

**ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990**  
**6048 HOUSE RESOURCES**

**8672**

452

**Impacts of Extending State Jurisdiction to 12-miles**

If state jurisdiction over marine fishery resources is extended to 12 nm, the following fisheries which are presently conducted predominantly in the EEZ would be conducted predominantly in state waters. However, it should be noted that there are certain migratory species which, due to environmental cues, could just as well predominate in the area out to 12 nm during one year but not the next.

Northeast Region

- Atlantic Surf Clam
- Dogfish shark (Potential FMP)

Southeast Region

- Gulf and South Atlantic Spiny Lobster
- Caribbean Spiny Lobster
- Gulf of Mexico Stone Crab
- Coastal Migratory Pelagics
  - Spanish mackerel
  - King mackerel
- Caribbean Shallow Water Reefish

Alaska Region

- Aleutian Island Groundfish
- Gulf of Alaska Groundfish

Northwest Region

- Commercial and Recreational Salmon

Southwest Region

- Ocean Salmon (Note that this is under the same salmon FMP as listed above for the Northwest Region)
- Groundfish
- Northern Anchovy
- Western Pacific Crustacean
- Bottomfish and Seamount Groundfish

## FISHERY MANAGEMENT PLANS

Fishery	Effective Date	Predominant User Group (1)	Interjurisdictional (2)
American Lobster	Sep 1983	Com/Rec	Yes
Northeast Multispecies	Oct 1986	Com/Rec	Yes
Atlantic Mackerel, Squid and Butterfish	Apr 1983	Com/For/Rec	Yes
Atlantic Salmon	Mar 1988	Rec	Yes
Atlantic Sea Scallops	May 1982	Com	No
Atlantic surf Clam and Ocean Quahog	Feb 1978	Com	Yes
Swordfish	Sep 1985	Com/Rec	Yes
Gulf and S Atl Spiny Lobster	Jul 1982	Com/Rec	Yes
Gulf and S Atl Corals	Jul 1984	Com	Yes
Gulf of Mexico Reef Fish	Sep 1984	Com/Rec	Yes
Gulf of Mexico Red Drum	Dec 1986	Rec/Com	Yes
Gulf of Mexico Shrimp	May 1981	Com/Rec	Yes
Gulf of Mexico Stone Crab	Sep 1979	Com/Rec	Yes
Coastal Migratory Pelagics	Feb 1983	Rec/Com	Yes
Snapper Grouper	Sep 1983	Com/Rec	Yes
Caribbean Spiny Lobster	Jan 1985	Com/Rec	Yes
Caribbean Shallow Water Reefish	Sep 1985	Com/Rec	Yes

(1) Com = Commercial, Rec = Recreational, For = Foreign

(2) Interjurisdictional is defined to mean fisheries whose species either:  
 (a) migrate between coastal waters of 2 or more contiguous states, or  
 (b) migrate between coastal waters and the EEZ.

## FISHERY MANAGEMENT PLANS (Con't)

Fishery	Effective Date	Predominant User Group (1)	Interjurisdictional (2)
Northern Anchovy	Sep 1978	Com	Yes
Com and Rec Salmon	Apr 1978	Com/Rec	Yes
High Seas Salmon	May 1979	Com/Rec	Yes
Pacific Groundfish	Oct 1982	Com/For/Rec	Yes
Bering Sea/ Aleutian Groundfish	Dec 1981	Com/For	Yes
Gulf of Alaska Groundfish	Dec 1978	Com	Yes
Western Pacific Crustacean	Mar 1983	Com/Rec	Yes
Western Pacific Precious Corals	Sep 1983	Com	Yes
Western Pacific Pelagics	Mar 1987	Com/Rec	No
Bottomfish/Seamount Groundfish	Aug 1986	Com/For	Yes

(1) Com = Commercial, Rec = Recreational, For = Foreign

(2) Interjurisdictional is defined to mean fisheries whose species either:

- (a) migrate between coastal waters of 2 or more contiguous states, or
- (b) migrate between coastal waters and the EEZ.

**FISHERY MANAGEMENT PLANS**  
Harvests by Distance from Shore  
Based on Preliminary 1987 Data\*

Fishery	0-3 mile		3-12 mile		12-200 mile		TOTAL	
	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000
American Lobster	38,133	107,543	725	2,285	6,640	23,154	45,498	133,310
Northeast Multispecies								
Cod	1,296	1,004	7,221	5,565	50,036	37,237	59,099	44,179
Flounders	4,322	4,261	6,690	7,410	43,408	55,557	54,510	67,228
Haddock	6	10	199	293	6,648	8,163	6,673	8,522
Pollock	129	51	4,580	1,559	40,706	16,190	45,645	17,916
Ocean perch	3	2	182	110	3,915	2,526	4,202	2,709
White hake	28	10	796	318	12,477	5,138	13,485	5,466
Atlantic Squid,	6,577	2,522	2,187	684	29,441	9,124	38,205	12,330
Mackerel,	1,158	216	399	125	7,918	678	9,475	1,019
Butterfish	534	273	416	192	9,072	5,859	10,023	6,324
Atlantic Salmon	-	-	-	-	-	-	-	-
Atlantic Sea Scallops	710	3,595	32	145	28,345	119,170	29,087	122,910
Atlantic Surf Clam and	16,318	5,001	28,616	13,434	15,810	9,558	60,744	27,993
Ocean Quahog	<u>1,254</u>	<u>2,426</u>	<u>756</u>	<u>276</u>	<u>48,248</u>	<u>13,881</u>	<u>50,258</u>	<u>16,576</u>
Total	17,572	7,427	29,372	13,710	64,058	23,439	111,002	44,569
Swordfish	8	27	-	-	7,455	27,364	7,463	27,391
Gulf and S Atl Spiny Lobster	941	3,272	2,680	9,353	1,161	4,083	4,782	16,708
Gulf and S Atl Corals	NA		NA		NA		NA	

\* Data does not include catch in international waters nor off foreign coasts nor JV catch unless specifically indicated.

### FISHERY MANAGEMENT PLANS

Harvests by Distance from Shore  
Based on Preliminary 1987 Data\*

Fishery	0-3 mile		3-12 mile		12-200 mile		TOTAL	
	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000
Com and Rec Salmon	NA	NA	NA	NA	NA	NA	NA	NA
High Seas Salmon	NA	NA	NA	NA	NA	NA	NA	NA
Pacific Groundfish	NA	NA	NA	NA	NA	NA	NA	NA
<u>Bering Sea/Alutian Groundfish</u>								
<u>Domestic</u>								
Pacific Cod	14,739	2,727	83,518	15,451	-	-	98,257	18,178
Pacific Ocean Perch	2,766	509	307	57	-	-	3,073	566
Alaska Pollock	70,691	5,867	400,584	33,248	-	-	471,275	39,115
Sablefish	1,580	1,011	14,220	9,101	-	-	15,800	10,112
Rock Sole	23,680	1,942	-	-	-	-	23,680	1,942
Greenland Turb.	17,654	6,797	-	-	-	-	17,654	6,797
Other	9,508	1,220	2,170	253	-	-	11,578	1,473
Total Domestic	140,618	20,073	500,799	58,110	-	-	641,417	78,183
<u>Joint Venture</u>								
Pollock	-	-	-	-	2,280,643	131,381	2,280,643	131,381
Yellowfin Sole	-	-	199,949	13,423	199,950	13,423	399,899	26,846
Flounders	-	-	39,622	2,660	39,622	2,660	79,244	5,320
Pacific Cod	-	-	63,535	7,436	63,534	7,435	127,069	14,871
Atka Mackerel	-	-	66,204	4,775	-	-	66,204	4,775
Other	-	-	1,195	168	1,007	142	2,202	310
Total Joint Venture	-	-	370,505	28,462	2,258,756	155,041	2,955,261	183,503

\* Data does not include catch in international waters nor off foreign coasts nor JV catch unless specifically indicated.

### FISHERY MANAGEMENT PLANS

Harvests by Distance from Shore  
Based on Preliminary 1987 Data\*

Fishery	0-3 mile		3-12 mile		12-200 mile		TOTAL	
	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000	1,000 Pounds	\$1,000
<b>Gulf of Alaska Groundfish</b>								
<u>Domestic</u>								
Pacific Cod	9,438	1,529	53,481	8,644	-	-	62,919	10,193
Pacific Ocean Perch	5,280	961	4,752	865	528	96	10,560	1,922
Alaska Pollock	12,069	1,002	68,392	5,677	-	-	80,461	6,679
Sablefish	8,144	4,772	1,163	682	48,862	28,633	58,169	34,087
Rock Sole	1,159	96	290	24	-	-	1,449	120
Other Flounder	2,797	383	699	96	-	-	3,496	479
Other Rockfish	10,273	2,270	9,246	2,043	1,027	227	20,546	4,540
Other	452	142	50	15	-	-	502	157
<b>Total Domestic</b>	<b>49,612</b>	<b>11,155</b>	<b>138,073</b>	<b>18,046</b>	<b>50,417</b>	<b>28,956</b>	<b>238,102</b>	<b>58,177</b>
<u>Joint Venture</u>								
Pollock	-	-	50,313	2,921	-	-	50,313	2,921
Flounders	-	-	15,238	1,106	-	-	15,238	1,106
Pacific Cod	-	-	4,151	463	-	-	4,151	463
Atka Mackerel	-	-	2	-	-	-	2	-
<b>Total Joint Venture</b>	<b>-</b>	<b>-</b>	<b>69,704</b>	<b>4,490</b>	<b>-</b>	<b>-</b>	<b>69,704</b>	<b>4,490</b>
<b>Western Pacific Crustacean</b>	104	440	967	4,100	-	-	1,071	4,540
<b>Western Pacific Precious Corals</b>	-	-	-	-	-	-	-	-
<b>Western Pacific Pelagics</b>	-	-	1,543	1,412	1,543	1,412	3,086	2,824
<b>Bottomfish/Seamount Groundfish</b>	851	2,350	1,016	2,810	-	-	1,870	5,160

\* Data does not include catch in international waters nor off foreign coasts nor JV catch unless specifically indicated.

**Potential for State Management of Fisheries**

NMFS Regional Directors have indicated potential for state management of the following FMPs or Potential FMPs.

Southwest Region

Pacific Council

- Northern Anchovy

Western Pacific Council

- Bottomfish
- Crustaceans

Southeast Region

- Red Drum (Gulf) - good potential
- Coastal Migratory Pelagics
  - Spanish mackerel - good potential
  - King mackerel (Atlantic)
  - Cobia - some potential
  - Bluefish - good potential
  - Cero mackerel - good potential
- Stone Crab (Gulf) - good potential
- Spiny Lobster (Gulf and Caribbean) - good potential
- Shallow Water Reef Fish (Caribbean) - good potential

Potential FMPs

- Red Drum (Atlantic) - good potential
- Shrimp (Atlantic) - some potential
- Sharks - some potential
- Weakfish (Atlantic) (Sciaenids - Spot/Croaker)

Northeast Region

- American Lobster (but complimentary EEZ FMP still would be needed)
- Summer Flounder
- Surf Clams and Ocean Quahogs
- Atlantic Salmon

Potential FMPs

- Atlantic Bluefish
- Striped Bass

## RECREATIONAL FISHING

Estimated Numbers of Fish (000's) By Coast and  
Distance from Shore, MRFSS, 1987

Coast	Inland and Ocean $\leq$ 3	Ocean > 3	Total
Atlantic	186,036	37,227	223,263
Gulf			
West Fla.	**	**	70,124
Texas (1985)	**	**	24,827
Other States	50,592	4,738	55,330
Pacific *	36,713	9,276	45,989
Total	273,341	51,241	419,533

Note: The most recent data for Texas are for 1985.

\* Data for the Pacific does not include recreational catch of salmon or catch of any species for Alaska or Hawaii.

\*\* Data for West Florida and Texas where jurisdictions extend to 3 marine leagues (approximately 10 ten nautical miles) are available only for inside and outside 10 miles (see below):

Coast	Inland and Ocean $\leq$ 10	Ocean > 10	Total
West Fla.	59,929	10,195	70,124
Texas (1985)	23,978	849	24,827
Total	83,907	11,044	94,951

Karen Oakley  
To: House Resource Agency  
Pertaining to Alaska's offshore  
resources to "12 mile Limit"



This paper will be given by  
Jim Barker, myself and Mark Robinson  
at the Offshore Technology Conference in Houston  
during May 89.

I + summarize Alaska's offshore minerals.  
call me if questions arise

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#### ABSTRACT

Alaska, with about 74% of the U.S. continental shelf, is largely unexplored for placers in its vast shallow marine waters. Nevertheless there are numerous occurrences of marine minerals including gold, platinum, and cassiterite. Offshore dredging has recently begun in the Nome area. State and Federal agencies are preparing additional acreage for leasing.

#### INTRODUCTION

Alaska, with 47,300 miles or 54 pct of the U.S. coastline and about 74 pct of the continental shelf, is a vast, largely unexplored frontier for shallow water marine placers. Despite the general lack of mapping and only sporadic past prospecting, many prospects are known and a major mining operation for gold has recently begun offshore of Nome. Due largely to the demonstrated success of the Nome operation, the U.S. Minerals Management Service is preparing to conduct a lease sale of additional acreage further offshore from Nome and future sales are being considered elsewhere by both the federal and state leasing agencies.

From a global perspective, as onshore deposits are depleted or mining is restricted by other competing land uses, the industry may have to turn to the world's oceans as a source of mineral supplies. Over the last decade the first indications of such a transition have occurred. It is now well known that a number of strategically important minerals are found in the oceans and exploration continues. Deep water

References and illustrations at end of paper.

manganese nodules, for instance, are an important resource, however, most of the world's nodule deposits occur where neither the U.S. nor any other nation, has jurisdiction. The world community has yet to agree on the "International Law of the Sea" treaty which will be essential before any government can ensure developers the necessary protection of the enormous investment in a deep water mining operation.

Closer to shore marine mineral exploration in the U.S. was given a boost in 1983, when President Reagan created the 200 mile Exclusive Economic Zone (EEZ). By this single proclamation the surface area under U.S. jurisdiction was nearly doubled, thus enabling offshore mineral development to take place under the protection of U.S. law. Within the EEZ are major deposits of both shallow water deposits of the continental shelf, and deep ocean minerals such as the "black smokers" sulfide deposits of the Gorda Ridge off the coast of Oregon. At depths of two to three miles, however, the technology to economically mine the deep water deposits is still a long way off. Only the shallow water phosphorites and unconsolidated placers of the shelf can be considered viable resources at this time, and for this reason much of the mineral wealth of the United States EEZ can be expected to be found on the expansive continental shelf off Alaska.

