SCOMM

62:23

6-0447Aa
Chenoweth

AMENDMENT

OFFERED IN THE SENATE

BY ADAMS

TO: SJR 11

Page 2, line 19:

Delete "the oil industry has not demonstrated its"

Insert "recent events involving the grounding of the Exxon Valdez and the delayed response by the industry in reponding promptly and properly to a major oil spill into the comparatively calm and sheltered waters of Prince William Sound cast serious doubt on the industry's"

3/29/89

MAR 3 1 1989

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: _____
PUBLISH DATE: 1/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: SUPPORTING EFFORTS TO STOP FEDERAL GOVERNMENT'S PLANS TO LEASE BRISTOL BAY
Sponsor: SEN. ZHAROFF
Requestor: _____

Agency Affected: NONE
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	Ø					
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL	Ø					
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS	Ø					
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME	Ø					
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: ROBERT SHOGAN
Division: GOVERNMENTAL COORDINATION
Phone: 465-3562
Date: 3/31/89

Approved by Commissioner: _____
Agency: GOVERNOR'S OFFICE
Date: 3/31/89

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259
DURING SESSION:
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N
ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Drue Pearce
Chair
Senate Special Committee on Oil and Gas

FROM: Senator Fred F. Zharoff

DATE: March 30, 1989

RE: Senate Joint Resolution 11 - "Supporting efforts to stop or postpone the federal government's plans to complete outer continental shelf oil and gas leases in Bristol Bay and the North Aleutian Basin."

SJR 11 would place the Alaska Legislature on record as supporting the cancellation of North Aleutian Basin Outer Continental Shelf Oil and Gas Lease Sale Number 92. It also offers support to Gov. Cowper in his efforts to postpone exploration and development in this region.

Lease sale 92 encompasses an area in the southwest corner of Bristol Bay. The area is biologically productive and rich in fish and wildlife resources. In the summer, the world's largest run of sockeye salmon passes through this area on its way to spawn in the Bristol Bay river drainages. In the spring, the world's largest outmigration of sockeye smolt passes through this area on its way to the Pacific ocean. The area also features crab, geese, marine mammals, and many other species.

With almost the entire coastline of Alaska open to oil and gas exploration, the North Aleutian Shelf is the one area that should be removed from the schedule. The renewable resource values far outweigh the possible benefits from oil and gas development. The people that live in the region are heavily dependent on these resources. An accident or mishap at specific times of year would be devastating.

In Bristol Bay, the resource values are so great that no amount of risk is acceptable.

The issue of oil development in the Bristol Bay region has been under debate since the late seventies. While there has been much discussion over the years about postponing the sale for a period of time -- at least until the technology and techniques for handling accidents is sophisticated enough to cope with the Bering Sea environment -- the people of Bristol Bay would prefer to not have any oil development in their region for now and the foreseeable future.

The following backup information is attached:

1. Letter from Gov. Steve Cowper, dated Feb. 6, 1989, about the current status of the issue.

2. News release from Gov. Cowper, copy of Gov. Cowper's letter to President Bush, and summary of the state's position on lease sale 92.

3. Analysis of lease sale 92 information needs.

4. Resolution passed by the Bristol Bay Native Convention, February, 1986.

5. Resolution passed by the United Fishermen of Alaska, February, 1985.

6. Article from the Los Angeles Times, reprinted in the Anchorage Daily News, Nov. 3, 1985.

7. Anchorage Daily News editorial, Nov. 10, 1985.

8. Map of Bristol Bay and the original lease sale area, from the U.S. Department of Interior's 1985 Final Environmental Impact Statement.

STEVE COWPER
GOVERNOR

(1)

RECEIVED FEB 1989

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 6, 1989

The Honorable Fred Zharoff
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Fred,

Given your past interest in the issue of the federal oil and gas lease sale in Bristol Bay, I thought that I would write to let you know where things stand.

As you know, the Secretary of the Interior opened and awarded the bids last fall after the Ninth Circuit Court of Appeals lifted the injunction. The State is pursuing several avenues to eliminate the risk posed by the Secretary's actions.

First, we will continue to press our case in the courts. We have appealed the Ninth Circuit panel's decision to the full court. If the Ninth Circuit does not reverse the panel's decision, we will consider an appeal to the U.S. Supreme Court.

Second, we will try to convince President Bush and Secretary Lujan to postpone exploration pending the completion of biological studies and advancement in oil spill containment practices. I will also work for passage of a joint resolution in Alaska's Legislature calling upon Secretary Lujan to prohibit exploratory drilling in Bristol Bay.

Third, we will work with Congress to seek legislation which delays exploration in Bristol Bay and strengthens the coastal states' role in federal decision-making processes which affect the coastal environment.

