardson Hatchery is currently limited by the cost and quantity of available water. The proposed new water supply system and associated modifications to this hatchery would approximately double the capacity for fish production at the hatchery and reduce the cost per fish produced by providing a primary source of gravity fed water from Ship Creek via two pipelines. One line will provide ambient water and another will provide heated water (60°F) with waste heat gained from Anchorage Municipal Light and Power's Plant No. 2.

Completion of this project would increase the number of trout and salmon stocked in the Anchorage and Railbelt areas by 3.7 million fish and would provide an estimated 142,000 recreational fishing days to the people of southcentral and interior Alaska. This will translate into approximately 54 full-time jobs and personal income of \$1.56 million to the Anchorage and surrounding areas. Operating costs of the hatchery would be increased due to the increased production capability, however, funds would come from D-J and fishing license revenues, not General Funds.

The justification for the use of restoration funds for this project is that the increased production will provide an alternative to lost sport fishing opportunities in Cook Inlet that are expected to occur due to the oil spill.

CONTACT PERSON Carl L. Rosler, Commissioner
465-4100

MISCELLANEOUS FACTS

- * Cost of fish production at Ft. Richardson Hatchery would be reduced from \$6.92/lb to \$5.60/lb. Cost of production at other Alaskan Hatcheries is as much as 3.7 times the cost of production at Ft. Richardson Hatchery.
- * Rainbow trout are the most popular resident sport species in Alaska, and the vast majority of rainbow trout harvested in Alaska are produced at Ft. Richardson Hatchery.
- * The Anchorage Economic Development Corporation has stated that the proposed expansion project will have a very positive impact on Anchorage and other railbelt communities.

EXXON VALDEZ OIL SPILL PROJECT DESCRIPTION

Project Number: 93026

Project Title: Fort Richardson Hatchery Water Pipeline

Project Category: Restoration Enhancement

Project Type: Fish

Lead Agency: Alaska Department of Fish and Game

Cooperating Agencies: None

Project Term: January 1, 1993 to June 30, 1994

INTRODUCTION

Overescapement of sockeye salmon occurred in the Kenai River as a result of the Exxon Valdez oil spill. This has led to a dramatic reduction in smolt survival.

The Fort Richardson Hatchery currently uses only 50% of available fish rearing space because the existing water supply is limited. Construction of a water pipeline to connect the Fort Richardson Hatchery to the Municipal water system would allow immediate doubling of fish production. This increased production would then be used to provide alternative sport fishing opportunities as early as 1994, thus reducing the impact caused by the loss of the Kenai River sockeye salmon sport fishery.

The increased production of rainbow trout and king, coho, and pink salmon resulting from this project would be released into lakes and streams throughout Upper Cook Inlet and on the Kenai Peninsula providing direct alternative sport fishing opportunities for severely impacted fishermen. Completion of this project would also increase hatchery dependability and reduce cost per unit of production so all areas served by the Fort Richardson Hatchery would indirectly benefit.

WHAT

The goal of this project is to provide alternative sport fishing opportunities to reduce the social and economic impact of the loss of the Kenai River sockeye salmon sport fishery. As a result of the expected closure of the Kenai sockeye salmon fishery it is estimated that at least 100,000 angler days will be lost each year. Increased production at the Fort Richardson Hatchery would ameliorate this loss.

Fish production objectives are as follows:

<u>Species</u>	<u>Number</u>	<u>Size</u>	<u>Potential Angler Days</u>
Rainbow Trout	250,000	100.0 g	50,000
King Salmon	800,000	15.0 g	25,000
King Salmon (catchables)	50,000	100.0 g	20,000
Silver Salmon	600,000	20.0 g	32,000
Pink Salmon	2,000,000	0.15 g	15,000

WHY

The decrease of sport fishing opportunities for sockeye salmon on the Kenai River would have significant social and economic impact on the Cook Inlet area. Over 335,000 angler days were spent in pursuit of salmon on the Kenai River in 1990. A major portion of this effort was directed toward sockeye salmon with an average annual harvest of 107,500 sockeye salmon valued at approximately \$10,000,000.

The extremely low number of out-migrant smolts in 1991 and 1992 strongly suggests that sockeye salmon production in the Kenai River will be affected. It is possible that sockeye salmon fishing will be closed for a number of years starting in 1993. However, if immediate action is taken, the Fort Richardson Hatchery water pipeline project would provide alternative sport fishing opportunities during the years the Kenai River loses are expected to be most severe and would significantly reduce these impacts.

HOW

The main project objective would be met by constructing a water delivery system connecting the Municipal Water Utility with the hatchery. The main elements of this system include a cold water line running directly from the Municipal Water Plant to the hatchery and a second line that will provide heated water (via heat exchangers in the Sullivan Power Plant which is adjacent to the Water Plant) to accelerate fish growth.

An engineering feasibility study was completed in 1991 by F. Robert Bell and Associates. This study determined that this project was both technically and economically feasible. In a separate study the Anchorage Economic Development Corporation determined that this project would have a benefit/cost ratio of 2.8:1.

Fish cultural methodology will follow well established, standard Department of Fish and Game and FRED Division procedures and policies.

In the Fall of 1992, a peer review synthesis meeting will examine the proposed benefits and associated potential ecological risks of wild versus hatchery fish.

Construction permits will be required. They will be the responsibility of the contractor. The hatchery is on a military reservation. Access permits to the reservation may be required. This project may be required to meet requirements under Clean Water Act.

Project Descriptions

WHEN

If this project is approved by the Trustee Council, a minor amount of preliminary work would begin immediately. In cooperation with the Municipality we would solicit proposals for engineering and design for review so that an engineering firm could be hired as soon as an EIS was completed and funds were available. Major milestones are as follows:

Fall 1992	Project peer review synthesis meeting
January 1993	Environmental Impact Statement
January - March 1993	Public Review of EIS
March 1993	Contingent upon favorable public review and concurrence of the Trustee Council, design and construction funding is approved
March -- June 1993	Project design and engineering
April 1993	Collect rainbow trout eggs
June 1993	Award construction contract
July 1993	Collect king salmon eggs
September 1993	Collect coho eggs
January 1984	Water system on-line to support additional fish
June 1984	Release fish

ADDENDUM

1. The Municipality of Anchorage (which strongly supports this project) has an easement for this pipeline route; the corridor already contains an existing powerline.
2. After the pipeline is completed, the program will be partially operated by federal funding as it currently is; consequently, the NEPA public review process has been and will be followed before fish are released. This review process has been incorporated into the development of the ADF&G "Statewide Stocking Plan for Recreational Fisheries" (copy available upon request from FRED Div., Alaska Dept. of Fish and Game, 333 Raspberry Rd., Anchorage, AK 99518-1599). This document has been scheduled for review and updating in 1993. In addition, before any new release location is approved, it is also subjected to another ADF&G review process that addresses fish genetics, fish disease and fisheries management concerns (Fish Transport Permit or FTP process). Thus all releases are subject to both the federal NEPA and state FTP processes currently and will be in the future.

House Bill 269
Section 7

Construction and Placement
of Recreational Activities \$4,750,000

The expenditure of funds pursuant to this section will be coordinated with actions of the Trustee Council responsible for authorizing expenditures from the funds received as part of the EXXON Valdez Oil Spill Civil Settlement, Alaska Department of Natural Resources, and all other state and federal land management agencies with responsibilities in the spill affected region.

The Trustee Council is distributing the Draft 1994 Restoration Plan and from April 12-30 will be conducting a series of public meetings to solicit additional public comment on all aspects of proposed restoration projects, studies and habitat acquisition. The Trustees Council has already authorized the expenditure of up to \$20 million dollars for acquisition of critically, imminently threatened habitat, and has a science-based process for identifying additional lands for acquisition within the spill affected region from Prince William Sound, to the Southern Kenai Peninsula and the coastal Kodiak Archipelago. A copy of the draft proposal now out for public review has been provided to the committee.

This section provides \$4,750,000 plus interest earned on the restitution funds for the construction of recreational amenities, including recreational cabins, mooring buoys, floating docks, and similar projects, within Prince William Sound, the southern Kenai Peninsula and the coastal areas of the Kodiak Archipelago. It also provides for the acquisition of sites and easements necessary for those amenities.

These funds would be used to supplement the work of the Trustees by providing improvements while maintaining their natural character. Envisioned are natural recreations areas that will consist of a constellation of sites, facilities and programs that will attract visitors by many modes of transportation.

Page Two

**Construction and Placement
of Recreational Amenities**

Recreational amenities constructed pursuant to this section are intended to increase access, minimize impacts and provide outdoor and educational opportunities for a wide variety of outdoor users. For example, construction of an outhouse may provide safeguards against pollution of a beach presently experiencing high use and impact from kayakers. At another site, mooring buoys may allow power boat users or sailboats to gain access to particular locations. The construction of rustic cabins may allow families with small children or the elderly to spend time in remote areas. Other examples of the type of potential site specific amenities that are being considered include the location and construction of trails and picnic shelters. Decisions on such amenities would be developed in consultation with local communities, the public and user groups.

House Bill 269
Section 8

Habitat Acquisition in Kenai Watershed \$3,000,000

The Kenai watershed is one of the department's highest priorities for protection in the oil spill affected area. Key properties are currently available, but the opportunities for purchase may pass before they can be purchased out of civil settlement funds.

This one time acquisition is especially important because the oil spill's impact on the Kenai River sockeye runs is turning out to be possibly the most serious single negative resource impact of the spill. Researchers have shown that the 1989 spill event may have brought the population down to levels from which natural recovery is unlikely. Research recently analyzed from the 1992 field season do not show a natural recovery of this system. In past years, the Kenai fishery has supported a healthy harvest of 3,000,000 fish. Each year that this system fails to produce a commercial harvest, the loss to the Kenai Peninsula economy will be somewhere between \$50 to \$125 million.

