

SCOMM

75:30

ALASKA STATE LEGISLATURE • SENATE

SENATOR RICHARD I. ELIASON

LABOR & COMMERCE COMMITTEE, CHAIRMAN

RESOURCES COMMITTEE

RULES COMMITTEE

SPECIAL COMMITTEE ON HIGH SEAS
SALMON INTERCEPTION

SELECT COMMITTEE ON
LEGISLATIVE ETHICS



P.O. BOX 143
SITKA, ALASKA 99835

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

FAX (907) 465-4928

July 17, 1990

Mr. Lew Williams, Publisher
Ketchikan Daily News
P. O. Box 7900
Ketchikan, Alaska 99901

Dear Lew:

Thank you for your recent note and the accompanying Alaska Business Monthly article concerning fish farming. I appreciate the sentiment behind your view that the fish farm ban should be "revised a little" for Thorne Ferguson and Fairbanksan Andy Wescott, and want to share some information with you to help you round out the picture a bit.

When I first heard of Thorne Ferguson's predicament in March of '88, I moved immediately to find out as much about it as I could, and my inquiries yielded a slightly different picture than the one presented in the magazine article. In 1985 Mr. Ferguson sought DNR approval of a multi-stage development, the initial stage being development of a hunting and fishing lodge/resort, and the second stage involving a hatchery and fish farm. It appears that later that year (see enclosed 3/23/90 letter from DNR) he dropped the hatchery/hydroelectric plant portion of the proposal and proceeded with his efforts to further the plans for the lodge, barge and dock. In 1986 he received permits from DEC and the Army Corps of Engineers for a lodge, barge and dock facility, and had not applied for any permits necessary to begin raising fish in saltwater tanks.

Mr. Ferguson did purchase a "Fish, Game and Fur-Farm License" from ADF&G in December of 1986, however this license is little more than a business license received by anyone who applies, and is unrelated to the regulatory aspects of fish farms and their activities; he did not pursue obtaining any of the necessary permits from DEC, DNR, ADF&G, Army Corps of Engineers, and the U.S. Forest Service. As early as 1982 (see attached correspondence) the letters sent by ADF&G and the USFS in response to permit inquiries from James McCormack of T. Ferguson Construction indicate that there were a number of regulatory hoops to jump through, although it is true that the letter from Commissioner Collinsworth does not explicitly say that the project would require the approval of the Board of Fish.

Mr. Lew Williams

July 17, 1990

page two

At no point in time was Mr. Ferguson ever assured of being able to develop the hatchery phase of his development. It seems that he didn't even pursue that aspect of the project vigorously, and instead he decided to proceed with the lodge only. It seems to me that Mr. Ferguson is being somewhat misleading with his story that his family's entire investment is forfeit due to legislative action when in fact the hatchery portion of the project was purely speculative from the outset.

Of interest to Mr. Ferguson, Mr. Wescott, and others interested in pursuing upland tank farming, the Senate adopted a letter of intent that accompanied HB 432 (the ban bill). The language in the letter of intent supports the concept of upland tank farming of non-salmon species and directs ADF&G to work with legislative committees during the interim to develop environmental, siting and broodstock acquisition and ownership criteria for the upland tank farming of non-salmon species. This may indeed pave the way for upland tank farming of char, such as Thorne Ferguson has discussed.

With respect to Mr. Wescott, when the temporary moratorium on fish-farming was crafted by the Legislature, every effort was made to ensure that Mr. Wescott's operation would not be shut down as a result. It was not clear at the time that Mr. Wescott's operation had been granted a permit in violation of the law (according to an opinion from the Attorney General's office). Mr. Wescott received a permit from ADF&G, when in fact the authorization of the Board of Fish was required. Ultimately, when he did run into trouble it was due not to the moratorium, but to a run-in with the Board of Fish relating I believe to permits for broodstock or transport of eggs -- I confess I don't recollect the details. The Board of Fish has complete authority over these regulatory issues.

As a footnote, some of the trouble that crops up in trying to craft clean legislation is when we try to go about "grandfathering-in" every individual who has proceeded with a venture before obtaining authorization. Not to mention the folks that have some sort of official blessing that turns out to be against the written law!

Thanks for your interest, as always, and let me know if I can provide further information. We haven't heard the last of this issue, I'm sure of that!

Sincerely,

Senator Dick Eliason

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

SOUTHEAST REGIONAL OFFICE DIVISION OF LAND AND WATER MANAGEMENT

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVENUE
SUITE 400
JUNEAU, ALASKA 99801-1000
PHONE: (907) 465-3400

March 23, 1990

Re: Thorne Ferguson

Honorable Richard I. Eliason
c/o Pouch V
Juneau, Alaska 99811

Dear Senator Eliason:

Research of our records indicates that T. Ferguson Construction, Inc. did purchase U.S. Mineral Survey 419B, known as the Maine, Monterey and San Francisco claims from Georgia-Pacific Corporation, (Warranty Deed, 1984). The property is located at Copper Harbor, Hetta Inlet, on the west side of Prince of Wales Island. In 1985 In 1985 Mr. Ferguson submitted applications intended to obtain approval of what appeared to be a multi-stage development. According to one of the cover letters, the initial stage of construction (development of a seasonal resort for hunting as well as fresh and salt water fishing) was intended to support the second stage (the development of a hatchery and fish farm); see ADL lease application 104488.

In September of 1987 the applicant indicated to DNR they had received a Army Corps of Engineers permit dated in June of 1986. Proposed construction under the Corps permit consisted of a lodge, barge ramp, and docks to be constructed in conjunction with the proposed private fish hatchery. The permit stated that the lodge and docks would supported by approximately 100 piles, and the barge ramp would consist of a timber crib bulkhead placed at M.L>L>W. and back-filled with approximately 1,800 cubic yards of shot rock fill (see Army Corps of Engineers Public Notice of Application for Permit Hetta Inlet 7, dated September 3, 1985).

However, contrary to the lease application and corps notices, a letter from the State Office of Management and Budget dated August 22, 1985 appears to indicate that the applicant dropped the hatchery portion of its proposal at that time. Mr. Menzies letter of June 2, 1986 appears to furnish the reason. The OMB consistency determination of May 9, 1986 purposely dropped consideration of the hatchery and hydroelectric plant.

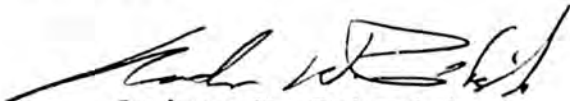
March 23, 1990

The 1986 Army Corps of Engineer Permit is the only document that appears to still imply a remaining interest in a hatchery. None of the State approvals, including Water Use Applications LAS 6089 and 6090 involve the hatchery proposal directly.

It appears clear from the file that the applicant was never assured of being able to develop a hatchery. That although it is something that he wanted to do, he decided to proceed with the lodge with no guarantees that he would be able to construct the hatchery. It is possible that the \$500,000 figure thrown around would include the \$370,000 initial purchase price.

Please let me know if there is anything else I can do.

Sincerely,



Andrew W. Pekovich
Regional Manager, SERO

CC: Larry Ostrovsky
Gary Gustafson
Janet Burleson

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

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

November 12, 1982

Mr. James L. McCormack
Project Manager, Ice Palace Farms
3321 Seppala Drive
Anchorage, Alaska 99503

Dear Mr. McCormack:

This letter is in response to yours of October 12, 1982, to Commissioner Skoog, regarding your interest in a commercial marine net-pen farm for coho salmon in Southeast Alaska. We are enclosing the \$100.00 check you submitted since we will be unable to issue a permit for your proposed operation.

In explanation, as stated in your letter, it is correct that State of Alaska law does not allow conduct of salmon ranching for a profit, only on a nonprofit basis. From the text of your letter, you appear to have received insufficient information about the legality of hatching and rearing stock coho for commercial purposes. The Alaska Department of Revenue does have available a Fish Farming License, which allows for the rearing of fingerlings, fry, or smolt to commercial marketing size, but this license does not allow the operator to incubate and hatch eggs. That can only be done in the private sector under a Private Nonprofit (PNP) Hatchery Permit, which cannot be secured for profit-making purposes. It would be for such a permit that a \$100.00 fee would be appropriate.

Functions under the fish farming license may only be conducted in a land-locked situation, so that would rule out net-pen rearing of coho in a bay, as is indicated in your proposal.

If you can define a land-locked location for fish farming and can determine a source of coho fry or smolt, it would be necessary for you to secure a Fish Transport Permit from Dave Daisy at the Anchorage Office, in order to assure that the source of stock is disease-free before you would be allowed to transport fish.

Finally, it would be necessary that you secure information on health inspection requirements for preparing for market and actual marketing of any fish produced. For information in that regard, please contact the following:

Alaska Department of Environmental Conservation
Anchorage Regional Office
P.O. Box 1328

Mr. McCormack

-2-

November 12, 1982

Anchorage Alaska 99510
Attn: George Hart
Telephone: 907-745-3236

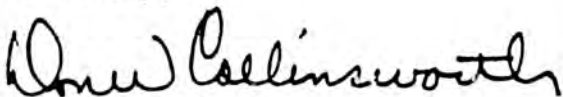
Also, I am enclosing for your use copies of application forms and background information for fish, game and/or fur farm licenses. The above references and enclosed information should give you the materials necessary to pursue a fish farm license, if you desire.

Should you have further questions, please contact me or Jerry L. Madden at the following address:

Alaska Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99802

Thank you for your interest in the Alaska salmon industry.

Sincerely,



Don W. Collinsworth
Deputy Commissioner
Resource Management

Enclosures

cc: Dave Daisy



United States
Department of
Agriculture

Forest
Service

Stikine Area, Tongass National Forest
Box 309, Petersburg, Alaska 99833

Reply to: 2720

Date: August 6, 1982

Mr. James L. McCormack
Project Manager
T. Ferguson Construction, Inc.
3321 Seppala Drive
Anchorage, AK 99503

Dear Mr. McCormack:

I have read your proposal for a net pen farm to be located in Washington Bay.

I will try to assist you by listing some of the things that must happen before your project can proceed as you have described it.

You must obtain approval from the Alaska Department of Fish and Game. We would follow their lead in this matter; therefore, this is the first step you must take. You need to obtain a State tidelands permit, a Corps of Engineer's permit, and a license or waiver from the Federal Energy Regulatory Commission; to mail application to the Forest Service for a special land use permit; and to prepare (or have prepared) an environmental assessment document to be approved by the Forest Service before a permit can be issued. Detailed engineering plans and drawings are also required by us and others. Unless you are one and the same, another party from Kake was also interested in developing a fish farm in Washington Bay. If this is the case, agreement between the parties would have to be reached before we could consider a permit application.

Twenty percent of the total project cost is not an unreasonable estimate of dollars needed to be spent just to get to the construction stage for a project of this type.

A fee is charged for the special use permit, payable each year. A decision would have to be made on whether or not to require a performance bond. Land on the National Forest is not available for sale.

You also must show that the National Forest is the only land suitable for your use. State and private land is available throughout southeast Alaska.

I am not trying to discourage you; I am simply trying to point out what we all must live with these days. Good luck.

Sincerely,



JOHN M. HUGHES
Forest Supervisor

SENATOR ELIASON'S OFFICE

ATTN: JO-EVE

From AWP

Sorry for Delay

March 23, 1990

Re: Thorne Ferguson

Honorable Richard I. Eliason
c/o Pouch V
Juneau, Alaska 99811

AWP

7/16/90

Dear Senator Eliason:

Research of our records indicates that T. Ferguson Construction, Inc. did purchase U.S. Mineral Survey 419B, known as the Maine, Monterey and San Francisco claims from Georgia-Pacific Corporation, (Warranty Deed, 1984). The property is located at Copper Harbor, Hetta Inlet, on the west side of Prince of Wales Island. In 1985 Mr. Ferguson submitted applications intended to obtain approval of what appeared to be a multi-stage development. According to one of the cover letters, the initial stage of construction (development of a seasonal resort for hunting as well as fresh and salt water fishing) was intended to support the second stage (the development of a hatchery and fish farm); see ADL lease application 104488.

In September of 1987 the applicant indicated to DNR they had received a Army Corps of Engineers permit dated in June of 1986. Proposed construction under the Corps permit consisted of a lodge, barge ramp, and docks to be constructed in conjunction with the proposed private fish hatchery. The permit stated that the lodge and docks would be supported by approximately 100 piles, and the barge ramp would consist of a timber crib bulkhead placed at M.L.L.W. and back-filled with approximately 1,800 cubic yards of shot rock fill (see Army Corps of Engineers Public Notice of Application for Permit Hetta Inlet 7, dated September 3, 1985).

However, contrary to the lease application and corps notices, a letter from the State Office of Management and Budget dated August 22, 1985 appears to indicate that the applicant dropped the hatchery portion of its proposal at that time. Mr. Menzies letter of June 2, 1986 appears to furnish the reason. The OMB consistency determination of May 9, 1986 purposely dropped consideration of the hatchery and hydroelectric plant.

A. Pekovich to Senator Eliason -2-

March 23, 1990

The 1986 Army Corps of Engineer Permit is the only document that appears to still imply a remaining interest in a hatchery. None of the State approvals, including Water Use Applications LAS 6089 and 6090 involve the hatchery proposal directly.

It appears clear from the file that the applicant was never assured of being able to develop a hatchery. That although it is something that he wanted to do, he decided to proceed with the lodge with no guarantees that he would be able to construct the hatchery. It is possible that the \$500,000 figure thrown around would include the \$370,000 initial purchase price.

Please let me know if there is anything else I can do.

Sincerely,

Andrew W. Pekovich
Regional Manager, SERO

CC: Larry Ostrovsky
Gary Gustafson
Janet Burleson

Department of Natural Resources
Division of Land & Water Management

Water Rights Application - Ferguson Construction Inc.
LAS 6090 & 6089
REGIONAL OFFICE

AFFIDAVIT OF PUBLICATION

UNITED STATES OF AMERICA

STATE OF Alaska SS

Southeast DIVISION.

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC THIS DAY
PERSONALLY APPEARED Colleen MacCannell WHO,

BEING FIRST DULY SWORN, ACCORDING TO LAW, SAYS THAT

~~HE~~ SHE IS THE Publisher OF Island News

PUBLISHED AT Thorne Bay IN SAID DIVISION

Southeast AND STATE OF Alaska AND THAT THE

ADVERTISEMENT, OF WHICH THE ANNEXED IS A TRUE COPY, WAS

PUBLISHED IN SAID PUBLICATION ON THE 4 DAY OF

August 1986, AND THEREAFTER FOR 4

CONSECUTIVE ^{weeks} DAYS, THE LAST PUBLICATION APPEARING ON THE

4 DAY OF August 1986 AND THAT THE

RATE CHARGED THEREON IS NOT IN EXCESS OF THE RATE

CHARGED PRIVATE INDIVIDUALS.

Colleen L. MacCannell

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 25th DAY OF August 1986

Doris Brimfield

NOTARY PUBLIC FOR STATE OF Alaska

MY COMMISSION EXPIRES August 30, 1989

REMINDED

Notice *

A CERTIFICATE
MUST

STATE OF ALASKA
Department of Natural Resources
Division of Land and Water Management
400 Willoughby Ave., Suite 400
Juneau, AK 99801
Phone: 907-465-3400

Notice of Water Permit Application
LAS 6090 & 6089

Pursuant to AS 46.15 and rules and regulations promulgated thereunder, notice is hereby given that an application has been received from Ferguson Construction Inc., 1200 East 76th Avenue, Suite 1222, Anchorage, AK 99502.

To appropriate water as follows:
from either anadromous stream #103-25-10400 within the Brooklyn Lode Claim of U.S. Mineral Survey 419-B or anadromous stream #103-25-0390 within the Monterey Lode Claim of U.S. Mineral Survey 419-B or from both streams provided that the combined use does not exceed 2,400 gallons per day. Both appropriations are located at Copper Harbor on Prince of Wales Island within the SE1/4 of Protracted Sec 4, T 77 S, R 85 E, Copper River Meridian. The water is to be used domestically in a lodge to be constructed on the Maine Lode Claim, U.S. Mineral Survey 419-B and an adjacent TR of tide and submerged lands located within the SE1/4 of Protracted Sec 4, T 77 S, R 85 E, Copper River Meridian.

Further information may be obtained from the Division at the above address. Any facts tending to show that the rights of any person or the public interest would be adversely affected by the proposed appropriation must be submitted in writing to the Division within fifteen (15) days of publication of this notice in order to be considered.

The right is reserved to waive technical defects in this publication.

Tom Hawkins
Director

Publish August 4, 1986

LAS 6089 &
6090

May 28, 1987

Certified Mail
Return Receipt Requested
P 713 947 828

Ferguson Construction Inc.
1200 East 76th Avenue
Suite 1222
Anchorage, Alaska 99502

Re: Water Rights Application
LAS# 6089

Dear Mr. Ferguson,

This pending application is for water rights to 2400 gallons per day from an unnamed stream (anadromous stream #103-25-10400) located 800 feet north of Reynolds Creek within the Brooklyn Lode claim of USMS 419-B at Copper Harbor. As you know, you were not issued a water use permit to appropriate from this stream primarily because the owner of the property adjoining this stream, Sealaska Corp., has indicated that legal access may not be granted to you.

As a follow up to the attached October 14th 1986 letter from Malcolm Menzies in which he requested that we suspend this application, you are here by notified that the Department of Natural Resources has determined that it is not in the public interest to permit this appropriation request.

You have the right to file a written appeal of this decision which should include a written indication from Sealaska Corp. that they no longer object to your access upon their land and that they are willing to negotiate with you for an easement granting you legal access to the stream. All rights of appeal are forfeited and this case will be closed effective July 15, 1987 unless by that date, we have received your written appeal indicating Sealaska's written approval.

Sincerely,



Paula Burgess
Regional Manager

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND AND WATER MANAGEMENT

PERMIT
TO
APPROPRIATE WATER

LAS 6090

THE STATE OF ALASKA UNDER AS 46.15, THE ALASKA WATER USE ACT,
AND THE REGULATIONS ADOPTED UNDER IT, GRANTS TO:

FERGUSON CONSTRUCTION INC.
1200 EAST 76TH AVENUE
SUITE 1222
ANCHORAGE, AK. 99502

THE RIGHT TO DEVELOP THE USE OF WATER FROM THE FOLLOWING SOURCE:

A) STREAM OR RIVER WITH A PRIORITY DATE OF 12/18/1985
2400.0 GAL/DAY
FOR HOTELS MOTELS 365 DAYS/YR

THE LOCATION TO WHICH THIS WATER RIGHT APPERTAINS IS:

AN UNNAMED STREAM, ALASKA DEPARTMENT OF FISH AND GAME CATALOGUED
ANADROMOUS STREAM NO. 103-25-10390, LOCATED IN THE MONTEREY LODE
CLAIM, U.S. MINERAL SURVEY NO. 419-B, IN THE SW1/4SE1/4 PROTRACTED
SECTION 4, TOWNSHIP 77 SOUTH, RANGE 85 EAST, COPPER RIVER MERIDIAN AND
THE WATER RIGHT GRANTED SHALL BE APPURTENANT TO THAT CERTAIN TRACT OF
REAL PROPERTY DESCRIBED AS FOLLOWS:
A LODGE TO BE CONSTRUCTED ON THE MAINE LODE CLAIM, U.S. MINERAL SURVEY
NO. 419-B, AND ON ADJACENT TRACT OF TIDE AND SUBMERGED LAND, ALASKA
DIVISION OF LANDS (ADL) NO. 104488, LOCATED IN THE SE1/4 PROTRACTED
SECTION 4, TOWNSHIP 77 SOUTH, RANGE 85 EAST, COPPER RIVER MERIDIAN.

CHANGES IN THE NATURAL STATE OF WATER ARE TO BE MADE IN THE MANNER AND
ONLY FOR THE PURPOSES STATED IN THIS PERMIT. THIS PERMIT IS SUBJECT
TO THE PERTINENT STATUTORY PROVISIONS IN AS 46.15, ADMINISTRATIVE
REGULATIONS IN 11 AAC 93, AND THE FOLLOWING CONDITIONS:

THE HOLDER OF THIS PERMIT SHALL:

FOLLOW ACCEPTABLE ENGINEERING STANDARDS IN EXERCISING THE PRIVILEGE
GRANTED BY THIS PERMIT.

DEFEND AND INDEMNIFY THE STATE AGAINST AND HOLD IT HARMLESS FROM
ANY AND ALL CLAIMS, DEMANDS, LEGAL ACTIONS, LOSS, LIABILITY AND

PERMIT
TO
APPROPRIATE WATER
LAS 6090

EXPENSE FOR INJURY TO OR DEATH OF PERSONS AND DAMAGES TO OR LOSS OF PROPERTY ARISING OUT OF OR CONNECTED WITH THE EXERCISE OF THE PRIVILEGE GRANTED BY THIS PERMIT.

COMPLY WITH ALL APPLICABLE LAWS, REGULATIONS AND CONDITIONS.

NOTIFY THE DIVISION OF LAND AND WATER MANAGEMENT, DEPARTMENT OF NATURAL RESOURCES OF ANY CHANGE OF ADDRESS OF THE GRANTEE OR TRANSFER OF ANY REAL PROPERTY IDENTIFIED IN THIS DOCUMENT.

PER AS 46.15.100 AND AS 46.15.147

FAILURE TO RESPOND TO ANY REQUEST FOR ADDITIONAL INFORMATION DURING THE DURATION OF THIS PERMIT MAY RESULT IN THE TERMINATION OF THIS PERMIT.

AN INSTREAM FLOW OF 0.2 CFS SHALL BE MAINTAINED BELOW THE POINT OF WITHDRAWAL.

ANY IN-STREAM WORK SHALL BE CONDUCTED BETWEEN JUNE 1 AND AUGUST 15.

THIS PERMIT SHALL EXPIRE ON 12/18/1990

THIS PERMIT TO APPROPRIATE WATER IS ISSUED BY AUTHORITY OF AS 46.15.080 AND 11 AAC 93.120 ON December 18, 1986.