#### ECONOMIC GEOLOGY AND PHYSICAL SETTING

Much of Alaska is composed of distinct terranes of Paleozoic or older foldbelts, volcanic arcs, plutonic complexes, and intermontane basins which together form the northwestern-most extent of the mineral-rich North American Cordillera. Onshore, Alaska is relatively well mineralized with the largest or highest grade American deposits for half a dozen mineral commodities. For instance, within 100 mi. of the Alaskan

coastline are the United States most important deposits of molybdenum, tin, zinc, tungsten, nickel, gold, platinum, and chromite. Altogether over 5400 metallic lode deposits are known onshore. Tertiary and Quaternary uplift of the coastal regions, subsequent weathering and the cycles of sedimentation have shed huge quantities of metalliferous sediments and sand and gravel resources into the adjacent seas.

Alaska's coastal waters are known for high energy tidal and longshore currents which rework and transport bottom sediments. Alaska's position in the high latitudes means most of the alluvial sediments are derived from mechanical weathering and grain reduction, and transport commonly occurs by high energy fluvial, and glacial processes. Consequently, low grade mineralized source rocks, distributed over a relatively large region, can provide sufficient valuable minerals to form sizable placers, providing a suitable natural hydraulic sorting mechanism is present. This is an important consideration in comparison to tropical regions where chemical weathering of the bedrock typically creates clay-rich residual placers that are much more localized in extent and can only be economic if bedrock contains sufficient high grade mineralization. Consequently, for the afore-mentioned reasons (e.g. source rocks, degradation, transport, depositional sites, and high energy marine systems) there is an excellent favorability for unconsolidated marine mineral placer deposits in Alaska. The most likely placer minerals to be found include gold, platinum, cassiterite, magnetite, chromite, rare earth minerals, and ilmenite, as well as sand and gravel.

There are numerous prospects, mining sites, and known occurrences of marine placer minerals along Alaska's coastline (fig. 1). Although the mining industry has generally focused on metallic minerals, development of offshore aggregate sources in the arctic is also of increasing interest. Oil development during the past decade, particularly the construction of offshore drilling islands in the Canadian portion of the Beaufort Sea, has required considerable sand and gravel supplies. Similarly, the town of Barrow, Alaska has resorted to offshore aggregate sources. In the next few years, sand and gravel resources from Camden Bay may be essential to proposed development of the Arctic Coastal Plain (ANWR), as an alternative to limited, environmentally restricted onshore sites. From southeast to northern Alaska a general listing of marine mineral and aggregate occurrences are summarized in table 1.

The area of the Alaskan EEZ with the greatest mineral potential is the Bering Sea. With the fall and rise of the sea level accompanying Pleistocene glaciation, the Bering Sea has intermittently become an extensive coastal plain extending to the Asian mainland. Now flooded, it is one of the widest continental shelves in the world. Numerous alluvial channels carrying and sorting sediment from the metalliferous highlands incised the coastal plain during glacial advances. Later as the glaciers receded and sea level rose, eolian sorting, storm surf, and ocean

currents reworked these sediments into lag and strandline deposits, and created, for example, the gold-rich beaches at Nome. It is important to note that relic mineralized alluvial channels and strand lines (e.g. a platinum-bearing channel near Chagvan Bay and buried gold-bearing channels of the Snake River near Nome) have in at least some cases survived the subsequent transgression cycles of the sea coast. As recently as 8,000 years ago dry land was continuous to Asia and made possible the populating of North America. The rivers and coastlines of that time are among the marine placer exploration targets of today.

## RECENT MARINE MINERALS ACTIVITIES

### NORTON SOUND

The Nome Mining District of the southern Seward Peninsula, is an example of offshore placer development. Due to onshore Quaternary uplift, a succession of ancient raised beachlines lie up to several miles inland. At least several additional submerged beach deposits have been identified up to 10 mi. offshore (fig. 2). Nome district placer production totals 4.56 million t. oz. of refined gold through 1987, 3.45 million t. oz. of which was mined from strandline deposits and the remainder from stream and glacial deposits. The present beach was the scene of frenzied hand mining when the Cheechakoos landed there in 1899.

The gold miners at Nome have long been intrigued with the potential of the offshore deposits. In the early days, hard-helmeted divers attempted to explore and mine the offshore gravels, but with little success. Over the years bizarre attempts were made to build huge wheeled mining devices that could be driven through the surf, however most became tangled wreckage on the beach as a result of the fierce storms driven out of the southwest that have made the Nome waterfront infamous. Finally in 1986, Inspiration Mines, Inc. (now Westgold Minerals) brought in the world's largest bucket line offshore dredge and began mining operations on approximately 21,000 acres of State of Alaska leases. The operation produced 36,000 ounces of gold in 1987 and a similar amount in 1988. Formerly a Malaysian tin dredge, the 15,000 ton BIMA is equipped with 30 ft<sup>3</sup> buckets and has a daily through-put of about 30,000 yd<sup>3</sup>. Gold placer enrichment is believed to underlie as much as 22 square miles offshore Nome and the ultimate limits of the deposit have still not been delineated. Westgold continues an active exploration program chiefly utilizing seismic refraction and a barge-mounted rotary drill. Additional winter drilling through the ice has also been successful. On adjoining state leases a joint venture of Giant Bay Resources and Coastal Exploration, Ltd. has been active with a drill program. Meanwhile two additional dredges, No-5 and -6, operated by Alaska Gold Company continue to mine the elevated beaches onshore and have recently commenced winter stripping operations. By 1987 the operations at Nome had resulted in over 300 direct mining jobs. Gold production in 1987 was 75,000 ounces worth \$34.5 million; additionally millions of dollars have been expended by the companies for goods and services in the Nome area. Because of the BIMA's successful

debut in Alaska's 3-mile-limit, the U.S. Minerals Management Service is proposing to lease approximately 120,000 acres offshore Nome and a second area offshore Bluff. The lease sale is presently scheduled for July of 1989.

The Bluff/Solomon District, about 40 miles east of Nome, also contains both onshore and offshore strandline deposits that have been mined for gold in previous years. During 1939 - 1941, Auric Resources exploited an offshore placer deposit using a small dredge operation during the winter. In 1983 Phoenix Marine Exploration Inc. towed a barge mounted dredge to Bluff to develop the offshore strandline. Unfortunately, a storm beached the mine plant and the project was cancelled.

The source of the gold at Bluff has been traced to lodes in the upland adjacent to the beach and in the Solomon River drainage where lodes such as the Big Hurrah Mine were discovered. According to Collier and others (1908), the onshore strandlines vary from 6 ft. in thickness one mi. inland from the coast to nearly 30 ft. thick one-quarter mi. from the beach, suggesting that the deposits hosting the gold placers thicken rapidly as they approach the sea. Generally these earlier workers believed that the auriferous gravels were a composite of colluvium, stream, and strandline concentrations.

Fine gold is also found along the coast and seafloor to the west, northwest of Nome. At Port Clarence and Grantly Harbor there are numerous gold placer streams that drain into tidewater. Bottom sampling in 1974 in Tuksuk Channel (between Imuruk Basin and Grantly Harbor) was conducted by personnel with the Dept. of Marine Science, University of Wisconsin. Results showed a range of gold values in heavy mineral concentrates between \$0.30/ton to \$83.20/ton (based on \$160.00 gold/oz) (Moore and Welkie, 1976).

#### GOODNEWS BAY AREA

Potential platinum placer areas include waters of Chagvan and Goodnews Bays and offshore Red Mountain in Kuskokwim Bay (fig. 3). Because 650,000 t. oz. of placer PGM have been recovered onshore, it is generally suspected that PGM also occur in the shallow (less than 40 ft.) marine environment that borders the same source rock. The State of Alaska, Division of Mining, is presently conducting an environmental review of applications for offshore prospecting permits and a decision relative to granting these permits is expected this year. To date no deposits have yet been delineated. Magnetic surveys and seafloor sediment sampling, however, by the Bureau of Mines show that platinum source rocks extend offshore where the seafloor was an emergent foreland plain as recently as 8000 years ago. High-energy ocean processes are presently transporting and depositing sediment such that PGM-bearing sediments are reworked during on-going transgression and later masked by barren littoral drift of glacial origin. Isoferroplatinum and osmiridium are the principal PGM minerals found in

the marine environment. The PGM minerals are generally very fine-grained (<100  $\mu$ ) and recovery by conventional gravity methods may not be possible.

Exploration targets include 1) lag-type placers and possible submarine strands formed since present transgression began, and 2) ancient buried marine scarps and strandlines, and drowned fluvial deposits. Examples of both categories are found offshore of Red Mountain in Kuskokwim Bay.

#### BERING STRAIT

The Cape Prince of Wales area is located in the Bering Strait in western-most Alaska and provides an excellent example of a future offshore exploration opportunity (fig. 4). Recent studies of a reconnaissance nature have been undertaken through combined efforts of the USBM and the USGS. Occurrences of heavy minerals in concentrates containing cassiterite, wolframite, xenotime, ilmenite, zircon, scheelite, monazite, and other ore minerals were identified, however no concentrations of economic value have yet been delineated and to date there has been no industry activity reported.

Regional geologic and oceanographic factors indicate that essential criteria are present for deposition of marine placers in the vicinity. An extensive east-west belt of tin-granites trend across the western Seward Peninsula and include the important lode tin deposits at Kougarok and Lost River. The belt of tin-granites also extends further west, well into northeast Siberia where other tin and tungsten deposits occur; several have sustained past and present production. In the Bering Strait area, the deeply eroded granitic massifs at Cape Prince of Wales, Fairway Rock, both Little and Big Diomed Islands, and East Cape (Siberia) are part of this belt. From late Tertiary to the present large quantities of sediment have been shed from all of these source rocks. Prevailing ocean currents flow northward from the northern Bering Sea into the Arctic Ocean and particularly intensify on approach to and through the Bering Strait. To the north of the Strait, current velocity decreases and entrained sediment deposition begins. Prevailing northeast-trending current and swells driven by southwest winds have modified the sediment to form the shallow Cape Prince of Wales Shoal. Ocean swells further rework and transport sediment (particularly the low specific gravity grains) across the shoal toward the surf zone where it is distributed by northeast-trending winds to form the Shishmaref Spit, one of the largest features of its kind in the world. The result of the combined littoral, surf, and eolian transport processes result in a prominent one-way movement and sorting of sediment through a high energy marine environment into a lower energy coastal regime.

#### BEAUFORT SEA

Limited studies of the Beaufort Sea and adjacent areas show buried sand and gravel fluvial

systems and beach strandlines extending for distances of up to 200 mi., from Alaska's arctic coast (Hopkins and others, 1979). Fluvial systems likely extend off the deltas of the numerous, braided channel rivers in the eastern arctic (e.g. Sagavanirktok, Canning Rivers), and gravel is widespread in barrier islands and beaches (fig. 5). Additionally, some heavy mineral concentrations have been noted in raised strandlines along the arctic coastal plain, but significant metallic concentrations have not been documented.

Sand and gravel occur in numerous dynamically active accumulations from shoreline out to the midshelf in the Beaufort Sea (Stauffer, 1977). Barrier islands occur along one-third of the 400 mi. Beaufort Sea coast and are generally composed of coarse gravel. Further offshore, extensive areas of sand lie along the outer shelf.

Overall little is known of recent or fossil sand and gravel accumulations along the Beaufort Sea coast. There are abundant resources, however some potential areas may lie at uneconomic depths and covered by fine sand and marine muds. Additionally, the coast line is rapidly eroding (up to several meters per year) due to poorly understood marine and ice-pack processes coupled with permafrost thawing. Removal of aggregate from near shore sites and barrier islands will have to be carefully situated to prevent extreme erosional consequences.

#### COOK INLET

During the early 1980's Aspen Exploration Inc. reported encouraging concentrations of placer gold in marine sediments of Cook Inlet. It has long been known that minor amounts of gold can be panned from beaches along the lower Kenai Peninsula. Aspen applied for a 238,000 acre offshore prospecting site near Anchorage and a 38,000 acre site near Ninilchik on the Kenai Peninsula to evaluate possible economic concentrations of placer gold; however, the State of Alaska has denied these permits because of strong opposition from the commercial fishing industry.

#### YAKATAGA

During the 1980's there has been further exploration of the Yakutat-Yakataga gold-bearing beach sands on the north coast of the Gulf of Alaska by both industry and government groups. Small scale hand mining has occurred along the beach since the beginning of the century. In the 1970's the USGS and the USBM studied the placer potential and researchers from the University of Alaska tested mineral processing characteristics. During 1986 and 1987, Cusac Resources operated a 500 yd. day twin Richert Spiral concentrator on an onshore Yakataga strandline about 80 mi. east of Cordova. Fine-gold, ilmenite, and abundant garnet were recovered from the project. The garnet was thought to have equal value to the fine gold.

#### SOUTHEAST ALASKA

Several marine placer occurrences (table 1) and one former undersea hardrock mine are located in southeast Alaska waters. Between 1967 and 1979 barite was mined offshore of Castle Island near Petersburg. The ore was drilled and blasted underwater. The broken material was then recovered by a clam shell and loaded onto a bottom-dump barge, which was towed close to shore and opened. The rock was then pulled ashore with a drag line, crushed, and stock piled. Originally the barite was loaded directly onto an ocean vessel in lots of 20,000 tons or more. Later a heavy media cleaning circuit and bagging plant were added. About 100,000 tons of barite were mined each year.

Similarly, copper was also mined below tide level in Prince William Sound. At Ellamar, glory hole mining was conducted within a coffer dam.

Elsewhere in southeast Alaska, lode deposits of rare-earth mineralization extend offshore at several prospects, for example near Bokan Mountain, southern Prince of Wales Island. At Lime Point, most of the reserve potential of a large high-grade barite deposit extends offshore for a distance of at least 1000 ft. Offshore of Haines, a titaniferous magnetite placer deposit as large as 0.5 billion tons was formerly explored under lease to the U.S. Steel Corporation. The property is now inactive.

#### ENGINEERING AND ENVIRONMENTAL CHALLENGES

There are hurdles to overcome for any successful mine development in Alaska's EEZ. The future for marine placer development in Alaska is handicapped by a short operating season, late winter ice that doesn't melt until well into the spring, storms, high costs, and remoteness. Stringent environmental regulations must be met. However, it is the apparent belief of the dredge operators at Nome, for instance, that the season can be extended and the storms contended with by proper engineering and the sheer size of the equipment now employed. With proper mine planning the impact to the environment can also be mitigated.

Lengthening the mining season poses some challenging engineering problems. Pertaining to the Russian arctic, a news article printed in Pravda, April 1975, described winter offshore tin dredging in the Arctic Ocean. Suction cutter heads were employed and operated through the ice. Gravel was transported by pipeline to a concentrator plant set in an old ship hull and frozen in the ice. In 1940 at Golovin, Alaska, a mining operation reportedly was successful by utilizing a truck-mounted clam-shell bucket that also operated through the ice. Trucks then transported the gravel to shore where it was processed following the spring thaw.