Restoration of Kenai River Watershed
Alaska Department of Fish and Game

TOPIC	Habitat restoration and protection on the Kenai River.
ISSUE	Section 8 of Senate Bill 183 appropriates \$3 million to restore and protect damaged or threatened fish habitat along the Kenai River and its tributaries. This will benefit restoration of anadromous fish populations, including sockeye salmon, and services, including sport fishing, which were injured by the Exxon Valdez oil spill.
POSITION OF THE DEPARTMENT	ADF&G supports this project. Habitat restoration and protection is integral to the restoration of injured fishery resources and services in the Kenai River watershed. This project will help landowners to restore and protect important bank and riparian habitats damaged by shoreline development and decades of heavy sport fishing use.
POSITION OF OTHER DEPARTMENTS	This project is consistent with the goals and policies of the Kenai River Comprehensive Management Plan which was adopted by the Kenai Peninsula Borough and the departments of Natural Resources and Fish and Game in 1986.
BACKGROUND	<p>Kenai River sockeye salmon stocks suffered population declines and well as sublethal injuries resulting from fishing closures in 1987, '88, and '89 caused by the Exxon Valdez and prior Glacier Bay oil spills. Smolt survival continues to be poor in this system; in 1992 the outmigration was only 3% of the average. As a result, adult returns are expected to decline and be very low in 1994 and successive years.</p> <p>Spawning and rearing habitats in the Kenai River watershed have experienced damage and are under ever increasing pressure because of a rapid increase in river front development and increased sport fishing use. Studies on the Kenai have shown that certain types of bank alterations, including smooth bulkheads and areas heavily trafficked by sport fishermen are causing a lowering fish habitat value. Without corrective action to repair damage and provide for human uses in non-damaging ways, the Kenai River watershed will experience continued degradation of habitat functional values and fish populations may continue to decline.</p>

This project will: 1) provide funding to help landowners to restore and protect damaged high value fish habitats that are identified through ongoing inventories such as the Kenai River Cumulative Impacts (309) Study using bioengineering techniques that have been demonstrated to be effective in the Kenai River, 2) purchase less-than-fee acquisitions such as conservation easements in critical and vulnerable fish habitat areas, 3) provide for on-going monitoring of fish habitat restoration and protection in the Kenai River watershed.

CONTACT PERSON

Carl L. Rcsier, Commissioner, 465-4100

**MISCELLANEOUS
FACTS**

- There are over 2,336 private-owned parcels fronting the Kenai River with an assessed land valuation in excess of \$120 million.
- The Kenai River system supports Alaska's largest recreational fishery (323,368 angler days in 1991) and contributes 40% of the commercial sockeye salmon catch in Cook Inlet.
- Although portions of the upper watershed of the Kenai River are in National Forest and National Wildlife Refuge ownership, most of the river corridor and shorelands are privately owned and are currently being developed for residential, recreational, and commercial uses. Past and present habitat alterations include: clearing of vegetation; land filling; construction of docks, groins, boat ramps, canals, boat basins; bank stabilization including bulkheads, armoring, and revetments, and bank disturbance and erosion caused by foot traffic, off-road vehicles, and livestock grazing.

House Bill 269
Section 9

Main Bay Hatchery Upgrade \$2,000,000

In the 1991 legislative session the Prince William Sound Aquaculture Corporation requested \$5 million as a Capital Improvement Project to upgrade the Main Bay hatchery to increase salmon production. The legislature only approved \$3 million. In order to carry out the legislature's intent and to assist in restoration of sockeye in the area, this additional money is needed. This project enhances the damaged fishery resources of Prince William Sound as well as serving as a replacement for natural sockeye production lost with the collapse of Coghill Lake. This facility would also be used to promote the long term recovery of the Coghill system.

Main Bay Hatchery Upgrade
Prince William Sound Aquaculture Corporation

TOPIC Enhance the damaged fishery resources of Prince William Sound and restore natural sockeye salmon production by upgrading Main Bay Hatchery to meet production objectives for sockeye salmon

ISSUE Main Bay Hatchery, owned by the State of Alaska and now operated by Prince William Sound Aquaculture Corporation, cannot meet its production objectives and assist affected commercial fisheries and associated infrastructure in recovering from the oil spill. In 1992 the legislature appropriated \$3 million of the needed \$5 million required to allow the hatchery to meet its planned objectives. This allocation would provide full funding for the necessary improvements to the Main Bay facility.

POSITION OF THE DEPARTMENT The Alaska Department of Fish and Game supports this appropriation, finding that it is necessary to allow the hatchery to meet its planned potential.

POSITION OF OTHER DEPARTMENTS: The money would be appropriated to the Department of Commerce and Economic Development as a grant for the Prince William Sound Aquaculture Corporation.

BACKGROUND
The Department of Fish and Game began operation of Main Bay Hatchery, located approximately 80 miles west of Cordova, in 1982. The hatchery was operated as a chum salmon facility until 1987, when it was converted to sockeye salmon production.

In 1991 the operation was contracted to Prince William Sound Aquaculture Corporation for a period of 20 years. An agreement is in place for a \$5 million in hatchery improvement funds to enable the facility to become economically viable.

Concept plans developed jointly by ADF&G and PWSAC defined a two phase construction and development plan. To accomplish the phase 1 production objectives of 6.1 million smolt from three stocks, three million dollars have been appropriated to date.

CONTACT PERSON Carl L. Rosier, Commissioner
465-4100

MISCELLANEOUS FACTS * Main Bay Hatchery is the world leader in development of sockeye smolt hatchery technology.

- * A new pipeline will be built to meet rearing and raceway water requirements.
- * The facility will be modified to allow stock separation to prevent cross-stock pathogen transmission.
- * A new powerhouse will be built for electrical power generation.
- * New incubation and supply equipment will be purchased for the increased production capacity.
- * Support facilities will be expanded.

House Bill 269
Section 10

Fishery Industrial Technology Center \$3,000,000

The total cost of design, engineering, and construction of an addition to the existing Fisheries Industrial Technology Center in Kodiak is estimated at \$8 million. This phase of the facility's development will include a gravity fed seawater system, wet and dry marine laboratories on a scale that will accommodate behavioral studies on adult fish, and public education facilities. These will provide the State of Alaska and federal agencies involved in restoration of marine vertebrates and invertebrates with research capacity and technical assistance to study fisheries restoration, monitoring, enhancement, and enhanced utilization of fishery resources in the Western Gulf of Alaska.

The Center will play a significant role in current and future damage assessment and restoration and in the enhancement of those fisheries in Prince William Sound, Kodiak area, and Cook Inlet that were injured in 1989 and continue to be injured by the spill.

**Fishery Industrial Technology Center
Addition
University of Alaska, Fairbanks**

TOPIC	Providing long-term environmental monitoring and restoration work in the spill affected area by expanding the capabilities of the Fishery Industrial Technology Center in Kodiak.
ISSUE	Following the Exxon Valdez oil spill the need for a multi-agency fisheries science and technology center in the Gulf of Alaska was identified. Currently, agencies participating in oil spill projects occupy isolated, outdated and inadequate facilities. Monitoring and restoration projects are hampered by these inadequacies. This project would provide modern, consolidated facilities for all agencies participating in oil spill projects.
POSITION OF THE DEPARTMENT	ADF&G supports this project because of the role the center can play in current and future damage assessment and restoration work, and in the enhancement of those fisheries in Prince William Sound, Kodiak area, and Cook Inlet which were injured in 1989 and continue to be affected by the spill.
POSITION OF OTHER DEPARTMENTS	Not applicable.
BACKGROUND	<p>The first phase of the University of Alaska, Fairbanks, School of Fisheries and Ocean Sciences (SFOS), Fishery Industrial Technology Center (FITC) has been completed. It is the first building of the proposed multi-agency fisheries science and technology Center (FSTC). The building is being used by the University and the National Fisheries Service at this time.</p> <p>The FSTC will house University biotechnology, fisheries science, fish harvesting technology, food safety, and toxicology programs. National Marine Fisheries Service programs are expected to include marine mammal studies, the fishery observer program, resource assessment, conservation engineering and utilization research. ADF&G utilization is expected to focus on wildstock shellfish (king crab, etc.) restoration and enhancement. The Department of Environmental Conservation has also expressed interest in utilizing the facility.</p> <p>The FSTC will improve the quality, timeliness and cost effectiveness of fisheries information acquisition and dissemination, fundamental and applied research, technology transfer and instructional programs.</p>
CONTACT PERSON	Carl L. Rosier, Commissioner

465-4100

**MISCELLANEOUS
FACTS**

- * Seven federal and two state agencies, the University of Alaska, the Kodiak Island Borough and the City of Kodiak have participated in the planning for this facility.
- * A major component of this facility will be a seawater system with associated mechanical support and filter beds.
- * Many projects will be sponsored by interested industry partners to develop technologies or solve problems outside the central focus areas on a proprietary basis.

House Bill 269
Section 11

Subsistence Restoration Projects \$5,000,000

Funds would be appropriated to the Department of Community and Regional Affairs for payment as grants to unincorporated rural communities to assist in restoration, replacement, and enhancement of subsistence resources or services injured or lost as a result of the EXXON Valdez oil spill.

The 1989 oil spill, and its aftermath, caused major dislocations for rural residents of the area. Subsistence resources that were relied upon are suffering still from reduced populations and/or the presence of oil.

This appropriation will allow the state trustees and the local villages and communities to work together to develop local projects designed to deal with specific dislocations and injuries caused by the spill.

It is possible that projects identified will gain additional funding from the civil settlement, if they meet the requirements of that decree. Also envisioned are projects that will establish basic sanitation, docks and fuel facilities, or those that will help establish long-term employment.

As tourism grows in the spill affected area, and federal and native lands are set aside by the federal government or the Trustees, these funds will be used to support a sustainable economy for residents of the area.