APPROVED: Andrew W. B. Boush

TITLE: Kate Regan, Mgr. 5212
DIVISION OF LAND AND WATER MANAGEMENT

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND & WATER MANAGEMENT
DEPARTMENT OF
NATURAL RESOURCES

LAND USE APPLICATION AND PERMIT 30 AM 9 31

SOUTHEAST

2. APPLICANT

Ferguson Construction

Name (Last) (First) (MI)

1200 East 76th, Suite 1222, Anchorage, Alaska 99501 349-6485

Street/P.O. Box City State Zip Phone

See attached vicinity maps, etc.

3. LAND LOCATION:

Protracted

Township 77S, Range 85E, C.R. Meridian, Section 4 Portion
Other Description Tide and submerged lands within the S₄ per attached
drawing. Only "drawing" Tracts A and C are requested at this time.
Floating hatchery will be a future use.

4. PROPOSED ACTIVITY: Resort facility with appropriate boat and float
plane docks - see attached drawings.

(Use extra sheets if necessary)

5. SPECIAL STIPULATIONS: (in addition to conditions on reverse side)

6. DATE OF APPLICATION: July 10, 19 86

7. DATE OF INTENDED USE (not to exceed one year) From 7/86 to 6/87

8. CONTACT PERSON, if other than applicant: Malcolm A. Menzies, c/o R & M Engineering, Inc.
Name

P.O. Box 1786, Juneau, AK 99801 780-6060 President
Address Phone Position/Title

9. *Malcolm A. Menzies* President 7-29-86
SIGNATURE OF APPLICANT OR AUTHORIZED REPRESENTATIVE Title Date

10. APPLICATION IS Granted Denied Granted as modified

By *Paula Burger* Regional Manager 10-8-86
Division of Land and Water Management

11. BOND IS REQUIRED (See attached bond) No data on bonds were attached

12. SUPPLEMENTAL INFORMATION

See plans attached. Please note that fish pens and hydro facility to
and from Reynolds Creek are void at this time.

ADL # 10-8-86

ALASKA
ADVERTISING
ORDER

FORM FOR INVOICE ADDRESS

ADVERTISING ORDER NO.

A0-

10 SET-499

Department of Natural Resources
Div. of Land & Water Management
Southeast Regional Office
400 Willoughby Avenue, Suite 400
Juneau, Alaska 99801

AGENCY CONTACT
Gerald FiscusDATE OF A.O.
June 2, 1986PHONE
(907) 465-3400

DATES ADVERTISEMENT REQUIRED:

June 6, 1986

THE MATERIAL BETWEEN THE DOUBLE LINES MUST BE PRINTED IN ITS ENTIRETY
ON THE DATES SHOWN.

SPECIAL INSTRUCTIONS:

Legal Ad

Type of Advertisement: ☒ Legal ☐ Display ☐ Classified ☐ Other (Specify):

Department of Natural Resources
Division of Land & Water Management

Notice of Preliminary Decision

Pursuant to AS 38.05.945 and regulations thereunder, notice is hereby given that a Preliminary Decision has been made to lease approximately 3 acres of state tidelands in Copper Harbor, Prince of Wales Island, within Section 4, T.77S., R.85E., C.R.M. The application proposes to develop a lodge, barge ramp and docks in conjunction with upland facilities. The barge ramp would consist of a bulkhead and 1,800 cubic yards of fill.

Comments to this proposed action will be accepted for 30 days following this notice and must be submitted in writing to the Southeast Regional Office, 400 Willoughby Avenue, Suite 400, Juneau, Alaska 99801.

SEND INVOICE IN
TRIPLICATE TO

Same as above

PAGE 1 OF
1 PAGESTOTAL OF
ALL PAGES \$

REF	TYPE	NUMBER	AMOUNT	DATE	COMMENTS
1	PVN				
2					
3					
4					

FIN	AMOUNT	SY	CC	PGM	LC	ACC	FY	NMR	OPEN ITEM			
									TYPE	NUM	LINE	FLI
1												
2												
3												
4												

REQUISITIONED BY:

Barbara Bartoo, Admin. Asst.

DIVISION APPROVAL

Paula Burgess, Reg. Mgr. 6/2/86

REMITTANCE ADVICE

CERTIFICATION: I certify that the facts herein and on supporting documents are correct that this voucher constitutes a legal charge against funds and appropriations cited that sufficient funds are encumbered to pay this obligation or that there is a sufficient unencumbered balance in the appropriation cited to cover this obligation. I am aware that certifying false, inaccurate or misleading documents constitutes an unsworn falsification under AS 11.56.210.

CERTIFYING OFFICER'S PRINTED NAME

CERTIFYING OFFICER'S SIGNATURE

DATE

June 2, 1986

Island News
P.O. Box 433
Thorne Bay, Alaska 99950

Re: SET-499

Dear Publisher:

Please publish the enclosed advertising order. Send bills and affidavits to this office for payment. Thank you for your service.

Comments to this proposed action will be accepted for 15 days following this

Sincerely,

Willoughby Avenue, Suite 400, Juneau, Alaska 99801

Paula Burgess, Regional Manager

by:

Gerald E. Fiscus
Gerald E. Fiscus
Retained Lands Officer

Enclosure

R&M
R&M ENGINEERING, INC.

6205 GLACIER HWY

P.O. BOX 1786

JUNEAU, ALASKA 99801

PH (907) 780-6060

ENGINEERS
GEOLOGISTS
SURVEYORS

June 2, 1986

State of Alaska
Department of Natural Resources
Division of Forest, Land and Water Management
Southeast Regional Office
400 Willoughby Avenue, Suite 400
Juneau, Alaska 99801

Attn: Mr. Christopher Landis
Water Resource Officer

Re: Hetta Inlet No. 7
R & M Project No. C715

Ladies and Gentlemen:

This will acknowledge receipt of your correspondence dated March 18, 1986. Please excuse this long delay in responding to your letter. We responded to the correspondence to the Office of the Governor and the Corps of Engineers, but failed to respond to you with regard to your questions. For this we apologize.

By reference to your correspondence and previous correspondence, we wish to answer all questions, but prefix same by this brief history of the project. In May 1985, R & M, on behalf of Ferguson Construction, made original application to the U.S. Army, Corps of Engineers; the Office of the Governor; and all other appropriate agencies to perform and construct; a fish hatchery, resort, hydroelectric facilities, and other related uses (fish pens, ponds, etc.) in Copper Harbor at the vicinity of the former community of Coppermount, Alaska. Previous to this submittal, R & M, on behalf of Ferguson, applied to Mr. John Palmer of DNR, DOLWM - Southeast, for a tidelands lease survey, instructions, etc., for the facilities. Appropriate plans, etc., were submitted to both applications. After much "back and forth," the public notice for the permit application for the Hetta Inlet 7 was issued in August 1985. During that same month, the Alaska Department of Fish and Game posed many questions to the writer/ Ferguson Construction with regard to the hatchery, water use, etc. The original questions by ADF&G were handled by the writer; however, in subsequent months, more questions, etc., regarding the hatcheries were asked. Mr. Ferguson, after diligent thought, decided to drop the fish pen portion of the project until he had a grasp on the total lodge/resort/hatchery activity. He would go ahead with the lodge/resort, but hold back on the hatchery.

5. In Attachment "A", you state "The unnamed creeks previously applied for will supply the lodge and other facilities with the required water supply of 3,400 GPD." What exactly does other facilities refer to here.

"Other facilities" refer to the fresh water needed on the dock for fish cleaning, boat filling, and other matters. It also would reflect any waters for additional uplands building constructed for year-round "watchmen" and others.

6. Previous applications ask for a maximum domestic appropriation of 2,400 GPD from either anadromous Stream No. 103-25-0390 or No. 103-25-10400. Why in Attachment "A", Paragraph 3, are we now talking about 3,400 GPD supply from these two unnamed streams.

We asked for the maximum allowable appropriation of GPD from the two anadromous fish streams. If there is confusion between the applications, it is undoubtedly a typo for which we apologize. The maximum domestic appropriation of 2,400 GPD has been asked for and granted for both of the unnamed streams north and west of Reynolds Creek (see attached correspondence by ADF&G/Office of the Governor).

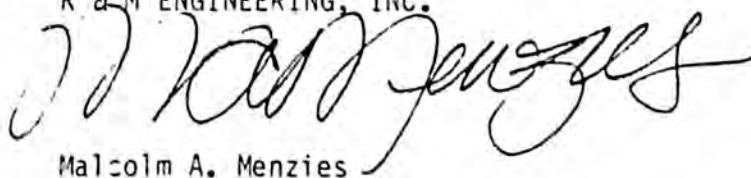
7. Pursuant to the application for stream No. 103-25-10400, does Ferguson Construction own the (location of point of take) Brooklyn Claim, USMS 419B? If yes, attach deed. If no, who does? (full name and current mailing address).

To the best of the writer's knowledge, Sealaska Corporation is the fee title owner of Brooklyn Lode, USMS 419B. Their address is Sealaska Corporation, One Sealaska Plaza, Juneau, Alaska 99801.

We hope this letter answers all questions spoken to in the March 18 correspondence and others, if they exist. If we may be of further assistance, please do not hesitate to contact us at your convenience.

Sincerely,

R & M ENGINEERING, INC.



Malcolm A. Menzies

fej

Attachments

STATE OF ALASKA

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF GOVERNMENTAL COORDINATION

BILL SHEFFIELD, GOVERNOR

CENTRAL OFFICE

POUCH AW
JUNEAU, ALASKA 99811-0165
PHONE: (907) 465-3562

SOUTHEAST REGIONAL OFFICE

431 NORTH FRANKLIN
POUCH AW, SUITE 101
JUNEAU, ALASKA 99811-0165
PHONE: (907) 465-3562

SOUTHCENTRAL REGIONAL OFFICE

2600 DENALI STREET
SUITE 700
ANCHORAGE, ALASKA 99503-2798
PHONE: (907) 274-1581

NORTHERN REGIONAL OFFICE

675 SEVENTH AVENUE
STATION H
FAIRBANKS, ALASKA 99701-4596
PHONE: (907) 456-3084

August 22, 1985

Mr. Thorne Ferguson
Ferguson Construction
1200 East 76th, Suite 1222
Anchorage, AK 99502

Dear Mr. Ferguson:

SUBJECT: Hetta Inlet 7
COE Number 071-OYD-2-850240

We have received copies of the coastal project questionnaire, the U.S. Army Corps of Engineers (COE) application and Department of Natural Resources (DNR) leave application you submitted for the referenced project. The COE permit application also serves as application for the Alaska Department of Environmental Conservation Certificate of Reasonable Assurance.

We have been informed by your agent that you have dropped the hatchery portion of your proposal at this time. DNR has recently informed me that a water right permit will be required for the resort. A handbook and application form are enclosed. Please contact DNR (Chris Landis, 465-3400) quickly to avoid as much delay as possible.

Also, have you contacted the Department of Fish and Game (DFG) (Jack Gustafson, 225-2027) to determine if a permit will be required from that department, and advise me of the DFG answer.

We will hold this material until we receive copies of all required permit applications and a notice from the COE regarding your application. Upon receipt of these items, the State will

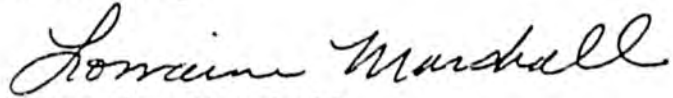
Mr. Ferguson

- 2 -

August 22, 1985

begin review of your project, and we will then send you a letter informing you of that fact.

Sincerely,

A handwritten signature in cursive script that reads "Lorraine Marshall".

Lorraine Marshall
Project Coordinator

cc: Jack Gustafson, DFG, Ketchikan
Paula Burgess, DNR, Juneau
Jerry Fiscus, DNR, Juneau
Chris Landis, DNR, Juneau
Permit Processing Section, COE, Anchorage

ab850822011md

MEMORANDUM

State of Alaska

TO: Project Reviewers

DATE: July 30, 1985

FILE NO: ab850729011mg

TELEPHONE NO: 465-3562

FROM: Lorraine Marshall *Lorraine Marshall*
Project Coordinator
Division of Governmental
Coordination
Office of Management and Budget

SUBJECT: Lodge in Copper Harbor,
Prince of Wales Island

On July 25, Mal Menzies, agent for Ferguson Construction, informed me that Thorne Ferguson has decided to withdraw the hatchery from his proposal. The applicant might apply later for the hatchery. Please consider this revised activity as consisting of a resort lodge, barge ramp, and dock. The U.S. Army Corps of Engineers (COE) has been notified of this fact.

State review has not yet been initiated. This project as originally proposed, required a Department of Fish and Game Title 16 and hatchery permits, Department of Natural Resources water right and tideland lease, and a COE permit. Will each department advise me of any permits that will not be required now, since the hatchery portion is being dropped?

Distribution

Jack Gustafson, DFG, Ketchikan
Kevin Duffy, DFG/PNP, Juneau
Paula Burgess, DNR, Juneau
Jerry Fiscus, DNR, Juneau
Chris Landis, DNR, Juneau
Permit Processing Section, COE, Anchorage

DEPARTMENT OF
NATURAL RESOURCES
AUG 2 AM 11 16
SOUTHEAST
REGIONAL OFFICE

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF GOVERNMENTAL COORDINATION

BILL SHEFFIELD, GOVERNOR

CENTRAL OFFICE

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PHONE: (907) 274-1581

NORTHERN REGIONAL OFFICE

675 SEVENTH AVENUE
STATION H
FAIRBANKS, ALASKA 99701-4596
PHONE: (907) 456-3084

Registered Mail
Return Receipt
Requested

May 9, 1986

Mr. Malcolm Menzies
R & M Engineering, Inc.
P.O. Box 1786
Juneau, AK 99802

Dear Mr. Menzies:

SUBJECT: HETTA INLET 7
STATE I.D. NUMBER AK851219-08J

The Division of Governmental Coordination (DGC) has completed coordinating the State of Alaska's consistency review of Ferguson Construction's project in which Thorne Ferguson proposes to construct a resort in Copper Harbor, Prince of Wales Island. Included in the construction is a lodge, barge ramp, and docks. The lodge and docks would be supported by timber pilings; approximately 100 piles would be placed below the mean high water line. The barge ramp would consist of a timber crib bulkhead placed at mean lower low water and backfilled with approximately 1,800 cubic yards of shot rock fill. The applicant proposes to supply the lodge and support facilities with approximately 2,400 gallons of water per day from two unnamed creeks north of Reynolds Creek. The two streams are catalogued anadromous streams 103-25-10390 and 103-25-10400.

This conclusive consistency determination applies to the following State and federal authorizations as per 6 AAC 50:

U.S. Army Corps of Engineers permit 071-OYD-2-850240

Alaska Department of Environmental Conservation (DEC)
Certificate of Reasonable Assurance 401

Alaska Department of Natural Resources (DNR) Tidelands Lease
ADL 104488

DNR Water Rights (for two streams)

Alaska Department of Fish and Game (DFG) Title 16 (for two streams)

May 9, 1986

Based on our review, the State concurs with your certification that the project is consistent with the Alaska Coastal Management Program (ACMP) provided the following stipulations are adopted.

The stipulations listed below will be placed on the water rights permit issued by DNR:

The stipulation listed below will be placed on the Title 16 permit issued by DFG:

1. Water withdrawal from either stream cannot occur when the instream flow is 0.2 or less.
2. Instream work shall be allowed during the time period June 1 through August 15.

The first stipulation is needed to protect habitat by preventing adverse effects to fish in streams due to waterflow changes. The second stipulation is needed to avoid disturbance to fish during sensitive life stages. These stipulations are required per 6 AAC 80.130 HABITAT. The text of these standards are provided as an enclosure to this letter.

If changes to the proposal as authorized by this finding are made during its implementation, you are required to contact this office to determine if a review of the revision is necessary.

By a copy of this letter we are informing the federal agency reviewing your permit of our finding.

The scope of the project was changed during the review. At the outset of the review, the state believed the scope to include a hatchery and a hydroelectric plant. These two activities were dropped from this review, and hence are not authorized by this finding. If the applicant decides to pursue one or both of these activities, a questionnaire must be submitted for review. If the hydroelectric plant comes up for future review, we recommend that the information requested in the Department of Natural Resources' May 18 letter (copy enclosed) be addressed in the submittal of any new application for the use of Reynolds Creek water.

DNR advised that further clarification is still needed to resolve the inconsistencies referenced in questions numbers 5 and 6 of their March 18 letter to you, as well as an answer to question number 7 regarding the water rights on stream number 103-25-10400. These questions will need to be resolved before any water use permits can be issued.

May 9, 1986

If withdrawals from the two streams would not meet the requirements, DFG recommends that Reynolds Creek be considered an alternative for a water source. This, of course, would require application to DFG and DNR. DFG has provided information on hydrology of the two streams. This was previously sent to you by DFG for your information.

Thank you for your cooperation with the ACMP.

Sincerely,



Lorraine Marshall
Project Review Coordinator

Enclosures: DNR 5/18 letter and Standards

cc: Dick Stokes, DEC, Juneau
Jack Gustafson, DFG, Ketchikan
Carmen Denny, DNR, Juneau
Don Rice, COE, Anchorage
Fletcher Shives, EPA, Juneau
Waine Oien, FWS, Juneau
Theodore Meyers, NMFS, Juneau
Richard Harris, Sealaska, Juneau
Judy Rodriguez (w/P.I.S.), DGC, Juneau

abak85121908jc



DEPARTMENT OF NATURAL RESOURCES

**SOUTHEAST REGIONAL OFFICE
DIVISION OF LAND AND WATER MANAGEMENT**

400 WILLOUGHBY AVENUE
SUITE 400
JUNEAU, ALASKA 99801
PHONE: (907) 465-3400

March 18, 1986

Mr. Malcolm A. Menzies
R&M Engineering, Inc.
P.O. Box 1786
Juneau, AK 99802

**OFFICE OF
MANAGEMENT & BUDGET**

MAR 19 1986

Re: R&M Project No. C715
Reynolds Creek Hydro

**GOVERNMENTAL
COORDINATION**

Dear Mr. Menzies,

Your application for Water Rights filed on behalf of Ferguson Construction for a 500 KW Hydroelectric development on Reynolds Creek at Copper Harbor has been accepted. Pursuant to 11 AAC 93.050 (b) however, additional information is required in order to afford project reviewers a ready and clear understanding of the proposal. Please provide as much information as possible to shed light on the following questions.

1. What is the diameter of the pipe leading from the pelton wheel/spillway area to the hydro plant? & What is the distance between these two points?
2. Does Ferguson Construction own the (location of point of withdrawal) Chicago Claim, USMS 419-B? If yes attach deed. If no, Who does? (Full name and current mailing address).
3. What is the elevation above sealevel of the point of take? (please provide topographic map designating: point of take, pipeline route and point of use. Also please provide a claim map of the Chicago showing approximate point of withdrawal structures on creek.)

March 18, 1986

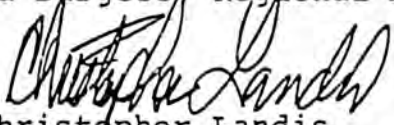
4. How can 1000 gal per day (or .0015 CFS) power two 250 KW generators?
- 5. In 'Attachment A', you state "The unnamed creeks previously applied for will supply the lodge and other facilities with the required water supply of 3,400 GPD." What exactly does other facilities refer to here?
- 6. Previous applications ask for a maximum domestic appropriation of 2400 GPD from either anadromous stream # 103-25-0390 or # 103-25-10400. Why, in Attachment A paragraph 3, are we now talking about a 3400 GPD supply from these two unnamed streams?
7. Pursuant to the application for stream # 103-25-10400, Does Ferguson Construction own the (location of point of take) Brooklyn Claim, USMS 419-B? If yes attach deed. If no, Who does? (full name and current mailing address).

We will await a timely and thorough response to the above so that the consistency review process can be restarted as soon as possible.

Sincerely,

Paula Burgess, Regional Manager

By:


Christopher Landis
Water Resource Officer

cc: Ferguson Construction
Lorraine Marshall, DGC
Jack Gustafson, ADF&G

STATE OF ALASKA
DIVISION OF GOVERNMENTAL COORDINATION
STANDARDS OF THE
ALASKA COASTAL MANAGEMENT PROGRAM

Standard(s): 6 AAC 80.130. HABITATS. (a) Habitats in the coastal area which are subject to the Alaska coastal management program include:

- (1) offshore areas;
- (2) estuaries;
- (3) wetlands and tideflats;
- (4) rocky islands and seacliffs;
- (5) barrier islands and lagoons;
- (6) exposed high energy coasts;
- (7) rivers, streams, and lakes; and
- (8) important upland habitat.

(b) The habitats contained in (a) of this section must be managed so as to maintain or enhance the biological, physical, and chemical characteristics of the habitat which contribute to its capacity to support living resources.

(c) In addition to the standard contained in (b) of this section, the following standards apply to the management of the following habitats:

(1) offshore areas must be managed as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial, and subsistence fishery;

(2) estuaries must be managed so as to assure adequate water flow, natural circulation patterns, nutrients, and oxygen levels, and avoid the discharge of toxic wastes, silt, and destruction of productive habitat;

(3) wetlands and tideflats must be managed so as to assure adequate water flow, nutrients, and oxygen levels and avoid adverse effects on natural drainage patterns, the destruction of important habitat, and the discharge of toxic substances;

(4) rocky islands and seacliffs must be managed so as to avoid the harassment of wildlife, destruction of important habitat, and the introduction of competing or destructive species and predators;

(5) barrier islands and lagoons must be managed so as to maintain adequate flows of sediments, detritus, and water, avoid the alteration or redirection of wave energy which would lead to the filling in of lagoons or the erosion of barrier islands, and discourage activities which would decrease the use of barrier islands by coastal species, including polar bears and nesting birds;

(6) high energy coasts must be managed by assuring the adequate mix and transport of sediments and nutrients and avoiding redirection of transport processes and wave energy; and

(7) rivers, streams, and lakes must be managed to protect natural vegetation, water quality, important fish or wildlife habitat and natural water flow.