Finally, the State will closely examine any exploration plans submitted under State law to ensure that our long-standing concerns are addressed before exploration is permitted.

To conclude, I continue to be deeply concerned with the prospect of oil and gas development in Bristol Bay and will be taking every available opportunity to voice this concern.

Sincerely,

Steve Cowper
Governor

NEWS RELEASE

(2)

RECEIVED MAR 0 1 1989

STATE OF ALASKA

OFFICE OF THE GOVERNOR
P.O. BOX A
JUNEAU, ALASKA 99811

STEVE COWPER,
GOVERNOR

FOR INFORMATION CONTACT:

DAVID RAMSEUR
PRESS SECRETARY

TERENCE O'MALLEY
DEPUTY PRESS SECRETARY

(907) 465-3500

FOR IMMEDIATE RELEASE
March 1, 1989
No. 89-40

COWPER ASKS BUSH FOR BRISTOL BAY OIL DEVELOPMENT DELAY

WASHINGTON, D.C.--Gov. Steve Cowper has asked President George Bush to delay oil exploration in Bristol Bay, at least long enough to study the environmental impacts of an oil spill in the fisheries-rich area.

The Governor this week asked Bush to include Bristol Bay with three upcoming oil lease sales off Florida and California in a federal review of the environmental effects of off-shore oil development.

". . . Since questions of both environmental and ocean resources impacts are at the heart of our concern for Bristol Bay, we respectfully request that consideration of the impacts of exploration in the area of Lease Sale 92, the Northern Aleutian Basin, be added to the scope of the review team," Cowper told Bush in a Monday letter.

"In making this request we are aware that Bristol Bay is distinguishable from the other three OCS areas in that a lease sale already has occurred," Cowper said. "Nevertheless, we believe the economic and biological reasons for postponing exploration, while we answer remaining questions, are as compelling as anywhere else in the country."

-MORE-

At issue is Bush's pledge during a Feb. 9 address to the nation to halt the California and Florida sales. The President appointed a review team to study the sales composed of the National Academy of Sciences, the Office and Management and Budget, the Environmental Protection Agency and the departments of Interior and Energy.

At Cowper's request, a U.S. House budget bill now making its way through Congress includes language to include Bristol Bay in the review. Cowper also is asking Congress not to appropriate money for Bristol Bay exploration this year.

Cowper told the President the risks of a spill in Bristol Bay outweigh the benefits of the relatively small amount of oil believed present there. The yearly value of the Bristol Bay fishery exceeds $1 billion and employs 10,000 people.

The federal Department of Interior has determined the probability of a spill there of at least 1,000 barrels over the life of development at 52-57 percent. At the same time, Bristol Bay ranks 14 of 18 outer continental shelf leasing areas in terms of net economic value.

Cowper joined with his two immediate predecessors in opposing oil development in Bristol Bay, which is the only such sale opposed by the Cowper administration.

The Governor praised Bush's support for development of the Arctic National Wildlife Refuge and said Alaska "fully supports the prudent and orderly development of the state's outer continental shelf in an environmentally acceptable manner.

"In Bristol Bay however, we look for your consideration of deferring exploration in order to protect its exceptional commercial, subsistence and esthetic fish and wildlife values," Cowper said.

-30-

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 27, 1989

The Honorable George Bush
The President
The White House
Washington, DC 20500

Mr. President:

Thank you for the opportunity last week, on your stopover in Anchorage, to speak with you on some issues of concern to Alaska. As you know, we are very encouraged with your stance to promote the opening of the Arctic National Wildlife Refuge (ANWR) to responsible oil and gas leasing. The coastal plain of ANWR offers a prospect of substantial oil and gas recovery under adaptable environmental conditions.

On a related issue, I was heartened by your announcement that you have directed Secretary of the Interior Manuel Lujan to set up a task force to examine the environmental impact of proposed outer continental shelf (OCS) lease sales in three areas off the coasts of California and Florida. As you know, Alaska, too, has been seeking to postpone oil and gas exploration in the OCS, off Bristol Bay, an area we believe to be of far greater value for its fish and wildlife than for its hydrocarbon potential.

It is our understanding that your administration is in the process of focusing and shaping the task force's scope of review, and is evaluating whether it will limit the task force's attention to the three geographic areas highlighted in your speech. Since the group has been expanded to include the Environmental Protection Agency and possibly the National Oceanic and Atmospheric Administration, and since questions of both environmental and ocean resources impacts are at the heart of our concern for Bristol Bay, we respectfully request that consideration of the impacts of exploration in the area of Lease Sale 92, the Northern Aleutian Basin, be added to the scope of the review team.