Subsistence Restoration Projects
Alaska Department of Community and
Regional Affairs

TOPIC Restoration of subsistence resources or services damaged or lost due to the Exxon Valdez Oil Spill through projects which restore, replace or enhance subsistence resources and subsistence harvests.

ISSUE Projects funded under this section will improve access to traditional foods; restore, replace or enhance subsistence resources or services; and provide recovery monitoring of affected resources and services.

POSITION OF THE DEPARTMENT Restoration to the pre-spill level of subsistence harvest is essential to the survival of oil spill-affected communities. Restoration efforts should include continued testing for contamination, reliable public information programs, and restoration of harvest opportunities.

POSITION OF OTHER DEPARTMENTS The Departments of Natural Resources and Environmental Conservation support these projects.

BACKGROUND Before the spill, subsistence harvests in the oil spill area, especially in the 15 small communities affected, were relatively large and diverse. In 10 of these communities which were studied intensively in 1989, harvests declined between 14 and 77 per cent. As late as 1992, harvests have not fully rebounded, due to continued concerns about contamination and local perception of declines in numbers of marine mammals, sea ducks and marine invertebrates. Many of the affected communities have made it clear to the Exxon Valdez Trustee Council that restoration of their traditional subsistence harvests should be a top priority for restoration activities.

The Oil Spill Health Task Force, a cooperative, inter-agency effort of ADF&G, ADEC, ADHSS, ADCRA, the Indian Health Service, NOAA, EXXON, the North Pacific Rim, and Kodiak Area Native Association, engaged in research and public information work from the time of the spill through 1992. Their work will form the basis for restoration work in coming years.

CONTACT PERSON Carl L. Rosier, Commissioner, Alaska Department of Fish and Game, 465-4100

House Bill 269

Section 12

Response and Cleanup Research .00

These funds would be appropriated to the Department of Environmental Conservation to enter into contracts for research programs directed to the prevention, containment, cleanup or amelioration of oil spills in the State of Alaska. The department will work with the academic community, inventors, and industry to develop more effective technologies to deal with oil spills.

In the last year, both the federal and state governments have worked to identify key technologies necessary to reduce risks and improve response for spills in the Arctic and the subarctic. A plan is being developed to support coordinated research in these areas. The potential research is varied.

One example is research needed to "prove up" promising technologies such as bioremediation, in-situ burning, and dispersants that could ameliorate spills on water and land without harmful side-effects. Currently, federal and state regulators are poised to preauthorize further use of these techniques once additional research or testing is completed.

Other possibilities include the development of remote sensing and mapping technologies to spot and track oil spills and the development of near-shore response capabilities using vessels of opportunity throughout the state. Federal and state contingency requirements are costly and may be insufficient in extreme situations. These costs can be reduced and response capabilities made more effective by use of existing vessels with appropriately developed cleanup equipment.

Funds will be spent in consultation with the three EXXON Valdez State Trustees, the Hazardous Substance Spill Technology Review Council, other government agencies, industry and the academic community.

**Background Documents
available from ADEC on
Oil Spill Research & Development
needs in Alaska and the U.S.**

1. Research and Development; Excerpts from Alaska Oil Spill Commission Final Report. February 1990.
2. Research Needed to Respond to Oil Spills in Ice-infested Waters; Findings and Recommendations of the U.S. Arctic Research Commission. Issue No. 8 - May 1992.
3. Excerpts from National Research Council: Review of the Interagency Oil Pollution Research and Technology Plan (Pre-pub Copy). 1993.
4. Oil Spill Response Technologies and Findings; Excerpts from Hazardous Substance Spill Technology Review Council 1991 Annual Report.
5. Position Paper: Prince William Sound Oil Spill Recovery Institute.
6. Research and Development Coordinator Position Announcement; Prince William Sound Science Center.

The materials listed above are available from ADEC in support of Section 12 appropriation request.

Attached is item two explaining current needs in the Arctic. Other materials are available by request of the ADEC Commissioner's Office.

RESEARCH & DEVELOPMENT

The *Exxon Valdez* disaster has awakened industry, government and public interest in oil spill research. The May 1989 report to the president on the *Exxon Valdez* by Transportation Secretary Samuel Skinner and Environmental Protection Agency Administrator William Reilly bluntly concluded that "oil spill cleanup procedures and technologies are primitive." That view was echoed by the American Petroleum Institute, an industry group that issued a report calling for new private investment in research and development of spill response methods. Federal agencies are preparing research and development initiatives in spill response techniques, technology, training and deployment systems. There is also increasing interest in coordination and collaboration with other countries, particularly Canada, to provide faster progress, faster dissemination of research results, and less unnecessary duplication of effort.

Legislation now pending in Congress provides for the establishment and funding of oil spill research and development programs. One proposal would create a Prince William Sound Oil Spill Recovery Institute to identify and develop the best technology for dealing with spills in arctic and subarctic marine environments. Another would establish a minimum of six regional centers to address research needs.

Government-supported research and development should insure that public priorities are met, that government agencies expected to direct future oil spill response will be knowledgeable about new technologies and techniques, that regulation is appropriate and effective and that up-to-date response capabilities are maintained. Coordination and cooperation in research and development programs is in the interest of all concerned.

Alaska's interests in oil spill research should focus on specific Alaska marine habitats, the characteristics of oil and dispersant methods in arctic and subarctic waters, prevention research and training programs to ensure that Alaska response authorities will be fully prepared to understand and cope with future spills.

Recommendation 56
Knowledge transfer

The United States, the State of Alaska and Canada should establish cooperative research programs to develop and disseminate knowledge on oil spill prevention and response.

Despite two decades of rising public concern for the environmental consequences of oil spills, research on the subject is still in its infancy. Prevention systems are haphazard. Spill response technology is untested and underdeveloped. Research investment is low, and institutional commitment to this field is scarce.

For a variety of reasons—including, predominantly, ignorance—the latest technologies were not used in the *Exxon Valdez* cleanup. Much of the available cleanup equipment had not been tested in the various circumstances facing cleanup crews. Due to caution or uncertainty, untested techniques were not quickly implemented.

The response effort was handicapped by the absence of a rapid, accurate and comprehensive system, available to all, for information on local conditions, habitat, fish and wildlife, currents and weather.

The primitive state of development of both prevention and response methods holds out some hope that, given sufficient investment, dramatic strides will be made in a short time.

Research dedicated to improving the state of knowledge in oil spill prevention and response should be undertaken to remedy information gaps. Among the topics that should be pursued are the relevant regional geography, environmental assets, weather, technological systems and basic research on the behavior of oil in water. Information management should be included in the agenda for response and contingency plans. Resources should be committed to ensure adequate information systems and services in emergency response efforts in the future.

Recommendation 57
State research center

The state should establish, in the University of Alaska system, an institute for research on oil spill prevention and response policy, technology, testing and evaluation.

An Alaska-based institute should be created and encouraged to strengthen its programs through consortium agreements with other institutions studying the safe transportation of hazardous substances. Research topics should include locality-specific investigations of marine habitat and the impact of oil, as well as prevention policy and response technology. The institute also could develop and administer education, training and safety licensing programs for participants in oil transportation and handling. The institute's efforts should be coordinated with similar programs developed under federal authorization. Its functions should include making recommendations to appropriate authorities regarding changes in standards and requirements in oil and gas and hazardous substance transportation.

The research program should be established independently of that conducted in support of fault-oriented litigation. Research since the *Exxon Valdez* wreck has been noticeably distorted by its litigation orientation.

Authorities responsible for testing and approval of response technologies such as dispersants, coagulants, burning and bioremediation should evaluate and decide whether to preapprove these technologies more rapidly.

Recommendation 58
Pretesting

Parties responding to the spill were handicapped to varying degrees by a lack of scientific knowledge concerning what was available, the properties and effectiveness of various technologies under varying conditions, and the lack of prior approval of response strategies. Those responsible for containment and cleanup were not fully advised on state-of-the-art methods or regularly provided with appropriate technology.

The system for testing and approving new response technologies is haphazard and slow and should be improved. Many emerging technologies hold promise, but they were untested and undeveloped at the time of the *Exxon Valdez* wreck.

The U.S. Navy's use of coagulants in containing and cleaning up shipboard fuel spills—fully tested for Navy use but no other—was of particular interest to the commission. The commission also was intrigued by reports of proposed vessel-based coagulant systems capable of jelling cargo in the vicinity of a breach and of vacuum-based systems for containing oil in a damaged vessel. Such avenues of development call for early and thorough exploration for possible use.

Key public agencies, notably the federal Environmental Protection Agency and the state Department of Environmental Conservation (both of which are involved in Regional Response Plans and the oversight of industry contingency plans), are charged with approving or disapproving response technologies for oil spill cleanup. A continuing, visible process for study, analysis and application of emerging technology is required.

West Coast states should create a training center using simulators to advance the knowledge of masters, mates, pilots and shipboard bridge crews in the operations of very large vessels in West Coast ports.

Recommendation 59
Tanker simulator
training

There is currently no place on the West Coast where mariners can receive real-time simulation training in the bridge operations of very large ships. Maintaining an adequate pool of ships' officers and pilots fully trained in up-to-date circumstances will enhance safety and efficiency in the maritime industry.

House Bill 269
Section 13(a)

Whittier Access Improvements \$15,000,000

The purpose of this project is to provide direct vehicular access between Portage and Whittier. This project is needed to stimulate economic development for the community of Whittier, Prince William Sound, and Southcentral Alaska. Health, safety, and environmental benefits are also expected to result from the project.

The project will be constructed in a 5 mile-long corridor between the eastern termini of the Portage Highway and the eastern end of the Passage Tunnel in Whittier. It will consist of approximately 2.5 miles of two-lane access road and bridge from the Portage Highway to Bear Valley and an approximately 2.5 mile one lane joint use road (auto and rail) through the existing tunnel to a connection with the local road system in Whittier.

These funds will be used toward the design and construction of this project.