(d) Uses and activities in the coastal area which will not conform to the standards contained in (b) and (c) of this section may be allowed by the district or appropriate state agency if the following are established:

(1) there is a significant public need for the proposed use or activity;

(2) there is no feasible prudent alternative to meet the public need for the proposed use or activity which would conform to the standards contained in (b) and (c) of this section; and

(3) all feasible and prudent steps to maximize conformance with the standards contained in (b) and (c) of this section will be taken.

(e) In applying this section, districts and state agencies may use appropriate expertise, including regional programs referred to in sec. 30(b) of this chapter.

Authority: AS 44.19.893
AS 46.40.040

FOSTER

MAIL ADDRESS: 360 W. BENSON BLVD., SUITE 205, ANCHORAGE, ALASKA 99503
PHONE: (907) 563-5744

L.B.FOSTER COMPANY

PIPE PRODUCTS • PILING • HIGHWAY PRODUCTS
CONSTRUCTION EQUIPMENT • RAIL PRODUCTS
SALES • SERVICE • LEASING
FABRICATION • MANUFACTURING • MAINTENANCE

August 22, 1985

Mr. Malcolm A. Menzies
R & M Engineering, Inc.
P.O. Box 1786
Juneau, Alaska 99802

Mr. Menzies,

L.B. Foster Company is very interested in furnishing the Pile Driving Equipment for your project.

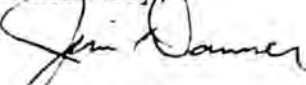
L.B. Foster Company is a supplier of; Steel Pipe, H-Piling, Sheet Piling, Pile Driving Equipment, and Structural Steel. We also handle the accessories for these products, such as; Driving Points for Timber and Steel Piling, Rubber Fenders, Tie Back Rods, etc.

Should you require literature on any of our products, or further information on L.B. Foster Company please let me know. I would be more than happy to send the information to you by mail, or possibly set up a meeting to discuss your particular requirements.

If I can be of any service by providing budget estimates or firm quotations, please call.

Good luck on your project!

Sincerely,



Jim Danner
Sales Representative





US Army Corps
of Engineers

Alaska District
Regulatory Branch
Post Office Box 898
Anchorage, Alaska 99506-0898

Public Notice of Application for Permit

PUBLIC NOTICE DATE: August 1, 1985
EXPIRATION DATE: September 3, 1985
REFERENCE NUMBER: 071-OYD-2-850240
WATERWAY NUMBER: Hetta Inlet 7

Interested parties are hereby notified that an application has been received for a Department of the Army permit for certain work in waters of the United States, as described below and shown on the attached plan.

APPLICANT: Ferguson Construction, 1200 East 76th Avenue, Suite 1222, Anchorage, Alaska 99502.

LOCATION: Copper Harbor, section 4, T. 77 S., R. 85 E., C.R.M., Prince of Wales Island, Alaska.

WORK: A proposed lodge, barge ramp, and docks would be constructed in conjunction with the construction of an upland private fish hatchery. The lodge and docks would be supported by timber pilings; approximately 100 piles would be placed below the mean high water line. The barge ramp would consist of a timber crib bulkhead placed at mean lower low water and backfilled with approximately 1,800 cubic yards of shot rock fill.

PURPOSE: Resort and fish hatchery development.

ADDITIONAL INFORMATION: Contact applicant agent, Mr. Malcolm A. Menzies, R&M Engineering, Incorporated, Post Office Box 1786, Juneau, Alaska 99802 telephone (907) 780-6060.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

COASTAL ZONE MANAGEMENT ACT CERTIFICATION: Section 307(c)(3) of the Coastal Zone Management Act of 1972, as amended by 16 U.S.C. 1456(c)(3), requires the applicant to certify that the described activity affecting land or water uses in the Coastal Zone complies with the Alaska Coastal Management Program. A permit will not be issued until the Office of Management and Budget, Division of Governmental Coordination has concurred with the applicant's certification.



US Army Corps
of Engineers

Alaska District
Regulatory Branch
Post Office Box 898
Anchorage, Alaska 99506-0898

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PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

CULTURAL RESOURCES: The latest published version of the National Register of Historic Places has been consulted for the presence or absence of registered properties, or properties listed as being eligible for inclusion therein, and this worksite is not registered property or property listed as being eligible for inclusion in the Register. The construction site may be located at the abandonment townsite of Coppermount.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area. Preliminarily, the described activity will not affect endangered species, or their critical habitat designated as endangered or threatened, under the Endangered Species Act of 1973 (87 Stat. 844). This application is being coordinated with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. Any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

FEDERAL SPECIES OF CONCERN: None

FLOOD PLAIN MANAGEMENT: Evaluation of the described activity will include conformance with appropriate State or local flood plain standards; consideration of alternative sites and methods of accomplishment; and weighing of the positive, concentrated and dispersed, and short and long-term impacts on the flood plain.

SPECIAL AREA DESIGNATION: The project is located within the Tongass National Forest.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts which the proposed activity may have on the public interest requires a careful weighing of all those factors which become relevant in each particular case. The benefits which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. The decision whether to authorize a proposal, and if so the conditions under which it will be allowed to occur, are therefore determined by the outcome of the general balancing process. That decision should reflect the national concern for both protection and utilization of important resources. All factors which may be relevant to the proposal must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Engineer determines that it would be contrary to the public interest.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Perform work in or affecting navigable waters of the United States - Section 10, Rivers and Harbors Act 1899 (33 U.S.C. 403).

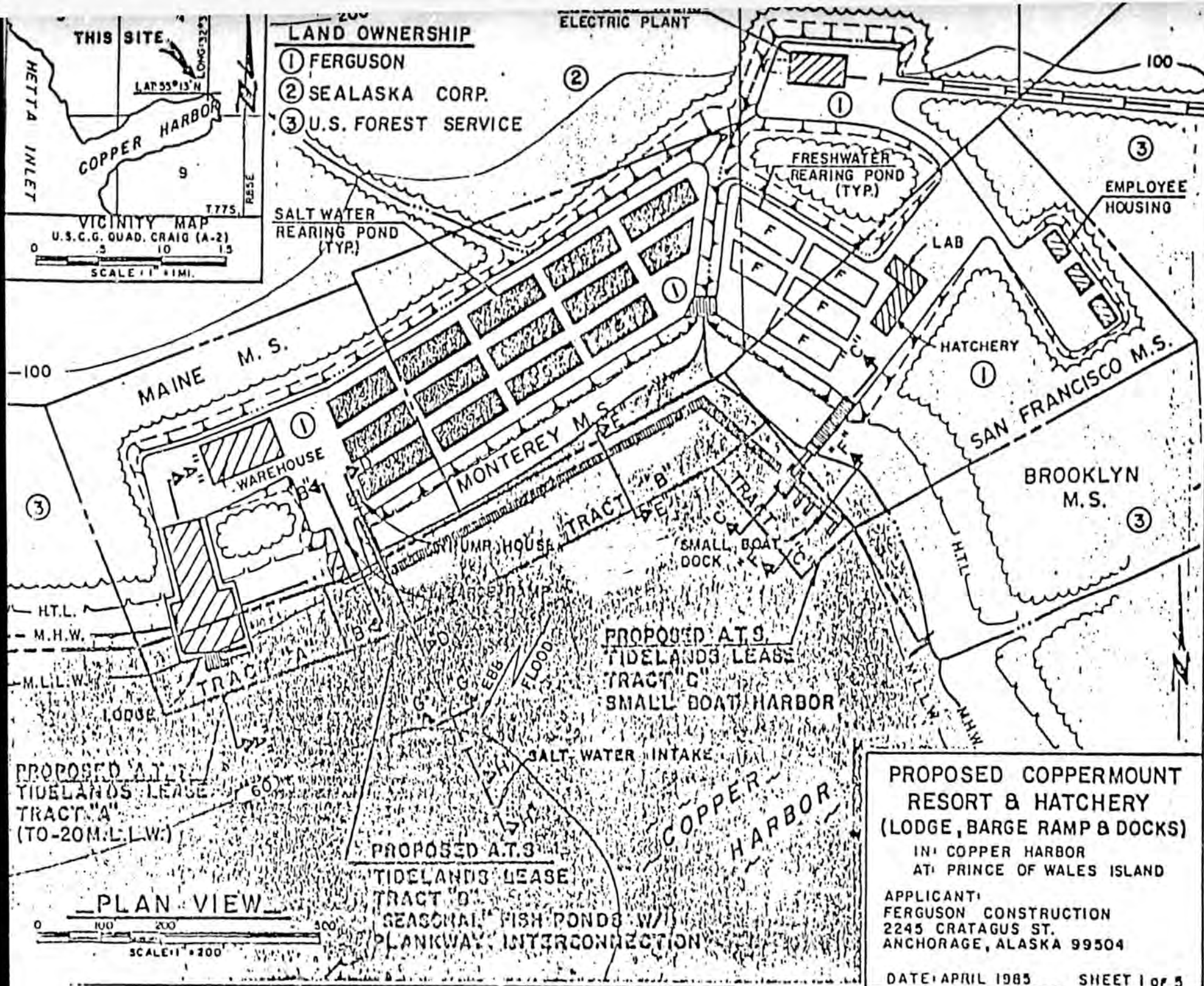
(X) Discharge dredged or fill material into waters of the United States - Section 404, Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. If further information is desired concerning this notice, contact Mr. Don R. Rice at (907) 753-2712.

A plan, Notice of Application for Certification of Consistency with the Alaska Coastal Management Program, and Notice of Application for State Water Quality Certification are attached to this Public Notice.

District Engineer
U.S. Army, Corps of Engineers

Attachments

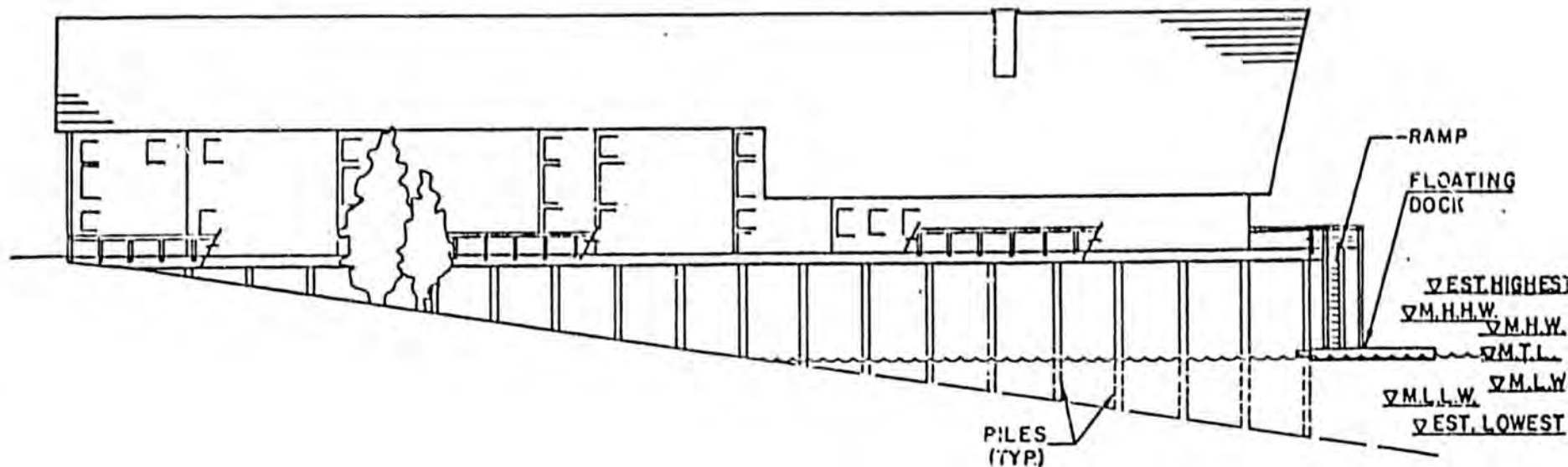


- LAND OWNERSHIP**
- ① FERGUSON
 - ② SEALASKA CORP.
 - ③ U.S. FOREST SERVICE

**PROPOSED COPPERMOUNT
RESORT & HATCHERY
(LODGE, BARGE RAMP & DOCKS)**

IN: COPPER HARBOR
AT: PRINCE OF WALES ISLAND

APPLICANT:
FERGUSON CONSTRUCTION
2245 CRATAGUS ST.
ANCHORAGE, ALASKA 99504



SECTION "A-A"

NOTE: APPROXIMATELY 60 TIMBER PILES WILL BE PLACED BELOW THE MEAN HIGH WATER LINE, AND WILL BE USED AS THE FOUNDATION FOR A LODGE. ALSO, A RAMP AND DOCK WILL BE CONSTRUCTED AS SHOWN.

COPPER HARBOR
TIDAL DATUM
U.S.C. & G.S. - 1958
LAT. 55° 12.6'; LONG. 132° 37.5'

ESTIMATED HIGHEST WATER	16.5'
MEAN HIGHER HIGH WATER	12.8
MEAN HIGH WATER	11.0
MEAN TIDE LEVEL	8.7
MEAN LOW WATER	1.5
MEAN LOWER LOW WATER	0.0
ESTIMATED LOWEST WATER	-4.0

SOURCE: U.S.C. & G.S. PUBLICATION
5 E. ALASKA - GG

NOTE: THE HIGH TIDE LINE EL.=14.5', AS
FURNISHED BY THE ARMY CORPS OF ENGINEERS

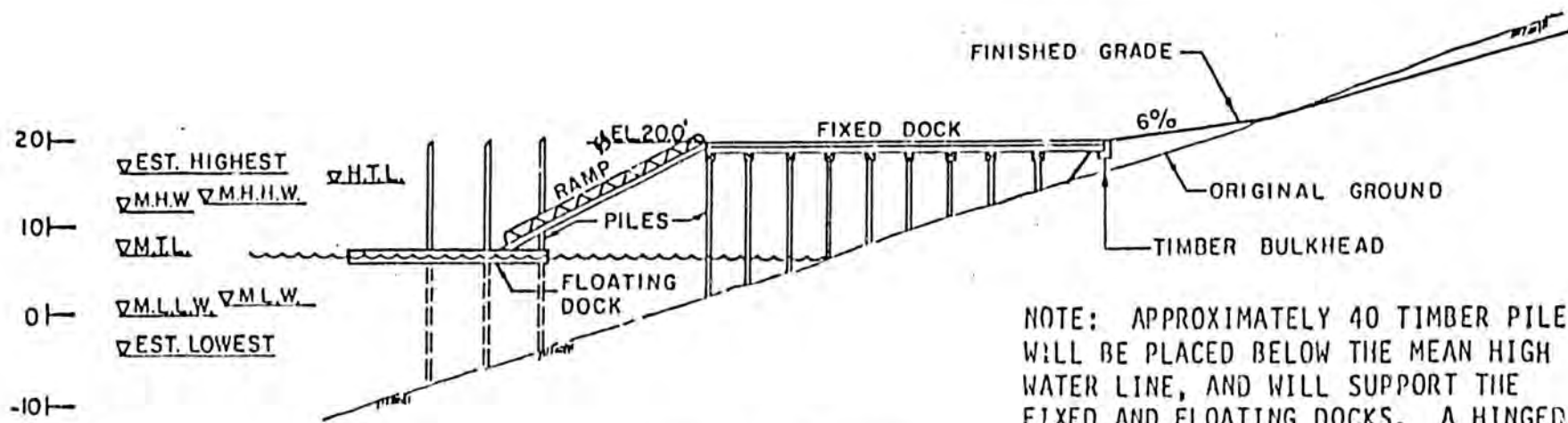
**PROPOSED COPPERMOUNT
RESORT & HATCHERY
(LODGE, BARGE RAMP & DOCKS)**

IN: COPPER HARBOR
AT: PRINCE OF WALES ISLAND

APPLICANT:
FERGUSON CONSTRUCTION
2245 CRATAGUS ST.
ANCHORAGE, ALASKA 99504

DATE: APRIL 1985

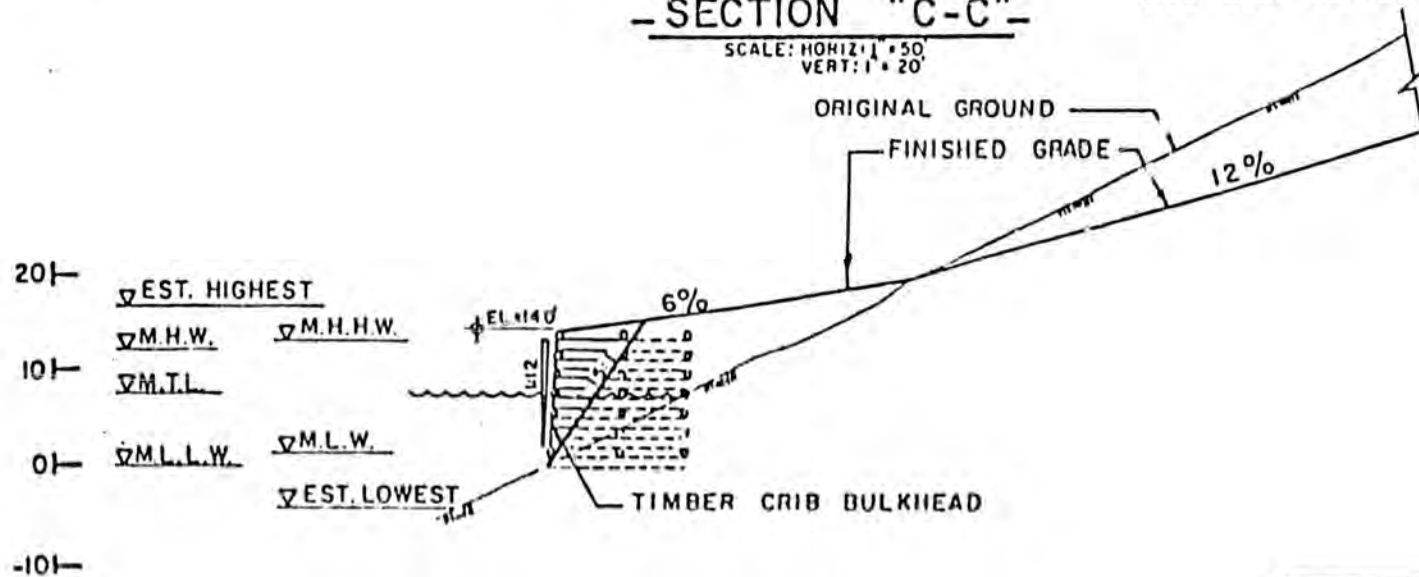
SHEET 2 OF 5



- SECTION "C-C" -

SCALE: HORIZ. 1" = 50'
VERT. 1" = 20'

NOTE: APPROXIMATELY 40 TIMBER PILES WILL BE PLACED BELOW THE MEAN HIGH WATER LINE, AND WILL SUPPORT THE FIXED AND FLOATING DOCKS. A HINGED RAMP WILL CONNECT THE TWO AS SHOWN.



- SECTION "B-B" -

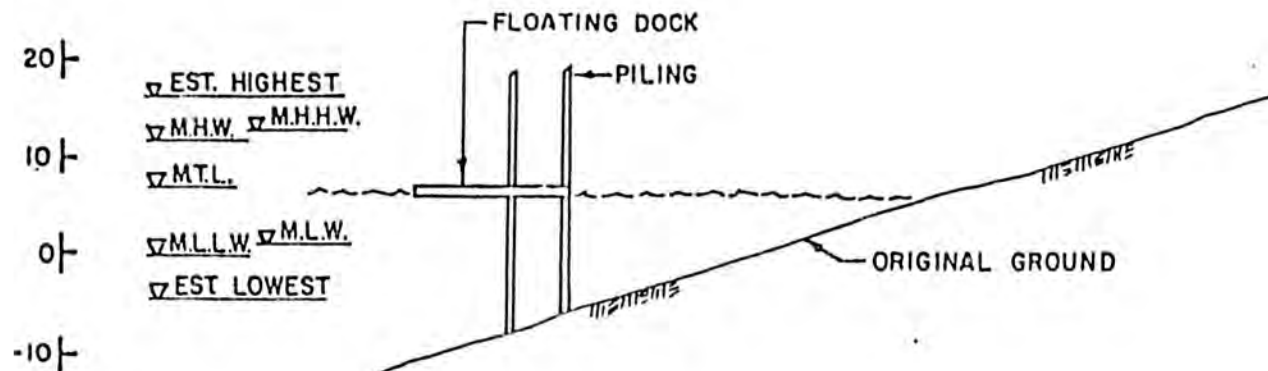
SCALE: HORIZ. 1" = 50'
VERT. 1" = 20'

NOTE: TO CONSTRUCT THE BARGE RAMP, A TIMBER CRIB BULKHEAD WILL BE CONSTRUCTED AT MEAN LOWER LOW WATER AND BACKFILLED WITH APPROXIMATELY 1,000 CUBIC YARDS OF SHOT ROCK FILL MATERIAL.

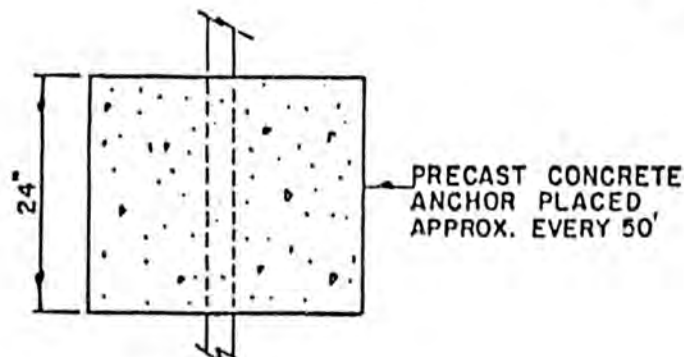
PROPOSED COPPERMOUNT RESORT & HATCHERY (LODGE, BARGE RAMP & DOCKS)

IN: COPPER HARBOR
AT: PRINCE OF WALES ISLAND

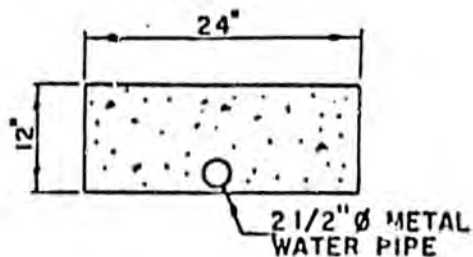
APPLICANT:
FERGUSON CONSTRUCTION
2245 CRATAGUS ST.
ANCHORAGE, ALASKA 99504



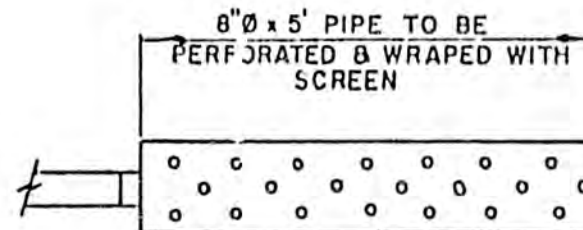
SECTION "F-F"
SCALE: HORIZ. 1" = 50'
VERT. 1" = 20'



PLAN VIEW



SECTION "G-G"
N.T.S.