In making this request we are aware that Bristol Bay is distinguishable from the other three OCS areas in that a lease sale already has occurred. Nevertheless, we believe the economic and biological reasons for postponing exploration, while we answer remaining questions, are as compelling as anywhere else in the country. As further elaboration on the risks at stake in Bristol Bay, I have

enclosed a copy of an issue paper which was provided to your transition team in January.

Alaska remains responsive to the nation's need to decrease its dependence on foreign oil, as evidenced by our efforts to open the coastal plain of ANWR, and fully supports the prudent and orderly development of the state's outer continental shelf in an environmentally acceptable manner. In Bristol Bay, however, we look for your consideration of deferring exploration in order to protect its exceptional commercial, subsistence, and esthetic fish and wildlife values.

Thank you for your consideration of this important matter.

Sincerely,

Steve Cowper
Governor

Enclosure

cc/enc: Richard G. Darman, Office of Management and Budget
James D. Watkins, Department of Energy
Manuel Lujan, Jr., Department of the Interior
Robert A. Mosbacher, Department of Commerce
William K. Reilly, Environmental Protection Agency
The Honorable Ted Stevens
The Honorable Frank Murkowski
The Honorable Don Young
Philip M. Smith, National Academy of Sciences

BRISTOL BAY OIL AND GAS LEASE SALE

ISSUE:

Should the Department of the Interior postpone exploration and development of Oil and Gas Leases in Bristol Bay (Sale 92)?

SUMMARY OF STATE POSITION:

The State of Alaska supports delay of oil and gas exploration in Bristol Bay because of the low hydrocarbon potential and extremely high fish and wildlife values.

BACKGROUND:

With the exception of Sale 92, the State of Alaska has strongly supported the federal OCS leasing program off Alaska. In 1985, the Governor of Alaska recommended to the Secretary of the Interior under Section 19 of the Outer Continental Shelf Lands Act (OCSLA) that Sale 92 be postponed for ten years. The Secretary rejected this recommendation and conducted the lease sale. The courts injoined the Secretary from opening the bids received from the sale. In November, 1988, the Ninth Circuit Court of Appeals lifted the injunction. The Secretary of the Interior opened and awarded the bids soon thereafter. Exploration on some tracts could begin in 1989.
The State is appealing this decision to the Supreme Court.

DISCUSSION OF STATE POSITION:

The State of Alaska supports a postponement of exploration and development in this area because of the 1) the region's unequalled fish and wildlife values, 2) its low oil and gas potential, and 3) the reasonable expectation that risks will be significantly reduced by deferring activities.

Fish and Wildlife Values

- The fisheries of the sale area are among the most prodcutive in the world according to the Sale 92 EIS. First wholesale value can exceed one billion dollars annually and employs 10,000 people.

- According to the National Marine Fisheries Service, Alaska Region the area is the single most important region of the U.S. Outer Continental Shelf for the conservation of marine mammals and endangered species and protection and management of fishery resources.

Oil and Gas Benefits

- The Department of the Interior estimates that the potential economic benefits of the North Aleutain Basin hydrocarbon resources are among the lowest of all the Nation's OCS planning areas.

- In 1985, the Department of the Interior ranked it 14 out of the Nation's 18 OCS planning areas in terms of the net economic value of recoverable hydrocarbon resources.

Risks of Exploration and Development

- 52- 57% probability that one or more spills exceeding 1,000 barrels of oil will occur over the productive life of the leases, according to Sale 92 EIS.

- EIS projects major effects to the red king crab population as well as less serious impacts to tanner crab, salmon, herring and groundfish. We estimate the discounted gross economic loss based on first wholesale values to be approximately 563.6 million dollars.

- The Department of the Interior has found that mechanical recovery of spilled oil at sea becomes ineffective between sea states three and four. In the Sale 92 area, sea states of three or greater occur from 68 to 94 percent of the time.

Deferral will Reduce Risks

- Deferral will enable important environmental information to be obtained.

- Deferral will allow imporvements in open-ocean oilspill cleanup capabilities.

- Deferral will allow the industry to obtain additional operating experience in other less sensitive areas of the Bering Sea.