Environmental assessment of offshore placer development will probably play a key role in determining whether or not mining can take place. The Federal Norton Sound offshore lease sale

scheduled for July of 1989, has focussed on sea bed disturbance and metal contamination, mainly by mercury. Subsistence and commercial fishing are given significant weight during deliberations and mine stipulations will reflect this. It is likely that specific requirements for tailings disposal, reclamation, and metal contaminant limits and monitoring studies will be a required part of any mining development offshore. Westgold Minerals Inc. and the State of Alaska are continuing to study the effects that the BIMA operation has on the environment.

#### CONCLUDING STATEMENT

Alaska's development of marine placers, is promising, although until recently, little was known of the coastal geology, physiography, or offshore mineral potential. In addition, the technical aspects of arctic marine engineering are not understood by the general mining industry and there is little documented experience to allow assessment of the environmental consequences of mining. This situation continues to be aggravated by the lack of oceanographic data, and other resource-oriented surveys. State and Federal leasing and coastal zone management agencies have just recently demonstrated an attitude which will undoubtedly result in additional offshore areas being made available for leasing. The restrictive policies might well be replaced with environmental constraints which, while substantial, will reflect a growing confidence in the private sector to adhere to prudent technologic procedures to the benefit of all. The present marine mining operations near Nome demonstrate a successful venture with solid approval from the community and agency sectors. Development of mineral resources can only be done by industry which creates jobs and export products. Industry should be assisted and encouraged by 1) a scientific data base provided by government and university programs, and 2) favorable leasing policies.

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Table 1. - Alaskan marine mineral occurrences.

Map No.	Locality	Commodity	Reference <sup>1/</sup>
1.	Behm Canal	gold, garnet	1, 2
2.	Prince of Wales Is.	rare earth minerals, zircon <sup>2/</sup>	3
3.	Bradfield Canal	gold	2
4.	Castle Island	barite <sup>2/</sup>	2
5.	Taku Inlet	ilmenite, magnetite, gold	4
6.	Lituya Bay	gold, ilmenite, trace platinum	5-8
7.	Haines	magnetite	2
8.	Yakutat-Yakataga	gold, magnetite, ilmenite, garnet	5-7
9.	Ellamar	copper <sup>2/</sup>	9
10.	Cook Inlet	gold	10
11.	Claim Point	chromite	11
12.	Kodiak Is.	gold, trace platinum	12
13.	Shelikof Strait	gold	2, 12
14.	Ugak Bay	gold	2
15.	Togiak Bay - Ugashik	gold, ilmenite, zircon	2, 13
16.	Chagvan Bay	platinum, gold	4, 14, 15
17.	Kuskokwim Bay	platinum, gold, chromite, ilmenite	4, 14, 15
18.	Golovin Bay	gold, monazite	15, 16
19.	Bluff	gold	4, 17
20.	Nome	gold, minor scheelite, cassiterite	4, 18, 19
21.	Grantley Harbor	gold, minor scheelite, cassiterite	15
22.	Cape Prince of Wales	cassiterite, minor monazite, xenotime, wolframite, ilmenite	4
23.	Candle to Deering	gold	20
24.	Beaufort Sea	sand and gravel	4, 21-23

<sup>1/</sup> List of references at end of paper; additional information sources cited in bibliographies of individual references.

<sup>2/</sup> Marine lode deposits located below the low tide level also included in table 1.