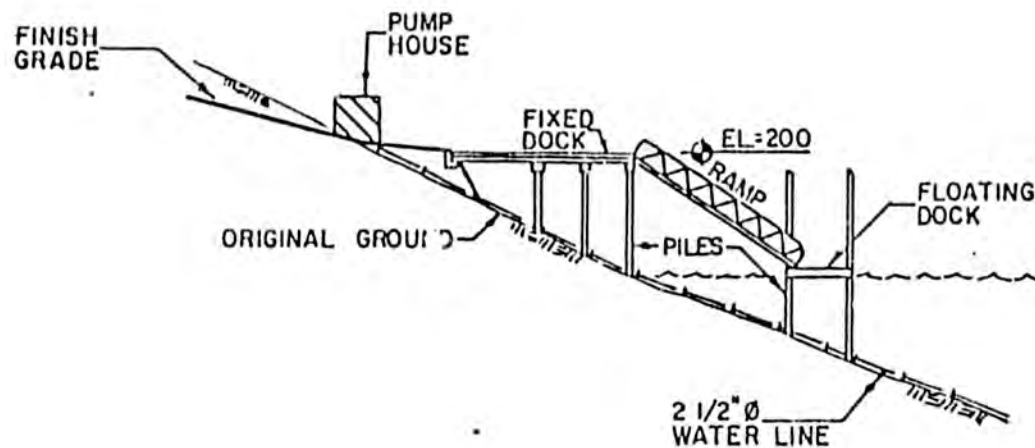
SECTION "H-H"
N.T.S.

**PROPOSED COPPERMOUNT
RESORT & HATCHERY
(LODGE, BARGE RAMP & DOCKS)
IN: COPPER HARBOR
AT: PRINCE OF WALES ISLAND**

**APPLICANT:
FERGUSON CONSTRUCTION
2245 CRATAGUS ST.
ANCHORAGE, ALASKA 99504**

DATE: APRIL 1985

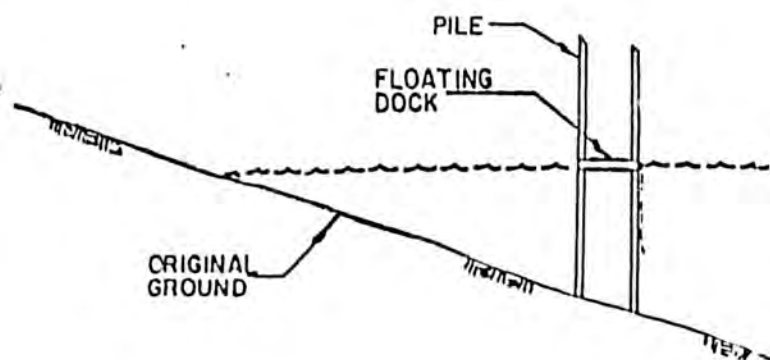
SHEET 5 of 5



SECTION "D-D"

SCALE: HORIZ: 1" = 50'
VERT: 1" = 20'

∇ H.T.L.	∇ EST. HIGHEST	-20
	∇ M.H.H.W.	
	∇ M.H.W.	-10
	∇ M.T.L.	
	∇ M.L.W.	
	∇ M.L.L.W.	-0
	∇ EST. LOWEST	-10



SECTION "E-E"

SCALE: HORIZ: 1" = 50'
VERT: 1" = 20'

∇ EST. HIGHEST	-20
∇ M.H.H.W.	
∇ M.H.W.	-10
∇ M.T.L.	
∇ M.L.W.	
∇ M.L.L.W.	-0
∇ EST. LOWEST	-10

PROPOSED COPPERMOUNT RESORT & HATCHERY (LODGE, BARGE RAMP & DOCKS)

IN: COPPER HARBOR
AT: PRINCE OF WALES ISLAND

APPLICANT:
FERGUSON CONSTRUCTION
2245 CRATAGUS ST.
ANCHORAGE, ALASKA 99504

DATE: APRIL 1985 SHEET 4 of 5

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AW
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET

DIVISION OF GOVERNMENTAL COORDINATION

STATE OF ALASKA

DIVISION OF GOVERNMENTAL COORDINATION

Notice of Application for Certification of Consistency with the Alaska Coastal Management Program

Notice is hereby given that a request is being filed with the Division of Governmental Coordination for concurrence, as provided in Section 307 (c) (3) of the Coastal Zone Management Act of 1972, as amended [P.L. 94-370; 90 Stat. 1013; 16 U.S.C. 1456 (c) (3)], that the project described in the Corps of Engineers Public Notice No. 071-0YD-2-850240, will comply with the Alaska Coastal Management Program and that the project will be conducted in a manner consistent with that program.

Any person desiring to present views pertaining to the project's compliance or consistency with the Alaska Coastal Management Program may do so by providing his views in writing to the Division of Governmental Coordination, Office of Management and Budget, Pouch AW, Juneau, AK 99811, within 30 days of publication of this notice.

Attachment 2

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

465-2601

BILL SHEFFIELD, GOVERNOR

POUCH 0 - JUNEAU 95811

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a Federal license or permit to conduct any activity which may result in any discharge into the navigable waters must first apply for and obtain certification from the Alaska Department of Environmental Conservation that any such discharge will comply with the Clean Water Act of 1977 (PL 95-217), the Alaska Water Quality Standards and other applicable State laws. By Agreement between the U.S. Army Corps of Engineers and the Alaska Department of Environmental Conservation application for a Department of the Army Permit may also serve as application for State Water Quality Certification when such certification is necessary.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers Public Notice No. 071-0YD-2-850240 also serves as application for State Water Quality Certification from the Alaska Department of Environmental Conservation, as provided in Section 401 of the Clean Water Act of 1977 (PL 95-217).

The Department will review the proposed activity to insure that any discharge to waters of the United States resulting from the referenced project will comply with the Clean Water Act of 1977 (PL 95-217) the Alaska Water Quality Standards and other applicable State laws.

Any person desiring to comment on the water quality impacts of the proposed project may do so by writing to:

Alaska Department of Environmental Conservation
Southeastern Regional Office
P.O. Box 2420
Juneau, Alaska 99803
Telephone: 789-3151

within 30 days of publication of this notice.

Attachment 3

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS

DEPARTMENT OF
NATURAL RESOURCES Serial No. ADL 104498

APPLICATION FOR LEASE OF ALASKA TIDE AND SUBMERGED LANDS

This application to lease applies to tide and submerged lands not seaward of a municipality incorporated on or before January 3, 1959. Applications to lease tide and submerged land seaward of an incorporated city must be accompanied by a letter of concurrence from the city. Use additional sheets for explanation wherever necessary.

Filing Fee \$10.00

Date of Application April 8, 1985

1. Name of Applicant Thorne Ferguson dba Ferguson Construction
2. Address of Applicant 1200 East 76th, Suite 1222
Anchorage, Alaska 99502
3. Is the applicant 21 years old? ☒ Yes ☐ No.
4. The lease term applied for (maximum 55 years) 55 years
5. The lands are to be used for Residential ☐ Private Recreation ☐
Commercial ☒ Industrial ☐
6. Legal description of land applied for (metes and bounds) See attached drawing. Tract A, 110'($\pm$) x 310'($\pm$) = $\pm$ 0.8 acre; Tract B, 120'($\pm$) x 730'($\pm$) = ($\pm$) 2 acres; Tract C, 110'($\pm$) x 230'($\pm$) = $\pm$ 0.6 acre. All to be field verified through field surveys of depth sounding.
7. Adjacent to: Section 4, Township 77, Range 85, CR Meridian.
8. Borough Prince of Wales Island
9. Number of acres $\pm$ 3.4 acres
10. Is applicant the upland owner? ☒ Yes ☐ No.
11. If not, give name and address of upland owner or owners _____

12. Name and address both adjacent land owners US Forest Service to the east; Sealaska Corporation to the west and north
13. Are there any existing permits or leases covering any part of the land applied for? Yes ☒ No ☐ Lease ☐ Permit.
14. If number 13 is answered yes, state the type of permit or lease and the name and last known address of the permittee or lessee _____
15. Is the land applied for seaward of any lands reserved by the U.S. or State of Alaska for military, lighthouse, park, forest or other purposes?
Yes ☒ No ☐
16. If 15 is answered yes, give use of land and name of agency _____
17. State the proposed use of the lands herein described Resort and fish hatchery/farm, docks, etc.
18. State the purpose of the proposed construction or improvement Boat dock and fish pens, lodging, fish farm/hatchery
19. State the type of construction timber
20. State the date construction will begin and estimated date of completion Upon approval - 1985/86
21. Describe and state approximate value of improvements on the land Tidelands - \$1,750,000; Uplands - \$8,250,000
22. Name and address of person or persons owning the improvements Ferguson Construction
23. Distance to the nearest occupied tidelands and if known, state name and address of occupant No occupied tidelands until Hydaburg
24. Distance to and the name of the nearest city, town or village Hydaburg - 15 miles (+)
25. Is the land applied for within an organized borough. Yes ☐ No ☒

26. If Z5 is yes, give the name of the borough _____
27. Is the preliminary survey plat submitted with this application? _____ Yes
_____ x No. Concept drawing
28. If applicant is a corporation, give the following information:
- (a) Name, address and place of incorporation _____
Ferguson Construction, 1200 East 76th, Suite 1222, Anchorage, AK 99502
- (b) Is corporation qualified to do business in Alaska? _____ Yes
- (c) Name and address of resident agent _____ Thorne Ferguson

NOTICE TO APPLICANT

- A. This application will not be considered unless it is accompanied by a filing fee, and a sketch map which fully illustrates your intended use. The map shall include the locations of buildings and improvements, existing landmarks and access points. The map shall also be labeled with all dimensions.
- B. In the event that an appraisal and/or advertisement is required for sale or lease of this land, the applicant will be required to deposit with the Director a sum of money sufficient to cover the estimated cost of appraisal and/or advertising. If advertisement of this land is required and the land is leased to another party, the deposit for appraisal and/or advertising will be returned to the applicant; PROVIDED, however, should the applicant enter a bid at the auction for an amount less than the minimum appraised value and the land is not leased, the applicant will forfeit all deposits mentioned herein to the State of Alaska.
- C. Before processing may continue on this application, the applicant must notify the Department of Fish and Game of his intended use of the tidelands and request that a letter of approval be submitted to this office.

IN WITNESS WHEREOF, the undersigned applicant has hereunto set his hand and official seal on the date and year first above written.

R & M Engineering, Inc. (seal)
(Applicant) R & M Engineering, Inc.
for Ferguson Construction (seal)
(Applicant)
(seal)
(Applicant)

Subscribed and sworn to before me this 8th day of April, 19 85.

Notary Public
My Commission Expires _____

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF GOVERNMENTAL COORDINATION

CENTRAL OFFICE

POUCH AW
JUNEAU, ALASKA 99811
PHONE: (907) 465-3562

SOUTHEAST REGIONAL OFFICE

211 Fourth Street
Pouch AW, Room 306
Juneau, AK 99811
Phone: (907) 465-3562

SOUTHCENTRAL REGIONAL OFFICE

3301 Eagle Street
Suite 307
Anchorage, AK 99503
Phone: (907) 272-3504

NORTHERN REGIONAL OFFICE

675 Seventh Avenue
Station H
Fairbanks, AK 99701
Phone: (907) 456-3084

Certification of Consistency with the Alaska Coastal Management Program

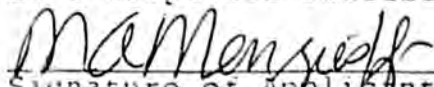
Section 307(c)(3)(A) of the Coastal Zone Management Act of 1972 as amended by 16 USC 1456(c)(3) requires that applicants for federal permits to conduct activities affecting land or water uses in Alaska's coastal area must provide certification that the activities will comply with the standards of the Alaska Coastal Management Program.

The proposed activity described in your federal permit application may require certification. By filling out the attached coastal project questionnaire you, together with the State's resource agencies, will not only determine the necessity for this certification, but you will also find out if other State approvals are needed before your proposed activity can proceed. This will also assist you in filling out your federal permit application. Upon receipt of the signed, dated certification, a public notice can be issued and review of your project can begin. For additional information on the Alaska Coastal Management Program and project review procedures, contact one of the offices indicated on this letterhead.

Please submit a signed certification and applicable State permit applications to the appropriate State agency indicated in the questionnaire. You must also submit a signed certification to the Corps of Engineers along with your Corps permit application.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief, the proposed activity described in the Corps of Engineers permit application complies with the approved Alaska Coastal Management Program, and will be conducted in a manner consistent with such program. Attached is a copy of a completed coastal project questionnaire.


Signature of Applicant
R & M Engineering for Thorne Ferguson
fc/permit/coe

April 8, 1985
Date

Attachment

9/19/84

COASTAL PROJECT QUESTIONNAIRE

The State has a system for reviewing and processing resource-related permits, leases, and approvals for proposed projects in coastal areas of Alaska. As a participant in this process, you are required to complete this questionnaire. The questionnaire will help you identify approvals required for your project (or a specific phase of your project) from the Departments of Fish and Game, Natural Resources and Environmental Conservation.

Attached is a list of regional agency contacts and a map of the coastal area with the regions delineated. We urge you to contact the appropriate agency staff when you are answering that agency's questions.

If you need several approvals you must submit the packet of applications for those approvals along with this questionnaire to the appropriate office in the region where the proposed project is to occur. Your project cannot be reviewed until all applications are received. Please use the following contacts for submittal:

1. Packets that include applications to more than one State agency and/or one or more federal agencies must be submitted to the regional Office of Management and Budget, unless fees or confidential information are included.
2. Packets that require fees or confidential information must be submitted to the resource agency with that requirement.
3. Packets that include application(s) for a project requiring approval from only one State resource agency must be submitted to that State resource agency.
4. The Annual Placer Mining Application must be submitted to the Department of Natural Resources instead of this questionnaire.

If you have any questions concerning the process, please contact the Office of Management and Budget, Division of Governmental Coordination. If you have general questions about local, State or federal permits, both in and outside the coastal area, you may wish to contact the Department of Environmental Conservation Permit Information Centers in Fairbanks (452-2340), Anchorage (279-0254) or Juneau (465-2615). Collect calls are accepted.

IF YOUR ANSWERS TO THE FOLLOWING QUESTIONS ARE NOT CORRECT AND COMPLETE AND AN AGENCY DETERMINES THAT YOU DO NEED ONE OF THEIR APPROVALS, THEY WILL NOTIFY YOU AND YOU WILL BE RESPONSIBLE FOR ATTAINING THAT APPROVAL. HOWEVER, THIS WILL LIKELY CAUSE A DELAY IN THE REVIEW OF YOUR PROJECT. TO AVOID THIS DELAY, WE ENCOURAGE YOU TO SEEK ASSISTANCE FROM AGENCY STAFF IN COMPLETING THE QUESTIONNAIRE.

* * * * *

Applicant: <u>Thorne Ferguson dba Ferguson Construction</u>	Contact Person <u>Malcolm A. Menzies</u>
	<u>R & M Engineering, Inc.</u>
Address: <u>1200 East 76th, Suite 1222</u>	Address: <u>P.O. Box 1786</u>
<u>Anchorage, Alaska 99502</u>	<u>Juneau, Alaska 99802</u>
Phone (day): _____	Phone (day): <u>780-6060</u>
Brief desc of activity: <u>Fish hatchery is to be constructed in Copper</u>	
Harbor on _____	<u>along with lodging, boat dock, and hydro plant.</u>

Location of project: Copper Harbor

Twp 77 Rge 85 Meridian C.R. Section 4

USGS Map Craig (A-2)

Is the project on: private land x state land federal land

municipal land ownership not known

* * * * *

PART A

Yes No

Do you currently have any State or federal approvals/permits for this project? x

Permit/Approval Type Permit/Approval # Expiration date

Will you be placing structures, or placing fills in any of the following:
tidal waters, streams, lakes, wetlands?

x

If so, have you applied or do you intend to apply for a U.S. Army Corps of
Engineers permit? (Indicate below.)

x

Have you applied or do you intend to apply for other permits from any federal
agency? (Indicate below.)

x

<u>Agency</u>	<u>Permit/Approval Type</u>	<u>Date you submitted Application</u>
DNR	Tidelands lease	4/85

* * * * *

PART B DEPARTMENT OF NATURAL RESOURCES

1. Is the proposed project on State-owned lands or will you need to cross
State lands for access? x

2. Do you plan to use any of the following State-owned resources?

a. Sand and Gravel Yes No x If yes, amount?

Source?

b. Water Yes No x If yes, amount?

Source?

c. Timber Yes _____ No x If yes, amount? _____

d. Other Materials Yes _____ No x

If yes, what material? _____
(peat, building stone, etc.)

- | | Yes | No |
|--|-------|----------|
| 3. Do you plan to drill a geothermal well? | _____ | <u>x</u> |
| 4. Will you be exploring for or extracting coal? | _____ | <u>x</u> |
| 5. Will you be harvesting timber from 10 or more acres? | _____ | <u>x</u> |
| 6. Will you be investigating or removing historic or archeological resources on state-owned lands? | _____ | <u>x</u> |

IF YOU ANSWERED NO TO ALL THESE QUESTIONS, YOU DO NOT NEED APPROVAL FROM THE ALASKA DEPARTMENT OF NATURAL RESOURCES (DNR). GO TO PART C.

IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS, CONTACT DNR TO IDENTIFY AND OBTAIN ANY NECESSARY APPLICATION FORMS.

If you have already contacted DNR, are you now submitting application(s) for permits or approvals? _____

If no, indicate the reason below:

_____ a. _____ (person contacted) told me on _____ (date) that no DNR approvals or permits were required for this project.

_____ b. DNR regulations have no requirement for a permit or approval.

_____ c. Other. _____

* * * * *

PART C DEPARTMENT OF FISH AND GAME

Yes No

1. Will you be working in a stream or lake (including in running water or on ice, within the gravel floodplain, on islands, the face of the banks, or the stream tideflats down to mean low tide)? x _____

Name of stream or lake Copper Harbor (see attached concept plan)

If no, go to question number 3.

2. If yes, will you be doing any of the following:

- | | | |
|---|----------|----------|
| a) Building a dam or river training structure? shoring old dam. | <u>x</u> | _____ |
| b) Using the water? | <u>x</u> | _____ |
| c) Diverting the stream? | _____ | <u>x</u> |
| d) Blocking or damming the stream (temporarily or permanently)? | <u>x</u> | _____ |

- | | | |
|--|------------|-----------|
| d) Incinerator burning more than 1000 lbs. per hour? | _____ | <u>X</u> |
| e) Industrial process? | _____ | <u>X</u> |
| 3. Will a drinking water supply be developed that serves more than a single-family residence? | <u>X</u> | |
| | <u>Yes</u> | <u>No</u> |
| 4. Will you be processing seafood? | <u>X</u> | <u>X</u> |
| 5. Will food service be provided to the public or workers? | <u>X</u> | |
| 6. Will the project result in dredging or disposal of fill in wetlands or waterways? (Very minor - piling construction except bulkheads) | <u>X</u> | |
| 7. Is on-lot sewage or greywater disposal involved or necessary? | <u>X</u> | |
| 8. Will your project result in the development of a currently unpermitted facility for the disposal of domestic or industrial solid waste? | | <u>X</u> |
| 9. Will your project require offshore drilling or vessel transport of oil, or other petroleum products as cargo, or include onshore facilities with an effective storage capacity of greater than 10,000 barrels of such products? | | <u>X</u> |
| 10. Will your project require the application of oil or pesticides to the surface of the land? | | <u>X</u> |

IF YOU ANSWERED NO TO ALL THESE QUESTIONS, YOU DO NOT NEED A PERMIT OR OTHER APPROVAL FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION (DEC).

IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS, CONTACT THE DEC REGIONAL OFFICE TO IDENTIFY AND OBTAIN ANY NECESSARY APPLICATION FORMS.

If you have already contacted the Alaska Department of Environmental Conservation, are you now submitting an application for permit(s)? X

If no, indicate the reason below:

- a. _____ (person contacted) told me on _____ (date) that no DEC approvals or permits were required for this project.
- b. DEC regulations have no requirement for a permit or approval.
- c. Other. _____

* * * * *

To the best of my knowledge, this information is accurate and complete.

Signed M. Menzies

Date April 8, 1985

***** PLEASE ATTACH YOUR PERMIT APPLICATIONS *****
cpqa, PERMIT

Parmitine

1132 Lakeview Terrace
Fairbanks, Alaska 99701
May 9, 1987

Dear Hon. Sen. Eliason,

Andy and I have been working on a project to raise fresh water silver salmon to a selling size of five (5) or six (6) pounds.

Our landlocked salmon will not be released into streams as they will be placed in an enclosed lake where we'll be able to monitor their progress and eliminate chemical pollutants. We will be able to supply buyers with a pure fish. Also, our salmon will not adversely affect tidelands, as they will not be near any, nor will they be able to infect wild stocks in case of disease, which is minimal because of the controlled arena in which they will grow.

Salmon fry will be in-housed the first year and placed into a lake the second for final growth. Eventually, we hope to in-house them their entire growth.

Buyers will be able to purchase fresh fish all year instead of buying from foreign markets nine months of the year. Our capability of supplying during the winter will keep buyers buying in the Alaska market thereby enhancing the sale of Alaskan seafood products.

Each year we will need to collect eggs or secure them from hatcheries as our landlocked salmon will not sexually mature.