Source: Office of the Governor

(3)

ANALYSIS OF INFORMATION NEEDS IN THE NORTHERN ALEUTIAN BASIN

PART 1

Information needs that have not been addressed as of January 1989:

1. Effects of seismic energy sources on salmon fisheries. 1
2. Seaward migration patterns and timing of Pacific salmon through Bristol Bay and the North Aleutian Basin. 2
3. Distribution and abundance of forage fish in and adjacent to the North Aleutian Basin. 3
4. Migratory behavior of egg-bearing female king crab along the north shore of the Alaska Peninsula. 1
5. Importance and location of juvenile king crab protective rearing habitats in the North Aleutian Basin. 4
6. Effects of oiled sediment on settling and recruitment of food organisms important to juvenile king crab. 1
7. Effects of oil contamination on gray whales. 1
8. Importance of the North Aleutian Shelf as a feeding area for Gray whales. 1
9. Effects of oil contamination on eelgrass beds along the northern shoreline of the Alaska Peninsula. 1
10. Analysis of oil spill response capabilities. 1

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[1] To our knowledge, no studies addressing this question are underway and no future studies have been funded.

[2] Studies that may address this question are currently underway. However, a minimum of three more years of study will be necessary before this question is adequately resolved.

[3] Some studies directed at herring use of the Port Moller vicinity are planned for summer 1989. However no studies directed at capelin or sandlance are underway and no future studies have been funded.

[4] Previous studies have suggested that rocky, cobble habitat is crucial to juvenile king crab survival. However, no studies have been directed toward identifying the locations of these habitats in the North Aleutian Basin.

PART 2

Discussion of selected information needs

1. MIGRATORY BEHAVIOR OF EGG-BEARING FEMALE KING CRAB ALONG THE NORTH SHORE OF THE ALASKA PENINSULA

Justification: Insufficient information is currently available on the onshore-offshore migration pattern of egg-bearing red king crab in the North Aleutian Basin (NAB). In the Kodiak region, female king crab exhibit an annual onshore-offshore migration pattern (Powell and Nickerson 1965, NPFMC 1980). Due to limited winter surveys, this behavior is not documented for the NAB. McMurray et al. (1984) questioned whether females undergo an onshore-offshore migration, and suggested that remaining in warmer nearshore waters would enhance egg development.

Whether or not gravid females exhibit an onshore-offshore migration is important to the Sale 92 decision process because it affects the potential for increased hydrocarbon exposure to developing eggs and therefore affects the risk assessment. If studies indicate that females do not migrate to deeper offshore areas, the information would provide justification for additional protection to nearshore areas through adoption an alternative lease sale configuration or mitigation measures.

Methodology: Conventional winter field surveys along the North Aleutian Shelf and inner Bristol Bay would be necessary to document the nearshore distribution of egg-bearing female king crab.

Timing: Currently depressed NAB king crab populations may restrict the acquisition of data necessary for proper analysis. Consequently, two or more winter field surveys may be required.

Cost: Estimated cost for this study is 100,000 to 150,000 dollars.

2. IMPORTANCE OF THE NORTH ALEUTIAN SHELF AS A MIGRATORY FEEDING AREA FOR GRAY WHALES

Justification: The relative importance of the North Aleutian Shelf to the overall eastern Pacific gray whale population is currently unknown. Although small numbers of gray whales have been reported feeding in nearby waters during migration and while on the breeding grounds (Sund 1975, Darling 1977, Wellington and Anderson 1978, Norris et al. 1982, and Brueggemann et al. 1987), the majority are not known to begin feeding intensively until they reach the northern Bering Sea (Rice and Wolman 1971, Zimushko and Ivashin 1980, Lowry et al. 1982). However, Gill and Hall

(1983) reported that once gray whales moved into nearshore and estuarine waters along the north side of the Alaska Peninsula, many of them began feeding. During three spring aerial surveys, 50-80 percent of the whales seen within 1 kilometer (km) of shore between Unimak Pass and Naknek were trailing mud plumes or were on their sides characterizing feeding behavior (Gill and Hall 1983). This observation is important because it indicates that a significant percentage of the eastern Pacific gray whale population may utilize coastal areas along the North Aleutian Shelf for "migratory" feeding.

The significance of such "migratory" feeding areas is currently unknown. Gill and Hall (1983) suggested that the use of such feeding areas might be a requisite for survival, due to several prior months of near fasting and the energy demands resulting from a long migration. Consequently, additional studies are needed to provide accurate estimates of: 1) the number of gray whales that utilize this area as feeding habitat; 2) the length of time that feeding occurs in the area; and 3) the principle prey species. If information is obtained that shows the North Aleutian Shelf nearshore area is of critical importance to gray whales, it should significantly influence the reasoned choice between alternatives through supporting selection of an alternative lease sale configuration or the adoption of mitigating measures restricting activities in the nearshore area during the spring migration period.

Methodology: The MMS should consult with the NMFS on designing conventional field studies to address this information need. This study should also be coordinated with the on-going OCSEAP endangered whale monitoring study.

Timing: A minimum of two years of field surveys would be required.

Cost: The study cost is not anticipated to exceed 400,000 dollars.