Section 13(b)

Oil Spill Response Assistance Ferry \$5,000,000

This appropriation cumulatively with other funds would be used to design and construct an oil spill response assistance ferry. The goal of this project is to increase the ability to respond to oil spills in Prince William Sound by providing a specially fitted vessel for use by the state in response actions.

NEW SHIP

OVERALL FUNDING STRATEGY FY 92 - FY 94

"TOTAL ESTIMATE" \$85

- A. 60.0 Federal FY 94
obligation over 2 years
- B. 5.0 Match (part of Lump sum match to Fed \$)
- C. 15.0 Transfers (see page 2 for detail)
- D. 5.0 Other

\$85.0 TOTAL

AMHS - NEW SHIP

FY 94 BUDGET - House Version

(Capital)	60.0	Federal authorization FY 94 over 2 years
(Capital)	5.0	within match state/federal (lump) as normal <i>(not identified specifically)</i>
(Operating transfer not GF)	7.0	transfer from Mitigation account to vessel replacement fund

Report No. 2

ALASKA'S SPILL RESPONSE
COMMAND POST

BUILDING AN ALL AMERICAN SHIP

The ALASKA MODEL

*"protecting coastal resources
with a ready response command post"*

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AN AMERICAN OCEAN GOING PASSENGER SHIP



ALASKA'S OCEAN GOING PASSENGER / VEHICLE SHIP

A READY SPILL RESPONSE

COMMAND POST

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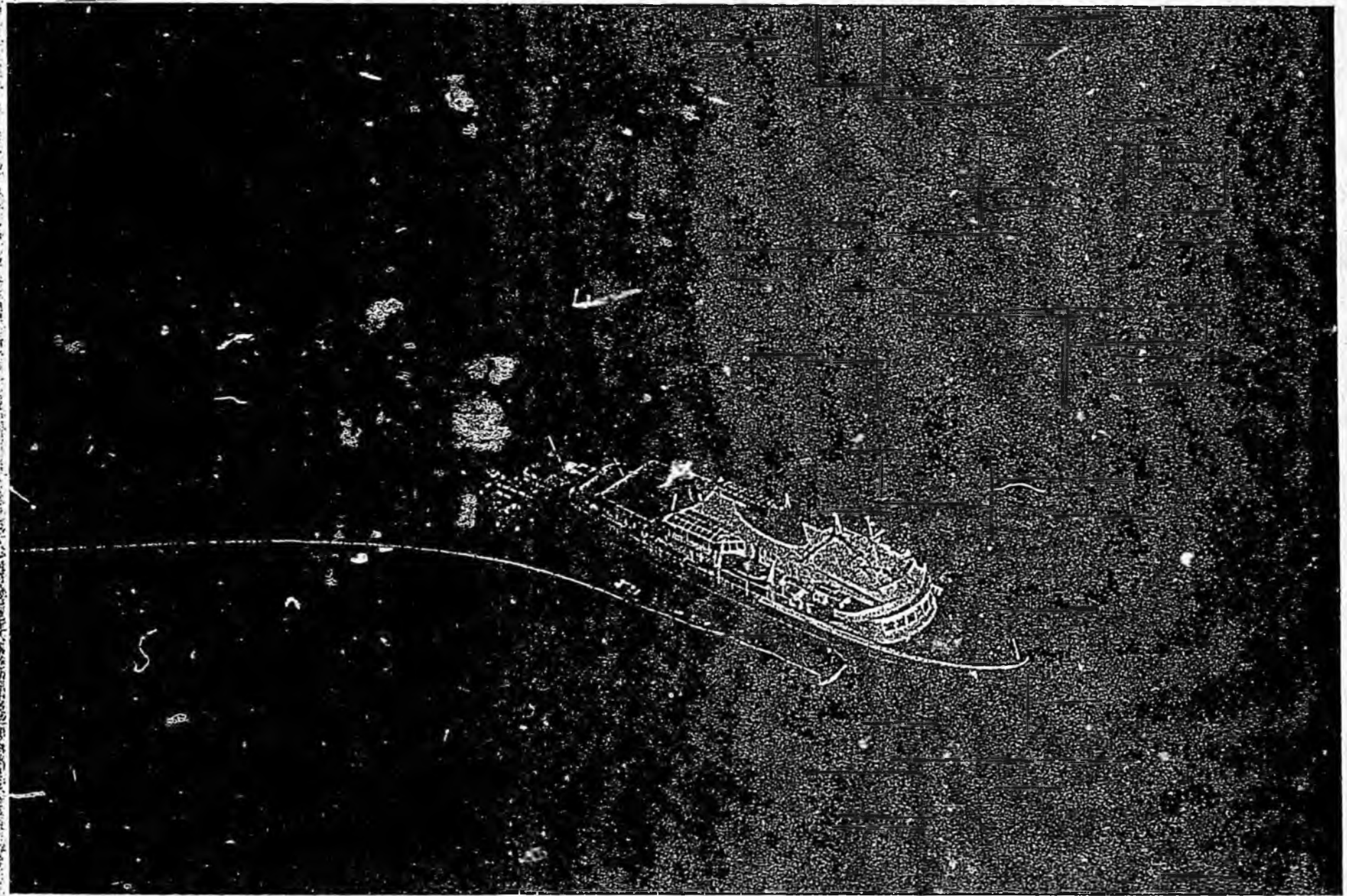
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M/V Aurora Supplying Support Vessels



M/V Bartlett Supplying Support Vessels



ALASKA'S OCEAN GOING PASSENGER / VEHICLE SHIP

PROTECTING COASTAL RESOURCES

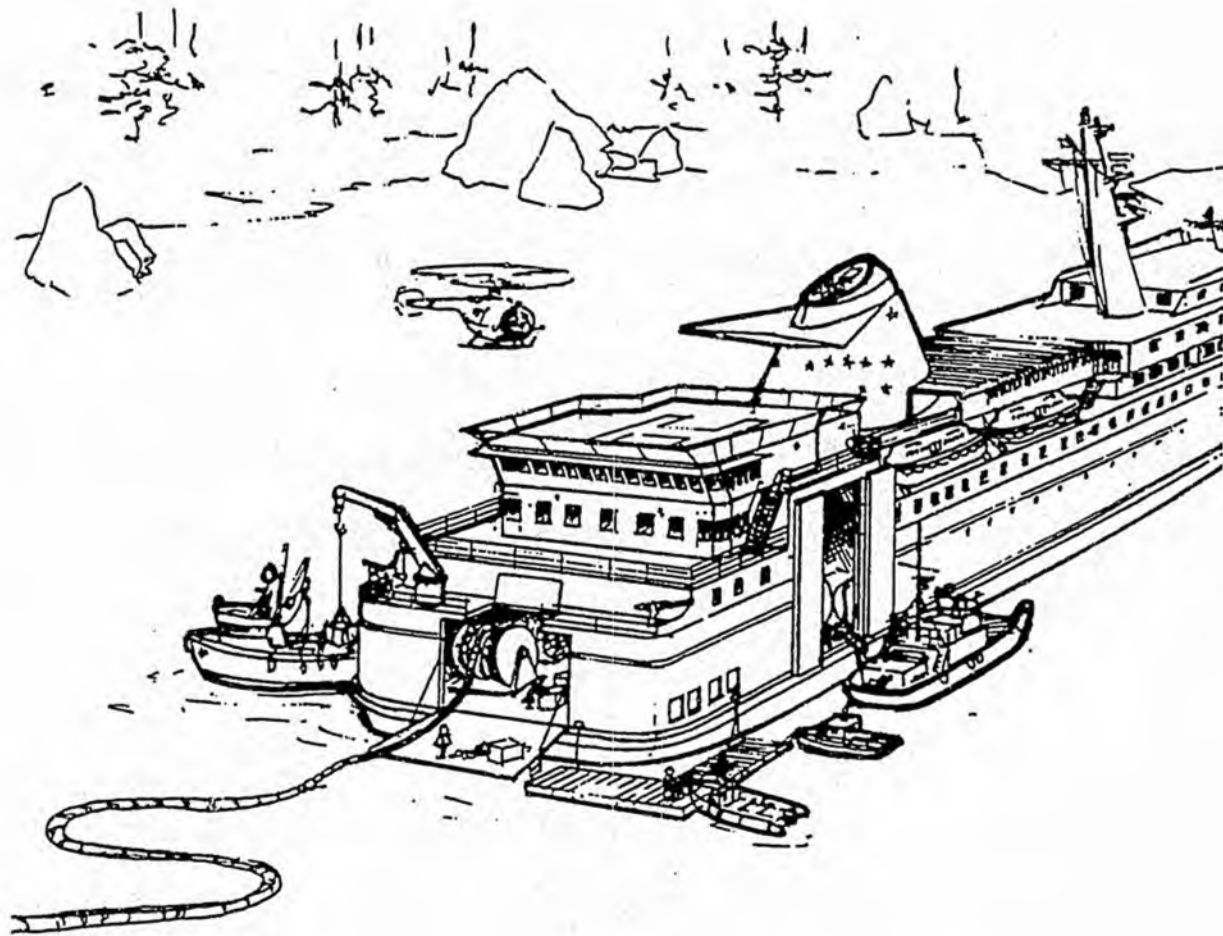
WITH A READY SPILL RESPONSE

COMMAND POST

- ALASKA'S COMMAND POST - CATASTROPHIC OIL SPILL RESPONSE PREPAREDNESS
 - A LESSON LEARNED FROM ALASKA'S EXPERIENCES
 - FEATURES INCLUDE ITEMS REQUIRED FOR SPILL RESPONSE AND EFFECTIVE ORGANIZED COMMAND POST
 - CONSISTENT WITH DEC'S STRATEGIC PLAN FOR EMERGENCY DEPOTS AND CORPS.
 - DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS A FULL PARTICIPAT IN THE DESIGN TEAM FOR THE NEW SHIP
 - A CYCLE OF THE CONCEPT DESIGN STAGE HAS BEEN COMPLETED
 - USE OF RESPONSE FUND IS CONSISTENT WITH ALASKA STATUTES (AS.46.08.040(d)(2))
-
-

DESIGN FEATURES FOR SPILL RESPONSE
AND
AN EFFECTIVELY ORGANIZED COMMAND POST

- Command Center
- Command Conference Room
- Communications
- Command Center Work Stations
- Command Center Computer Stations
- Decontamination
- Laundry
- Deck crane
- Support vessel replenishment
- Diving station
- Marine Sanitation Device
- Floating Dock
- Helicopter Access
- Time on station
- Loading and storage of modular response units
- Wildlife recovery and storage
- Flammable liquid drum storage
- Press Room
- Electrical connections
- Medical Support/Sick Bay/Safety Officer
- Work areas
- Laboratory work area and sample storage



CONCEPT DESIGN - RESPONSE FEATURES

In the event of a catastrophic oil spill along Alaska's coastal line, rich in natural resources, the State will be prepared to respond. This response will be aided by its Ocean Going - Spill Response Command Post. Alaska is constructing a new ocean going passenger/vehicle ship. One of the design functions of this new vessel is to respond in the event of an emergency. The ship will not only be able to transport responders, and their equipment and supplies; it is being designed to support the State's On Scene Commander and support response functions. The vessel is being designed in consultation with staff from the Department of Environmental Conservation, and U.S. Coast Guard, and other interested responders, including industry representatives.