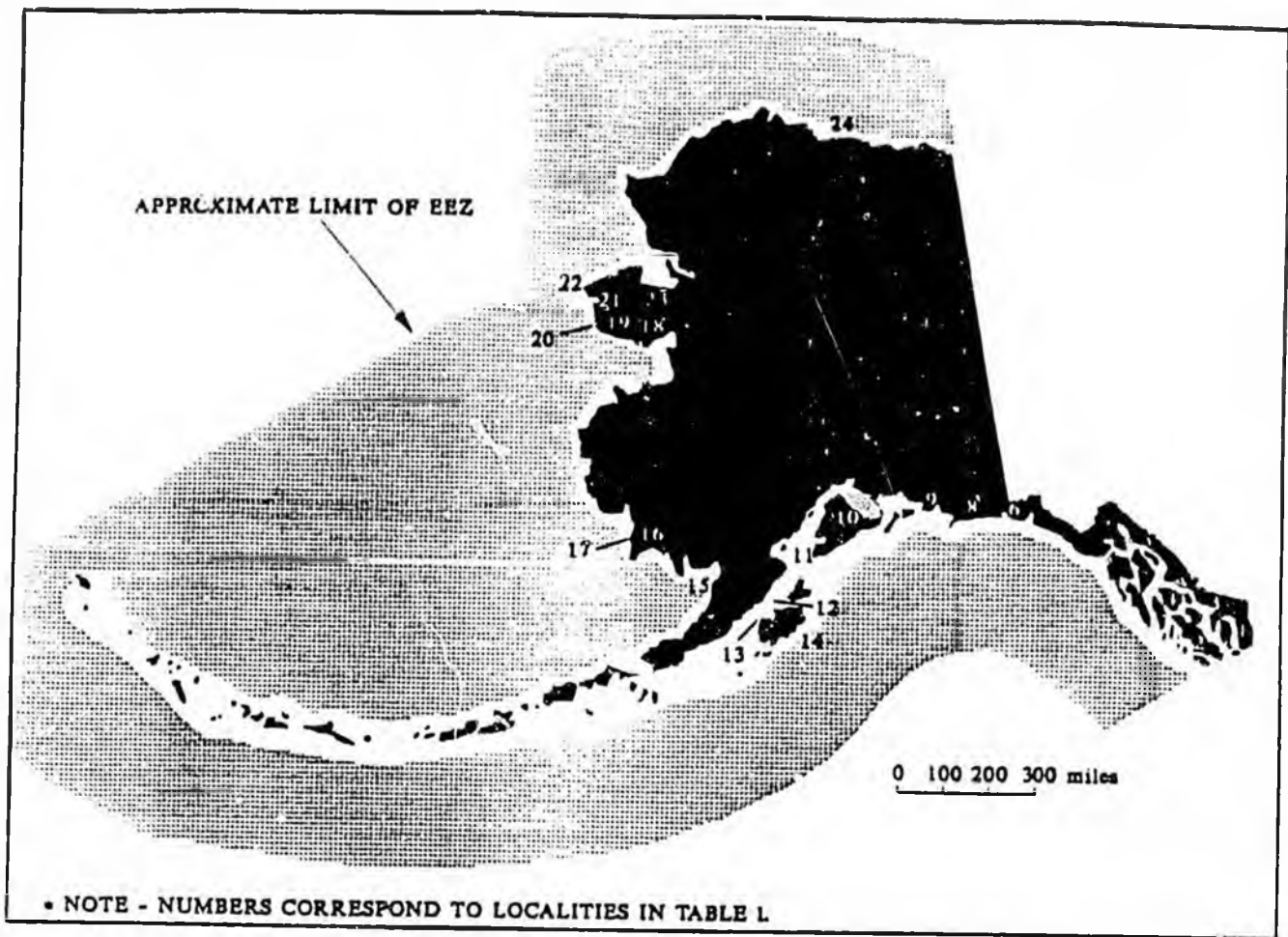


FIGURE 1. - Occurrences of Marine Minerals Offshore Alaska

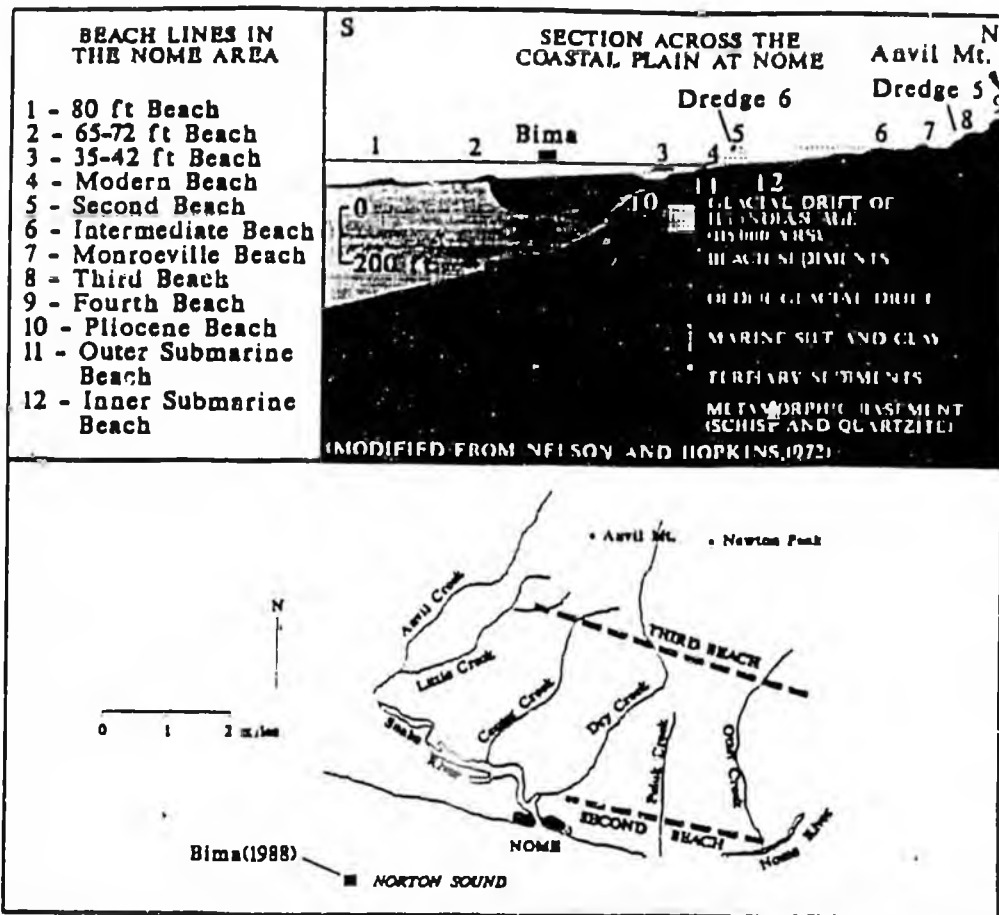


FIGURE 2. - Marine Placer Deposits at Nome, Alaska

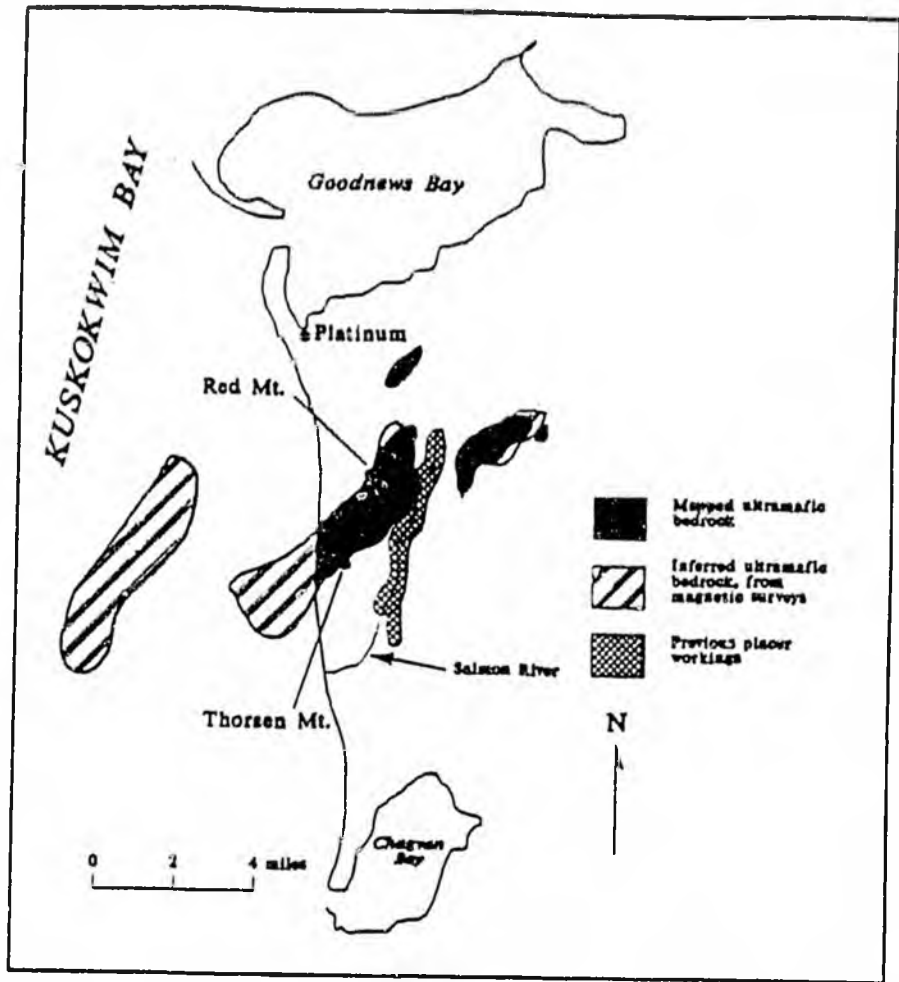


FIGURE 3. - Goodnews Bay Area

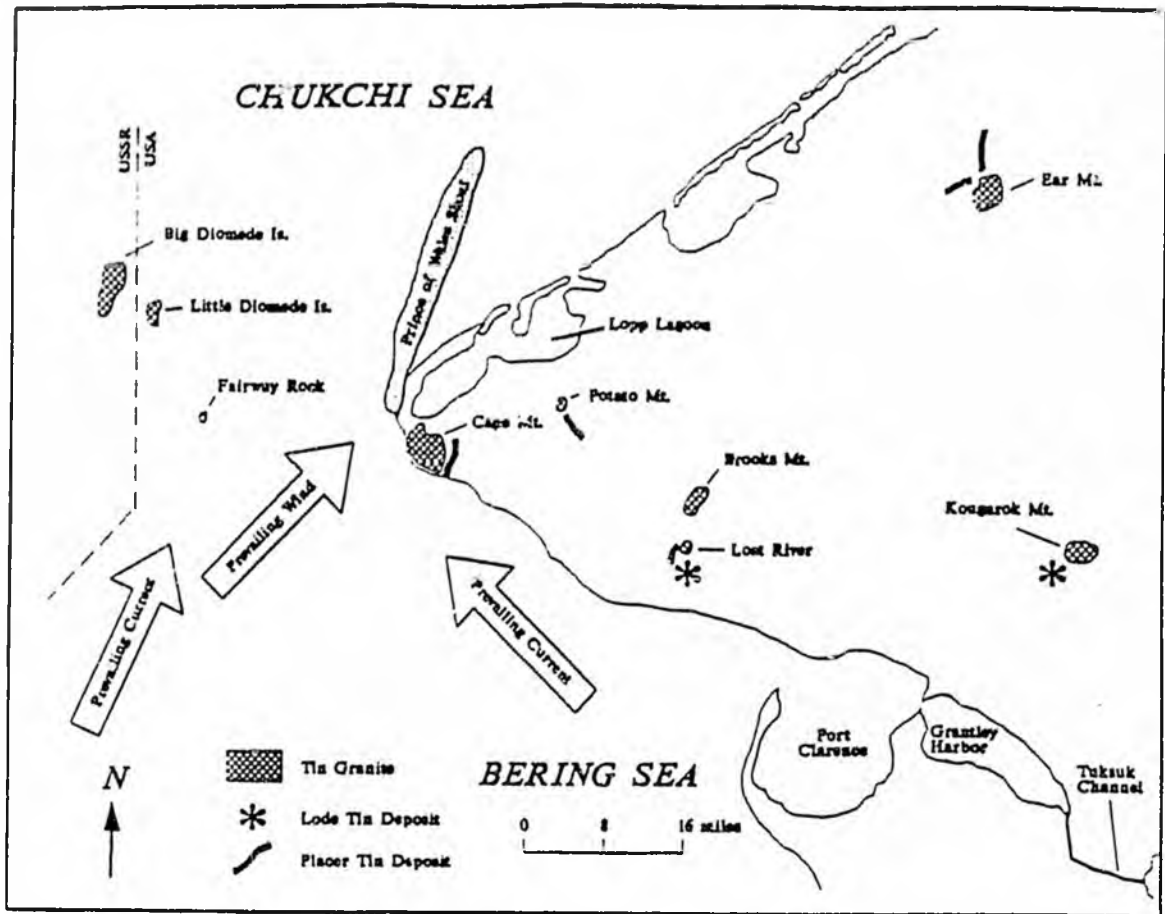


FIGURE 4. - Cape Prince of Wales and Bering Strait Area

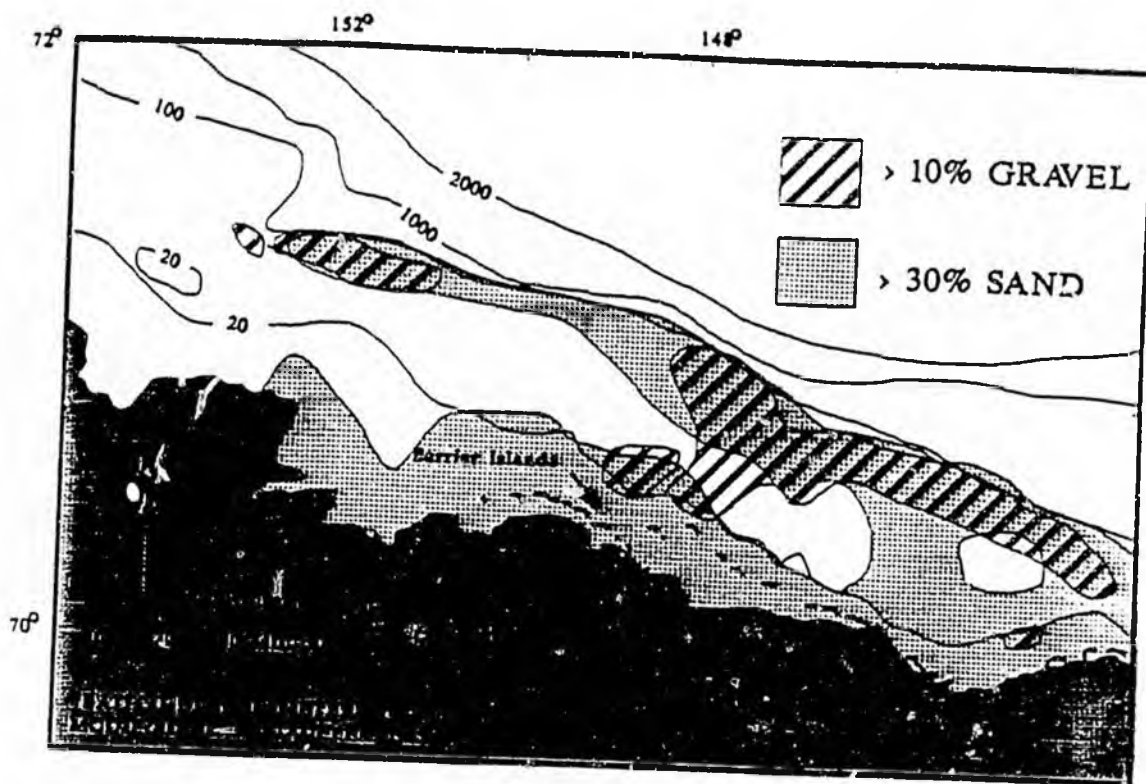


FIGURE 5. - Beaufort Sea off the Northeast Coast of Alaska

BILL NUMBER: AJR 22

BILL TEXT

INTRODUCED BY Assembly Member Farr

FEBRUARY 23, 1989

Assembly Joint Resolution No. 22 Relative to the 12-mile limit.

LEGISLATIVE COUNSEL'S DIGEST

AJR 22, as introduced, Farr. Ocean boundaries: United States, coastal states.

This measure would memorialize the President and Congress to extend the territorial limits of both the United States and coastal states from 3 to 12 geographical miles offshore and to amend the Submerged Land Act to so extend the ocean boundaries of coastal states. The measure would also request the State Lands Commission to study the impacts, as prescribed, of so extending the ocean boundary of California.

Fiscal committee: yes.

WHEREAS, For many years, the United States claimed a national boundary at sea of only three geographical miles offshore, while most other nations agreed on a 12-mile limit for their national boundaries; and

WHEREAS, President Reagan, through a presidential proclamation proclaimed on December 29, 1988, formally extended the limit of the United States' territorial waters to 12 miles off its coasts; and

WHEREAS, Many of the economic and environmental consequences of any federal decision regarding the United States boundary at sea fall upon coastal states such as California, including, but not limited to, decisions on the conservation and development of maritime resources; and

BILL NUMBER: AJR 22

## BILL TEXT

WHEREAS, The United States has established an exclusive enterprise zone of 200 nautical miles offshore under which the federal government claims many of the exclusive rights to ocean resources that other countries claim as part of their territorial limits, while coastal states lose important benefits from

marine resource development by being restricted to operations within a limit of only three nautical miles; and

WHEREAS, Many maritime activities beyond the three geographical mile limit, but within the control of the federal government, directly affect the interests and concerns of coastal states, such as California; and

WHEREAS, It is the intent of California to share the financial gain from any resource development, as well as the responsibility for management of off-shore lands within the 12-mile limit, as partners with the federal government; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress to extend the territorial limits of both the United States and coastal states from 3 to 12 geographical miles offshore; and be it further

Resolved, That the President and Congress are memorialized to amend the Submerged Lands Act (43 U.S.C. Sec. 1301 et seq.) to extend the ocean boundaries of coastal states from 3 to 12 geographical miles offshore; and be

it further

Resolved, That the State Lands Commission is requested to study the impacts of extending the ocean boundary of California from 3 to 12 geographical miles offshore, including social, fiscal, and environmental impacts and the capacity of the commission to manage these additional submerged lands under current conditions; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the State Lands Commission.

Testimony of Suzanne Iudicello  
Before the  
House Subcommittee on Oceanography and Great Lakes  
March 21, 1989

Mr. Chairman and Members of the Subcommittee:

My name is Suzanne Iudicello. I am the Associate Director for Fisheries and the Environment in Alaska Governor Steve Cowper's Washington, D.C. office. Thank you for the opportunity to present the views of the State of Alaska on the Presidential Proclamation extending the United States territorial sea.

As a State with 6,640 miles of coastline--more than half of the entire United States coast--Alaska has a strong interest in the expansion of the territorial sea. Moreover, as a state whose ocean resources are critical to its economy, Alaska is concerned with the stewardship of those marine resources. The wholesale value of Alaska's commercial fishing industry exceeded \$2 billion last year, and exports of fishery products were our largest source of income. But fishery resources are only the most obvious concern. The role the states will play in the nine miles of the expanded territorial sea will govern issues from environmental protection to community planning to resource development. Alaskans believe that role should be an active one, and we look forward to working with you to develop it.

Today, we would like to focus on four general areas, similar to the concerns expressed on behalf of the other coastal states by Mr. Shafer of the Coastal States Organization (CSO). Alaska is a member of CSO and we support their views. We do, however, appreciate the opportunity to elaborate on the Alaskan perspective on these issues.

Summary

First, the State of Alaska strongly supports Congressional action to resolve the many confusing legal and policy questions the Proclamation has raised. Second, it is our view that the vastness of this new area, the value of its abundant resources, and the scope and number of federal statutes delineating authority and jurisdiction over those resources merit more attention than one hearing by this committee. Third, H.R. 1405, which would freeze federal-state relationships in coastal waters despite expansion of the territorial sea, does not resolve federal-state relationships in a manner that is either realistic or satisfactory to coastal states. For that reason, the State of Alaska cannot support it. Finally, and most important, the State of Alaska believes that state jurisdiction and ownership over coastal waters should be extended to encompass the

new 12 mile territorial sea. Such an extension will promote wise ocean stewardship.  
Congress Should Clarify the Meaning of the Territorial Sea Expansion

Presidential Proclamation 5928, which extended the U.S. territorial sea from three to 12 miles, was signed to "advance national security and other significant interests of the United States." Although the Proclamation states that "nothing in this Proclamation extends or otherwise alters existing federal or state law or any jurisdiction, rights, legal interests or obligations derived therefrom," the matter is not so simply resolved.

While no one questions the President's authority to extend U.S. jurisdiction for foreign relations purposes, the Proclamation has raised the constitutional question of whether he may unilaterally acquire territory by an extension of sovereignty. Was the President's December 27 action an annexation of territory, and must Congress act in order for the United States to acquire the new area encompassed by the nine-mile expansion of the territorial sea? Legal scholars on both sides can, and likely will, debate these questions. Even the U.S. Department of Justice conceded, in its October 1988 Memorandum accompanying the Proclamation, that the domestic effect of the Proclamation on the relationship between the states and the federal government is not free from doubt.

As a matter of sound public policy, Alaska believes Congress should act to resolve questions of jurisdiction, sovereignty, and ownership over this new area. We encourage the members of this Committee to exert their leadership now, rather than wait for the expensive and time-consuming process of the litigation that undoubtedly will result without clear direction.

Jurisdictional Issues Raised by the Proclamation     at  
Thorough Congressional Review

Not only is it important for Congress to act to answer basic questions about the national territorial effect of the proclamation, but action also is required to resolve the issues of jurisdiction over the conservation, management, and development of the myriad ocean resources in the three to 12 mile zone.

The term 'territorial sea' is used more than seventy times in the United States Code, in laws governing activity ranging from waterfowl hunting to smuggling. In the area of environmental protection alone, there are at least a half dozen statutes that define the territorial sea as three miles. Further, the Proclamation creates anomalies between those laws whose seaward jurisdictional limit is defined

simply as the "territorial sea" and those in which it is expressly defined as three miles. For example, the Magnuson Fishery Conservation and Management Act (MFCMA) gives the federal government management authority over fishery resources out to 200 miles, and gives the states authority in their coastal waters. The so-called "inner boundary" of that federal management zone is defined in the Act as a line "coterminous with the seaward boundary of each of the coastal states." Thus, if a case can be made that the Proclamation affects a state's seaward boundaries, state fishery jurisdiction could be expanded.

The courts will be asked to clarify some of these interpretational problems if Congress does not act. Because the Proclamation leaves unanswered questions about effects on domestic law, and because the potential issues are so diverse, we recommend that Congress hold more than one hearing to fully consider these conflicts.

The Alaska Attorney General and the state's resource management agencies presently are analyzing in more detail the legal, economic, and policy issues that arise in the territorial sea area off Alaska. We hope such information will be useful in your deliberations and look forward to providing it to you in future hearings.

#### The State of Alaska Supports Legislation To Extend State Jurisdiction and Ownership Over Coastal Waters

One piece of legislation that proposes to resolve questions raised by the Proclamation is H.R. 1405. This bill would maintain the 'status-quo' (prior to the signing of the Proclamation) with respect to state-federal jurisdiction and law. It is the State of Alaska's view that not only would H.R. 1405 contravene the congressional intent underlying certain laws delineating authority in the territorial sea, but this bill also would foreclose an important opportunity for Congress to consider, as a matter of national policy, how resources in the three to 12 mile zone can best be managed.

For example, the Coastal Zone Management Act (CZMA) simply defines the coastal zone as "seaward to the outer limit of the United States Territorial Sea." Looking more closely at the legislative intent when the CZMA was adopted, Congress considered using both the definition 'territorial sea' and a more specific definition based upon the Submerged Lands Act. Legislative history suggests that a future expansion of the territorial sea was considered and that the flexible term 'territorial sea' was specifically chosen for that very reason. It thus appears that freezing all domestic law boundaries, as H.R. 1405 advocates, would be counter to the intent of the CZMA.

As this subcommittee and others in Congress consider implementation of the Proclamation, the State of Alaska strongly believes it is appropriate to extend state jurisdiction, which currently extends from the coastline to three miles, to include the entire 12 mile territorial sea.

Further, the same arguments that can be made for extending this jurisdiction apply to granting state ownership as well. While we understand that a case can be made, based upon historical and constitutional precedent, that new U.S. territory must be held in trust and ultimately granted to the states, we would rather focus on congressional precedent, and the public policy reasons why Congress should grant Alaska and the other states jurisdiction and ownership over this zone.

Alaska has consistently demonstrated great competence in managing ocean resources, not only from the coastline out to three miles, but in the 200 mile exclusive economic zone (EEZ) as well. We are not unique in our ability to successfully manage large territorial seas and ocean areas. As you know, the Great Lake States routinely manage large coastal seas (11-80 miles), and some Gulf states currently have jurisdiction over nine or 12-mile state coastal waters. Alaska has a proven record showing experience and skill at balancing protection, conservation and utilization of the living and non-living resources in the zero to three mile ocean zone and beyond. We have devoted a larger percent of available revenues to resource management than has the federal government. We are better able, in terms of fiscal resources and administrative abilities, to manage these relatively nearshore fisheries, minerals, oil and gas, and other resources that are so close to our state borders.

For example, Alaska now manages a multi-billion dollar a year seafood industry which includes the world's largest salmon fisheries and several world class salmon runs. We already exclusively manage some fisheries in federal waters such as the shelf commercial rockfish fishery, king and tanner crab, and the troll salmon fishery. The State of Alaska spends \$20 million dollars annually to manage its regional fisheries--ten times the federal government's expenditure to manage fisheries in the vast area of federal waters off Alaska's coasts. Further, the State has taken the lead in joint efforts with the U.S. State Department on reducing foreign incerception of salmon and other living marine resources, and has years of experience in negotiating the harvest of anadromous species with other states and with foreign nations.

Alaska has had a successful offshore mining program since statehood. The State's program has provided minerals such as gold and platinum to industry while providing for environmental protection. State regulations and the coastal

zone management program ensure that offshore mining leases go through strict review by all state resource agencies. In contrast to the federal government, which has never issued a single offshore mining lease off the coast of Alaska, there are currently nine active offshore leases which have been issued by the State and more than 200 offshore prospecting permits, giving Alaska the benefit of experience in this area.