3. EFFECTS OF OIL CONTAMINATION ON EELGRASS BEDS ALONG THE NORTHERN SHORELINE OF THE ALASKA PENINSULA

Justification: Oil contamination of eelgrass beds is likely if an oilspill reaches the northern shoreline of the Alaska Peninsula. Contamination may reduce productivity of these plants, cause outright mortality, and alter substrates so that recolonization by plants may be hindered. If the growth of these plants is affected, or the plant surfaces are contaminated, the implications could be severe. For instance, the world populations of black brant and emperor geese rely on Bristol Bay eelgrass beds, particularly those found in Izembek Lagoon, as a primary food source prior to their strenuous fall migration. It is also suspected that the eelgrass beds are utilized by herring stocks for spawning substrates.

In order to adequately evaluate the risks to this critically important habitat, and the species dependent upon eelgrass beds, it is essential that there be a better understanding of the potential effects of oil contamination on these plants and their substrates. The final EIS did not adequately address the issue on how long impacts might persist or how the long-term disruption to eelgrass beds might affect waterfowl. However, it did state that East Coast eelgrass beds affected by disease required over 30 years to recover. This suggests that very significant long-term impacts might result from oil contamination. If the proposed studies found this to be true, the information would provide strong justification to support an alternative lease sale configuration or mitigation measures which would lower the risk of oil contamination to these important habitats.

Methodology: In situ field studies should be conducted utilizing various types of hydrocarbon contaminates at varying concentrations.

Timing: The study schedule should be flexible to ensure that long-term impacts are adequately documented. It is anticipated that monitoring will be required for at least three to five years.

Cost: Estimated study costs are not projected to exceed 500,000 dollars.

4. ANALYSIS OF OIL SPILL RESPONSE CAPABILITIES

Justification: To date, an analysis of oilspill response capabilities in the Bering Sea has not been conducted. Considerable information is available that could be utilized in this analysis. This information includes: 1) Coast Guard oilspill logs and response capability evaluations for major oilspill events in U.S. waters; 2) reports on international oilspill events and subsequent cleanup efforts; 3) oilspill response exercises conducted by the Coast Guard and the oil industry; 4) manufacturer equipment specifications; 5) oilspill behavior reports; 6) industry oilspill contingency plans; and 7) meteorological and oceanographic studies of the NAB. The analysis should not only focus on equipment capabilities, but also on the capability to deploy equipment and to logistically support cleanup operations.

The study results could 1) allow the MMS to include an oilspill response capability judgement into their analyses of impacts in Environmental Impact Statements; 2) provide a basis for evaluating the effectiveness of current mitigative measures such as oilspill contingency plans; 3) justify development or adoption of different mitigation measures to reduce oilspill risks; or 4) support adoption of alternative lease sale configurations

Methodology: The study should provide the following information: 1) describe equipment, personnel, and logistical capabilities currently available or anticipated by industry; 2) develop several oilspill scenarios and analyze industry's response capabilities under each scenario; and 3) develop a set of standards for evaluating oilspill contingency plans.

Timing: The study could be completed in one year.

Cost: Estimated study costs could range from 15,000 to 25,000 dollars.

(4)

BRISTOL BAY NATIVE CONVENTION
Resolution 86-07

WHEREAS: the Bristol Bay region is one of the most biologically productive offshore and nearshore areas in the world; and

WHEREAS: the Bristol Bay salmon run is the largest in the world making up 30 percent of the entire world's salmon harvest, and is an equally important subsistance resource for the region's residents; and

WHEREAS: the Bristol Bay region has consistently expressed its support for a delay of OCS Lease Sale #92 to allow for additional biological studies and the time necessary to improve oil spill response technology; and

WHEREAS: Governor Sheffield listened to the concerns of Bristol Bay residents and persistently pursued every possible administrative avenue to delay lease sale #92 until 1994 before resorting to litigation as a last step;

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Convention supports and commends Governor Sheffield for having taken the legal measures necessary to delay Lease Sale #92, and congratulates the State on its success for obtaining a preliminary injunction at the federal district court level.

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the delegates to the 1986 Bristol Bay Native Convention, February 23, 24, 25, & 26, Dillingham, Alaska, at which a quorum was present.

WITNESS My hand and seal this 26th day of February, 1986.