The following design features are being considered during the concept and preliminary design for Alaska's Ready Spill Response Command Post - an Ocean Going Ship. These criteria and specifications have been developed under the assumption that a purpose of the new ship will be for use during a catastrophic oil spill response and will provide the function necessary for a command and control platform for the Alaska On Scene Coordinator.

The vessel will support the Unified Command and the Department of Environmental Conservation field crews and contractors monitoring and providing oversight and in certain instances containment and cleanup. The vessel will provide berthing, amenities and meals for response staff with the ability to remain on station for a design minimum of 20 days.

The vessel will be capable of ocean passages and will be able to provide emergency response capability and operate in any ice free state waters. It will:

- transport response equipment and personnel,
- act as a support base for response vessels,
- have versatile and significant communications capabilities,
- provide substantial enclosed workspace on the car deck,
- have the ability to act as a vessel traffic control platform, and
- be capable of loading and unloading roll on/roll off and containerized or modular response cargo from undeveloped docks.

The vessel will be limited to operation in clean water only. The vessel will not have any response related towing features. The ship will not be designed or have equipment for containment, recovery, storage, transfer lightering or salvage.

When used in the response mode the ship will be converted for use as a command and control response post. Approximately eighty per cent of the vessel will be directly used to support response activities. During the concept design stage, it is the engineer's estimate that the response spaces and functions cost in excess of \$17 million. This estimate will be refined as the vessel's design progresses.

RESPONSE FEATURES and SPECIFICATIONS

The following features and criteria are currently being studied for providing response capabilities. These criteria focus on the primary mission as a command and control platform and include features jointly worked on by both the Alaska Department of Environmental Conservation (DEC) and the Alaska Marine Highway System (AMHS).

Command Center

Provide a Unified Command Center to accommodate the following response sections:

- State On Scene Coordinator;
- Operations;
- Planning;
- Logistics;
- Finance;
- Conference Room;
- Radio/Communications Room (*The dispatcher will be located in this space and shall coordinate all field, vessel and air message traffic. UHF/VHF communication systems will be located here, and hand-held radios will be charged, low level maintenance performed and issuances made.*);
- Press Room; and
- Medical Support/Sick Bay (*provide provisions to locate the Safety Officer in this space*).

Each of these functional areas will have a separate dedicated space. Ideally these areas shall be located in close proximity to each other, preferably attached.

Command Conference Room

Provide a Command Conference Room adjacent to the Operation Command Center with one table capable of seating 12 persons comfortably. This room

will include full audio/visual capabilities (screen, projectors, video monitors, etcetera).

Communications

Provide dial telephone, fax, and computer data (modem) distribution systems connecting all command centers and staterooms with both Satellite Communications (SATCOM) and Land Line capability. The system's purpose is to provide real-time communications with the DEC's Spill Response Center, the Governor's Office, US Coast Guard (both in Alaska and D.C.), applicable federal agencies, and the Responsible Party's Headquarters, and State of Alaska's Department of Environmental Conservation, Division of Spill Prevention and Response.

- Provide means to allow constant communications between operations and planning command centers with field monitoring resources located on-scene in support vessels and on shore.
- Provide a UHF/VHF communication systems comprised of a base station having one each VHF multi-frequency transceiver with repeater capability, one each UHF transceiver, one each Aircraft multi-frequency transceiver and remote control of the shipboard HF SSB radior transmitter. Provide duplication of the VHF, UHF and Aircraft scanner radios in the radio room in the form of a "hot patch" 2-way radio communications to the command staff in the Command Center.
- The Command Center radio systems are to be powered with UPS to allow 30 to 60 minutes of uninterrupted power and to insure clean power.
- Consideration should be given to establishing a dedicated communications center that shall include dispatching and hardware for all communications capabilities. Provide communication capability between vessels on the water, aircraft, portable earth stations and hand-

held radios being used by the shoreline crews, and locate same in the Radio Room.

- Provide an on board intercom or paging system which can also be integrated with the DEC areas on the car deck.
- Provide a ship-to-shore satellite communications systems comprised of two domes to accommodate a 48 line communications capability via multiplexing four channels. Each channel will accommodate voice or normal data transmissions at a 2400 baud rate. System to accommodate both data dumps and fax transmissions.
- Provide a PAHX with 145 line capacity with the capability to give detailed logging of telephone operations for billing purposes. The PAHX is to interface with the ship-to-shore satellite link to allow personnel to make phone calls from their staterooms.
- Provide video-conferencing capability, with projection monitor in the command center conference room and theater.

Navigation

- Provide an Inmarsat C receiver to allow a shore based station to interrogate vessel position information.
- Provide a GPS or Differential GPS system for vessel positioning information at the site of an emergency to aid in the tracking of an oil spill.

Support of Press

Provide facilities for a minimum of twelve (12) reporters and with two (2) telephone and two (2) fax connections.

Command Center Work Stations

Work Stations shall have a desk surface not less than 36" x 48", with the top surface 28" to 30" above deck, and with sufficient leg room clearance to allow a person to sit at the desk in a comfortable writing position. A 40 watt, single tube, adjustable height fluorescent light fixture shall be provided. A 120 v, 60 Hz, 15 amp, grounded, 3 prong, four outlet fixture shall be provided, of which two (2) outlets shall be connected to an Uninterrupted Power Source (UPS). Each work station shall have provided a single drawer, 3" high, 24" wide and 19" deep.

- A laydown table should be provided which shall have a minimum desk size of 40" x 72" and be located at a height of 36" - 40" above the deck. One of the longest lengths of the table shall have an unencumbered distance in front of it of not less than 30". A 40 watt, dual tube, fluorescent light fixture shall be provided. A 120 v, 60 Hz, 15 amp double outlet, grounded, 3-prong, fixture shall be provided.

Command Center Computer Stations

Provide sufficient space for the indicated number of Computer Stations provided by DEC at the time the Unified Command Center is activated. Sufficient space is a horizontal deck area not less than 48" wide and 36" deep, 72" height, with an unencumbered distance in front of not less than 30". A 40 watt, single tube, adjustable height fluorescent light fixture shall be provided. A 120- volt, 60 Hz, 15 amp, grounded, 3-prong, four outlet fixture shall be provided, of which two (2) outlets shall be connected to aUPS. Each work station shall have provided a single drawer, 3" high, 24" wide and 19" deep.

Decontamination

A walk through Decontamination Station will be provided adjacent to the personnel entry port, with showers and sufficient area to allow personnel wearing soiled and dirty clothing to disrobe, shower, and dress with clean clothes. Showers and dressing areas shall have either separation adequate to accommodate each sex or be a uni-sex facility. Capacity shall be sufficient to allow personnel to be processed at the rate of two (2) people every five (5)

minutes (24 persons per hour). The disrobe area shall be separate from the shower and dressing areas, and shall have provisions to store a minimum of thirty (30) winter clothing outfits. The dressing area shall have sufficient stowage for clean clothes, personal protection gear - including maintenance and issuance, and towels required by 50 persons. A slop tank shall be designed and sized to hold washdown water from decontamination. Oil/water separators or other appropriate treatment should be considered if treatment and release can be legally accomplished. If legal overboard discharge cannot be accomplished, the slop tank shall be designed as a holding tank for shoreside pump out to an approved facility. Additional containers shall be provided for oily contaminated solid waste generated from decontamination operations.

Laundry

Provide applicable connections on the vehicle deck for a portable laundry capable of processing a minimum of 750 clothing changes plus daily linen and towel service for 50 two-berth staterooms.

Deck crane

Provide crane lifting capacity sufficient to reach 40 feet outboard, with a maximum lifting capacity of 20,000 lbs and land it on the car deck. The deck crane should be mounted overhead of the vehicle car doors to permit hoisting of payloads from the vessel's car deck to support vessels moored at the float dock.

Support vessel replenishment

Provide replenishment to response support vessels capable of:

- Providing fresh watert.
- Collecting sewage.
- Providing fresh, chill, and frozen provisions sufficient for support vessels with crews.

Diving station

Provide water level access to support transfer and loading of diving operations, storage of high pressure air bottles, power for air compressors and an area to house diving gear, fill bottles and perform minor repairs

Marine Sanitation Device

Include a marine sanitation device capable of handling all on board generated and sewage from support vessels.

Floating Dock

Provide floating dock capability from the vehicle ramp while at anchor for support vessels, boarding and cargo transfer. The floating dock should be deployable from on board and be of sufficient size to dock four 30 ft support vessels. The float dock should include connections for mooring support vessels.