Looking at oil and gas resources, the State also has a successful track record of evaluating oil and gas potential, completing timely permitting, and balancing complex interests such as subsistence whaling and oil development. The federal government currently takes an average of five years to plan an oil and gas lease sale in the three to 12 mile zone, while Alaska typically completes a similar rigorous evaluation and analysis in two to three years. The state also maintains a consistent and predictable leasing schedule, providing oil companies a better opportunity to plan and execute exploration budgets. In addition, the State's stipulations and mitigating measures for oil and gas exploration and development offer better environmental protection for marine life, the multi-million dollar fishing industry, and the subsistence lifestyle of many coastal residents. Again, we believe Alaska can more efficiently and competently manage this resource in the three to 12 mile zone than can the federal government.

In another initiative regarding ocean resources, the State of Alaska already is working with other Pacific states to assess the resource potential of the EEZ in the Northeast Pacific Ocean. This includes an effort to identify priorities for research and management, and to analyze capabilities for ocean governance.

In addition to demonstrated competence in protecting and managing ocean resources off our coasts, we believe there is a sound policy basis for extending not only coastal state jurisdiction, but also our ownership over the expanded territorial sea. Congress concluded properly in 1953 that the states were the proper owners of the submerged lands within their boundaries and over which they had jurisdiction. There are good reasons for this, and they are as valid as they were 35 years ago. First, the coastal states are most significantly impacted by activities in the territorial sea. Second, and most important, it makes good sense to unify jurisdiction and ownership in one sovereign so that the states and the federal government are not working at cross purposes.

In conclusion, we request that Congress act to resolve the many questions this Proclamation has raised: to reaffirm the policy made by this body in 1953, to extend the states' jurisdiction over the expanded territorial sea, and to grant

them ownership of the lands beneath it. Thank you for your consideration. We look forward to working with this Committee to implement the Territorial Sea Proclamation.

## TERRITORIAL SEA SPEECH

\*\*\* HJR 29 AND HJR 30 CONCERN THE ASSERTION OF JURISDICTION OVER THE WATERS OFF THE ALASKA COAST OUT TO TWELVE NAUTICAL MILES.

\*\*\* CUSTOMARY INTERNATIONAL LAW RECOGNIZES THAT NATIONS CAN ASSERT SOVEREIGN JURISDICTION OVER THE BELT OF WATER OFF THEIR COASTS KNOWN AS THE TERRITORIAL SEA OUT TO TWELVE NAUTICAL MILES.

\*\*\* JUST BEFORE HE LEFT OFFICE, PRESIDENT REAGAN EXTENDED THE TERRITORIAL SEA OUT TO TWELVE NAUTICAL MILES FOR INTERNATIONAL PURPOSES BUT DID NOT RESOLVE THE QUESTION OF FEDERAL-STATE JURISDICTION.

\*\*\* BECAUSE THE TERRITORIAL SEA HAS TRADITIONALLY BEEN STATE WATERS, BECAUSE THE UNITED STATES CONSTITUTION DOES NOT PROVIDE THE FEDERAL GOVERNMENT WITH THE POWER TO EXERCISE JURISDICTION OVER THE TERRITORIAL SEA, AND BECAUSE THE UNITED STATES CONSTITUTION RECOGNIZES THAT ALL POWERS NOT SPECIFICALLY DELEGATED TO THE FEDERAL GOVERNMENT ARE RETAINED BY THE STATES, I BELIEVE THAT THE NINE NAUTICAL MILES OF WATERS ADDED TO THE TERRITORIAL SEA SHOULD BE RECOGNIZED AS STATE WATERS.

\*\*\* IN THE COMMITTEE SUBSTITUTE, THE TWO RESOLUTIONS HAVE BEEN COMBINED, POLICY ARGUMENTS HAVE BEEN ADDED FURTHER JUSTIFYING THE RECOGNITION OF STATE JURISDICTION OVER THE TERRITORIAL SEA, AND IT REPRESENTS THE STRATEGIC DECISION TO WORK THIS ISSUE OUT IN CONGRESS RATHER THAN HAVE IT DETERMINED BY THE COURTS.

\*\*\* THE COMMITTEE SUBSTITUTE REQUESTS CONGRESS TO RECOGNIZE THE JURISDICTION OF ALL COASTAL STATES OVER THE TERRITORIAL SEA OUT TO THE 12-NAUTICAL-MILE LIMIT, THE LANDS BELOW THE WATERS, THE AIR SPACE ABOVE THEM, AND ALL THE LIVING AND NONLIVING RESOURCES FOUND THERE.

\*\*\* IF CONGRESS CONCURS, THIS WILL EXPAND THE TERRITORIAL WATERS OF ALASKA FROM APPROXIMATELY 17,000 SQUARE NAUTICAL MILES TO OVER 70,000 SQUARE NAUTICAL MILES, AN INCREASE OF OVER 53,000 SQUARE NAUTICAL MILES.

\*\*\* THIS WOULD ALLOW ALASKAN MANAGEMENT OVER ALL THE FISHERY RESOURCES IN THE NINE ADDITIONAL NAUTICAL MILES

\*\*\* FOREIGN FISHING WILL ALSO BE PROHIBITED OUT TO 12 NAUTICAL MILES. PROCESSING AND OTHER SUPPORT ACTIVITIES BY FOREIGN VESSELS WOULD ALSO BE PROHIBITED WITHIN 12 NAUTICAL MILES UNLESS APPROVED BY THE GOVERNOR.

\*\*\* IF THE CONGRESS TRANSFERS THE SUBMERGED LANDS BELOW THE TERRITORIAL SEA TO ALASKA, IT WILL ALSO PROVIDE OWNERSHIP OVER ALL THE MINERAL AND OIL DEPOSITS THAT MIGHT BE THERE.

## TERRITORIAL SEA SPEECH

HJR 29 AND HJR 30 ARE TWO RESOLUTIONS THAT CONCERN THE ASSERTION OF JURISDICTION OVER THE WATERS OFF THE ALASKA COAST OUT TO TWELVE NAUTICAL MILES. CUSTOMARY INTERNATIONAL LAW RECOGNIZES THAT NATIONS CAN ASSERT SOVEREIGN JURISDICTION OVER THE BELT OF WATER OFF THEIR COASTS KNOWN AS THE TERRITORIAL SEA OUT TO TWELVE NAUTICAL MILES. BUT UP TO DECEMBER 1988, THE UNITED STATES HAS ONLY HAD A TERRITORIAL SEA OF THREE NAUTICAL MILES. IN A RECENT EXECUTIVE ORDER ISSUED BEFORE HE LEFT OFFICE, PRESIDENT REAGAN EXTENDED THE TERRITORIAL SEA OUT TO TWELVE NAUTICAL MILES FOR INTERNATIONAL PURPOSES. HE DID NOT RESOLVE THE QUESTION OF FEDERAL-STATE JURISDICTION, HOWEVER.

BECAUSE THE TERRITORIAL SEA HAS TRADITIONALLY BEEN STATE WATERS, BECAUSE THE UNITED STATES CONSTITUTION DOES NOT PROVIDE THE FEDERAL GOVERNMENT WITH THE POWER TO EXERCISE JURISDICTION OVER THE TERRITORIAL SEA, AND BECAUSE THE UNITED STATES CONSTITUTION RECOGNIZES THAT ALL POWERS NOT SPECIFICALLY DELEGATED TO THE FEDERAL GOVERNMENT ARE RETAINED BY THE STATES, I BELIEVE THAT THE NINE NAUTICAL MILES OF WATERS ADDED TO THE TERRITORIAL SEA SHOULD BE RECOGNIZED AS STATE WATERS. HJR 29 AND 30 WERE INTRODUCED FOR THAT PURPOSE.

I HAVE REFINED THE RESOLUTIONS, AND HAVE A COMMITTEE SUBSTITUTE. THE TWO RESOLUTIONS HAVE BEEN COMBINED, POLICY ARGUMENTS HAVE BEEN ADDED FURTHER JUSTIFYING THE RECOGNITION OF STATE JURISDICTION OVER THE TERRITORIAL SEA, AND THE COMMITTEE SUBSTITUTE REPRESENTS THE STRATEGIC DECISION TO WORK THIS ISSUE OUT IN CONGRESS RATHER THAN HAVE IT DETERMINED BY THE COURTS. THE COMMITTEE SUBSTITUTE REQUESTS CONGRESS TO RECOGNIZE THE JURISDICTION OF ALL COASTAL STATES OVER THE TERRITORIAL SEA OUT TO THE 12-NAUTICAL-MILE LIMIT, THE LANDS BELOW THE WATERS, THE AIR SPACE ABOVE THEM, AND ALL THE LIVING AND NONLIVING RESOURCES FOUND THERE.

IF CONGRESS CONCURS, THE TERRITORIAL WATERS OF ALASKA WILL BE EXPANDED FROM APPROXIMATELY 17,000 SQUARE NAUTICAL MILES TO OVER 70,000 SQUARE NAUTICAL MILES, AN INCREASE OF OVER 53,000 SQUARE NAUTICAL MILES.

THIS WOULD ALLOW ALASKAN MANAGEMENT OVER ALL THE FISHERY RESOURCES IN THE NINE ADDITIONAL NAUTICAL MILES, WHICH WILL PROBABLY INCLUDE THE ALEUTIAN ISLANDS/BERING SEA GROUND FISH FISHERY AND THE GULF OF ALASKA GROUND FISH FISHERY, BECAUSE THESE FISHERIES ARE CONDUCTED PREDOMINANTLY WITHIN 12 NAUTICAL MILES. FOR THOSE FISHERIES BROUGHT UNDER STATE CONTROL, THE STATE WILL HAVE TO SHOULDER RESPONSIBILITY FOR SOUND CONSERVATION AND MANAGEMENT OF THE STOCKS, ALLOCATION AMONG GEAR GROUPS, FISHERIES RESEARCH AND STOCK ASSESSMENTS, AND ENFORCEMENT OF FISHERIES REGULATIONS.

ALSO AS A RESULT OF THE EXTENSION, FOREIGN FISHING WILL BE PROHIBITED OUT TO 12 NAUTICAL MILES. THERE ARE CURRENTLY THREE AREAS WITHIN 3 TO 12 NAUTICAL MILES OF THE ALEUTIAN ISLANDS THAT ARE SEASONALLY OPENED FOR FOREIGN DIRECTED FISHING THAT NO LONGER WILL BE. PROCESSING AND OTHER SUPPORT ACTIVITIES BY FOREIGN VESSELS WOULD ALSO BE PROHIBITED WITHIN 12 NAUTICAL MILES UNLESS APPROVED BY THE GOVERNOR.

IF THE CONGRESS TRANSFERS THE SUBMERGED LANDS BELOW THE TERRITORIAL SEA TO ALASKA, IT WILL ALSO PROVIDE OWNERSHIP OVER ALL THE MINERAL AND OIL DEPOSITS THAT MIGHT BE THERE.

**H J R**

**32**

# HOUSE COMMITTEE REPORT

(9)

Date Referred: February 24, 1989

FURTHER REFERRALS:

Date of Committee Action: 3-21-89

The RESOURCES Committee considered:

HJR 32

HOUSE JOINT RESOLUTION NO. 32

[DEFER DRILLING/N. ALEUTIAN BASIN]

Relating to oil and gas drilling on the North Aleutian Basin Outer Continental Shelf.

### RECOMMENDS:

- [ ] replacing with HJR 32 [  ] the same title
- [ ] the attached amendment(s) [ ] a new title
- [ ] do pass
- [ ] do not pass
- [  ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

### ATTACHES NEW FISCAL NOTE(S):

- [ ] fiscal impact
- [ ] zero fiscal note
- [ ] zero with analysis

### APPROVES PREVIOUS:

- [ ] fiscal note(s) published:
- [  ] zero fiscal notes(s) published:  
2/24/89

### SIGNING DO PASS:

### SIGNING OTHER THAN DO PASS: (Do Not Pass, No Recommendation, Amend)

Clay Davidson

Mike Davis

Mike [unclear]

George Heckle - chg'd 3/31/89  
grit. # 811

4-5-89 Mike Nauwara chg'd 3/31/89  
grit. # 811

Grant [unclear] NO REC

Bert Sharp - Do Not Pass

Steve [unclear] NO - REC

Richard [unclear] NO REC

[unclear] - NO REC

Bill [unclear] - NO REC

Clay Davidson

Chairman's signature

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: HJR 32  
PUBLISH DATE: HOUSE 2/24/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Oil & Gas Drilling on North Aleutian Basin OCS  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Office of the Governor  
BRU: Office of Management and Budget  
Components: Division of Governmental Coordination

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal impact to the State under this resolution because it requests Congress to act, not the State government.

Prepared by: Robert L. Grogan, Director  
Division: Governmental Coordination

Phone: 465-3562  
Date: 2/23/89

Approved by Commissioner: [Signature]  
Agency: Office of the Governor

Date: 2/23/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# NEWS RELEASE

STATE OF ALASKA

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

STEVE COWPER,  
GOVERNOR



FOR INFORMATION CONTACT

DAVID RAMSEUR  
PRESS SECRETARY

TERENCE O'MALLEY  
DEPUTY PRESS SECRETARY

(907) 465-3500

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

## COWPER ASKS BUSH FOR BRISTOL BAY OIL DEVELOPMENT DELAY

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

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

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

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

-MORE-

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

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

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

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

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

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

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

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 27, 1989

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

Mr. President:

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

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

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

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

Mr. President

- 2 -

February 27, 1989

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

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

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper  
Governor

Enclosure

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

## BRISTOL BAY OIL AND GAS LEASE SALE

### ISSUE:

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

### SUMMARY OF STATE POSITION:

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

### BACKGROUND:

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

### DISCUSSION OF STATE POSITION:

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

### Fish and Wildlife Values

- ° The fisheries of the sale area are among the most productive in the world according to the Sale 92 EIS. First wholesale value can exceed one billion dollars annually and employs 10,000 people.
- ° According to the National Marine Fisheries Service, Alaska Region the area is the single most important region of the U.S. Outer Continental Shelf for the conservation of marine mammals and endangered species and protection and management of fishery resources.

### Oil and Gas Benefits

- ° The Department of the Interior estimates that the potential economic benefits of the North Aleutain Basin hydrocarbon resources are among the lowest of all the Nation's OCS planning areas.
- ° In 1985, the Department of the Interior ranked it 14 out of the Nation's 18 OCS planning areas in terms of the net economic value of recoverable hydrocarbon resources.

### Risks of Exploration and Development

- ° 52- 57% probability that one or more spills exceeding 1,000 barrels of oil will occur over the productive life of the leases, according to Sale 92 EIS.
- ° EIS projects major effects to the red king crab population as well as less serious impacts to tanner crab, salmon, herring and groundfish. We estimate the discounted gross economic loss based on first wholesale values to be approximately 563.6 million dollars.
- ° The Department of the Interior has found that mechanical recovery of spilled oil at sea becomes ineffective between sea states three and four. In the Sale 92 area, sea states of three or greater occur from 68 to 94 percent of the time.