We have read House Bill 108 and Senate Bill 106 which seem expressly concerned with the tidelands. To reiterate, we will have no tidelands problems. The new bill introduced by Senator Hermann to eliminate the farming of salmon completely seems an unnecessary move to try to eliminate an unwarranted threat to the commercial fishermen. Our fresh water salmon will not constitute a threat, but compliment sea fishermen by keeping markets in Alaska all year long.

Discussions with local sports fisheries biologist, Mike Kramer, have been very positive. At this time, extra frys are growing at the Clear Hatchery. Without a positive go on our project these extra fry will be discarded as waste products as there are no funds to place them. I will forego the problem of world hunger at this point.

Besides the market capabilities of our fresh water salmon, the education acquired through our novel project would be beneficial to university students, Fish and Wildlife and the breed itself. In addition to the education we would welcome visitors to the facility.

Without the acquisition of these salmon this year, our project would be held up for a year until the next group of salmon spawn thereby allowing other world markets to increase their grasp on the salmon trade. If Senator Herrmann's protectionist bill passes, it would be a two year or more hold on our project.

So, basically our major problem narrows down to: Do commercial fishermen hold a monopoly on salmon, reared in state hatcheries, in Alaska?

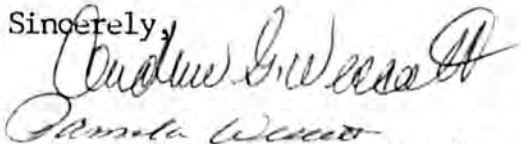
As I have stated throughout this letter, for nine (9) months of the year local markets buy salmon elsewhere, i.e. Sweden. This lapse of salmon availability encourages buyers into other markets where they may possibly stay and not return to Alaska contacts. Our product availability could keep these buyers in the Alaska market thereby securing a trade for sea and fresh water salmon. The concept is the same marketing as placing a Burger King store near a McDonald's. The availability draws the public market and provides both with a handsome income.

When inventive free enterprise is curtailed and limited by the State, everyone feels the impact. Currently, Saudi Arabia is in-housing fish to compete heavily in a world market desperate for more fish, fish which are raised faster and pure of chemicals. Alaska's incapacity to move forward in innovative projects may very well jeopardize market after market of resources.

I have enclosed a copy of an article from U.S. News & World Report concerning catfish farming and the profits to Mississippi by promoting a bottom feeding fish with a previous disgusting reputation.

Andy and I thank you for your time and sincerely hope to become future fresh water salmon farmers.

Sincerely,



Andrew and Pamela Wescott, future fish farmers

P.S. If you'd like more research materials, I have a copy of the work done by the Department of Fisheries at the Pacific Biological Station in Nanaimo, British Columbia.

Re: Mrs. Andy's Coho Ranch
1132 Lakeview Terrace
Fairbanks, Alaska 99701
(907) 456-4598

Andy and Pamela (Rahoi) Wescott have been Alaskan residents since 1966 and 1953, respectively. They are in the process of raising coho (silver salmon) to a 3-5 pound stage to sell commercially. The coho are raised in tanks in a heated building with a completed market sale at 18-24 months.

Mrs. Andy's uses a 99% recycling water system that collects wastes and returns clean, oxiginated water into the tanks. One-half gallon of water is added per 1,000 gallons to keep the water temperature at 55 degrees F.

Mrs. Andy's received their first coho June 1, 1988. As of December 27, 1988 they were 6 inches to a whopping 16 1/4 inches.

The coho are fed an Oregon pellet that is prepared in Washington.

Mrs. Andy's has had 0 deaths due to disease. Some jumped retaining nets and we had a system failure that we have now improved upon.

Andy and Pamela hope to receive financing to grow another 200,000 coho and 2,000 Arctic Char which we will receive April, 1989. Once we have these 200,000 coho and Arctic Char, we estimate they will create 40 jobs which include biologists, fish culturists, office clerks, manager, processors, packers, delivery truck drivers and airline and truck transport personnel.

After this initial step of 200,000 coho and 2,000 Char we hope to hatch our own and increase, as the demand for coho increases, to 1,000,000 coho per year. Arctic Char is a new market and it also looks very promising. We also hope to create our own fish food, fish fertilizer and a gourmet cat food which will add more jobs and income to the State.

With other plants on line over the State we estimate that for each 200,000 fish it will require approximately 40 employees.

We have had tremendous amounts of help from the FRED Division, particulary Dave Parks at the Clear Hatchery, Mike Kaill in Juneau, Tom Kron in Anchorage and Brian Allee in Juneau.

Senators Fahrenkamp and Sturgelewski have also been extremely helpful and Mrs. Andy's would like to thank them.

Also supportive of Mrs. Andy's is the Fairbanks Chamber of Commerce, the local news media and the Fairbanks Convention Bureau.

March 1989

Mrs. Andy's Coho Ranch has put a third of the silver salmon into their private lake because the project was going so well, there was no need to support the extra fish. The ones remaining are growing and are now larger than pan size. Pan selling price now is \$2.58 a fish. (No fish will be sold from this project.)

DRAFT

section 1: The commissioner ^{shall} ~~may~~ provide ^{surplus catch} ~~finfish~~ fry from state hatcheries and ^{shall} ~~may~~ issue a FTP under 5AAC41.005 ^{for} ~~in conjunction with~~ a commercial finfish farming operation in a privately owned freshwater body that has no outlet to state waters for ~~finfish~~ fry to any person who before the effective date of this legislation had been issued and had operated under an FTP ~~to~~ to hold finfish in such a privately owned freshwater body, ~~for any species covered by the earlier FTP.~~

section 2: Section 1 is repealed July 1, 1990.

section 3: effective immediately

Proposal to amend 5 AAC 41.001-- 5 AAC 41.400

TRANSPORTATION, POSSESSION, AND RELEASE OF LIVE FISH

Enclosed for your consideration is a proposal and draft set of administrative regulations for freshwater finfish farming. When the Legislature addressed finfish farming in 1988, they stated in a letter of intent, "for the period of the moratorium on finfish farming, the farming of finfish in a privately owned freshwater body with no outlet to state water should proceed." The letter of intent also directed the Commissioner of Fish and Game to "work with prospective farmers and the Board of Fisheries to develop appropriate proposals to meet the goals of this legislation." The Attorney General's Office has also advised us to develop appropriate regulations in order to implement the permit system.

Regulations regarding the transportation, possession and release of live fish have previously been adopted by the Board (1982), and last year these regulations were amended by the Commissioner, under a delegation from the Board, to allow for shellfish farming. ADF&G FRED Division is now proposing that the Board amend 5 AAC 41.001, sentence one to include transportation and possession of live fish "in conjunction with a commercial finfish farming operation on private property in a freshwater body that has no outlet to state water." Furthermore, our proposal asks that the Board either consider and adopt appropriate regulations or delegate this authority to the Commissioner.

In the absence of legislative direction regarding allowable species and the fact that the Board has not addressed freshwater finfish farming, the enclosed draft regulations would allow finfish farming in freshwater for coho salmon, trout, sheefish and Arctic char, would reconfirm that the import of Atlantic salmon is prohibited in all circumstances, and would preclude freshwater finfish farming of Pacific salmon, with the exception of coho salmon.

Background

Senate Bill 297, which became law during the 1987 legislative session, placed a moratorium until July 1, 1988 on authorizations for commercial finfish farming and also provided the Commissioner of ADF&G with the authority to issue permits for the collection of bivalve spat for use in connection with an aquatic farm. In response to this, the Commissioner, under a delegation from the Board of Fisheries, developed regulatory amendments to 5 AAC 41.001-41.100 to establish a permitting system for commercial shellfish farming.

Aquatic farming legislation passed during the 1988 legislative session (Chapter 145, SLA 1988) provided for the farming of shellfish, shellfish hatcheries, and the farming of aquatic plants as part of a statewide mariculture program. The legislation also extended the moratorium on finfish farming until July 1, 1990. In response to this, the department has drafted a new set of regulatory amendments for aquatic plant farming which are currently out for public review. These draft amendments are designed to incorporate changes into the shellfish farming section of the current regulations necessary for the farming of aquatic plants.

ALASKA BOARD OF FISHERIES & ALASKA BOARD OF GAME REGULATION PROPOSAL FORM

Box 3-2000, Juneau, Alaska 99802-2000

BOARD OF FISHERIES REGULATIONS

☒ Fishing Area Statewide

☐ Subsistence

☐ Personal Use

☐ Sport

☒ Commercial

JOINT BOARD REGULATIONS

☐ Advisory Committee

☐ Regional Council

☐ Rural

BOARD OF GAME REGULATIONS

Game Management Unit (GMU) _____

☐ Hunting

☐ Trapping

☐ Subsistence

☐ Other _____

☐ Resident

☐ Nonresident

Please answer all questions to the best of your ability. All the answers will be printed in the proposal packets along with the proposer's name (addresses and phone nos. will not be published). Use separate forms for each proposal.

1. Alaska Administrative Code Number 5 AAC

5 AAC 41.001

Regulation Book Page No. _____

2. What is the problem you would like the Board to address? When the Legislature addressed finfish farming in 1988, they said in a letter of intent, "for the period of the moratorium on finfish farming, the farming of finfish in a privately owned freshwater body with no outlet to state water should proceed." The letter of intent directs the Commissioner of Fish and Game to "work with prospective farmers and the Board of Fisheries to develop appropriate proposals to meet the goals of this legislation."

This proposal would address the subject.

3. What will happen if this problem is not solved? If the issue is not addressed, any individual currently farming in freshwater will be required to conclude their efforts. When the Legislature placed the moratorium on finfish farming, freshwater finfish farming was allowable at the discretion of the Board. Regulations regarding the transportation, possession and release of live fish have previously been adopted by the Board, and last year the regulations were amended by the department (under a delegation from the Board) to allow for shellfish farming.

4. What solution do you prefer? In other words, if the Board adopted your solution, what would the new regulation say? We propose that the Board amend regulation 5 AAC 41.001, sentence one to include "in conjunction with a commercial finfish farming operation in a privately owned freshwater body that has no outlet to state water." Furthermore, we propose that the Board then delegate to the department the authority to adopt appropriate regulations. Unless the Board directs otherwise, the following restrictions would be included in the regulations. A. Fish can only be held in a freshwater body that has no outlet to state water. B. No import of fish for these purposes will be allowed, including Atlantic salmon. C. Permits will be restricted (allowable species) to trout, sheefish, and arctic char. D. No finfish farming of Pacific or Atlantic salmon is allowed.

5. Solutions to difficult problems benefit some people and hurt others:

A. Who is likely to benefit if your solution is adopted? Those people interested in freshwater finfish farming.

B. Who is likely to suffer if your solution is adopted? Given the restrictions proposed in the regulations, we anticipate no adverse comments.

6. List any other solutions you considered and why you rejected them. N/A

RECEIVED
SEP 01 1988
BOARDS

Submitted By: Name Alaska Department of Fish and Game, FRED Division

Individual or Group

Address Box 3-2000 Juneau, Alaska

Zip Code 99802-2000 Phone 465-4160

Register __, __ 1989

FISH AND GAME

5 AAC 41.001

TITLE 5.

FISH AND GAME

CHAPTER 41.

TRANSPORTATION, POSSESSION, AND RELEASE OF LIVE FISH

ARTICLE 1.

SCOPE OF REGULATIONS

5 AAC 41.001 is amended to read:

5 AAC 41.001. APPLICATION OF THIS CHAPTER. The provisions of this chapter govern the transportation, possession, or release of live fish transplanted for or cultivated for human consumption or sport fishing purposes, or as part of an aquaculture program for scientific, educational or propagative purposes, the transportation and possession of shellfish for commercial purposes in conjunction with a shellfish farming operation or in conjunction with a commercial finfish farming operation on private property in a freshwater body that has not outlet to state water. Unless specifically provided, the provisions of this chapter do not apply to the cultivation of ornamental fish. Additionally, the provisions of this chapter do not apply to the transportation, possession, or release of fish taken for commercial, sport, or subsistence purposes. (In effect before 1988; am 4/10/88, Register 106, am __/__/89, Register)

Authority: AS 16.05.251(a)

5 AAC 41 is amended by adding a new article:

ARTICLE 5.

FRESHWATER FINFISH FARMING

Section

500. Applicability of Regulations

510. Permit Required

- 520. Freshwater Finfish Farming Permit Application
- 530. Authorized Species
- 540. Additional Information
- 550. Review and Determination
- 560. Inspection
- 570. Annual Report
- 600. Definitions

5 AAC 41.500. APPLICABILITY OF REGULATIONS. The provisions of 5 AAC 41.500--5 AAC 41.600 govern the permit application process for freshwater finfish farm permits, and establish guidelines and procedures regarding the operation of permitted freshwater finfish farms. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.510. PERMIT REQUIRED. A freshwater finfish farm permit, issued by the Commissioner, is required for the operation of a freshwater finfish farm. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.520. FRESHWATER FINFISH FARM PERMIT APPLICATION. An applicant must submit a freshwater finfish farm permit application to the Alaska Department of Fish and Game, Division of Fisheries Rehabilitation, Enhancement and Development on a form approved by the Commissioner for purposes of complying with the application review and approval process established in these regulations. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.530. AUTHORIZED SPECIES. Allowable species to be propagated under a freshwater finfish farm permit are restricted

to coho salmon, trout, sheefish, and Arctic char. No finfish farming of Atlantic salmon is allowed. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.540. ADDITIONAL INFORMATION. If, after an application has been distributed to the department, and the department determines that information in the application is insufficient for an adequate evaluation of the proposed freshwater finfish farm, the department will request additional information from the applicant. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.550. REVIEW AND DETERMINATION. (a) The commissioner will review the recommendations resulting from the department's review of the application before rendering a decision on an application.

(b) Permits will be issued for a period of three years.

(c) If a permit holder fails to comply with the conditions and terms of the permit within a reasonable period after notification of noncompliance, the permit may be suspended or revoked by the commissioner.

(d) A permit may be cancelled, in whole or in part, if the permittee obtained it improperly through misrepresentation or error with respect to material fact.

(e) If the commissioner finds that the operation of the farm is affecting fisheries, wildlife, or habitat in an adverse manner, and the adverse effects are irreversible and cannot be mitigated sufficiently, the permit may be revoked.

(f) Permits may be renewed by submitting a request in writing to the commissioner. Renewal will be approved after a determination is made by the department that the terms and conditions of the original farm permit were complied with by the permittee in a reasonable manner. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.560. INSPECTION OF A FARM. A permittee shall allow inspection of the freshwater finfish farm by department inspectors at any time the farm is operating. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.570. ANNUAL REPORT. A person who holds a permit for a freshwater finfish farm shall submit an annual report no later than December 15 to the department. The annual report form shall be distributed to permit holders by the department. (Eff. / / , Reg.)

Authority: AS 16.05.251

5 AAC 41.600. DEFINITIONS. In 5 AAC 41.500--5 AAC 41.600

(1) "commissioner" means the commissioner of the Department of Fish and Game or his designee;

(2) "department" means the Alaska Department of Fish and Game;

(3) "farm" means a specific location where finfish are raised in captivity or under positive control as in a gravel pit, raceway, pond, or lake on private property for the purposes listed in 5 AAC 41.500--5 AAC 41.600.

(4) "freshwater body with no outlet to state water" means gravel pits, raceways, ponds, or lakes on private property with no

Register __, __, 1989

FISH AND GAME

5 AAC 41.600

connection to or possible communication with other waters of the state for the purposes listed in 5 AAC 41.500--5 AAC 41.600. (Eff. / / , Reg.)

Authority: AS 16.05.251

(11) "salmon stock" means a population of salmon of a single species identified with a specific water system or portion of a water system, which share a common spawning period;

(12) "special harvest area" means an area designated by the commissioner or the Board of Fisheries where hatchery returns are to be harvested by the hatchery operators, and, in some situations by the common property fishery; and

(13) "terminal harvest area" means an area designated by the commissioner, Board of Fisheries regulation, or department emergency order where hatchery returns have achieved a reasonable degree of segregation from naturally occurring stocks and may be harvested by the common property fishery without adverse effects. (Eff. 3/31/85, Register 93)

Authority: AS 16.05.020
AS 16.05.092

AS 16.10.375
AS 16.10.475

CHAPTER 41. TRANSPORTATION, POSSESSION, AND RELEASE OF LIVE FISH

Article

1. Scope of Regulations (5 AAC 41.001)
2. Permit System Established (5 AAC 41.005 — 5 AAC 41.060)
3. General Provisions (5 AAC 41.070 — 5 AAC 41.100)
4. Shellfish Farming (5 AAC 41.200 — 5 AAC 41.400)

Article 1. Scope of Regulations

Section

1. Application of this chapter

5 AAC 41.001. APPLICATION OF THIS CHAPTER. The provisions of this chapter govern the transportation, possession, or release of live fish transplanted for or cultivated for human consumption or sport fishing purposes, or as part of an aquaculture program for scientific, educational or propagative purposes, and the transportation and possession of shellfish for commercial purposes in conjunction with a shellfish farming operation. Unless specifically provided, the provisions of this chapter do not apply to the cultivation of ornamental fish. Additionally, the provisions of this chapter do not apply to the transportation, possession, or release of fish taken for commercial, sport, or subsistence purposes. (In effect before 1988; am 4/10/88, Register 106)

Authority: AS 16.05.251(a)

tory is incomplete or unavailable a brood stock inspection and certification pursuant to 5 AAC 41.020;

(6) isolation measures planned to control disease during transport, including a description of containers, water source, depuration measures, and plans for disinfection;

(7) a description of proposed egg-take methods;

(8) the source of water for rearing and proposed effluent discharge location;

(9) identification and status of native stocks in the area of taking, retention and release site, including a statement of expected interactions with other stocks in these areas;

(10) the method of transport or release and the expected date of transport or release;

(11) the purpose and expected benefits of the transport or release; and

(12) evaluation plans.

(b) A completed application must be submitted to the department regional office in the region in which the proposed transport or release will occur.

(c) If the commissioner or his authorized designee determines that an application is incomplete and that further information is necessary, the department will return the application to the applicant with a description of the deficient information.

(d) The commissioner or his authorized representative will approve, condition, or deny a permit within 45 days after a completed application containing all of the applicable information listed in (a) of this section has been received in the appropriate regional office. (In effect before 1982; am 7/25/82, Register 83)

Authority: AS 16.05.251(a)

5 AAC 41.020. INSPECTION FOR DISEASE OF BROOD STOCK. If the disease history of the brood stock is unavailable or incomplete as required by 5 AAC 41.010(a)(5), an inspection of the brood stock to detect fish disease must be scheduled by the applicant and conducted by the fish pathology section of the department, or by a person designated by the fish pathology section. The applicant must submit samples of the brood stock as directed by the fish pathology section for the purpose of inspection. The applicant will receive a certification from the fish pathology section upon successful completion of the inspection. (In effect before 1988)

Authority: AS 16.05.251(a)
AS 16.05.868

5 AAC 41.030. PERMIT ISSUANCE OR DENIAL. (a) The commissioner or his authorized designee will issue a fish transport permit

and release locations, methods of transport or release, quarantine and depuration requirements and procedures, disease inspections, disposal of wastes and effluents, timing of transportation and release, reporting requirements, and other measures necessary to achieve the purposes of 5 AAC 41. (In effect before 1988)

Authority: AS 16.05.251(a)

5 AAC 41.060. RETENTION OF PERMIT FOR INSPECTION. (a) After issuance a copy of the permit including any amendments must be retained by the permittee, and be made available upon request for inspection by a representative of the department, or a law enforcement officer of the Department of Public Safety.

(b) For the purposes of inspecting and monitoring compliance with the terms of the permit or the requirements of this chapter for the continued health and perpetuation of native, wild, or hatchery stocks of fish, each permittee shall give authorized representatives of the department, and law enforcement officers of the Department of Public Safety, free and unobstructed access at all times to permit sites. Each permittee shall give such assistance and furnish information the representative or law enforcement officer may reasonably require for monitoring and inspection. (In effect before 1988)

Authority: AS 16.05.251(a)

Article 3. General Provisions

Section

70. Prohibitions on imports and release of live fish

80. Reporting and control of fish diseases at egg-take sites, hatcheries, and rearing facilities

Section

90. Delegation of authority

100. Definitions

5 AAC 41.070. PROHIBITIONS ON IMPORTS AND RELEASE OF LIVE FISH. (a) Except as provided in (b) and (c) of this section, no person may import any live fish into the state for purposes of stocking or rearing in the waters of the state.

(b) Live oysters originating from locations other than Korea, the Gulf of Mexico, and the Atlantic Coast of North America, may be imported for aquaculture purposes and may be released into the waters of the state only pursuant to a permit required by this chapter. Live oysters native to and originating from Korea, the Gulf of Mexico, or the Atlantic Coast of North America may be imported for aquaculture purposes pursuant to a permit required by this chapter and released into the waters of the state only if

Infectious Hematopoietic Necrosis Virus (IHNV) — sockeye or chinook salmon kidney virus;

Herpesvirus salmonis — low-temperature virus;

Viral Erythrocytic Necrosis (VEN) — intranuclear virus of marine fish;

Vibrio parahaemolyticus — vibriosis in fish and shellfish;

Aeromonas salmonicida — furunculosis;

Yersinia ruckeri — enteric redmouth disease;

Renibacterium salmoninarum — bacterial kidney disease (BKD);

Flexibacter columnaris — columnaris disease;

Henneguya — spp. — myxosporidian disease of fish and shellfish;

Labyrinthomyxa marina — fungal or haplosporidian disease of shellfish;

Minchinia nelsoni — a haplosporidian disease of shellfish; and

Ocenebra japonica — an oyster drill;

(3) Class III — Diseases of Concern.

Vibrio alginolyticus — vibriosis in fish and shellfish;

Vibrio anguillarum — vibriosis in fish and shellfish;

Aeromonas hydrophila — aeromonad septicemia;

Ichthyobodo — spp. — costiasis in fish and shellfish;

Hexamita — protozoan disease of salmonids and shellfish;

Trichodina — spp. — external fish parasite;

Diplostomum — spp. — eye fluke disease of fishes; and

Mytilicola orientalis — an endoparasitic copepod of shellfish.