Helicopter Access

Provide clear access for helicopter to sling loads, transfer personnel or conduct medivac operations without landing. Provide a full helicopter landing facility with DEC providing a trained flight deck crew and all non-permanent equipment required to conduct flight deck operations, to include maintenance costs.

Time on station

Provide sufficient fuel, water and provisions at a spill for 20 days, to include a 2 day transit.

Loading and storage of modular response units

Provide for loading, storage and tiedown of modular response units up to 40 ft in length.

Wildlife recovery and storage

Provide an area for collection, bagging, refrigeration and storage of wildlife for use as evidence. Consider providing facilities for a DEC provided portable RO-RO refrigeration unit.

Electrical connections

Provide electrical connections (120, 220 and 440 volts) on the car deck at locations specified by DEC for monitoring and scientific payloads, and other response gear.

Medical Support/Sick Bay/Safety Officer

Provide a dedicated area with storage for medical supplies to support EMT III level medical support, stokes basket and holding area for two patients. Provide a desk, computer terminal and storage for safety supplies.

Work areas

Provide designated work areas on the car deck for repair and maintenance of outboards, monitoring and scientific equipment and other field equipment.

Laboratory work area and sample storage

Designate space on the car deck for the collection, processing and storage of samples with limited capability to perform wet chemistry. Sample storage should include a lab type, explosion proof, lockable storage and lockable closets or lockers for clean sample storage.

Flammable liquid drum storage

Provide secure locker space on the car deck in the form of a watertight paint locker rigged with CO₂ and sized to accommodate 15 overpack drums (80 gallon drums). Drum contents should be assumed to include flammable liquids.

Note: This is not considered a spill response function, but is being studied during the design stage at the request of DEC.

ALASKA'S OIL SPILL RESPONSE - A CHALLENGE

Alaska is America's leading producer of oil. Alaska's oil production is critical to U.S. energy stability as imports of foreign oil to the U.S. has risen to over 50 percent of America's daily consumption. The two largest oil fields in North America, Prudhoe Bay and Kuparuk, will keep Alaska in the position of being a major energy-producing state for some time into the future. The State of Alaska continues to encourage responsible oil and gas development in areas of Alaska.

Responsible development includes assessment of risks to the public and the state's resources, learning from past practices, and designing and implementing mitigation measures. In the area of transportation of oil - both crude oil leaving the state, and refined products coming back to the state- PREPAREDNESS is one of the most basic and necessary corner stones of mitigating damage when an accident occurs.

The State of Alaska has well established reasons for needing to be prepared to emergencies. This need arises from:

- large number of tankers traveling along the Alaska coast,
- the quantities of product shipped,
- the sensitive environment with its valuable natural resources,
- the dependence of Alaskans on these natural resources,
- rugged and remoteness coastline, and
- past experience with the nation's largest oil spill.

The Alaska Oil Spill Commission in its February 1990 report summarized it's risk assessment and the need for preparedness:

"Clearly, some level of risk will always be present in oil transportation, but ways to reduce that risk are available now, and new ones continue to be developed. All parties, private and public, must commit to minimizing that risk as the highest priority for it is only through prevention that we can hope to reduce the increasing pollution of the seas."

Lessons Learned

The risk of environmental damage from an oil spill in remote areas of the Alaska coastline exists and can be mitigated by preparedness. In retrospect lessons learned during the Exxon Valdez spill response and during other spill responses allows Alaska the opportunity to be better prepared for similar emergency response. In testimony before the US Congress an Alaskan representative¹ stated:

" A major lesson of this spill is that strong, insistent leadership by the State, in cooperation with local interests and local communities, has been essential to moving the cleanup efforts in the proper direction and seeing that important resources are recognized and protected. ...it is essential that all the parties involved in spill response have good logistical arrangements to support effective response."

A Congressional Office of Technology Assessment report stated:

"...-Logistics: Having the right equipment on scene when needed is essential to a rapid response. Equipment may either be strategically located or a rapidly moved to the spill site, but either case the recovery effort will only be as good as the weakest link in the system."²

In a Report to the President on the Exxon Valdez oil spill response, it was reported that "communications were a problem, given the large area, the mountainous terrain, and the varied armada of vessels involved. A hodgepodge of radio equipment made communications difficult . Voids in radio coverage were aggravated by distances and geography inherent to Prince William Sound."³

AMHS and Spill Response

The usefulness of the state's ferry are well understood by both ADEC and the people living along the Alaskan coast. In water response and clean up to the Exxon Valdez oil spill was 80 to 90 miles from the nearest community connected to a surface transportation network, the City of Valdez. Two AMHS ferries supported the State's and the local fishermen's response during the Exxon Valdez spill. At the time these vessels had to be very quickly retrofitted to provided some of the necessary support functions. However they provided excellent working platforms. A floating dock was attached to the stern, allowing smaller support vessels to dock with the

mother ship. The ferry provided hotel support for workers defending Sawmill Bay. A decontamination center was set up. Oil recovery equipment was transported to the site and deployed. Oiled wildlife was collected. The ferry provided communication to the US Coast Guard ships and others. The ferry provided a command post on location.

The 1991 Annual Report by the State of Alaska Hazardous Substance Spill Technology Review Council states that "the Council feels that the concept of adding portable cleanup equipment to vessels of opportunity would give them a greatly needed secondary mission during a spill response. " It further states that "it is important to review and evaluate the possibility of a multi-faceted spill response capability... particularly in areas outside the established transportation routes such as Ketchikan, Kodiak, Dutch Harbor and Bristol Bay which continue to have limited response capabilities."

Alaska's Contingency Plan and AMHS

The Alaska Department of Environmental Conservation's State Master Oil & Hazardous Substance Discharge Prevention and Contingency Plan⁴ assigns the Department of Transportation and Public Facilities with "...provides ferries for transport, housing and general logistical support." Features of the new ship will give the State of Alaska personnel a working platform from which to carry out its command and control activities.

In any strategic operation, command and control are vital elements of an effective emergency operations. Another basic emergency response is providing logistical support. The command and control organization carries out their emergency response at a command center. The Command Center and its operations have an important impact on the outcome of any incident. There is a need for a well organized, easy flowing operation at the Command Post. In order to accomplish this, several basic needs must be met. Three vital needs which this new vessel will be provide are the ability:

- To control, locate and identify resources
- To control and locate overall operations

- To provide a working space for responders which is free from outside conditions which can hamper a response such as:
 - Inclement weather,
 - Noise and confusion,
 - Pressure from response personnel, civilian and media.

Command and Control

The new vessel incorporates a Command and Control Center and features for logistical support into its design and construction. By designing into the vessel and planning for the activities of spill response the State will be better prepared. The AMHS design team is working with representatives from the Alaska Department of Environmental Conservation to incorporate features that will meet the emergency response needs for a fully functional command and control post.

The new ship can also be used as a training center. This vessel can be available to governmental agencies for sophisticated, on site, training missions with several hundred participants. This will be a valuable tool in testing response plans and keeping current the skills of local response teams.

"What is required in a successful oil spill response is to blend the resources of state, federal and industry response teams into an effective organization, and to provide sufficient manpower and resources to make a significant attack on the spill..."⁵ The new ship designed with emergency response capabilities will help meet Alaska's challenges and provide unit for a blending of the efforts of the responding parties and will help the state be prepared for a catastrophic spill response.

¹ Testimony of Amy Kyle before the House Subcommittee on Water Resources, June 28, 1989.

² Congress of the United States, Office of Technology Assessment, Coping With an Oiled Sea, Background paper, An Analysis of Oil Spill Response Technologies, 1990, p 7.

³ The National Response Team, The Exxon Valdez Oil Spill - A Report to the President, May 1989, p 23.

⁴ State of Alaska, Site Master Oil & Hazardous Substance discharge Prevention and Contingency Plan, May 1991, p 400-29.

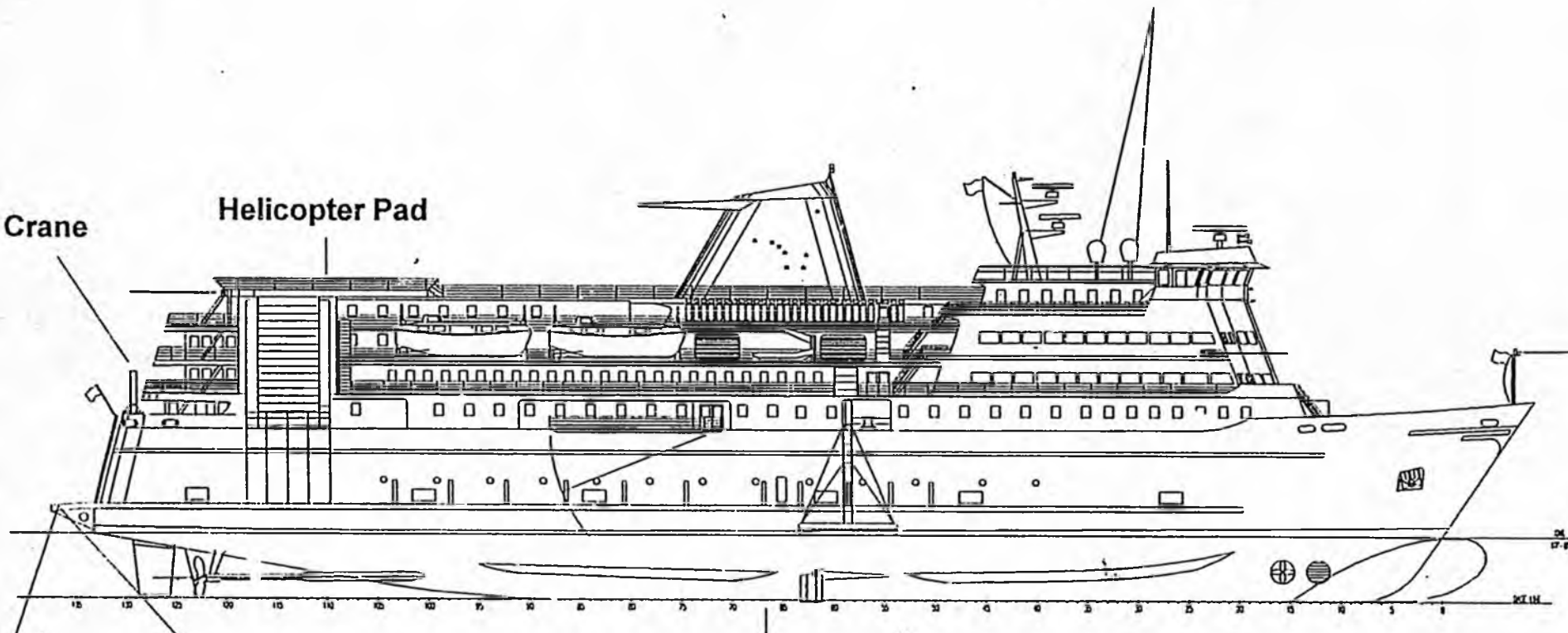
⁵ State of Alaska, Report of the Alaska Oil Spill Commission, Executive Summary, January 1990, p 39.