### Deferral will Reduce Risks

- ° Deferral will enable important environmental information to be obtained.
- ° Deferral will allow improvements in open-ocean oilspill cleanup capabilities.
- ° Deferral will allow the industry to obtain additional operating experience in other less sensitive areas of the Bering Sea.

**STATEMENT OF TOM COOK  
FOR CHEVRON U.S.A. INC.  
ON HOUSE JOINT RESOLUTION NO. 32  
BEFORE THE HOUSE RESOURCES COMMITTEE  
IN THE SIXTEENTH LEGISLATURE  
OF THE STATE OF ALASKA**

**March 16, 1989  
Juneau, Alaska**

Good afternoon Mr. Chairman and members of the Committee. My name is Tom Cook and I am employed by Chevron U.S.A. Inc. as Exploration Representative for Alaska in Anchorage, Alaska. I appreciate this opportunity to testify on House Joint Resolution No. 32 which requests the United States Congress and the United States Department of the Interior to "... defer for a reasonable, fixed period of time the approval or permitting or any drilling, exploration activity, or other development on the North Aleutian Basin ..."

Chevron, along with its partners and other firms in the oil industry, acquired leases in OCS Sale 92 for the North Aleutian Basin in October 1988 after protracted litigation which lasted over two and a half years. OCS Sale 92 was scheduled for January 15, 1986, but legal challenges by the State of Alaska and others delayed the opening of bids and awarding of leases until October 11, 1988. This delay and extensive review of Sale 92 by the U.S. Courts is in actuality only a small part of the delay in the leasing and exploration of the North Aleutian Basin.

The North Aleutian Basin was among the earliest of all OCS sales planned for the Alaska Outer Continental Shelf. Plans for leasing in this area were first announced in November of 1974. Previously planned sales were repeatedly delayed and rescheduled because of concerns expressed by the State of Alaska. During this period of over 10 years leading to the Final Notice of Sale 92 in December of 1985, there was extensive consultation between the State of Alaska and the U.S.

Department of the Interior. Also, during the period leading to the scheduling of Sale 92, there were voluminous studies and research programs undertaken to address the concerns expressed by the State and others opposed to leasing in the area. In fact, there was near total accommodation and compromise by the Department of the Interior of the concerns expressed by the State. The North Aleutian Basin Planning Area, consisting of 32.5 million acres and 5,947 blocks of an average of 5,465 acres each, could have been offered under the area-wide leasing program. Instead, the lease offering was reduced by approximately 83 percent and only 5.6 million acres of the 32.5 million acre Planning Area was offered in Sale 92. Of the 990 blocks representing about 5.6 million acres, only 23 blocks accounting for 121,754 acres were ultimately leased after all the years of delay, compromise, and litigation.

These 23 leases, shown on the map attached to my statement, represent only about 0.4 percent of the North Aleutian Basin Planning Area. The leases involve 5 prospects in a relatively small, concentrated area ranging from 15 to 58 miles from the nearest part of the Aleutian Peninsula.

Our interpretation of geological and geophysical data leads us to believe that the major area of interest is the Bidarka Prospect which is shown on the attached map. This assessment is reinforced by bidding patterns which show that this prospect received \$69.5 million in high bids of total high bids of about \$95.5 million for the 5 prospects. Because this single structure is regarded as the key to establishing commercial production in the Sale 92 area, only limited exploratory drilling will be required to evaluate the area.

In fact, we are presently considering the drilling of a single initial exploratory well in partnership with the other lessees. This joint venture could reduce initial drilling to one well. If that initial well should result in a discovery or prove encouraging enough to warrant further drilling, the additional exploration could also be undertaken jointly to minimize impact in the area. If the initial well is discouraging, we believe it is unlikely that additional exploratory drilling will occur in the foreseeable future.

This background brings me to several points which I hope your committee will consider before requesting further delay in the exploration of the North Aleutian Basin.

1. The petroleum industry has long operated and produced petroleum in many sensitive marine areas world-wide. These include the North Sea, the Gulf of Mexico, offshore California, and here in the Cook Inlet of Alaska. In all of these areas, petroleum exploration and development have proven to be compatible with thriving commercial and sport fisheries. Here in Alaska the industry has over twenty-five years of experience in upper Cook Inlet, which demonstrates the compatibility of petroleum development with commercial and sports fisheries.
2. The industry has demonstrated its capability to conduct exploratory drilling safely in areas of the Bering Sea with similar or more severe environmental conditions. Eighteen exploratory wells have been drilled in the Bering Sea using semi-submersible rigs of the type suitable for drilling in the North Aleutian Basin; eight of these wells were drilled in the St. George Basin just west of the Sale 92 area and ten wells were drilled in the remote and hostile

Navarin Basin. Literally tens of thousands of wells have been drilled all over the world using jack-up drill rigs, drillships, and semi-submersible drilling vessels without significant harm to the environment. These operations have provided significant benefits to society in terms of energy supply, jobs, and economic security.

3. One deep stratigraphic test well (C.O.S.T. well) has been drilled by ARCO Alaska, Inc. in the North Aleutian Basin on behalf of ARCO and 18 partners. This well was drilled off-structure for geological and geophysical information and not for discovery of oil or gas. The well was plugged and abandoned on January 14, 1983. The drilling of a deep stratigraphic test well is the same kind of operation involved in drilling for the discovery of oil and gas. This well and the thousands of miles of seismic surveys show that operations can be conducted without harm to the area.
4. At a time when an important part of Alaska's economy is in a downturn, it makes little sense to foreclose an area such as the North Aleutian Basin, particularly when the facts demonstrate that exploration and development in the Sale 92 area can be undertaken without significant risk and with the prospect of benefits to Alaskans in general and local residents in particular.
5. The North Aleutian Basin has very significant petroleum potential. Furthermore, if petroleum is discovered in sufficient quantities, development will be attractive from an economic and technical standpoint. The North Aleutian Basin is one of Alaska's most promising unexplored areas. In our judgment, the North Aleutian Basin and the Arctic National Wildlife Refuge

coastal plain are the most promising areas for the next phase of frontier exploration in Alaska.

I will close my statement with a few comments about Chevron's experience with the Kodiak Island community and its fishermen. When OCS leasing was first proposed for the waters around Kodiak Island in the mid-to-late 1970's, there was a great deal of concern and, in some cases, hostility toward any thought of petroleum exploration and potential development. The community had little experience with exploration and what they had wasn't too good. Seismic survey vessels conducting exploration on the Kodiak Shelf and in the Shelikof Strait occasionally destroyed valuable crab fishing gear and our seismic operations were sometimes perceived to impair important fisheries.

As we participated in the pre-sale public hearing process which led to OCS Sale 60 in September 29, 1981, we were faced with many questions from the community. We learned from the process. We learned that it was important to work with the local community and see that legitimate concerns and complaints were addressed. Chevron was a leader in forming the Oil/Fisheries Group of Alaska which became a useful forum for resolving conflicts and communicating industry-to-industry.

Through this organization and our direct efforts with fishermen and community leaders, we were able to resolve conflicts. We educated ourselves about their fisheries. We learned where they fished, how they fished, and most importantly how to avoid damage to their gear. And, if we did inadvertently damage their gear, we made restitution. We took into account the seasonal nature of the fisheries and scheduled our operations accordingly, which also helped avoid conflict.

After acquiring a few leases in Sale 60, we proceeded with plans for an exploratory well in Shelikof Strait. After much dialogue and planning with the Kodiak community, we drilled our well. But we worked with the fishermen in planning and conducting the operation. Corridors were established for our support vessels after consultation with fishermen to avoid conflict with commercial fishing and fixed gear. Fishermen were provided with the location of our anchor chains so that fishing gear wouldn't be lost. Communications between our drilling vessel and their fishing boats were established which meant that current weather conditions were widely known.

Although our well did not result in a discovery, it was a success in terms of working with a community which was vitally concerned with protecting its fishing industry.

As I said earlier, we initially faced a great deal of opposition in the Kodiak area, especially from the fishermen. But we met with them, listened to their concerns and really tried to understand their concerns and perspective.

It took some time and a lot of talking. But, eventually, we found a way for both groups to work together. We developed an understanding that set general operating guidelines for us and for them. We even developed a unique manual that explains the equipment and methods of both groups.

It worked well. In fact, we were given a commendation by the community of Kodiak as a symbol of this spirit of cooperation.

The plaque reads: "For having joined in partnership with the people of Kodiak to explore not only for oil, but also for new forms of cooperation, coordination and communication. Thank you for a job well done."

We are committed to working with communities in the Bristol Bay region just as we did in Kodiak. We have had some initial communications with the communities in the Bristol Bay region concerning our plans in the Sale 92 area and intend to work with fishermen and community leaders to see that petroleum exploration in the North Aleutian Basin is a positive experience.

Rather than pass House Joint Resolution No. 32 in an effort to foreclose or delay the exploration of the North Aleutian Basin, I respectfully ask that you give us a chance to work with the communities which will be affected by our operations. We can explore for oil without significant risk to the area's important fisheries. If our efforts are successful in finding new reserves, the Bristol Bay region will have a broader based economy, the State will benefit from a new economic base, and the country will benefit from increased domestic sources of energy.

Thank you. I'll be happy to respond to your questions.



STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 24, 1989

The Honorable Sam Cotten  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Mr. Speaker:

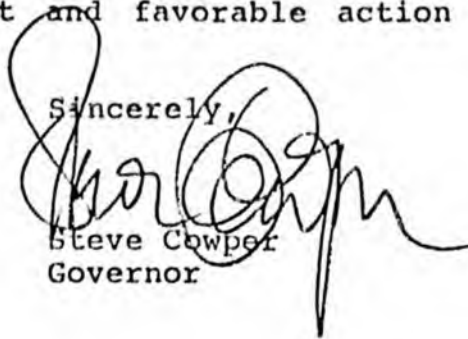
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a resolution requesting the Secretary of the United States Department of the Interior to prohibit exploratory drilling on the North Aleutian Basin Outer Continental Shelf and to defer any near-term sales, and requesting that Congress prohibit the expenditure of funds for leasing or permitting drilling or other exploration activity in Bristol Bay at this time.

The North Aleutian Basin generally, and Bristol Bay specifically, represent one of the most productive areas in the world for fisheries and other wildlife resources. The United States Department of the Interior's Outer Continental Shelf Lease Sale 92 made certain land in this area available to the oil companies for exploration, even though the area has relatively low hydrocarbon potential and the environmental impact statement for the sale indicated that there could be severe adverse effects on Bristol Bay's fisheries and other resources as a result of oil and gas development. I believe that those resources, and their contribution to the state's economy, simply cannot be put at risk by subjecting the area to oil and gas exploration and development.

Passage of this resolution as an expression of the will of the people of Alaska would provide the Administration with a significant tool in working to safeguard and protect the fisheries and wildlife resources of Bristol Bay and their significant contribution to the Alaskan economy. It is imperative that the people of Alaska, speaking with one voice through the legislature, make clear their opposition

to oil and gas exploration and development of the North Aleutian Basin. At the same time, as noted in the resolution, Alaska would remain on record as fully supporting the prudent and orderly development of the state's Outer Continental Shelf oil and gas resources in an environmentally acceptable manner in other areas of the state. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper  
Governor

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: HJR 32  
PUBLISH DATE: HOUSE 2/24/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Oil & Gas Drilling on North  
Aleutian Basin OCS  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Office of the Governor  
BRU: Office of Management and Budget  
Components: Division of Governmental  
Coordination

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal impact to the State under this resolution because it requests Congress to act, not the State government.

Prepared by: Robert L. Grogan, Director Phone: 465-3562  
Division: Governmental Coordination Date: 2/23/89

Approved by Commissioner: [Signature] Date: 2/23/89  
Agency: Office of the Governor

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



MAR 14 1989

Coastal Resource Service Area

P.O. Box 849, Dillingham, Alaska 99576

(907) 842-2666-842-2667

March 8, 1989

Representative George Jacko  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Jacko:

The Bristol Bay CRSA Board would like to thank you for your efforts to defeat the Kodiak annexation. Although HJR 23 did not pass, it has helped alert other legislators of the need to enact legislative changes to the process for annexation and borough formation in rural Alaska. With all the controversy over political boundaries these last two months, we only recently have had a chance to track other pending legislation important to the region and, therefore, would like to take this opportunity to apprise you of the CRSA Board's views on several key bills.

As you are probably aware, Governor Cowper and Senator Zharoff have introduced joint resolutions to delay any post-lease sale 92 activity in Bristol Bay. The Bristol Bay CRSA Board and the region have consistently advocated a delay of oil and gas exploration and development because of the major data gaps in biological information and the technological deficiencies for containing oil spills in conditions similar to Bristol Bay. In fact, the CRSA Board, among others, were co-plaintiffs in the state's lawsuit to block lease sale 92. We realize it will take a strong message from the legislature to convince the Alaska congressional delegation of the need to support, or at least remain neutral on, Governor Cowper's efforts to lobby congress on the merits of deferring any exploration and development on the North Aleutian Basin. Since there will undoubtedly be some resistance in Juneau to this resolution, we ask that you do everything within your means to ensure it's passage. The CRSA Board also remains committed to helping out with this effort and will do what we can by contacting other state and federal legislators as well as local organizations on this important issue. Enclosed is a copy of a resolution we introduced at the Bristol Bay Tribal Government Conference held last week which I understand was passed unanimously.

A bill that recently was brought to our attention is HB 99 relating to rents and royalties on state owned mining lands. We understand that several amendments have been proposed to HB 99 which may be acted on this week by the House Resources Committee. While mineral development has not been a major development issue in Bristol Bay to date, the region does possess several high potential areas and there has been increased exploration activity around the Iliamna Lake area. In addition, the Bristol Bay Area Plan includes approximately 13 million acres open to mineral entry and the coastal area by Togiak and selected beaches on the Alaska Peninsula identified as high potential areas for offshore mining. For these reasons, the CRSA Board strongly

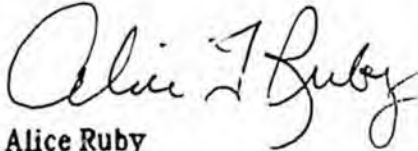
Bristol Bay CRSA  
March 8, 1989  
Page Two

recommends that HB 99 be amended to apply to offshore areas and, most importantly, include reclamation language.

Offshore mining is more than just a potential use of tide and submerged lands which are owned by the state. If the purpose of 6(i) of the Alaska Statehood Act is to ensure the state receives sufficient rents and royalties from mining activities on state lands then it would seem only appropriate to include offshore mining areas within the state's jurisdiction. Additionally, the royalties from mining activities should be based on gross income, similar to that on oil and gas leases, which would provide a more equitable return to the state. In regard to reclamation, the CRSA Board feels it is extremely important that HB 99 address this issue given the significant environmental impacts of mining on water quality and other resource uses. The state's current reclamation program does not provide adequate statutory authority to the ADNDR, ADFG and ADEC or the necessary coordination between these resource agencies to ensure sound reclamation practices are required and complied with. Because reclamation is such a complex and controversial issue, at a minimum, we feel HB 99 should mandate the ADNDR, ADFG and ADEC to cooperatively develop comprehensive regulations on reclamation and specify a timeframe in which this is to be accomplished.