(e) Diseases reported under (d) of this section, or found by inspection under (c) of this section, must be treated by taking steps acknowledged by the fish pathology section to be effective in eliminating the disease. Containers or facilities must be disinfected by the permittee in a manner directed or approved by the commissioner or his authorized designee. Presence of any of these diseases, or any other disease not previously observed in Alaska, may be cause for the commissioner or his authorized designee to prohibit stocking of the fish in new areas, and to quarantine the permittee's facility until disinfected.

(f) Stocks of fish in hatcheries or rearing facilities in which a Class I disease has been detected must be immediately destroyed by the permittee if the commissioner or his authorized designee determines that the disease is new to the area, the disease is a different strain of a disease than occurs locally, or if the disease poses a threat to the health and perpetuation of native, wild, or hatchery stocks of fish in the hatchery effluent watershed or the intended release location. In limited circumstances, the commissioner or his authorized designee may allow retention or transportation of these diseased fish under controlled conditions that pose no threat to native, wild, or hatchery stocks of fish (e.g. movement to a disease laboratory).

commissioner's designee, which has not been suspended, terminated, or expired;

(6) "permittee" means the holder of a permit and includes anyone employed, contracted, or assigned by the person to whom the permit was issued. (In effect before 1988)

Authority: AS 16.05.251(a)

Article 4. Shellfish Farming

Section	Section
200. Applicability of regulations	250. Permit conditions
210. Permit required	260. Inspection of a farm
220. Shellfish farm permit application	270. Annual report
230. Additional information	400. Definitions
240. Review and determination	

5 AAC 41.200. APPLICABILITY OF REGULATIONS. The provisions of 5 AAC 41.200 — 5 AAC 41.400 govern the permit application process for shellfish farm permits, and establish guidelines and procedures regarding the operation of permitted shellfish farms. (Eff. 4/10/88, Register 106)

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

5 AAC 41.210. PERMIT REQUIRED. A shellfish farm permit, issued by the commissioner, is required for the operation of a shellfish farm. (Eff. 4/10/88, Register 106)

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

5 AAC 41.220. SHELLFISH FARM PERMIT APPLICATION. An applicant must submit a consolidated shellfish farm permit application and coastal project questionnaire to the nearest office of the office of management and budget, division of governmental coordination for purpose of complying with the project consistency review of the Alaska Coastal Management Program as identified in 6 AAC 05.010 — 6 AAC 50.190. (Eff. 4/10/88, Register 106)

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

5 AAC 41.230. ADDITIONAL INFORMATION. If, after an application has been distributed to the department under 6 AAC 50, the department determines that information in the application is insufficient for an adequate evaluation of the proposed shellfish farm, the

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

5 AAC 41.270. ANNUAL REPORT. A person who holds a permit for a shellfish farm shall submit an annual report, no later than December 15, to the department. The annual report form must be distributed to permit holders by the department. (Eff. 4/10/88, Register 106)

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

5 AAC 41.400. DEFINITIONS. In 5 AAC 41.200 — 5 AAC 41.400

(1) "commissioner" means the commissioner of the Department of Fish and Game or the commissioner's designee;

(2) "department" means the Alaska Department of Fish and Game;

(3) "farm" means a specific location where shellfish are raised in captivity or under positive control, as in a pen, pond, raft, bottom culture, or an area of water completely enclosed by a generally escape-proof barrier;

(4) "shellfish" means any species of crustacean, mollusk, or other invertebrate, in any stage of its life cycle, found in or introduced into the state. (Eff. 4/10/88, Register 106)

Authority: AS 16.05.020 AS 16.05.251
AS 16.05.092 AS 16.05.340(b)

PART 2. SPORT FISHING AND PERSONAL USE FISHERY

Chapter

- 42. (Repealed)
- 45. (Repealed)
- 46. Southeast Alaska Area (5 AAC 46.001 — 5 AAC 46.060)
- 48. (Repealed)
- 49. Yakutat Area (5 AAC 49.001 — 5 AAC 49.060)
- 51. (Repealed)
- 52. Upper Copper River and Upper Susitna River Area (5 AAC 52.001 — 5 AAC 52.060)
- 54. (Repealed)
- 55. Prince William Sound Area (5 AAC 55.001 — 5 AAC 55.050)
- 56. Kenai Peninsula Area (5 AAC 56.001 — 5 AAC 56.060)
- 57. (Repealed)
- 58. Cook Inlet — Resurrection Bay Saltwater Area (5 AAC 58.001 — 5 AAC 58.050)
- 60. (Repealed)
- 61. Susitna-West Cook Inlet Area (5 AAC 61.001 — 5 AAC 61.050)
- 63. (Repealed)
- 64. Kodiak Area (5 AAC 64.001 — 5 AAC 64.050)
- 65. Alaska Peninsula and Aleutian Islands Area (5 AAC 65.001 — 5 AAC 65.050)
- 66. (Repealed)
- 67. Bristol Bay Area (5 AAC 67.001 — 5 AAC 67.055)



Senate Rules Committee

Senator Richard L. (Dick) Ellison, Chairman

3/1/88

Thorne Ferguson stopped
by re-raising coho/chinook
in salt water ponds on
private land. Evidently
Thorne travelled with you
to Washington with SEALASKA
They have property near
Hydaburg + appear to have
things really thought
through. Evidently the City



Senate Rules Committee

Senator Richard L. (Dick) Eliason, Chairman

(for its cannery)

of Hyda burg_n is interested
in purchasing excess
electricity that Thorne will
produce. They would like
to raise paw size coho.

349-6485- wk

243-6923- hm



Senate Rules Committee

Senator Richard L. (Dick) Eliason, Chairman

Dick

Thorne Ferguson received a corp of engineer permit, a DEC permit in May '86 for a lodge, barge, & dock facility. He has not applied for any permits for raising fish. When he made his original request, he was planning on building a resort & hatchery. Later

the resort + hatchery
idea was dropped + the
application for lodge, barge,
+ dock proceeded.

If allowed to raise fish
he would need a corps permit
waste, H_2O discharge, water
rights, etc.



Senate Rules Committee

Senator Richard I. (Dick) Eliason, Chairman

Thorne Ferguson purchased
a fish farm license from
the Dept of Revenue 12/86 ✓
which expires 12/88 for \$200.

This license is more like
a business license + all ~~out~~
applicants receive license -
no regulations of farm
or activities.

Permits from DEC, DNR,
+ F+G would still be necessary

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

SOUTHEAST REGIONAL OFFICE DIVISION OF LAND AND WATER MANAGEMENT

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVENUE
SUITE 400
JUNEAU, ALASKA 99801-1000
PHONE: (907) 465-3400

March 23, 1990

Re: Thorne Ferguson

Honorable Richard I. Eliason
c/o Pouch V
Juneau, Alaska 99811

Dear Senator Eliason:

Research of our records indicates that T. Ferguson Construction, Inc. did purchase U.S. Mineral Survey 419B, known as the Maine, Monterey and San Francisco claims from Georgia-Pacific Corporation, (Warranty Deed, 1984). The property is located at Copper Harbor, Hetta Inlet, on the west side of Prince of Wales Island. In 1985 In 1985 Mr. Ferguson submitted applications intended to obtain approval of what appeared to be a multi-stage development. According to one of the cover letters, the initial stage of construction (development of a seasonal resort for hunting as well as fresh and salt water fishing) was intended to support the second stage (the development of a hatchery and fish farm); see ADL lease application 104488.

In September of 1987 the applicant indicated to DNR they had received a Army Corps of Engineers permit dated in June of 1986. Proposed construction under the Corps permit consisted of a lodge, barge ramp, and docks to be constructed in conjunction with the proposed private fish hatchery. The permit stated that the lodge and docks would supported by approximately 100 piles, and the barge ramp would consist of a timber crib bulkhead placed at M.L>L>W. and back-filled with approximately 1,800 cubic yards of shot rock fill (see Army Corps of Engineers Public Notice of Application for Permit Hetta Inlet 7, dated September 3, 1985).

However, contrary to the lease application and corps notices, a letter from the State Office of Management and Budget dated August 22, 1985 appears to indicate that the applicant dropped the hatchery portion of its proposal at that time. Mr. Menzies letter of June 2, 1986 appears to furnish the reason. The OMB consistency determination of May 9, 1986 purposely dropped consideration of the hatchery and hydroelectric plant.

A. Pekovich to Senator Eliason -2-

March 23, 1990

The 1986 Army Corps of Engineer Permit is the only document that appears to still imply a remaining interest in a hatchery. None of the State approvals, including Water Use Applications LAS 6089 and 6090 involve the hatchery proposal directly.

It appears clear from the file that the applicant was never assured of being able to develop a hatchery. That although it is something that he wanted to do, he decided to proceed with the lodge with no guarantees that he would be able to construct the hatchery. It is possible that the \$500,000 figure thrown around would include the \$370,000 initial purchase price.

Please let me know if there is anything else I can do.

Sincerely,



Andrew W. Pekovich
Regional Manager, SERO

CC: Larry Ostrovsky
Gary Gustafson
Janet Burleson

1-29-88 lag

FISH, GAME AND FUR FARM LICENSE CONTROL

LIC. NO.	DATE ISSUED	~~year~~	~~TYPE~~	LICENSEE NAME AND ADDRESS
166	11-30-84	1985-1986	Fish	Stephen E. Johnson 819 C St Juneau 99801
167	2-7-85	1985-86	Fish	Robt. m. me huck
168	void			
169	7-3-85	1985-86	Game	Kenneth K. - Wasilla
170	10-17-85	1985-86	Game	Robt. Iwait - Hope
171	12-19-85	1986-87	Fish	Dale Young - Juneau
1251	6-9-86	1986-87	Fish	Harry Nagamatsu - Anch
172	2-10-86	1986-87	Fish	Steve Ranney - Cordova
173	8/21/86	1986-87	Game	Jane Carter - Goldotna
174	12-22-86	1987-88	Fish	Thorne Ferguson - Anch.
175	1-30-87	1987-88	Fish	Robt Meyer Anch (meyers chuck)
176	1-30-87	1987-88	Game	Robt. Iwait - Hope
177	2-25-87	1987-88	Fish	Timothy Sirell - Anch.
178	void			
179	void			
180	5-21-87	1987-88	Fish	Stephen E Johnson - meyers chuck
181	7-13-87	87-88	Fish (*)	Andrew & Pamela Westcott - Hbx
182	11-5-87	1987-88	Game/Bird	Donald Mesimer - Sterling

(*) exempt from SB 297 per Mike Kaill - ADFG

No Fish Farm Licenses (Shell or finfish) have been applied for since 7-13-87.

L. Lockridge 4/29/88

FISH OR GAME FARM
BIENNIAL LICENSE APPLICATION

For Department of Revenue Use Only
License #: _____
Issued by: _____
Place: _____
Date: _____, 19____

Fish or Game Farm Licenses are valid for two calendar years. The expiration date of each license is December 31 of the year following the year of issuance.

PLEASE MARK THE APPROPRIATE BOX BELOW:

FISH FARM LICENSE
\$ 200.00
Type of fish to be farmed: _____

GAME FARM LICENSE
Game Bird Farm \$ 20.00 ☐
Game Mammal or Reptile Farm \$200.00 ☐

Type of game to be farmed: _____

Applicants Name (First, Middle Initial, Last)		License Years		Applicant's Alaska Residency Status (Check One) (Please read definition of resident below.) ☐ Resident - 12 or more consecutive months of residency Alaska Resident Years Months ☐ Nonresident - Less than 12 consecutive months of residency.			
Mailing Address		Day time Telephone					
City, State, Zip Code		U.S. Citizen					
Physical Location of Residence (If same as mailing address, write "same".)		Birthdate (Month, Day, Year)					
Social Security Number	Weight (Lbs.)	Eye Color	Hair Color	Height FT. IN.	Sex	Physical Location of Farm:	

IMPORTANT: If you are applying for a license through the mail please allow 3 - 5 weeks for delivery.

I certify under penalty of perjury that to the best of my knowledge and belief the information on this application is true and correct.

X
Signature of Applicant _____ Date _____

Definition of Fish or Game Farming AS 16.05.940 (12) "fish or game farming" means the business of propagating, breeding, raising, or producing fish or game in captivity for the purpose of marketing the fish or game or their products, and "captivity" means having the fish or game under positive control, as in a pen, pond, or an area of land or water which is completely enclosed by a generally escape-proof barrier.

Definition of Resident AS 16.05.940 (14) "resident" means a person who for 12 consecutive months has maintained a permanent place of abode in the state and who has continually maintained a voting residence in the state; and in the case of partnership, association, joint stock company, trust, or corporation, "resident" means one that has its main office or headquarters in the state; however, a member of the military service who has been stationed in the state for the preceding 12 consecutive months is a resident for the purposes of this chapter, and the dependent of a resident member of the military service, who has been living in the state for the preceding year is a resident for the purposes of this chapter, and a person who is an alien but who for one year has maintained a permanent place of abode in the state is a resident for the purposes of this chapter;

1200 E. 76th Ave. Suite 1222
Anchorage, Alaska 99518
(907) 349-6485

April 01, 1988

Senator Dick Eliason
P.O. Box V
Juneau, Alaska 99811

Dear Senator Eliason,

We were in support of Senator Eliason's 3/16/88 draft of Senate Bill 482 which would allow fish farming in upland salt water pens. We feel this is a fair compromise. Needless to say we are very disappointed in his 3/28/88 draft of this bill.

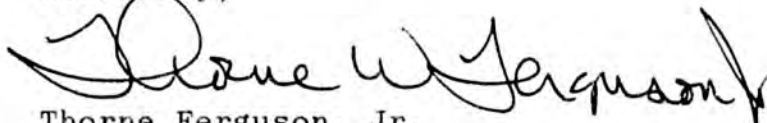
Salt water upland farms are economically and environmentally feasible. All of our upland fish farm discharge will meet or exceed Federal Clean Water Standards.

As we have previously stated, we have invested many years of time and effort in this project. The money invested is substantial and should this bill pass, as it is now written, we would suffer a substantial loss of both time and money.

We urge you to reconsider and include salt water upland fin fish farming in any bill dealing with mariculture.

If you would like additional information on our project please feel free to contact us.

Sincerely,


Thorne Ferguson, Jr.

1200 E 76th Ave. Suite 1222
Anchorage, AK 99518
(907) 349-6485

March 15, 1988

Senator Dick Eliason
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Eliason:

We have been involved in the development of a fish farm since 1978. In 1982 we began the permitting process with the Alaska Department of Fish & Game and at their suggestion began a development of a land locked (upland) fish farm on private property. In December of 1986 we were issued a license. We have invested a significant amount of time and money in development of a viable commercial fish farm operation. If we were denied the opportunity to proceed with this venture now we would be more than disappointed.

In our first attempts to locate a suitable site we looked at an area in Washington Bay, which was owned by the U.S. Forest Service. As you can see from the enclosed letter, they were not at all encouraging.

It is our understanding that the only permit we need, once our tanks are installed, is a Fish Transport Permit.

We have reviewed proposed Senate Bill 482. If it is necessary for the bill to pass we would suggest the words "except for land locked saltwater pens" be added to the end of Sec. 16.40.100, paragraph (e).

Additional information regarding our efforts is enclosed for your use.

Thank you for your attention.

Sincerely yours,

Thorne W. Ferguson, Jr.
Thorne W. Ferguson, Jr. *by Jm*

Encl.

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, VICE-CHAIRMAN
LEGISLATIVE COUNCIL
RESOURCES COMMITTEE
FISHERIES SUBCOMMITTEE, CHAIRMAN



P.O. BOX 143
SITKA, ALASKA 99835
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4916

MEMORANDUM

TO: Senator Dick Eliason

FROM: Sheila Peterson, staff
Senator Eliason's office *Sheila*

RE: Status of Permits

DATE: March 8, 1988

In response to your inquiry about whether or not Thorne Ferguson has obtain or has applied for the necessary permits to farm fish in saltwater tanks on Prince of Wales Island, I contacted Diane Mayer, Southeast Regional Office, Division of Governmental Coordination.

According to Diane's records, Thorne received permits from the Army Corps of Engineers and the Department of Environmental Conservation in May, 1986, for a lodge, barge, and dock facility. He has not applied for any permits necessary to begin raising fish in saltwater tanks.

When Thorne Ferguson made his original request, he was planning on building a resort and hatchery. During the permitting process, the resort and hatchery idea was dropped. The application for the lodge, barge and dock proceeded separately.

February 20, 1988

Our family began investigating the feasibility of fish farming in Southeast Alaska well over 10 years ago. All four family members are native Alaskans, born and raised in Southeast Alaska. We moved to the Anchorage area 12 years ago and soon after began a feasibility study. Three years ago we purchased a large parcel of land in Copper Harbor near Hydaburg on Prince of Wales Island specifically for developing a fish farm.

In 1986 we obtained a Corps of Engineer's permit for the waterfront construction and a Fish Farm License from the Department of Fish and Game, which expires at the end of 1988.

A good deal of the property was cleared in 1986 and 1987. We have invested well over \$500,000 in this venture.

Our operating plan is to raise salmon, and other fish, in upland tanks. Salt water will be withdrawn from the inlet as needed and all discharge water will be filtered and treated prior to discharge. The market for pen raised fresh salmon is largely in the off season when fresh caught natural salmon are not available in sufficient quantity.

Because we will have an upland farm, we believe that our operation does not present any threat to the salmon fishing industry. We urge you in this session of the legislature to either not extend the moratorium on fin fish farm permits or make a provision for several demonstration projects that are upland such as ours. Even though we have a fish farming license, we cannot commence operations without the other permits which are required such as a permit to appropriate water.

Our economic studies indicate that the development of a fish farm such as ours will actually bring economic benefit to the commercial fisherman through market development and broadening the amortization of the fresh fish handling and marketing infrastructure

Thank you.

Thorne W. Ferguson, Jr.
3321 Seppala Drive
Anchorage, Alaska 99517

STATE OF ALASKA
DEPARTMENT OF REVENUE - JUNEAU
FISH, GAME AND FUR-FARM LICENSE

No. 174 FISH FARM
EXPIRES DEC. 31, 1988

Thorne Ovi Ferguson, SR.
(NAME)

2455 Cratogeomys Ave.
(ADDRESS)

Anchorage, Alaska 99508
(CITY AND ZIP CODE)

Location of farm is licensed to possess, to capture, fish, game and fur-bearing animals legally acquired and to buy, sell and transport such animals during the year ending December 31, 1988, subject to the regulations of the Alaska Department of Fish and Game.

Issued at JUNEAU, Alaska 12/22/86

Inda Sakudga
(ISSUING OFFICER)

[Signature]
(INVALID WITHOUT SIGNATURE OF LICENSEE)

NOTE

THIS LICENSE IS VALID ONLY IN ACCORDANCE WITH A PERMIT TO HOLD LIVE FISH OR GAME ISSUED TO THE LICENSEE BY THE COMMISSIONER OF THE DEPARTMENT OF FISH AND GAME.

Alaska Department of Revenue
Public Services Division
Fish & Game Licensing Section

1111 W. 8th. St., Rm. # 108
Juneau, AK 99801
Phone # (907) 465-2376

Dear Licensee:

Enclosed you will find your 1987 Fish and Game License. Please check the license to see that all of the information is correct. If not, please return it to our office so that we may make the necessary changes. Also, in order for this license to be valid it must be signed by you. If you have any further questions please contact us at the office shown above. Thank you. We hope you enjoy your visit to Alaska.

3430F

Chronology of Fish Farm Development Ferguson Family

T. Ferguson Construction is a small family owned and operated firm. All four family members are Alaskan Natives and were born and raised in Southeast Alaska.

1978 - 1979 Ferguson's interest in fish farming began in the summer of 1978 with the contraction of a fish weir at Auke Creek, Juneau, Alaska for the NOAA. We started to study the feasibility of raising salmon in upland ponds with help from the Northwest and Alaska Fisheries Center and study programs from the University of Washington.

1980 - 1981 A search for a site with the ideal condition to raise salmon was initiated. Several private individuals and public agencies were contacted to investigate the possibilities of leasing or purchasing their land holdings.

1982 - 1983 Family members visited and studied sites in Washington State, British Columbia, Canada, and Maui, Hawaii. In addition visits were made to government facilities in Washington State and British Columbia. Contacts were made with Jon Lindberg a noted consultant in the industry.