APPENDIX A
DRAWINGS

**Satellite
Communications**

Helicopter Pad

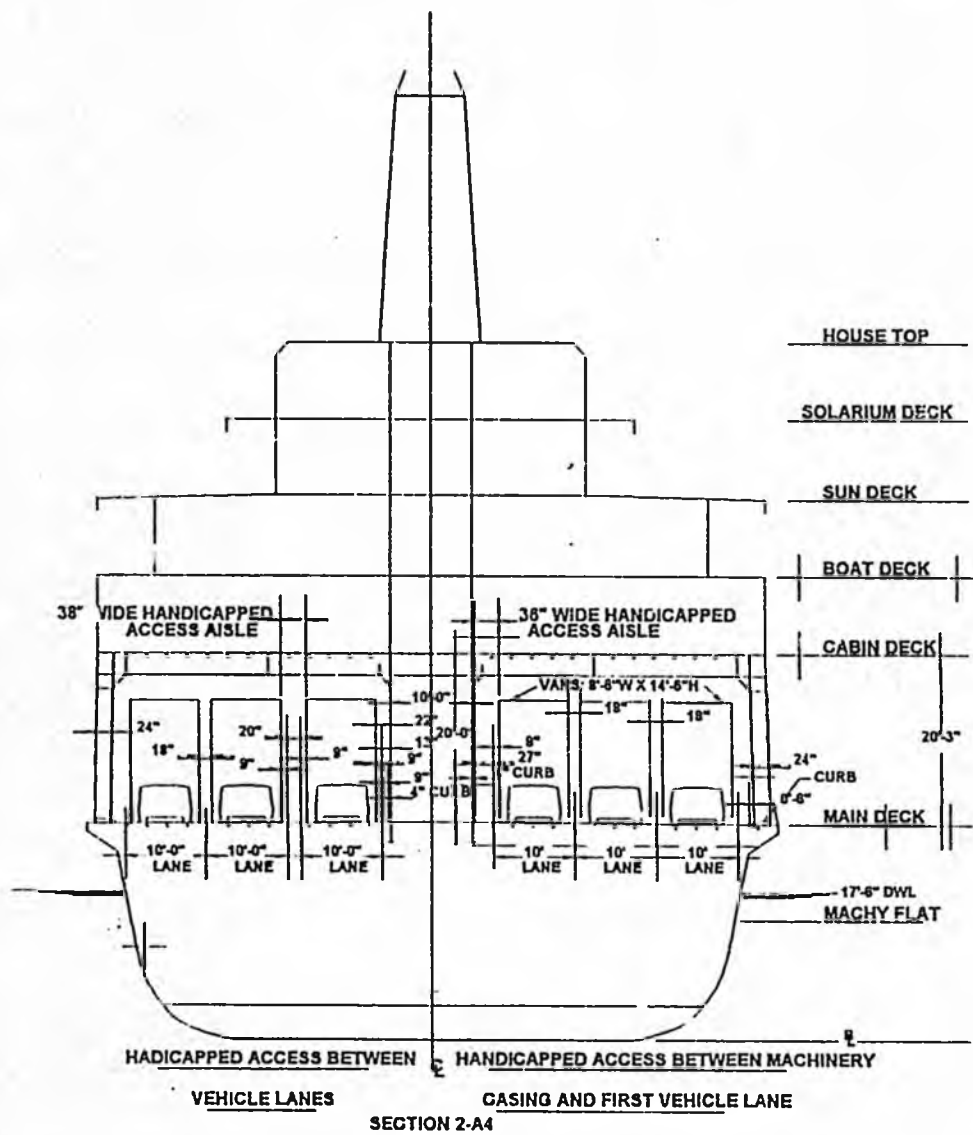
Crane



Floating Dock

Support Vessel Functions

EMERGENCY RESPONSE COMMAND POST



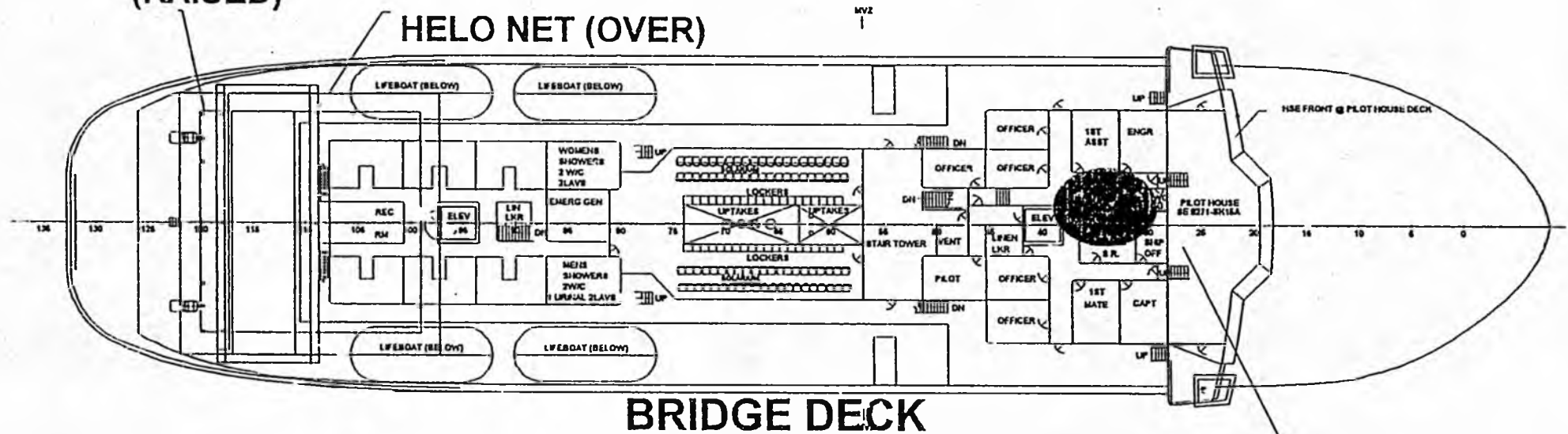
CAR DECK

- ✦ Decontamination
- ✦ Laundry
- ✦ Support Vessel Replenishment
- ✦ Diving Station
- ✦ Floating Dock
- ✦ Modular Response Units
- ✦ Wildlife Recovery
- ✦ Work & Repair Areas
- ✦ Electrical Connections

HELICOPTER DECK (OVER)

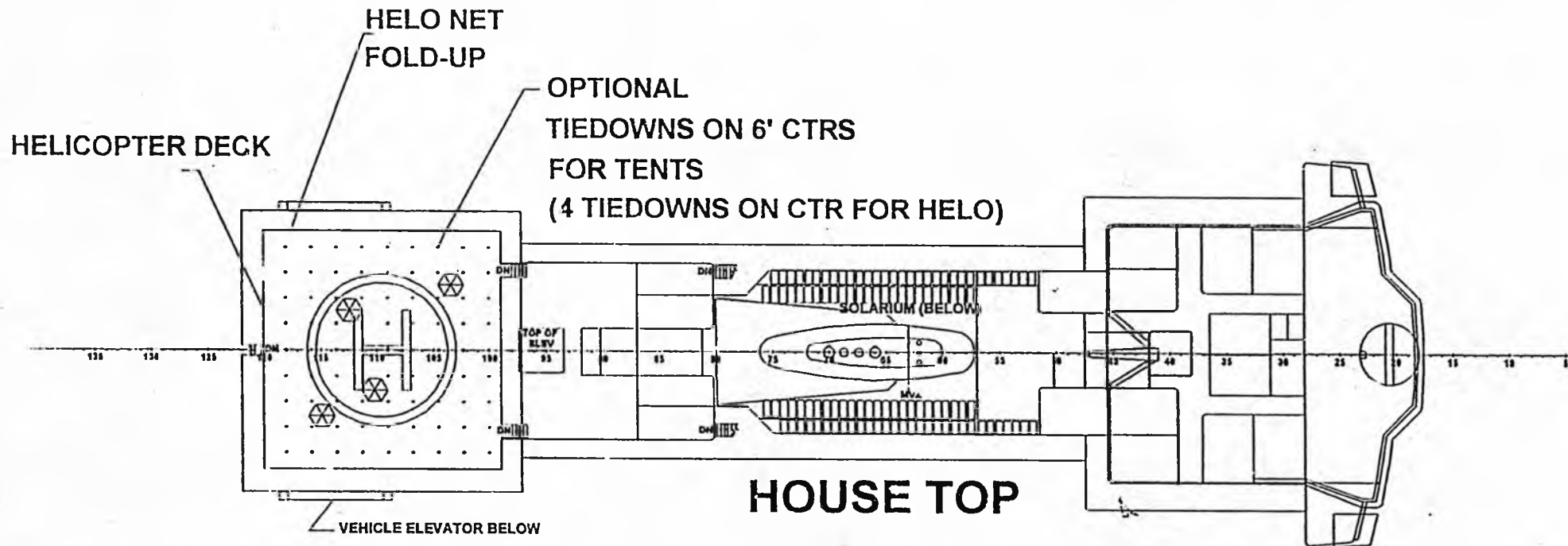
(RAISED)

HELO NET (OVER)



BRIDGE DECK

Navigation
and
Spill Tracking



APPENDIX B

RESPONSE FUND PROVISIONS

Sec. 46.07.070. Economy of administration. In order to prevent duplication of effort and to promote economy of administration, the commissioner shall, to the maximum extent feasible, utilize the facilities of appropriate public agencies in the administration of the provisions of this chapter. (§ 1 ch 186 SLA 1970)

Sec. 46.07.080. Definitions. In this chapter

(1) "commissioner" means the commissioner of environmental conservation;

(2) "village" means an unincorporated community which has between 25 and 600 people residing within a two-mile radius, or a second class city. (§ 1 ch 186 SLA 1970; am § 6 ch 104 SLA 1971; am § 53 ch 53 SLA 1973; am § 28 ch 208 SLA 1975)

Chapter 08. Oil and Hazardous Substance Releases.