Your consideration of the CRSA Board's position on HB 99 is appreciated.

Sincerely,



Alice Ruby  
Chairperson  
Bristol Bay CRSA Board

Encl:

SUBMITTED BY: BRISTOL BAY COASTAL RESOURCE SERVICE AREA

**Bristol Bay Tribal Government Conference**

RESOLUTION NO. 89 - \_\_\_\_\_

**Deferral of Oil and Gas Drilling on the North Aleutian Basin (Bristol Bay)**

WHEREAS: The North Aleutian Basin is one of the most biologically productive offshore and nearshore areas in the world; and

WHEREAS: The Bristol Bay salmon run is the largest in the world and thousands of people depend on this fishery for their livelihood, and is an equally important subsistence resource for the region's residents; and

WHEREAS: The hydrocarbon potential in the North Aleutian Basin is relatively low but the risks to the fisheries and other biological resources high given the ineffectiveness of oil spill clean up technology in high sea states such as found in the North Aleutian Basin; and

WHEREAS: The Bristol Bay region has consistently expressed its support for a delay of oil and gas exploration and development to allow for additional biological studies and the time necessary to improve oil spill response technology; and

WHEREAS: Governor Cowper and Senator Zharoff have introduced to the Alaska State Legislature joint resolutions requesting the Department of Interior to defer for a reasonable amount of time any drilling, exploration activity, or other development on the North Aleutian Basin.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Tribal Government Conference delegates support a deferral of any oil and gas activity in the North Aleutian Basin and request the Alaska State Legislature to act favorably and expediently on the resolutions introduced by Governor Cowper and Senator Zharoff.

SIGNED: \_\_\_\_\_  
Chairperson, Resolutions Committee, Bristol  
Bristol Bay Tribal Government Conference

**CERTIFICATION:**

I hereby certify that the foregoing is a full, true, and correct copy of the resolution adopted by the delegates to the Bristol Bay Tribal Government Conference gathered on February 27, 28, and March 1, 1989 in Dillingham, Alaska.

Resolution 89 - 30 was (unanimously) adopted by a (voice or roll call vote of: Yes  No  Abstain

SIGNED: \_\_\_\_\_  
Secretary



# UNITED FISHERMEN OF ALASKA

211 4th Street, Suite 106  
Juneau, AK 99801  
907-586-2820

To: Members of the House Resources Committee

You have before you House Joint Resolution Number 32 for consideration.

United Fishermen of Alaska supports both this resolution and Senate Joint Resolution Number 11.

The UFA Board of Directors has expressed unanimous opposition many times in the past to drilling in the Bristol Bay area. The fisheries resource there is one of the largest in the world, including Pacific salmon of all species, several species of crab, herring, halibut, and many other groundfish species. These are renewable resources and UFA is extremely concerned that they might be jeopardized to extract a non-renewable resource.

The extreme problems encountered in attempting to clean up an oil spill in Cook Inlet two summers ago indicated clearly to us the potential disaster that could occur should a similar spill happen in Bristol Bay. The environmental conditions in the Bay are far rougher than those in the Inlet. Adequate containment and clean-up of a spill in the Bay is simply not possible.

We sympathize with President Reagan's and President Bush's desire to reduce the dependency of the United States on foreign oil. But we believe a sense of perspective must be maintained.

Apparently President Bush agrees, because he has established a task force to examine three proposed lease sales (two in California and one in Florida) for their potential for causing environmental damage.

Governor Cowper has requested Lease Sale 92 be added to the task force's agenda, delaying the drilling until more information on its impacts can be obtained. UFA heartily supports this effort.

We urge the Legislature to pass a statement supporting the delay or termination of the drilling, and we ask that you do so as quickly as possible. It is our understanding that such a statement of support would greatly increase our chances of favorable action by Congress and President Bush.

If I can provide further comments or assistance, please don't hesitate to let me know.

Kate Graham  
Executive Director



# UNITED FISHERMEN OF ALASKA

Cass M. Parsons  
Executive Director

UNITED FISHERMEN OF ALASKA

RESOLUTION 85-3

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

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

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

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

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

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

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

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

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

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

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

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

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

Cass M. Parsons  
Cass M. Parsons  
UFA Executive Director

2/19/85  
Date

Robert M. Blake  
Robert M. Blake  
UFA President

2/19/85  
Date

STATUS OF STATE'S EFFORT TO DELAY  
LEASING OF THE BRISTOL BAY AREA  
March 16, 1989

I. ADMINISTRATIVE

1. An issue paper describing the State's position with regard to oil and gas leasing in the Bristol Bay region was delivered to Bush transition team. (Attachment I 1,2)
2. Governor's letter to President Bush requesting the addition of Alaska's Bristol Bay area to the OCS Task Force review called for in President Bush's budget speech. (Attachment I 1,2)
3. Subject of one-on-one conversation between Governor Cowper and Secretary Lujan during their March meeting.

II. LEGISLATIVE

1. Governor's letter to Chairman Yates of House Interior Appropriations Committee requesting deletion of funding for Bristol Bay development. (Attachment II 1)
2. The State's Washington Office has conveyed the State's position to House Interior Appropriations committee members over the past three weeks. Chairman Yates has communicated his support of the Governor's position.
3. The State's contacts with Representative Miller has resulted in budget report draft requiring Presidential Task Force to include Bristol Bay in its scope of review. (Attachment II 3)
4. Testimony before House Interior Appropriations by Natural Resources Defense Council stated that Section 19 of Outer Continental Shelf Lands Act does not provide adequate deference to views of governors of coastal states. (Attachment II 4)

III. JUDICIAL

1. The State recently appealed the Ninth Circuit Court of Appeals decision and sought rehearing. The Ninth Circuit Court has just advised the State of its decision against the rehearing plea. The Governor has stated his intention to appeal to the Supreme Court.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 27, 1989

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

Mr. President:

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

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

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

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

Mr. President

- 2 -

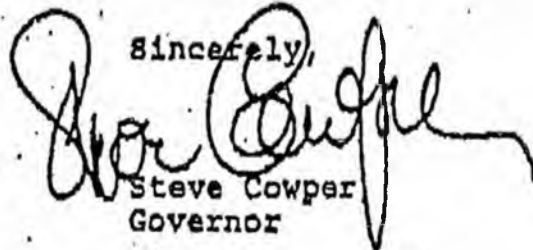
February 27, 1989

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

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

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper".

Steve Cowper  
Governor

Enclosure

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

## BRISTOL BAY OIL AND GAS LEASE SALE

ISSUE:

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

SUMMARY OF STATE POSITION:

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

BACKGROUND:

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

DISCUSSION OF STATE POSITION:

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

Fish and Wildlife Values

- o The fisheries of the sale area are among the most productive in the world according to the sale 92 EIS. First wholesale value can exceed one billion dollars annually and employs 10,000 people.
- o According to the National Marine Fisheries Service, Alaska Region, the area is the single most important region of the U.S. Outer Continental Shelf for the conservation of marine mammals and endangered species and the protection and management of fishery resources.

### Oil and Gas Benefits

- o The Department of the Interior estimates that the potential economic benefits of the North Aleutian Basin hydrocarbon resources are among the lowest of all the nation's OCS planning areas.
- o In 1985, the Department of the Interior ranked it 14 out of the nation's 18 OCS planning areas in terms of the estimated net economic value of recoverable hydrocarbon resources.

### Risks of Exploration and Development

- o 52- 57% probability that one or more spills exceeding 1,000 barrels of oil will occur over the productive life of the leases, according to Sale 92 EIS.
- o EIS projects major effects to the red king crab population, as well as less serious impacts to tanner crab, salmon, herring, and groundfish. We estimate the discounted gross economic loss based on the first wholesale values to be approximately 563.6 million dollars.
- o The Department of the Interior has found that mechanical recovery of spilled oil at sea becomes ineffective between sea states three and four. In the Sale 92 area, sea states of three or greater occur from 68 to 94 percent of the time.

### Deferral will Reduce Risks

- o Deferral will enable important environmental information to be obtained.
- o Deferral will allow improvements in open-ocean oilspill cleanup capabilities.
- o Deferral will allow the industry to obtain additional operating experience in other less sensitive areas of the Bering Sea.

February 6, 1989

The Honorable Sidney R. Yates  
Chairman  
House Subcommittee on Interior and  
Related Agencies  
308 Rayburn House Office Building  
Washington, DC 20515

Dear Mr. Chairman:

I am writing to request your assistance in imposing a deferral on oil and gas exploration in Bristol Bay (the Sale 92 area). The Secretary of the Interior awarded these leases in the Fall of 1988. A deferral similar to the one which your committee crafted last year for the lease sale off Florida would allow time for needed research to be completed.

As you know, the State of Alaska has consistently opposed the development of oil and gas in this area. This is the only area in the five year plan where the State has opposed development. We recommend postponing exploration and development in Bristol Bay because of 1) the region's unequalled fish and wildlife values, 2) its low oil and gas potential, and 3) the reasonable expectation that risks will be significantly reduced by deferring activities.

The fisheries of the sale area are among the most productive in the world according to the Environmental Impact Statement prepared by the Department of the Interior. The first wholesale value of the commercial fisheries can exceed one billion dollars annually, and the fishery employs 10,000 people, either directly or indirectly. According to the National Marine Fisheries Service, Alaska Region, the area is the single most important region of the U.S. Outer Continental Shelf for the conservation of marine mammals and endangered species and the protection and management of fishery resources.

In contrast, the Department of the Interior estimates that the potential economic benefits of the area's hydrocarbon resources are among the lowest of all the nation's OCS planning areas. In 1985, the Department of the Interior ranked it 14 out of the nation's 18 OCS planning areas in

terms of the estimated net economic value of recoverable hydrocarbon resources.

With regard to the risks of development in the area, the EIS estimated that there was a greater than 50% probability that one or more spills exceeding 1,000 barrels of oil would occur over the productive life of the leases. Further, the EIS projected major effects to the red king crab population, as well as less serious impacts to tanner crab, salmon, herring, and groundfish. The State estimates the discounted gross economic loss based on first wholesale values to be approximately 563.6 million dollars. The Department of the Interior has found that mechanical recovery of spilled oil at sea becomes ineffective between sea states three and four. In the sale area, sea states of three or greater occur over 68 percent of the time.

The State supports deferral of exploration and development because it will reduce the above risks. Deferral will enable important environmental information to be obtained, allow improvements in open-ocean oilspill cleanup capabilities, and permit the industry to obtain additional operating experience in other less sensitive areas of the Bering Sea.

In the past, we have been reluctant to use the appropriation process to further this objective. We believed that the safeguards provided in Section 19 of the Outer Continental Shelf Lands Act (OCSLA) provided the governors of coastal states with a meaningful opportunity to protect important state interests in the federal leasing process. The recent decision by the Ninth Circuit Court of Appeals which upheld the Secretary's decision to lease in Bristol Bay greatly diminishes the consultative role of coastal state governors intended by the Congress and forces us to return to the legislative process for relief.

This committee has provided leadership in the area of balancing the national interests in energy security and the protection of highly valued marine resources and areas. Last year, the Congress, following the lead of this committee, imposed a moratorium on the exploration of leases which had been granted off the coast of Florida. The Congress was concerned by the number of questions which remained unanswered regarding the impact of development on other resources.

The State of Alaska encourages the committee to adopt an approach for Bristol Bay which is similar to that taken last year for Florida. In Bristol Bay, like the Florida Keys, the research conducted in preparation for the sale has left

February 6, 1989

several critical questions unanswered. These include: 1) the effects of seismic energy sources on salmon fisheries, 2) the patterns and timing of salmon migration through Bristol Bay and the North Aleutian Basin, 3) the distribution and abundance of forage fish in and adjacent to the North Aleutian Basin, 4) migratory behavior of egg-bearing female king crab along the north shore of the Alaska Peninsula, 5) the importance and location of juvenile king crab protective rearing habitats in the North Aleutian Basin, 6) the effects of oiled sediment on settling and recruitment of food organisms important to juvenile king crab, 7) effects of oil contamination on gray whales, 8) the importance of the North Aleutian Shelf as a feeding area for gray whales, 9) the effects of oil contamination on eelgrass beds along the northern shoreline of the Alaska Peninsula, and 10) an analysis of oil spill response capabilities.

The enclosed analysis by the Alaska Department of Fish and Game provides a further discussion of the importance of understanding these phenomena prior to proceeding with exploration and development in Bristol Bay.

Thank you for your consideration of this request. I am hopeful that together we can adopt an approach to the lease sale in Bristol Bay which will protect its exceptional commercial, subsistence, and esthetic fish and wildlife values.

Sincerely,

S/S Steve Cowper

Steve Cowper  
Governor

Enclosure

Identical Letter sent to all members of the Subcommittee

cc: Senator Ted Stevens  
Senator Frank Murkowski  
Congressman Don Young

bcc: Attorney General Grace Schaible  
Commissioner Lennie Gorsuch  
Commissioner Don Collinsworth  
Commissioner Kelso  
Bob Grogan  
Denby Lloyd  
Dem Cowles  
Kate Graham, UFA  
Henry Mitchell, BSFA  
Lisa Speer, NRDC

# ANALYSIS OF INFORMATION NEEDS IN THE NORTHERN ALEUTIAN BASIN

## PART 1

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

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

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

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

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

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

## PART 2

### Discussion of selected information needs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 4. ANALYSIS OF OIL SPILL RESPONSE CAPABILITIES

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

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

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

Timing: The study could be completed in one year.

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

Literature cited.

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SEC. \_\_\_\_ . No funds provided in this title may be expended by the Department of the Interior for the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area of the Department of the Interior, and identified by the Department of the Interior as the following blocks: 579, 634, 635, 679, 711, 712, 713, 754, 755, 757, 758, 798, 799, and 842.

**Fiscal Year 1990 Budget Requests**

**Bureau of Reclamation  
Water Resources Division, U.S. Geological Survey  
Federal Power Marketing Administrations  
Minerals Management Service (OCS Leasing Program)  
Bureau of Land Management (Alaska)**

**VIEWS AND ESTIMATES REPORT**

**RECOMMENDATIONS OF THE  
SUBCOMMITTEE ON WATER, POWER AND  
OFFSHORE ENERGY RESOURCES**

**February 27, 1989**

## MINERALS MANAGEMENT SERVICE -- OCS PROGRAMS

OCS Escrow Release

The Administration's budget projects \$1.0 billion in FY 1990 revenues from an OCS escrow account release. This anticipates a favorable Supreme Court decision in 1990 concerning title to the submerged lands immediately offshore ANWR, thus permitting the release of the Federal share of the Section 7 escrow funds, including interest.