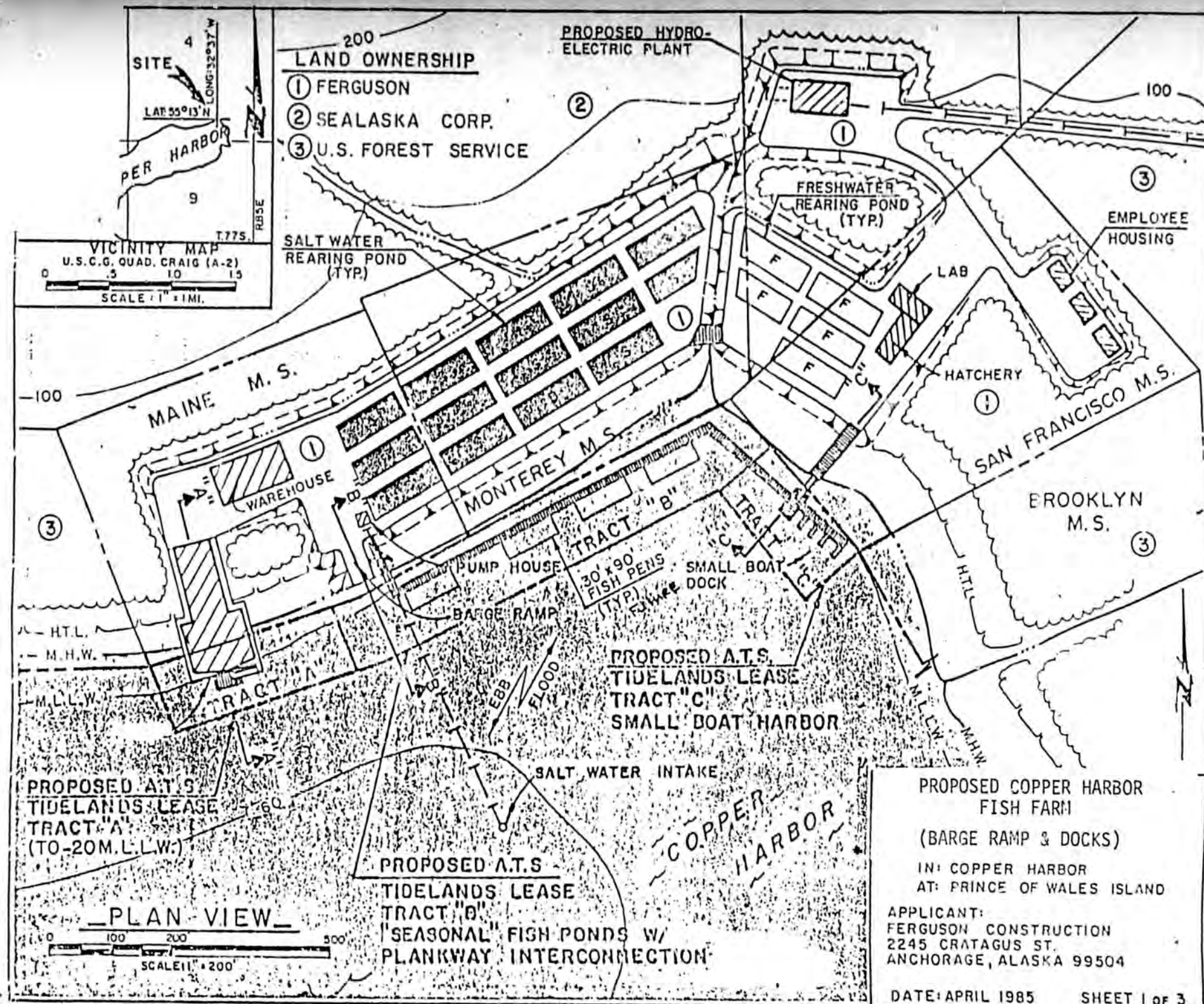
1984 Land was located for the proposed site on the west coast of Prince of Wales Island, in Copper Harbor. In December the land was secured with the help of the Farmers Home Administration under their Agriculture Loan Program.

1985 In the spring of this year surveying was begun and permits were applied for from the state and federal agencies as applicable. In addition clearing and leveling were begun. Visits to several sites in Washington State both private and public were conducted.

1986 Clearing and leveling was continued through the year and planning for the purchase of materials and equipment was begun. Permits applied for in previous years were granted and plans for docks and other tidelands activities were started. Attended a seminar in Seattle on fish farming put on by the Trade Commission of Norway.

1987 A Fish Farm License was acquired and plans to begin construction were made for the Spring of the following year. Negotiations for the acquisition of brood stock began. Attended a seminar in Juneau on fish farming hosted by the Trade Commission of Norway.

To date the Ferguson Family has invested 10 years and approximately \$500,000 in personal capital into this project in addition to the long term debt on the property. If the present legislation is passed without some provision for upland farming of salmon in salt water ponds on private land it will strike a crippling if not fatal blow to the family business and negate all the work and capital invested in the project.



JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME
OFFICE OF THE COMMISSIONER

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

November 12, 1982

Mr. James L. McCormack
Project Manager, Ice Palace Farms
3321 Seppala Drive
Anchorage, Alaska 99503

Dear Mr. McCormack:

This letter is in response to yours of October 12, 1982, to Commissioner Skoog, regarding your interest in a commercial marine net-pen farm for coho salmon in Southeast Alaska. We are enclosing the \$100.00 check you submitted since we will be unable to issue a permit for your proposed operation.

In explanation, as stated in your letter, it is correct that State of Alaska law does not allow conduct of salmon ranching for a profit, only on a nonprofit basis. From the text of your letter, you appear to have received insufficient information about the legality of hatching and rearing stock coho for commercial purposes. The Alaska Department of Revenue does have available a Fish Farming License, which allows for the rearing of fingerlings, fry, or smolt to commercial marketing size, but this license does not allow the operator to incubate and hatch eggs. That can only be done in the private sector under a Private Nonprofit (PNP) Hatchery Permit, which cannot be secured for profit-making purposes. It would be for such a permit that a \$100.00 fee would be appropriate.

Functions under the fish farming license may only be conducted in a land-locked situation, so that would rule out net-pen rearing of coho in a bay, as is indicated in your proposal.

If you can define a land-locked location for fish farming and can determine a source of coho fry or smolt, it would be necessary for you to secure a Fish Transport Permit from Dave Daisy at the Anchorage Office, in order to assure that the source of stock is disease-free before you would be allowed to transport fish.

Finally, it would be necessary that you secure information on health inspection requirements for preparing for market and actual marketing of any fish produced. For information in that regard, please contact the following:

Alaska Department of Environmental Conservation
Anchorage Regional Office
P.O. Box 1328

Mr. McCormack

-2-

November 12, 1982

Anchorage Alaska 99510
Attn: George Hart
Telephone: 907-745-3236

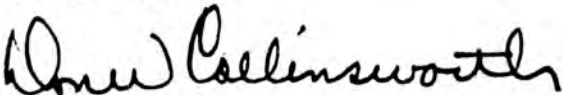
Also, I am enclosing for your use copies of application forms and background information for fish, game and/or fur farm licenses. The above references and enclosed information should give you the materials necessary to pursue a fish farm license, if you desire.

Should you have further questions, please contact me or Jerry L. Madden at the following address:

Alaska Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99802

Thank you for your interest in the Alaska salmon industry.

Sincerely,



Don W. Collinsworth
Deputy Commissioner
Resource Management

Enclosures

cc: Dave Daisy



United States
Department of
Agriculture

Forest
Service

Stikine Area, Tongass National Forest
Box 309, Petersburg, Alaska 99833

Reply to: 2720

Date: August 6, 1982

Mr. James L. McCormack
Project Manager
T. Ferguson Construction, Inc.
3321 Seppala Drive
Anchorage, AK 99503

Dear Mr. McCormack:

I have read your proposal for a net pen farm to be located in Washington Bay.

I will try to assist you by listing some of the things that must happen before your project can proceed as you have described it.

You must obtain approval from the Alaska Department of Fish and Game. We would follow their lead in this matter; therefore, this is the first step you must take. You need to obtain a State tidelands permit, a Corps of Engineer's permit, and a license or waiver from the Federal Energy Regulatory Commission; to mail application to the Forest Service for a special land use permit; and to prepare (or have prepared) an environmental assessment document to be approved by the Forest Service before a permit can be issued. Detailed engineering plans and drawings are also required by us and others. Unless you are one and the same, another party from Kake was also interested in developing a fish farm in Washington Bay. If this is the case, agreement between the parties would have to be reached before we could consider a permit application.

Twenty percent of the total project cost is not an unreasonable estimate of dollars needed to be spent just to get to the construction stage for a project of this type.

A fee is charged for the special use permit, payable each year. A decision would have to be made on whether or not to require a performance bond. Land on the National Forest is not available for sale.

You also must show that the National Forest is the only land suitable for your use. State and private land is available throughout southeast Alaska.

I am not trying to discourage you; I am simply trying to point out what we all must live with these days. Good luck.

Sincerely,



JOHN M. HUGHES
Forest Supervisor



**Alaska
Trollers
Association**

130 Seward St., No. 213
Juneau, Alaska 99801
(907) 586-9400

April 12, 1988

Members of the Senate Resources Committee:

During the April 7th meeting the committee discussed the possibility of separating the issues of finfish culture from that of vegetable and shellfish farming. Those of us in the audience also felt the frustration which Senator Fischer remarked upon when dealing with the present mariculture draft legislation and its many proposed amendments. The suggestion by both Senator Eliason and Senator Fischer that the two issues be separated, we feel, represents the best avenue for the formation of legislation which will adequately address the concerns of the fishing industry and the well-being of our state.

We find ourselves in the midst of a very complex issue with the potential for an even more complex piece of legislation. Due to the complexity of the current draft legislation there is great potential that seemingly small changes to the bill will inadvertently disrupt our existing seafood industry and the existing uses of our state lands.

An illustration of the complexities of the legislation is the single proposed amendment which would allow tank farms. As you will see, this issue further "muddies the waters" and makes it even more critical that legislation is drafted in as concise a manner as possible which will allow shellfish and vegetable culture the opportunity to develop in a manner which will benefit the state's citizens.

The following is a synopsis of our concerns regarding tank farms:

- 1) Allowing upland tank farms for salmon in salt water will not protect wild stocks from disease. Extremely expensive treatment facilities will be needed for the waste water to render it disease free. A 100 ton farm creates wastes equal to a city of 2,000 people, which is approximately the size of Homer or Kotzebue.
- 2) These operations are extremely capital intensive and to keep operating costs down employ few people (4-6 usually). These will not be small operations and this approach would definitely rule out mom and pop operations. For instance the Nanaimo tank farm in B.C., with projections of producing 1000 metric tons annually, and capital costs of \$7 million, will merely employ 5 people. Simply stated there are few Alaskan residents that can afford the capital required to buy the computers and machinery required to make these types of operations profitable. We also need to be aware that few U.S. banks loan money to fish farming operations so there is also the danger of foreign domination with relation to tank farms on our uplands.

- 3) Because of the high cost of these farms there will be greater pressures to import Atlantic salmon or to relax other biological protections once the capital investment is made and Pacific salmon fail (as projected) to develop adequately for economies of this scale. This is especially true if the price decline occurs with a glutted market as every forecast thus far has concluded.
- 4) Without statutorily established requirements for setbacks (1 mile?) from the shoreline, human error or mechanical failure, such as pump failure, will result in salmon escapement from these facilities into the marine environment or salmon spawning streams. These facilities will also cause major land use problems as they must consume acres of land for tanks and support facilities.
- 5) There will be large amounts of solid waste to be disposed of after water treatment which could lead to water quality problems. Siting will be a major concern to ensure that there is a way to dispose of the effluent. If sited in a municipality this could severely tax existing waste water treatment systems and/or increase costs to local governments. Outside municipalities these costs will also be substantial and there will be pressures to relax effluent treatment standards.
- 6) These facilities will use enormous amounts of water, both fresh and saltwater. A 200 ton production capacity farm requires 50 cubic feet of water per second, an amount equal to the amount of water the city of Eugene, Oregon uses. Water appropriations will be a big issue.
- 7) Also it may be possible, although unlikely, that under current regulatory structures (Section 1315 (b) of ANILCA which allows enhancement in wilderness) these types of smolt production facilities could be allowed in public wilderness areas.

It is our feeling that allowing upland tank farms will result in major problems for the protection of fish habitat, wild fish stocks, and the fishing industry.

Whew - that is complex! Don't you think that separation of salmon farming from vegetable and shellfish culture represents the best way to achieve consensus? If such separation occurs, fishermen would advocate the development of a reporting schedule by affected state agencies and resumed public debate regarding finfish farming in 4-6 years. In this way the legislature would be assured of not wasting taxpayers' dollars by rehashing presently existing data again within 3 months as proposed by one amendment, but would wait for new developments in the field which will only occur over a longer period of time. Furthermore, this would assure proponents of salmon farming we would revisit the issue.

We hope that you will take the above concerns into consideration in your deliberation on mariculture legislation.

KETCHIKAN DAILY NEWS * PIONEER PRINTING * MEMO

.....from the desk of Lew Williams, Jr.

3 July '80

Dick:

Happy Independence Day,
Don't you think you
should reverse your fish
ban a little for
people like Thorne
Ferguson and Bethie
Falconberg's Sonbom
trout farmer?

Lew

high in 1988. Now that prices are back down again, Pacifics may gain some of that market back. But I don't think anyone expects that wild Pacifics will ever regain the dominance they had before."

Japan is the top world market for salmon, though, and here Pacifics are king. Though 3,000-4,000 tons of farmed salmon were imported into Japan last year, they went to a specialty market that didn't compete with wild salmon.

Says Talley, "No matter how you inflate or deflate the numbers, wild still is the predominant category of salmon.

The problem is that farmed salmon compete directly against chinook and cohos, most of the pinks are canned, and in that segment there's probably more farmed salmon than wild. The competition is real. Even in the frozen markets, fresh farmed Atlantics still affect the prices just because they put parameters on prices in every market."

To gain an edge, fish farmers in Norway are developing value-added products that they will introduce to the U.S. market this fall. At recent food shows, several producers introduced skinless/boneless salmon fillets, ready-to-cook items, and other further-pro-

cessed salmon. But if producers of Alaskan wild salmon can keep up in the value-added market, they may have an advantage.

Atlantic salmon are fatter, have a shorter shelf-life and are likely to go bad quicker than Pacific salmon. That's an important market advantage for the wily wild salmon.

With prices down around producers' ankles, fish farms in British Columbia have proven to be less profitable than they'd hoped; several are on the verge of bankruptcy. "For right now, I don't think it makes any difference whether Alaska bans salmon farming or not. Anybody

Ban Leaves One Hopeful High & Dry

WHEN THE LEGISLATORS banned fish farming in Alaska, they didn't just close the door on an idea. They closed the door on 10 years of sweat and investment that Anchorage resident Thorne Ferguson spent following the state's instructions for setting up a fish farm.

"We're finished," he says. "We'll probably lose everything we own."

Ferguson and his wife, Carol, have invested \$800,000, including a Farmers Home Administration-backed loan, in an upland tank farm site on Prince of Wales Island in Southeast Alaska. On a spring morning five days after the fish farm ban was passed, the Ferguson's living room floor was awash with notebooks and file folders full of permits, letters, surveys and reports representing 10 years of effort.

They started looking in 1979 for the perfect fish farming site, a deep-water bay, a relatively remote site within easy transporting distance from a processing plant, hopefully with hydropower possibilities so power costs could be kept to a minimum. They found the spot in 1982, a turn-of-the-century copper mine near a deep harbor and good water. They purchased 340 acres.

Recalls Ferguson, "We applied for our first aquaculture license from the Department of Fish and Game in 1982. It was turned down because at the time we were asking for a net-pen permit. They recommended we go



Thorne and Carol Ferguson

can include ponds and runways with an impermeable liner to isolate the water supply.

The Fergusons cleared 15 acres and consulted with world experts on tank farms. Although they first planned to raise coho salmon, they switched to Arctic char when it became apparent that salmon farming probably would not be allowed.

"We've got a letter here from Don Collinsworth (the commissioner of Alaska Department of Fish and Game) when he was deputy commissioner, telling us how to go about getting a permit for what we tried to do," Ferguson said. "Fish and Game told us two \$200 permits that allowed us to raise the fish. But we never could get a transport license so we could get smolt to the site."

Ferguson's tanks would have been set 100 feet inland and 10 feet above the saltwater shoreline. His water system included five filtering stages that would have prevented his char from escaping into the sea.

Even through the difficulties of

water Arctic char. "It's been a long, hard struggle to end up with nothing," he said.

"Now that fish farming is banned altogether, our financing has pulled out. The bank has given us three months to sell the property."

The Fergusons held out hopes that the legislature might meet in special session in June, and would have time to consider upland tank farming as an exception to the fish farming ban. If tank farming was legalized this summer, Ferguson believed he could get his financing back.

"I can't understand the legislature doing this to us after all this hard work," he said. "They make exceptions for themselves, for the state to run hatchery programs, and then they shut us down. Salmon ranching is lots more potentially dangerous than tank farming, and yet they let it go." He believes the ban is a "political nature."

According to Thorne and Carol Ferguson, their char farm could have employed 30 to 40 people year-round if they packed their own product. If they'd shipped their fish to Hydaburg for processing, it could have kept one local processing plant busy all winter. Most salmon canneries now shut down in winter and only operate during peak season.

"We've been working hard on this for a long time," Ferguson said. "I sure wish there was something

Alaska State Legislature

PRESIDENT
907-465-3755

JAN FAIKS
POST OFFICE BOX V
JUNEAU, ALASKA 99811

Senate

March 9, 1988

MEMORANDUM

TO: Senator Dick Eliason, Chairman
Senate Rules Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: Senate Bill 482, Relating to Aquatic Farming

Recently I became aware the project which the Ferguson family is attempting to undertake on Prince of Wales Island near Hydaburg.

Specifically, the Ferguson family would like to construct a fish farm which would consist of upland tanks on private property. Because the tanks would need saltwater, the current wording of Senate Bill 482 would stop the project.

Many of the concerns which have been raised about finfish farming center around the issues of disease and escapement from floating pens. However, a fish farm such as this which would use upland tanks would avoid both of these problems by having all of the discharge water go through an extensive filtration system.

I will certainly continue to follow your lead on this issue. As the Senate Resources Committee works on SB 482, I would hope that you would consider amending the bill to allow for saltwater ponds on privately owned uplands.

Thank you for your consideration of this request. If I can provide you with any further information, please let me know.

OUT OF SESSION

6060 YUKON DRIVE ANCHORAGE ALASKA 99516 907-274-6611

ALLOWED

1. Farms
 - ° All shellfish
 - ° All finfish except Pacific salmon in saltwater
 - Cod
 - Halibut
 - Steelhead
 - Arctic char
 - Sheefish
 - Trout
 - Coho (freshwater)
 - Chinook (freshwater)
 - ° Sea vegetables
2. Hatcheries
 - ° Shellfish
 - ° Finfish

NOT ALLOWED

- ° Pacific salmon in saltwater
- ° Atlantic salmon

ALLOWED

1. Farms
 - ° Shellfish
 - ° Freshwater finfish in private ponds
 - Trout
 - Char
 - Sheefish
 - Coho
 - Chinook

NOT ALLOWED

1. Farms¹
 - ° Pacific salmon in saltwater
 - ° All other saltwater
 - Cod
 - Halibut
 - Char
 - Steelhead
 - ° Sea vegetables
2. Hatcheries (for-profit)
 - ° Shellfish
 - ° Finfish

¹Farms for some or all may be legal, subject to approval by Board of Fisheries
Court action could be expected depending on board action.

Questions for Dick Eliason to ask Brian Allee

- 1) Do you wish to comment on the Young brothers testimony that ocean ranching holds a greater threat than salmon farming to the wild stocks.
- 2) From your experience can you speculate on the size, needs, biological risks, and economics of a large tank farm verses an existing state hatchery to produce market size pacific salmon.
- 3) Do you see any danger to the protection of wild stocks if a tank farm industry is developed in the State, given the size and economics required to make such an operation profitable.

GENETICS:

We know fish escape from net pens: Geoff Meggs testified (and Bill Heard of NMFS backed this up) that one of the major farms in B.C. put a large number of fish in their farm - but when they went to harvest them, only 1/2 of them were left. Further, Norway has reported large numbers of farmed fish have been found in Norwegian streams mixed with wild fish, 26% in some cases. It needs to be pointed out that as the number of pens increase, a small percentage of escapements equals a lot of fish.

Genetic stocks chosen for ocean ranching have good wild stock survival traits - whereas, genetic stocks chosen for pen salmon farming are those good for animal husbandry - not wild survival; this is why Atlantic salmon are good in farms.

Private for Profit - When millions of dollars are invested it may well mean a loss of those strict regulations on genetics and disease. Rodger did not answer Senator Fischer's question on this issue.

(Question) If there is an erosion of the disease and genetics policy to accommodate salmon farmers who can't reach profitability under current strict regulations can you speculate on the dangers that such policy changes would have on Alaska's wild stocks.

Commercial fishermen

And why not raise salmon on a farm?

By CHRISTOPHER BATIN
Correspondent

Andy Wescott was ice fishing with his father-in-law at Quartz Lake last year for no special reason. The two frequently fished at Quartz, and would sit, fish and talk about a variety of subjects for hours. This particular day, talk turned toward catfish farming, and a documentary Wescott had seen earlier on the pen rearing of salmon.

During their discussions, they had caught several coho. Soon, talk turned toward the fish, which were chunky and full of spunk.

"We wondered over how a fish could stay in such good shape for so long under the ice," Wescott said. "Then the idea hit. Why couldn't I raise coho in a controlled environment, and sell them?"

Unlike other ideas, this one took hold. "For two weeks I couldn't sleep at night, the idea had me so excited," he said.

He started to investigate the possibility of starting his own salmon farm.

"Salmon farming deals with a high volume product with good profit potential," he said. "The Norwegians are selling fish all over the world, and lots of it. And during the winter months, Alaska spends millions of dollars in purchasing salmon from overseas farms. I figured, why spend it over there, when we can spend it here?"

But there was more to it than just salmon farming. Wescott also owns and operates Little Eldorado Gold Camp on the Elliott Highway, in addition to serving as vice president of the local chapter of the Alaska Visitors Association and board member of the Fairbanks Chamber of Commerce. Naturally he was curious if a coho farm would interest tourists, and help bolster the Fairbanks economy. He questioned tourists at his gold camp last summer.

"A coho farm was on the top of their list of things they'd want to see," he said.

According to Wescott, he has the first permit issued for a salmon farm in the state of Alaska. Since his is a pilot project, the recent moratorium on salmon farming doesn't affect him. "They were pretty much concerned with fish grown in ocean pens," he said.

"I had to wade through a lot of politics. Southeast fishermen were dead set against issuing me a permit whatsoever. Legislators argued that I'd be taking away from the fishermen's market. I agreed not to sell during their main harvest month, to calm their fears."

Officials with the Fish and Game Fisheries Rehabilitation and Enhancement Division (FRED) said they would provide a permit if the fish were raised in a closed system away from navigable streams or waters.

"They didn't want my fish to mix with wild stocks," Wescott said. "There's always the chance for transmission of disease."

He received his permit about a year ago and dove into the project immediately. The first step was to obtain stock. Yet, Wescott had no pens, no waterways, no hatchery. What he did have were ideas.

"I went down to the hatchery at Clear and spent three weeks helping them harvest eggs from salmon entering Wood Creek," he said. "The 655,000 eggs I harvested saved the hatchery considerable time and effort. I personally received hands-on knowledge in hatchery operation and procedures."

In exchange, Clear hatchery personnel offered to incubate the eggs and raise them. When hatchery trucks pull out this June to stock Tanana Valley lakes, they'll deliver to Wescott's Lakeview Terrace home 1,000 coho, about 2½ inches long, depositing them into two, 4,000-gallon tanks.