Article

1. Release Response Fund (§§ 46.08.005 — 46.08.080)
2. Oil and Hazardous Substance Response Office (§§ 46.08.100 — 46.08.190)
3. General Provisions (§ 46.08.900)

Cross references. — For other provisions related to oil pollution control, see AS 46.04; for other provisions related to hazardous substance release control, see AS 46.09; for authority of municipalities to implement this chapter, see AS 46.09.060(b).

Article 1. Release Response Fund.

Section	Section
05. Purpose	60. Report to the legislature
10. Fund established	70. Reimbursement for containment and cleanup
20. Financing of the fund	75. Liens against property as security for state expenditures
30. Financing the abatement of oil or hazardous substance releases	80. Regulations
40. Purposes of the fund	
50. Records of the fund	

Sec. 46.08.005. Purpose. The legislature finds and declares that the release of oil or hazardous substances into the environment presents a real and substantial threat to the public health and welfare, to the environment, and to the economy of the state. The legislature therefore concludes that it is in the best interest of the state and its citizens to provide a readily available fund for the payment of the expenses incurred by the Department of Environmental Conservation and the Department of Transportation and Public Facilities in the protection of the environment of the state from the release of oil or hazardous substances. (§ 1 ch 59 SLA 1986; am § 2 ch 48 SLA 1991)

(7) restore the environment by addressing the effects of an oil or hazardous substance release.

(b) When the governor declares a disaster related to an oil or hazardous substance discharge emergency under AS 26.23.020(c), the governor may, during the effective period of the disaster emergency, use money from the fund to respond to the disaster emergency.

(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(2) — (7) and (d)(2) of this section unless money is available from an appropriation made specifically for that purpose.

(d) Upon a request from

(1) the Alaska Legislative Council, the commissioner shall use money from the fund to reimburse the Alaska Legislative Council for expenditures that it makes for the operation of the Citizens' Oversight Council on Oil and Other Hazardous Substances, established under AS 24.20.600; and

(2) the commissioner of transportation and public facilities, the commissioner shall transfer money from the fund to the Department of Transportation and Public Facilities to pay for the construction or refurbishment of one or more vessels of the Alaska marine highway system that have the capability to assist in responding to spills of oil and hazardous substances; in expending money in the fund whose use for vessels of the marine highway system is authorized by AS 19.65.025 and this paragraph, the commissioner shall give priority to construction of one or more new vessels that have the characteristics required by this paragraph. (§ 1 ch 59 SLA 1986; am § 3 ch 90 SLA 1989; am § 2 ch 113 SLA 1989; am §§ 14, 15 ch 190 SLA 1990; am § 28 ch 191 SLA 1990; am § 3 ch 199 SLA 1990; am §§ 4, 5 ch 48 SLA 1991; am § 15 ch 83 SLA 1991)

Revisor's notes. — Subsection (d) was enacted as (b). Relettered in 1990.

Effect of amendments. — The first 1989 amendment, effective June 3, 1989, in paragraph (1), added "investigate and evaluate the release or threatened release of oil or a hazardous substance, and" at the beginning and substituted "and assessing, to address a release" for "assessing, investigating, and evaluating the release"; and added paragraphs (5) and (6).

The second 1989 amendment, effective June 16, 1989, added present paragraph (2) and designated former paragraphs (2) and (3) as paragraphs (3) and (4).

The first 1990 amendment, effective September 24, 1990, rewrote subsection (a) and added subsections (b) and (c).

The second 1990 amendment, effective June 27, 1990, also rewrote subsection (a).

The third 1990 amendment, effective September 25, 1990, added subsection (d).

The 1990 amendments were harmonized by the revisor.

The first 1991 amendment, effective September 13, 1991, in subsection (c), inserted "and (d)(2)" and substituted "money is available" for "funds are available"; and in subsection (d), added the paragraph designations, added paragraph (2), and made a related stylistic change.

The second 1991 amendment, effective June 28, 1991, in subsection (a), substituted the present introductory language for the former language which read "The commissioner may use money from the fund to" and, in paragraph (5), substituted "recover the costs to the state, a municipality, or a village" for "recover the cost to the state or to a municipality."

Editor's notes. — Section 5, ch. 90, SLA 1989 provides that the amendments to this section by that chapter do "not re-

lieve a person responsible for a natural facility, offshore extraction facility, or a vessel discharging crude oil, or a person who discharges a hazardous substance, from liability for containing an oil spill or discharge of oil or the hazardous substance as required by law.

For essentially similar amendments, see section with the amendments made by ch. 113, SLA 1990.

Sec. 46.08.050. The department shall maintain accounting records for the fund.

(b) The department shall, in its administration of, and accounting for, the fund, not delay implementation of the procedures. (§ 46.08.050)

Sec. 46.08.060. The department shall submit a report to the legislature following the completion of the contract report may include the amount of the contract but must include:

(1) the amount of the contract under AS 46.08.040(a) during the term of the contract;

(2) the amount of the contract by or on behalf of the contractor specified in AS 46.08.040(a);

(3) a summary of the responses that were received from the contractor;

(4) a detailed description of the response described in this paragraph and the personal services provided under each contract in excess of \$10,000; and

(5) the project monitoring, operations, and maintenance completed or initiated by the contractor.

(b) As part of the contract cost included with oil spill response contracts, the contractor shall include in the contract:

(1) a summary of the response described in this paragraph and the personal services provided under each contract in excess of \$10,000; and

(2) the immediate response to the oil spill or to the welfare of the public.



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April 15, 1993

The Honorable Cliff Davidson
Alaska State House
State Capitol
Juneau AK 99801-1182

Dear Representative Davidson,

Thank you for your April 13 letter asking for my review and comments on the restoration projects proposed by HB 269/SB 183. I appreciate your interest in what the people of the oil spill region feel about how these monies should best be spent.

While many of the projects proposed by the bill seem to be good ideas, the real question from a legal and policy perspective is whether they should be funded out of the State's criminal restitution funds collected as a result of the Exxon Valdez Oil Spill.

As time goes on it becomes easier to forget the original intent of and restrictions on these funds.

Let me just provide some general comments on the context within which these funds should be considered.

First of all, we are charting new ground here. There is simply no precedent for what we are trying to do to attend to the damages caused by the world's most devastating oil spill. With that comes a tremendous opportunity and responsibility. It cannot be taken lightly.

The entire notion of collecting funds from polluters with which to restore or otherwise offset the natural resource damage caused by oil spills is unique to the United States. We happen to be, for better or for worse, at the forefront of this issue in an international arena.

Presently, there is an intense debate raging within the U.N. International Maritime Organization as to whether or not environmental damage from oil spills should be a compensable loss. They will probably make their decision based on how responsibly the Exxon settlement is spent.

Thus, the world is watching us here. What we decide to do with these funds collected from Exxon on behalf of the natural resources damaged by this spill has enormous implications. If they are spent with the sincere intention of aiding recovery of the injured

UNIVERSITY OF ALASKA FAIRBANKS

Representative Davidson

Page 3

"...We ask that you approve the plea agreement...that will put an end to the criminal and civil complex litigation and getting the much needed money to the environment now, as opposed to years of litigation..."

"...We believe it's in the public's best interest to settle this case in this matter to get the much needed money into the Prince William Sound and Gulf of Alaska now as opposed to years from now..."

"...Unlike other economic crimes in which this court is well aware we can't simply pay interest twenty years down the road to make up for the losses. In environmental cases, it is crucially important that we address the consequences of the conduct immediately..."

It is obvious that the intent of the plea agreement was in "getting the much needed money to the environment now." This is the template upon which the Alaska Legislature should consider any proposed expenditure to these funds. The Legislature must be aware that the State is being closely scrutinized regarding its actions here. It is, of course, entirely possible that the State could be exposed to legal proceedings if it doesn't follow through with the expressed intent of the plea agreement.

The primary legal considerations in analyzing any appropriation of the State's share of the criminal monies have been expressed by the court as follows:

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.

The important thing here is that we all keep in mind that this is a separate pot of money, to be used exclusively for environmental restoration purposes related to the Exxon Valdez Oil Spill.

In its deliberations, the Legislature will have to very carefully consider whether all the proposed projects in HB 269/SB 183 strictly fulfill both the legal restrictions the Court has placed on these funds and the Department of Justice's expressed intent for the use of the funds.

I would strongly recommend you seek the counsel of Attorney General Charlie Cole on such matters, as he would be the person having to defend these projects in front of Judge Holland.

Another issue I hear a lot about here in Prince William Sound is that the geographic distribution of funds should be equitable.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



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