The Subcommittee notes that there is no firm basis for assuming that the Supreme Court will decide the Alaska submerged lands issue in FY 1990. This complex case, United States v. Alaska, No. 84 Original, has been pending since 1979 and the matter remains delegated to a Special Master appointed by the court.

In addition, while the Subcommittee in no way intends to prejudge the Federal government's position in this case, we question whether the Administration's anticipation of a "favorable" decision can be properly accounted for as \$1 billion in Federal revenues. For example, a recent CRS analysis casts doubt upon such reliance:

"This position of the United States [in United States v. Alaska] has become increasingly tenuous as a result of the holding and the reasoning of the Supreme Court in Utah v. United States, June 8, 1987...."

→ OCS Lease Sales

President Bush's budget supplement defers three scheduled OCS lease sales, thus removing \$457 million in anticipated FY 1990 revenues. The President directed that a joint Interior, Department of Energy, and National Academy of Sciences task force be established to review and resolve environmental concerns over adverse impacts of sales in the "three environmentally sensitive areas." Specifically, Lease Sale 91 off Northern California is "indefinitely postponed" (\$126 million); Lease Sale 95 off Southern California is "delayed pending review" (\$321 million); and, Lease Sale 116 off the Gulf Coast of Florida is "indefinitely postponed" (\$10 million).

President Bush's action is an acknowledgement of the flaws in the Reagan budget's assumption that "no legislative moratoria" would be imposed on controversial OCS lease sales. Congressional

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<sup>2</sup> Pamela Baldwin, "Legal issues Related to Ownership of the Submerged Lands Within and Off the Coast of the Arctic National Wildlife Refuge," August 10, 1987, p. 19, CRS # 87-673 A

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concern about the Reagan Administration's accelerated leasing of environmentally sensitive OCS areas is such that, even before the President's deferral, it was extremely unlikely that these three sales would have been held as scheduled.

While the Subcommittee is pleased with the President's proposal, we would recommend the Administration consider the following actions:

1. Representation on the Task Force should be broadened to, at a minimum, include the Environmental Protection Agency.

2. No funds should be expended on any pre-lease sale activities in FY 1990 or prior to the Task Force report, Presidential review and Congressional reaction.

3. The scope of the Task Force review should be expanded to include scrutiny of other no less controversial sales such as #119 off Central California, #92 off Bristol Bay, Alaska, #132 off Washington - Oregon, and others.

4. The Department, and the Task Force, should give greater emphasis to increasing Federal revenues and reducing the deficit by improved royalty collection and management on existing Federal leases.

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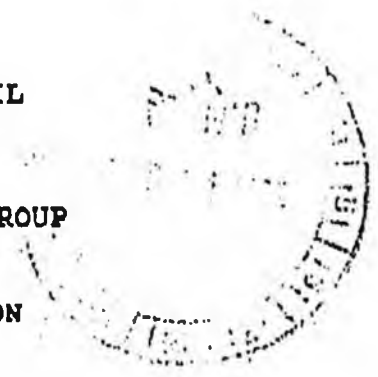
3 The Subcommittee notes the establishment of an Advisory Committee under the auspices of the Committee's Ranking Republican, Mr. Young, to resolve fisheries and resource conflicts involved in lease sale #92 should the lease sale proceed.



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TESTIMONY  
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NORTH CAROLINA COASTAL FEDERATION  
OCEANIC SOCIETY  
SIERRA CLUB  
AND  
TRUSTEES FOR ALASKA



BEFORE THE  
SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES  
COMMITTEE ON APPROPRIATIONS  
U.S. HOUSE OF REPRESENTATIVES  
ON THE  
DEPARTMENT OF INTERIOR'S  
OFFSHORE OIL AND GAS LEASING PROGRAM

February 9, 1989

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Mr. Chairman and Members of the Committee:

My name is Lisa Spear. I am senior Staff Scientist with the Natural Resources Defense Council (NRDC). My testimony is on behalf of NRDC, the American Littoral Society, American Oceans Campaign, Clean Ocean Action, Florida Public Interest Research Group, Friends of the Earth, Greenpeace, the North Carolina Coastal Federation, the Oceanic Society, Sierra Club and Trustees for Alaska (hereinafter, "environmental coalition"). We welcome the opportunity to testify today on the Department of the Interior's Outer Continental Shelf (OCS) Oil and Gas Leasing Program.

## I. INTRODUCTION

As this Committee is well aware, the OCS program during the Reagan years was the subject of extraordinary conflict and controversy. From 1981 to 1988, eleven coastal states -- Louisiana, Texas, Alaska, New York, New Jersey, Maryland, Virginia, California, Massachusetts, Washington and Oregon -- filed suit against the OCS program or individual lease sales. In addition, Congress has been forced to intervene to protect highly sensitive offshore areas from the Department's leasing plans each year since 1982. Mounting public concern over the program is reflected by the turnout of hundreds and even thousands of people at recent hearings on OCS leasing off California, Florida and North Carolina. The introduction last month of legislation that would block leasing off the New Jersey coast indicates that Congressional concern over DOI's approach is spreading.

Campaign statements made by President Bush lead to hope that the new Administration will pursue a more moderate course with the OCS Program. However, the Administration's intentions are not yet clear. While we have every expectation that the new Secretary will move to reduce conflict by removing highly sensitive and controversial areas from the OCS program, there are no assurances he will do so in the absence of Congressional encouragement. A one-year delay imposed by this Committee on OCS activities in sensitive areas would provide an important incentive for the Department to overhaul the program quickly, so that the nation can move forward with a more reasonable and balanced program of OCS development. We therefore ask the Committee to consider:

- 1) a one-year delay in leasing off California in those areas previously subject to Congressional leasing restrictions;
- 2) extending the current prohibition on OCS activities in Georges Bank off the New England coast through Fiscal Year 1990;
- 3) extending the ban on leasing and exploration south of 26° north latitude in the Eastern Gulf of Mexico for three years;
- 4) requiring the Department to prepare an EIS prior to approving exploration off the North Carolina coast as requested by Governor Martin;
- 5) a one-year delay on leasing within 50 miles of the coast, around canyon head tracts, in the shelf break zone and north of 40°15' north latitude in the mid-Atlantic; and

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6) a one-year delay on exploration in Bristol Bay, Alaska.

On behalf of the groups I represent, I would like to thank this Committee for its many years of hard work to resolve the difficult and troubling issues surrounding the OCS program. It has been only through this Committee's actions that a modicum of reason and balance were imposed on the program during the Reagan years. From Cape Cod to Cape Mendocino, from Bristol Bay to Florida Bay, this Committee has defended the right of states, local governments and ordinary citizens to have a say in leasing decisions that will profoundly affect their coasts and their lives. On behalf of all those people, we thank you.

## II. ENERGY SECURITY

The Interior Department and the oil industry cite the nation's escalating reliance on foreign oil as evidence of the need to drill sensitive areas of the OCS. While rising imports are undeniably a concern, developing hydrocarbons in the areas listed above will not contribute appreciably to the nation's long-term energy security.

For one thing, the Interior Department projects that the oil and gas located offshore Southern and Northern California, all of the North and Mid-Atlantic states, Bristol Bay and the Florida Keys together amount to roughly 735 million barrels of oil equivalent. This represents enough oil and gas to fuel the nation for less than 40 days. These areas are thus clearly not the answer to the nation's long-term energy future. Indeed, the "drain America first" approach advocated by the industry is likely to enhance the nation's reliance on foreign oil over the long term.

Second, the Department's arguments about the need to open sensitive OCS areas on energy security grounds are unconvincing when considered in the context of other federal actions that have increased the nation's dependence on imports. For example, at the same time the Interior Department was pressing Congress to lift the moratorium on drilling off certain areas of California, the Transportation Department was rolling back fuel economy standards for automobiles. These rollbacks will cause roughly 210 million barrels of oil -- almost 30% of the oil the Department thinks underlies the areas listed above -- to be burned needlessly. Other examples of government policies that undermine national energy security include the Administration's deep cuts in funding for energy conservation and alternative energy research. The Administration cannot seriously expect the public to accept oil drilling in national treasures like the Florida Keys while simultaneously advocating a 70% reduction in DOE's energy conservation programs, as the Administration's FY'90 budget proposes.

Pursuing conservation measures could help substantially reduce reliance on oil imports and the need to drill sensitive areas of the OCS for oil and gas. For example:

\* An increase to 40 miles per gallon (mpg) fleet average for cars and 30 mpg for trucks by the year 2008 production models would save roughly 20

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Tracts Within 50 Miles of the Coast: In recognition of the importance of nearshore areas, the states of Connecticut, New Jersey, and Virginia have all recommended a 50 mile buffer zone be imposed in the mid-Atlantic in which no leasing takes place.<sup>22</sup> North Carolina has additionally recommended that all tracts within the 200 meter isobath be deleted. The Department has deferred this area from further consideration in a previous area identification for this region (Lease Sale 111, which was cancelled due to lack of industry interest).

Submarine Canyon Tracts: As noted above, submarine canyons in the mid-Atlantic are known to be highly productive and important to commercial species of fish as well as seabirds and other species. The States of Rhode Island, Connecticut, New York, New Jersey, and the National Oceanic and Atmospheric Administration, have all requested that all canyon head and associated blocks be deleted from Sale 121.<sup>23</sup>

The Shelf Break Zone: Canyon head deferrals will not provide protection for inter-canyon blocks in the shelf break zone. A report by the Center for Coastal and Environmental Studies at Rutgers University<sup>24</sup> identified the shelf break zone as a particularly sensitive ecotone due to rugged topography and exposed substrate that are associated with increased biological productivity. The state of New Jersey has requested that this zone be deferred from past lease sales because of the unusual productivity that is thought to characterize the shelf break area.

All Tracts North of 40°15' North Latitude: The State of New York has repeatedly voiced its opposition to leasing any tracts north of 40°15' north latitude due to the high population density of the Long Island area and the heavy recreational use of its shores and the importance of its recreational and commercial fisheries.

We ask that the Committee consider imposing a one-year delay on leasing these areas. We note that Congressmen Pallone and Courter from New Jersey have both supported a delay in Lease Sale 121 altogether. Congressmen Pallone has introduced a bill to delay the sale (H.R. 121).

#### F. Bristol Bay

We would like to bring to this Committee's attention a recent court decision that will, if allowed to stand, seriously undermine the right of states to meaningfully participate in federal leasing decisions. This court decision arose out of litigation over Sale 92 in Bristol Bay, Alaska.

Bristol Bay supports one of the largest commercial fisheries in the world. The Bristol Bay salmon fishery alone is valued in excess of \$250 million annually and employs an estimated 10,000 people. The Bay also encompasses one of the world's great bird migration crossroads and supports at least 20 species of marine mammals, including eight species of endangered whale. The Department estimated that there is a greater than 70% chance that one or more major spills would occur over the life of the field. The Department predicted "major" to "moderate" impacts to marine and coastal

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birds, the red king crab fishery and to several species of marine mammals from Lease Sale 92. The National Marine Fisheries Service has concluded that a major spill occurring during peak gray whale migration or when right whales are present would be likely to jeopardize the continued existence of these species.

In December of 1985, 10 national and Alaskan conservation organizations, 6 Alaskan villages and Native Alaskan organizations, and the State of Alaska on behalf of itself and a number of fishing groups filed suit to block Sale 92, then scheduled for January 15, 1986. Six states (Washington, Oregon, Hawaii, California, Massachusetts and Texas) filed amicus briefs on the side of the State of Alaska.

Unfortunately, in January of last year, the district court ruled against the State, saying that no deference is due to a governor's recommendation under Section 19 of OCSLA. This decision was upheld by the Ninth Circuit last fall. If allowed to stand, the decision will mean that states could have virtually no say in federal leasing decisions. In response, the State of Alaska recently filed a petition for re-hearing en banc in the Ninth Circuit.

In the event the Ninth Circuit rules against the State, we ask that this Committee impose a one-year delay on exploration in the Bay. This request, which has also been made by the State of Alaska, is based on critical information gaps that must be filled before informed decisions can be made on whether and how to proceed with any drilling in Bristol Bay. These data gaps include:

- \* the effects of seismic activities on salmon;
- \* the effects of oil contamination on grey whales;
- \* the importance of the North Aleutian shelf as habitat for grey whales;
- \* the effects of oil contamination on eel grass beds along the northern shoreline of the Alaska Peninsula; and
- \* an analysis of oil spill response capabilities.

Until these data gaps are filled responsible decisions on proceeding in Bristol Bay cannot be made.

The district court's decision in the Sale 92 case illustrates the failure of OCSLA to adequately ensure that states have the right to participate meaningfully in OCS leasing decisions. If the states are to be excluded from such decisions, the controversy over OCS leasing -- and the pressure for leasing moratoriums -- will continue to grow.

Thank you for the opportunity to testify.



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## AEL ISSUE PAPER FOR HJR 32: RELATING TO OIL AND GAS DRILLING ON THE NORTH ALEUTIAN BASIN OUTER CONTINENTAL SHELF

The Alaska Environmental Lobby strongly supports HJR 32 due to the national and international significance of the area for fish and wildlife resources as evidenced by the following:

The North Aleutian Basin fishery is among the most productive in the world. The first wholesale value of the fishery, which employs 10,000 people, can exceed one billion dollars annually.

The benefits of the North Aleutian Basin hydrocarbon resources are among the lowest of all the OCS planning areas. In 1985, the Department of the Interior ranked it 14th out of the Nation's 18 OCS planning areas in terms of the net economic value of recoverable hydrocarbon resources.

According to the National Marine Fisheries Service, the Basin is the single most important region of the U. S. Outer Continental Shelf for the conservation of marine mammals, endangered species, and protection and management of fisheries resources. Over one million marine mammals inhabit or migrate through the area. The world's population of black brant and emperor geese stage in the area in the fall; 45-60 million salmon annually migrate through the area.

Potential risks to these fish and wildlife populations are high given the ineffectiveness of oil spill cleanup technologies in high sea states such as found in the North Aleutian Basin.

According to the Sale 92 EIS, there is a 52-57% probability that one or more spills exceeding 1000 barrels of oil will occur over the productive life of the leases.

The Governor's risk analysis estimates a discounted gross economic loss based on first wholesale values to be approximately 563.6 million dollars. The EIS projects major effects to red king crab and impacts to tanner crab, salmon, herring, and groundfish.

The Department of the Interior has found that mechanical recovery of spilled oil at sea becomes ineffective between sea states 3 and 4, which occur 68-94% of the time in Sale 92 area.

The Alaska Environmental Lobby recognizes that leasing, at this time, is not a wise resource management decision considering the significance of the resources at risk and our unproven ability to protect them. In addition, the Lobby believes that national energy needs can be effectively met through energy conservation measures which may alleviate the need to drill in sensitive areas.

Becky Achten 3-20-89

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