William P. Johnson
Chairman, Bristol Bay Native Convention

WITNESSED:

H Sheely Smith Jr.
Chairperson, Resolutions Committee

UNITED FISHERMEN OF ALASKA

Cass M. Parsons
Executive Director

UNITED FISHERMEN OF ALASKA

RESOLUTION 85-3

WHEREAS the United Fishermen of Alaska is an organization representing individual fishermen as well as 17 member fisheries organizations; and

WHEREAS the UFA is vitally concerned with the use, protection and enhancement of Alaska's fisheries resources and their habitat; and

WHEREAS the Federal government has proposed leasing the Outer Continental Shelf in the area known as the North Aleutian Basin; and

WHEREAS the fisheries resources of the Bristol Bay region and North Aleutian Basin are a renewable resource of extraordinary value to the local fishermen, the State of Alaska, and the United States; and

WHEREAS the UFA has had a long standing concern with protecting the fisheries resources in this region, and has expressed particular concern over the effects which oil and gas development will have on these fisheries; and

WHEREAS the economic value of the fishery will, over the long term, greatly exceed the value of the projected oil reserves in the lease area, and therefore must receive maximum protection; and

WHEREAS both the UFA and the State of Alaska have identified several significant information needs relating to fisheries, marine mammals, birds and oilspill trajectory analyses; and

WHEREAS the UFA believes that this information needs to be addressed prior to any consideration of offshore oil and gas leasing in this region in order for all parties to fully and fairly evaluate the impacts of petroleum exploration and development on the important resources of the region.

NOW THEREFORE BE IT RESOLVED that the United Fishermen of Alaska, supports a 10 year delay in any offshore oil and gas leasing in the North Aleutian Basin; and

BE IT FURTHER RESOLVED that the United Fishermen of Alaska believe that this delay should be used to, among other things, provide time to:

1) further develop offshore petroleum drilling and transportation technologies that will ensure safe operations; and

2) ensure that oilspill containment and clean-up technologies are further developed, tested and refined so that oilspill clean-up operations will be effective under the weather and oceanographic conditions found in the region; and

3) allow time for sufficient scientific studies to address the important scientific questions which have been identified by the state and by the UFA; and

BE IT FURTHER RESOLVED that the United Fishermen of Alaska encourages the State of Alaska, and the Alaska Congressional Delegation to work with all parties and to use all of the powers available to them to ensure that the proposed OCS lease sale No. 92 in the North Aleutian Basin is deferred.

Cass M. Parsons
UFA Executive Director

2/19/85
Date

Robert M. Blake
UFA President

2/19/85
Date

Bristol Bay residents resist oil exploration

By MAURA DOLAN
Los Angeles Times

ADN 11/3/85

DILLINGHAM — To the thousands who net the huge Pacific salmon that inhabit Bristol Bay and its tributary rivers in southwestern Alaska, fishing is a matter of survival.

In the frenzy of the summer salmon season, fishermen have been known to brandish guns and ram each others' boats as they compete for a catch that will sustain them when the waters turn to ice and the harbor closes for the long, bitter winter. The massive catch on the bay, which measures roughly 250 miles at its widest point, nets a year's livelihood: cash earned from sales to nearby canneries and meals for months to come on salmon that has been dried or frozen.

"If we lost our fish here, I would guess it wouldn't take more than five years for us to become a ghost town, along with about nine villages on the Nushagak River," said Dillingham Mayor Leon Braswell, 40, a fisherman who wears blue jeans and work boots to the unmarked wood framed building that is Dillingham City Hall. "Fishing is all we have."

Now, after fending off intrusions by foreign fishermen and successfully demanding better prices from the canneries, Braswell and the people of Dillingham are attempting a feat that few believe can succeed. They are fighting to prevent oil companies from punching holes in the bottom of Bristol Bay, which environmentalists and fishermen view as part of a calculated effort by oil companies to set the stage for drilling in other areas now off limits for environmental or political reasons.

The U.S. Department of the Interior has tentatively decided to permit the oil industry to drill next year in a 5.6-million-acre site in Bristol Bay, situated on the western side of the Alaska Peninsula just north of the Aleutian Islands.

The plan represents a key test for Secretary of the Interior Donald Hodel's willingness to buck environmentalist opposi-

See Page J-2, BRISTOL

Bristol Bay may be test case for oil industry

Continued from Page J-1

tion as he tries to forge ahead with the federal government's offshore leasing program, which suffered significant political setbacks under the direction of former Secretary James Watt.

What makes Alaska tempting as a vehicle for prying open the door to offshore drilling in environmentally sensitive areas, critics say, is the fact that the 49th state wields substantially less political clout than more populous states, such as California.

Industry officials concede that even the harsh seas and frigid temperatures of the north are easier to overcome than opposition to drilling by California's powerful congressional delegation.

With a population of only 479,000, Alaska has one member in the House of Representatives. California, with a population of 25 million, has 45 representatives.

For people here, the Bristol Bay struggle matches California's battle in the intensity of local feelings, although unlike the Californians, people in Bristol Bay spend little time worrying about aesthetics for tourism or air pollution. Rather, they fear that an oil spill would destroy the fish and the economy of this wind-blown region that Natives call the Bush.