"The number of fish is small because this is a pilot project," he said. "If it's successful, I'm going to request one million fish next year."

At 44-cents a pound for fish food, feeding times could get mighty expensive. Wescott figured another way to cut the costs of feeding the fish, at least during the summer.

"If the operation gets large enough, we'll move either to my gold camp or another piece of property," he said. "Once there, I'm going to sell fish food to the tourists who visit, and they can pay to feed the fish. I'm excited about the possibilities. The state will also protect my project for two years by not issuing similar permits. It gives me a jump on the competition."

He said that in 14 to 16 months, the fish will weigh 3 to 5 pounds, and sell for \$1.50 more a pound than those from ocean-raised pens. Why the higher price?

"What I'm guaranteeing are pure salmon," he said. "There will be no antibiotics used, or fast-grow additives. Plus, I've eliminated the costs of air freight, and the fish are fresher."

He said there's a high demand for his product.

"I receive quite a few inquiries from local restaurants wanting to put live fish in glass tanks for their customers to see,



ANDY WESCOTT
A lot of politics

and to have the option of offering fresh fish. The same fish from overseas retail for about \$5 to \$9 a pound."

A Japanese firm has already approached him with buying the eyes for \$90 a pound. There's a good market for the salmon caviar also. He plans to sell fish that don't grow to expectations to a businessman who wants to start a pay-to-fish recreational fishing project.

He said he intends to make a profit from the fishes' waste products, too.

"The urea can be easily turned into good fertilizer," he said, "and the waste makes good plant food. It currently sells for about \$4.25 a pint."

Eventually, Wescott hopes to manufacture his own fish food from the waste the fish generate, mixing it with grain grown in the Delta area.

He said that once his operation is going full bore, he'll be employing 40 to 45 people, and that the farm will draw more tourists to the Fairbanks area.

"Tourists don't visit state-owned hatcheries because most of them are too much out of the way," he said.

Wescott doesn't believe fish farming is harming the commercial fishermen or hamstringing the economy. His operation is evidence that if his farm will do anything, it will enhance the economy.

"The Chamber of Commerce, Fairbanks Convention and Visitors Bureau, and Alaska Visitors Association have all helped me tremendously. They've provided an awful lot of good information," he said. "If it works out, we all stand to benefit."

He's looking forward to the June delivery of fish.

"The Chamber is planning a 'baby shower' to celebrate the 'delivery' of the little fish," he said. "We're excited."

much like farming in at

Tourism, fishing grounds may be affected.

Aquaculture, the cultivation of seafood, is a controversial concept in fisheries that could change the way Alaskan fishermen make their livings. This is the third part of a four-part series on the subject.

By CHRISTOPHER BATIN
Correspondent

Alaska is a state divided over the issue of fish farming: the raising of fish in made-made pens for sale to domestic and world markets.

According to commercial fisheries officials, Alaska boasts 90 percent of the U.S. salmon production and 43 percent of the world salmon production, excluding pen-reared salmon. Yet, farmed salmon is one of the most rapidly growing segments of the U.S. fish market. Pen-raised Atlantic salmon have increased dramatically, growing to more than 16 million pounds in just three years, at a net value of \$50 million.

But, commercial fishermen claim a fish-farming industry will cripple them, cause a glut of fish on world markets and provide an inferior product to the consumer.

"We've seen our market share for trolled fish from Alaska get smaller over the last seven years," said Barry Lester with the Alaska Troll Salmon Processors Association. "The foreign fish farmers are definitely making inroads."

Fishermen say pen-reared salmon will either be a "Mom and Pop" industry, with farms scattered up and down the coast, or the state will use its resources to develop a market for foreign investors to exploit and take some the profits.

Lester said the problem facing commercial fishermen is not just the loss of market and improving the quality and grading system of salmon.

"We don't want to tell people that farmed salmon swim in their own waste and are filled with chemicals against disease. We just want people to know the virtues of wild salmon," he said.

Kate Graham, executive director of United Fishermen of Alaska, said Alaska commercial fishermen strongly support the moratorium imposed on salmon farming in Alaska. "We're reaping the benefits of our non-profit hatchery system. It would be a real mistake to bring fish farms in here."

UFA represents 19 organizational members and about 12,000 commercial fishermen. The 22-member board of directors is concerned that when the moratorium prohibiting finfish farming expires in July, regulations won't be in place.

"If the moratorium expires, without clarification, farmers and entrepreneurs will automatically come in and start an

industry that has virtually no regulation. We want to make it (fish farming) illegal," Graham said. "The state would need to make a tremendous investment, in addition to what it's already made, if it hopes to see fish farming take off."

Alaska commercial fishermen list several reasons for being against fish farming. One is the disruption of traditional fishing grounds and anchorages. Depending on the location of the farms, waterfront properties could diminish.

It also could affect tourism, they say.

Also, opponents of fish farming claim fish feed and feces can collect on the ocean bottom under pens in layers a foot deep. Biologists say that a salmon farm of a few acres could generate as much feces and urine as a city of 4,000 people.

They also cite toxics. Last year, British Columbia's Ministry of the Environment discovered a substance called tributyltin, or TBT, in pen-reared salmon sold in U.S. seafood markets. TBT, with toxicity levels reached in as little as five parts per trillion, is commonly used in anti-fouling paint for boat bottoms, and is sometimes used to treat netting in salmon pens. European countries have banned the substance because of the damage it inflicts on the environment. Researchers have concluded that exposure to low doses of TBT may increase susceptibility of disease among salmon and other fish.

Among penned fish, the spread of bacterial disease is a gray area that needs more study. The use of antibiotics, especially oxytetracycline, would help control disease. Yet opponents to farming claim bacteria could develop a resistance to the antibiotic, and be harder to treat, especially if spread among wild fish stocks.

Also, after several cycles of pen rearing, they claim genetic alterations could occur and domestic pen-raised salmon could affect the gene pool of wild salmon stocks.

As for costs, "Fish farming is touted as an activity for small, coastal villages," Graham said. "The trouble is, the costs of operation are so high, that it'll be extremely difficult for a small family or village to meet everyday costs, let alone the cost of services offered by FRED (Fish and Game's Fisheries Rehabilitation Enhancement Division). Farmers want the state to wait until after they've made a profit to collect fees. That's two to three years after the start-up, and that's if they survive that long. Commercial fishermen have always had to take their costs and expenses right off the top. The state doesn't say we



don't have to pay our enhancement tax until we make a profit.

"The state should meet its current needs before creating a new industry," Graham said.

House Research Agency analyst Brad Pierce indicated that Alaska fishermen will face competition from farmed salmon whether or not fish come from Alaska farms.

"At the rate that worldwide production of farmed salmon is growing, domestic markets can be expected to become saturated in the intermediate (next five to 10 years) future. This means that there is a limited 'window of opportunity' for Alaska to enter salmon farming and gain a market share. If traditional fishermen in Alaska can learn from their counterparts in other countries and adopt some of the cooperative methods that have made others more competitive, then the greatest loss they suffer from farmed salmon may be some of their sense of autonomy and individual freedom."

"Fish farmers would have the public believe that they're not competition for us," Graham said. "You bet they'll be competition. But that's not the main reason we're fighting it. There are serious problems that need to be addressed that concern everyone, from the sport fisherman to the subsistence user to the man on the street."

"Alaska has the last great runs of wild salmon in the world. With the proper marketing, and additional help from the state, we need to continue extolling the wonders and virtues of Alaska wild salmon. We already have the resource. Let's use it."

In Alaska, commercial fishermen claim in-state salmon farming will seriously hurt Alaska's salmon market.

Salmon farmers disagree, saying the state's commercial salmon fishery supplies fish predominantly during the summer months. Fish farmers also claim that profits, timing of the salmon run and competition from other boats often are reasons why seine fishermen don't treat their fish with the care that premium salmon buyers require, which gives Alaska salmon a bad name.

(The exception is troll fishermen who fish year-round for kings and cohos and handle and process their fish individually. Both farmers and troll fishermen sell premium salmon to the same markets.)

Fish farmers say they produce carefully handled fish without bruises or blemishes, that are uniform in size, and that are fresh, not frozen, every day of the year.

Proponents of Alaska salmon farming say the state should cash in on the market before other nations take control. They claim the benefits to Alaska's economy are many and include market penetration and continuity of product during the winter when commercial salmon fishing is at a standstill.

Also, fish wastes and entrails can be remanufactured into fish food and fertilizers.

A variety of species are available in-state to reduce the risk of disease, they add. Prospective species for Alaska fish farmers are coho, chinook and steelhead. Arctic char might also be a possibility because of its red-orange flesh and high prices in the European market.

FRED's Mike Kaill said most fish farmers he's talked to are in favor of an industry that is self-supportive.

In regard to fears stressed by the commercial fishermen and environmental groups, he referred to Gov. Steve Cowper's eight-point policy on mariculture released in 1987. That paper stresses that mariculture must benefit Alaskans; must pay for itself and the state must get a fair return for its resources; must be done in an orderly fashion to develop a stable industry; must meet all federal and state requirements for health and sanitation; must be managed to protect plant and animal stocks; must be managed to ensure adequate environmental safeguards and habitat protection; must minimize land use conflicts; must allow for navigation and ensure access to upland areas; and stipulate that brood stock be carefully regulated when taken from limited entry fisheries.

Kaill said despite the restrictions, there's much interest in salmon farming from in-state and Outside investors.

"The type of farm will determine the type of investor you'll attract," he said. "Large farms will probably attract large, firms, perhaps from Outside. If the state wants to keep ownership in Alaska, with local people, the farms will probably be small."

Christopher Batin is an award-winning outdoor photojournalist and frequent contributor to the News-Miner's Outdoor Page.



Senate Rules Committee

Senator Richard L. (Dick) Eliason, Chairman

Tank farm -

- need massive \$
(not mom + pops)
- not really labor intensive
- applies only to one or two people in state
- BC allows tanks - but they are big business - probably not Canadians

Kodiak Mariculture Association

by Matt Dick

A little known fact is that Alaska has a fairly long history of mariculture, the art of farming organisms in the sea. Imported Japanese oysters were first planted in Alaska in 1910. The most successful area was near Ketchikan, where farming continued sporadically for 50 years, with annual harvests of up to 550 gallons of shucked meat in the mid 1940's. As late as 1961, the Alaska Oyster Company planted two million spat, or juvenile oysters, on 227 acres of tideland. Soon thereafter, effort and production of the few Alaskan oyster farms declined. The late 1970's and early 1980's saw a renewal of interest in oyster farming in South-eastern Alaska. Pioneered by John Church, Robin Larsson, Don Nicholson and others, the recent burst of activity has employed the more effective floating-tray method rather than bottom culture. In the early 1980's, the Alaskan Shellfish Grower's Association was formed in Wrangell, and it is currently active in promoting sea farming in the state. There are at least 20 oyster farms in various stages of development in Alaska, and several mussel farms. The renaissance of mariculture in Alaska has paralleled a worldwide trend of increased activity in the field.

By 1984, interest in mariculture had percolated to Kodiak. A number of individuals began, more or less independently, considering the potential for culturing oysters, mussels, scallops and seaweed in the Kodiak archipelago. In April 1986, a group of these people met to discuss formation of a Kodiak Chapter of the Alaska Shellfish Grower's Association. A second meeting was held in November of the same year. At that time, it was decided that an independent organization, the Kodiak Mariculture Association (KMA), would be formed. A President and Secretary-Treasurer were elected, and annual dues of \$20.00 per member were set.

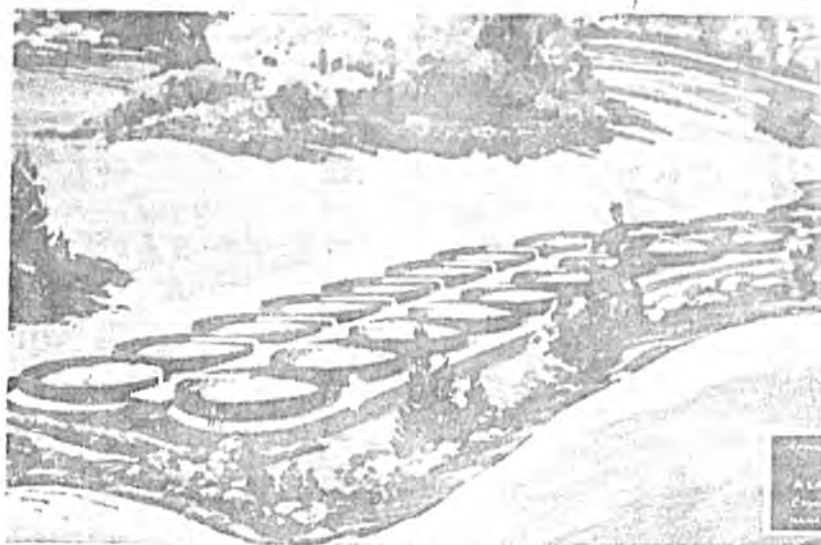
KMA holds four or five meetings a year, schedule so as to minimize conflicts with fishing seasons and community activities. The organization has several functions. Perhaps the main function is to make information on mariculture available to members and to the public. Every

meeting a presentation (approximately one hour in length) is given on some aspect of mariculture. Meetings are open to the public; however, only dues-paying members can vote in the business sessions.

A second function of KMA is to stimulate local mariculture development. One of the main activities in this regard has been an effort to establish a temporary "Aquaculture Park" in Trident Basin, near Kodiak. The Association has been negotiating with the City for access to about 7 acres of the basin. It will also obtain the necessary State and Corps of Engineers permits for use of a "tidelands" site. The park will be managed by the Association, and will provide the opportunity for local individuals interested in mariculture to experiment with farming various organisms, using various culture methods. Individuals can thus learn the techniques of mariculture in a suitable area close to town without having themselves to establish a site and go through the lengthy permitting process. People can conduct pilot studies before establishing their own commercial sites elsewhere. Several KMA members are presently rearing oysters and mussels on a pilot scale, prior to establishing commercial farms.

A third function of the Association is to keep track of legislation on the statewide level which pertains to mariculture. The group actively supported Senator Zharoff's Mariculture Bill during the last legislative session, and its members figured prominently in local debates on the bill. Although KMA is loosely affiliated with the Alaska Mariculture Association, the two are different organizations. For example, in December the Kodiak group sent a resolution to the Alaska Mariculture Association urging that any future mariculture legislation separate the issue of pen-rearing salmon, which is extremely controversial, from that of shellfish mariculture, which has been established in Alaska for nearly 80 years.

The Kodiak Mariculture Association presently has about 25 members. Officers are Bill Osborne (President) and Barbara Rudio (Secretary-Treasurer). For further information, contact Bill (486-5726), Barbara (486-8369) or Matt Dick (486-4161).



May 22 1977

Since land based salmon farming will now be allowed, should the size of the farm be restricted? Suggested 70 mt.

• Norwegian firm plans to produce 1,000 tons of salmon annually from a new land-based tank farm near Nanaimo. The project would not be permitted in Norway.

Nanaimo salmon tank farm would be illegal in Norway

Premier Bill Vander Zalm and Norwegian investors linked arms April 23 in Vancouver to announce the building of a massive fish tank farm near Nanaimo.

Using new technologies, Hagensborg Resources Ltd. will build a \$7 million land-based facility aimed at producing 1,000 tons of fish annually.

Ironically, the mere size of the farm would make it illegal in Norway where the government keeps farm sizes down to prevent corporate concentration.

"I have no knowledge about anything like this in Norway," said Norwegian Consul General Odvar Mosnesset. "This is a little surprising, it's so large."

Mosnesset also said the Norwegian government has placed restrictions on investment in farms because it wants "to have small firms instead of large companies coming in."

Unlike B.C., where farms are controlled more and more by large companies, Norway has seen many commercial fishermen get into fish farming because the commercial fishery was destroyed.

Hagensborg president Carsten Hagen said the government supported Norwegian fishermen getting into fish farming.

"You have a more socialistic government (in Norway) so they support fishermen," he said.

Hagen said the project would



• Premier Bill Vander Zalm was on hand to welcome Norwegian entrepreneur Carsten Hagen to B.C.

farm could not be built in Norway under the present laws.

The new mega-farm will rely on the public hatchery system to guarantee enough eggs to make the farm viable.

UFAWU secretary treasurer Bill Procopation said the new farm will dump 1.5 tons of waste into the ocean every day.

"This farm will cost \$7 million, create only 12 jobs and potentially pollute the ocean," Proco-

pation told the press conference the government supports the development of a strong aquaculture industry.

He described the aquaculture boom as a "super new industry" for B.C.

Procopation refuted Vander Zalm's claims, pointing out that the industry remains out of control and a potential threat to wild stocks.

He predicted the next step would be ocean ranching, where farmers release their fish to the ocean and harvest them when they return to spawn.

"That would be the final blow to a common property resource and result in the loss of millions of dollars annually to B.C. communities," he said.

Controversy surrounded the development of the farm when local residents opposed it because of the intrusion into a rural residential area.

The residents are also opposing the dumping of the sewage in Dods Narrows.

Questioned at the press conference, Hagens denied there was any pollution problem at all.

At the local Nanaimo Regional District director of planning John Magor said the company did not need local approval before proceeding. He said the area is zoned for fish farming, but cautioned no one imagined



• A former employee of a fish farm says his boss dumped thousands of pounds of diseased fish into the ocean. The DFO says there are no regulations that can stop a fish farmer from doing this. Above, a farmer has dumped his fish in the local dump.

DFO says no restrictions on dumping diseased fish

A former employee of a fish farm says his boss dumped 20,000 pounds of diseased fish into the ocean, a move DFO officials say is perfectly legal at this time.

The allegation is contained in a Dec. 10 letter from Serge Cote of Tofino to the DFO, and also alleges fish with disease and antibiotics were processed and sold to the public.

It's a charge Ron Ginetz, head of DFO's aquaculture department, says is probably true, but the department can't do anything about it at this time.

"The procedure is not something we condone, but there are no regulations in place to control that activity," he said. "We are in the process of developing regulations to prevent this."

Ginetz also revealed that no regulations exist at the present time to prevent the sale of farmed fish with antibiotics or other kinds of drugs in them to the public.

And the jurisdictional problems between the federal government and the

provincial government in Tofino to request the farmer stop the practice of disposing of dead fish in this manner.

In his letter Cote alleged on July 25 that Belcher Point Fish Farm processed 430 farmed salmon that were "showing high evidence of B.K.D. and Vibriosis infection."

"That fish coincidentally was under antibiotic treatment and with full knowledge of this, was sent onto the consumer market," he alleged.

Ginetz said the farming industry has asked members to hold fish for 40 days in a drug free state before sending them to market.

But he agreed the fish could go right onto the market without any check on the amount of antibiotics or other drugs contained in the fish.

"We're trying to create a standard but there hasn't been sufficient time to do this," he said. "We're all waiting for regulations and standards."

of inspection of domestic fish sales.

But Ginetz said the provincial government does not do much inspection since most fish is bound for foreign markets.

Safe levels of drugs in farmed fish must be set by the Health and Welfare department and then DFO would be in charge of enforcing them.

While Ginetz estimates the DFO is spending between \$2.5 million and \$3 million on aquaculture now, more will be needed to properly police the regulations.

"For the sake of the industry itself, in order to survive, it better clean up its act," he said.

The B.C. Salmon Farmers Association has sent out a bulletin advising farmers not to dump diseased fish into the ocean, Ginetz said.

New regulations to control dumping and the level of drugs are expected no sooner than May of '88. At that time



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HEADQUARTERS:

BOX 796 • HOMER ALASKA 99603

March 4, 1988

Senator Richard Eliason
Alaska State Legislature
Pouch V (MS311)
Juneau, AK 99811

Dear Senator Eliason:

This letter addresses Senate Bill No. 482.

NPFA supports the idea of allowing shellfish and aquatic plant mariculture to go forward. We feel that a major concern, the siting process, needs to be strengthened in the present bill. We suggest that Senator Jones' Bill 425 addresses these problems and we would appreciate the "Identification of Sites for Aquataic Farms and Hatcheries" portion of Bill 425 be included in SB 482.

We can support fin-fishing farming only in completely enclosed fresh water systems. A further concern is due to the major problems and unanswered questions about genetic pollution and disease in pen-farmed salmon. We would like to allow fin-fish farming to take place only under the conditions that the present moratorium allows. Our intent is to allow no fin-fish farming in bodies of water that have outlets to either the ocean or other fresh water systems in the State.

We support laws that would require fish farmers to prove to the State that they have proper disposal methods and equipment available. We would like additional language dealing with the problem of dumping diseased fish. The hatchery system in Alaska has only dealt with diseased eggs and smolts. Finding ways to dispose of tons of diseased four to eight pound fish is another matter all together and has developed into a major problem in Canada. The experience in British Columbia has shown that the disposed diseased fish have occasionally been disposed of in the ocean, and on a regular basis have been thrown into open landfills. We would like ADF&G to address the proper disposal of large quantities of diseased fish and require the fish farmers to submit a contingency plan when they are issued permit.

We would support an amendment to this Bill that would limit the quantity of fin-fish that a single farm could

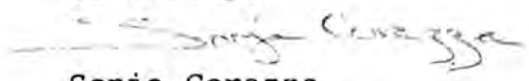
+ 50

large corporations. Individual businessmen and communities are then targeted to benefit by the industry. This is not government interference. Alaska has always restricted salmon entry permit holders to fish in only one area. A salmon boat may not fish in two areas. This law has kept the salmon fishery in the hands of the maximum number of individuals and has succeeded in allowing coastal communities to benefit from the resource.

You may be aware that the Kodiak Mariculture Association supports a split mariculture bill? I include for you their article from the latest edition of The Kodiak Fisherman. The last paragraph of the article addressed this bill. Also I include some articles that address problems of diseased drug-filled fish being put on the consumer market with photos of improperly disposed fish.

We appreciate your efforts to write legislation that will safeguard Alaska's wild salmon and ecosystem while also allowing mariculture to exist in Alaska. We recognize what a major step for our coastlines this legislation represents and if NPFA can be of any help to you in the future, please contact us.

Sincerely,



Sonja Corazza
NPFA UFA Delegate and Secretary