If finalized, the plan would place oil exploration at the side of the nation's largest salmon fishery, the state's largest herring fishery and the home or migration corridor of a million marine mammals.

The oil industry says fishing and oil exploration can coexist and points to a relatively good safety record in other waters off this state.

"There is no one who is reasonable and fair who will tell you there won't be accidents," conceded Thomas Cook, the Alaska exploration representative for Chevron U.S.A. Inc. "But I think the industry's record is very good. Even catastrophes like the Santa Barbara (Calif.) blowout (of 1969) had only a temporary effect and didn't eliminate fishing or do any permanent damage to the environment."

Gov. Bill Sheffield strongly opposes the offshore leasing plan, a position that pits the state against an industry that has made Alaska rich.

Oil revenue finances about 80 percent of the state budget. Oil money made it possible for Alaska to abolish the state personal income tax in 1980. Indeed, the oil industry generates so much money that every resident receives an annual payment — this year $404 — from interest earned off oil revenue.

But the state has threatened to sue the federal government unless it delays exploration in Bristol Bay for 10 years.

"Obviously, it's not that we're against oil and gas," Sheffield said recently. "We've had a very good working relationship with the oil and gas industry. But on Bristol Bay, we just had to draw the line."

Fishing in Bristol Bay is a $1 billion-a-year industry that employs 10,000 workers seasonally. Unlike onshore drilling in Prudhoe Bay to the north, located in state territory with royalties paid directly to the state, a discovery in the federal waters off Bristol Bay would add little to Alaska's pocketbook.

Prudhoe Bay production is expected to peak in the next couple of years and decline after that. The state, therefore, is anxious to nourish and sustain its other industries, like fishing, to fill the vacuum when the oil is gone.

"You don't have oil spawn and come back and reproduce," Sheffield said. "Oil will run out sometime, hopefully not for a long time. But fishing, if we manage it right, will be around forever."

In Bristol Bay, environmentalists cite Department of the Interior estimates that the proposed drilling site contains 279 million barrels of oil, a small amount in comparison with other federal offshore areas where drilling is planned. In a government ranking of hydrocarbon resources, Bristol Bay is rated lower in potential than waters off either Southern, Central or Northern California.

Daily News file photo

Commercial fishing is a $1 billion-a-year industry in Bristol Bay and employs 10,000 people.

Oil company officials say that industry assessments of Bristol Bay's energy potential are more optimistic than those of the federal government.

Chevron's Cook said that, if Hodel caves in on Bristol Bay, "we'd have some very serious concerns as to whether there is any credibility" in the federal offshore leasing program.

During the last few years, oil companies have plucked Natives and village officials from these shores and flown them to Louisiana and Texas for all-expense paid excursions intended to show that oil operations will not harm fishing.

Some who took the trips and visited industry research offices in Houston and fished off derricks in Louisiana returned mollified.

But others, like fisherman Harvey Samuelsen, were not convinced.

"Of course they have hurricanes in Louisiana, but they don't have drifting ice like we have up here," said Samuelsen, 59, who heads a fisherman's union here.

"Bristol Bay gets some of the worst weather in the world. And, like I tell everybody, this is a national treasure.... Bristol Bay feeds a lot of people throughout the world."

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Bristol Bay leases: Not there, not now

When it comes to oil, Alaska is America's equivalent of Saudi Arabia. And with so many promising places to look for oil here, one of the last places should be Bristol Bay, home of a billion-dollar fishing industry. But Bristol Bay is at the top of the feds' list: Over the state's objections, the U.S. Department of the Interior tentatively plan sell leases there in January.

The leasing would occur in the heart of the world's largest red salmon fishery. The area is also rich in bottomfish. Ten thousand people depend on those fish for jobs and thousands more depend on the area's fish, seals, walrus, and other wildlife for food. A major oil spill threatens destruction of the fishing industry and an end to the subsistence way of life in the area; the jury is still out on the long-term effects of chronic small spills and routine pollution, including disposal of drilling muds, on areas with offshore drilling, especially in sensitive subarctic waters.

The oil industry says its record shows fishing and offshore oil can live together, and sometimes it can. Yet, based on industry experience, the federal government's environmental impact study predicts at least one oil spill of 10,000 barrels in Bristol Bay and indicates the industry's clean-up techniques won't work in the heavy seas common to the area.

Gov. Bill Sheffield wants the sale put off for 10 years and has vigorously lobbied Interior Secretary Donald Hodel for a delay. It's an uphill battle.

Even the Alaska congressional delegation, usually so quick to defend the state's interests against the insensitivity of a distant federal government, supports the oil industry's desire to have the sale as scheduled.

Interior Secretary Hodel must consider the national interest as well as Alaska's interest. But fish from the area are important to international trade. And declaring Bristol Bay off limits to oil drilling would hardly hurt the nation's quest for domestic sources of oil; the government estimates the oil there amounts to a three-week supply for the United States.

In spite of Gov. Sheffield's lobbying, Secretary Hodel isn't likely to delay the Bristol Bay sale. If he doesn't, the governor has said he will sue to stop the leasing. He should. There are still some places where oil development isn't worth the risk. Bristol Bay — with so little oil and so many fish — is such a place.

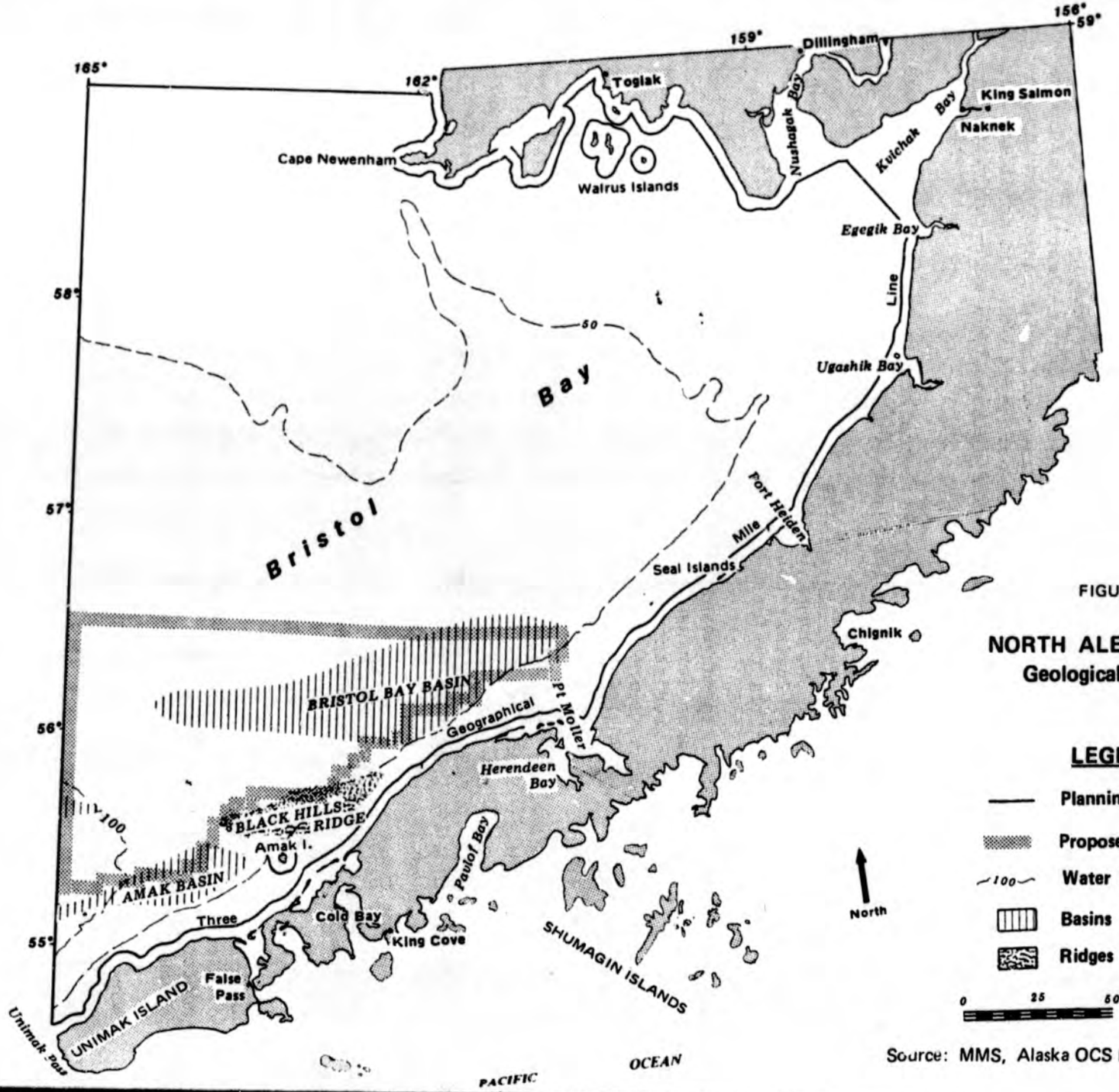

FIGURE III–1

NORTH ALEUTIAN BASIN
Geological Structures

Source: MMS, Alaska OCS Region, 1983