

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7210 HOUSE RESOURCES

Jeff Budd
Box 7263
Ketchikan, AK 99901

6 May 92

Cliff Davidson
Chair, House Resources Committee
Alaska State Legislature
Capitol Building
Juneau, AK 99801-1182

Dear Mr. Davidson,

I would like to go on record as one Ketchikan resident who does not support the Leask Lakes /Cape Fox land trade. I feel there are many others in Ketchikan who also do not support this trade. I am a member of the Ketchikan city Council, although I am not writing on behalf of the council, and meet a fair number of people during my day. There is a good percentage that do not support this trade in that group. There are many more people that I do not come in contact with who I do not know how they feel one way or the other. I do feel it is not accurate to state ~~that the vast~~ majority of the community do support the trade.

Thank you for your attention.

Sincerely,
Jeff Budd
Jeff Budd



Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 325 Juneau, Alaska 99801 Phone: 586-1412

February 27, 1992

Dear Legislator,

On behalf of the Southeast Alaska Conservation Council (SEACC), I would like to call your attention to a pending action by the Alaska Department of Natural Resources (DNR) that will result in the loss of high quality wildlife habitat and recreational resources now owned by all Alaskans. SEACC is a coalition of thirteen local community, volunteer conservation organizations in eleven communities across the Alaska panhandle. We are concerned citizens from all walks of life who share a commitment to the unique quality of life available in Southeast Alaska.

DNR is preparing a land exchange in which it will trade 2,400 acres of pristine, state-owned old growth forest for 4,300 acres of land that has been heavily clearcut by the Cape Fox Corporation, an ANCSA village corporation located outside of Ketchikan. The lands being considered for trade are north of Ketchikan and include the state-owned Leask Lakes area and the White River area owned by Cape Fox. Under the proposed exchange, Cape Fox would then clearcut an additional 1,500 acres of the land it obtains from the state.

DNR supports this exchange because it claims that the left-over logging roads will provide Ketchikan residents with additional recreational access. However, given the amount of past clearcutting in the White River area, and future cutting in the Leask Lakes area, the quality of the resulting recreational opportunities will be significantly lessened.

Please be aware that SEACC strongly opposes this land exchange. Trading high value, state-owned old growth forest for clearcut land and logging roads is short sighted and wastes valuable public forest resources. Trading the Leask Lakes land robs Ketchikan of one of its most important recreational resources. The Leask Lakes parcel is 5,000 acres of abundant timber, watercourses, and wildlife. This trade will destroy habitat, squander truly valuable recreational opportunities, and set a horrible precedent. We believe such a trade is bad public policy and a bad deal for the state.

Because this exchange would involve over \$5 million in state resources, DNR must submit this trade for legislative approval. SEACC requests that legislators scrutinize this proposal carefully -- and reject it.

PELICAN FORESTRY COUNCIL • FRIENDS OF BERNERS BAY, Juneau • WRANGELL RESOURCE COUNCIL • SITKA CONSERVATION SOCIETY
FALSE ISLAND-KOOK LAKE COUNCIL, Tenakee Springs • LYNN CANAL CONSERVATION, Haines • TAKU CONSERVATION SOCIETY, Juneau
NARROWS CONSERVATION COALITION, Petersburg • FRIENDS OF GLACIER BAY, Gustavus • TONGASS CONSERVATION SOCIETY, Ketchikan
ALASKA SOCIETY OF AMERICAN FORESTWORKERS, Point Baker • JUNEAU GROUP SIERRA CLUB • YAKUTAT RESOURCE CONSERVATION COUNCIL

☐ Received

DOCUMENT 10



Alaska Center for the Environment

519 West 8th Ave #201 • Anchorage, Alaska 99501 • 907 274 9021

April 20, 1992

Rep. Cheri Davis
Alaska State Legislature
P.O.Box V (MS 3100)
Juneau, AK 99811

Re: Proposed Leask Lakes Land Exchange

Dear Representative Davis:

The Alaska Center for the Environment would like to express its strong opposition to legislation (SB 465/HB 578) that would approve the proposed Leask Lakes land exchange with the Cape Fox Corporation. This trade certainly provides very substantial benefits to the corporation, but it is just as clearly not in the state's best interest.

The State of Alaska would trade important old growth habitat for lands that have been heavily clearcut. These lands have not only lower commercial timber value but lower fish and wildlife and recreational values as well. ADF&G has said both that species diversity is substantially greater at Leask Lakes than at White River, and that logging Leask Lakes could result in a 68% reduction in deer numbers in the area. Additionally, since unroaded recreation opportunities will become increasingly scarce in Southeast in future years they should be protected, not lost.

We hope you will vote "no" on this legislation, which is not only a bad deal in itself for Alaskans, but sets a dangerous precedent favoring individual corporate economic interests over the welfare of the general public.

Sincerely,

Cliff Eames
Issues Director



Tongass Conservation Society

MEMORANDUM

TO: House Resources Committee
FROM: Dave Katz
SUBJECT: Alternatives to Leask Lakes trade
DATE: May 6, 1992

Several viable alternatives exist to the land trade as proposed. Please refer to attachments.

1. Borough timber. See Attachment 1. The Ketchikan Gateway Borough has 15.3 million board feet of high value timber at Whipple Creek, on the Ketchikan road system. (Estimated \$6 million selling value.) So far, the Borough has not contributed any significant amount of its own timber resources toward finding a solution to this local problem.
2. Forest Service land. See Attachment 2. Cape Fox has indicated an interest in Forest Service timber in the nearby area. This timber could contribute to a win-win solution.
3. The Tolstoi tract on Prince of Wales Island. See Attachment 3. This state tract contains \$27 million in timber alone. It is much lower in habitat value than Leask Lakes. Cape Fox says it is not interested in this timber because of its high cedar component. Yet Cape Fox's own lands also have a high cedar component, and you can make money with cedar.
4. Road access to Leask Lakes. A sustained-yield timber sale in the Leask Lakes area could provide for road access into the tract. DNR is required to consider this alternative before trading land, but has not.

CORRECTION

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



Southeast Alaska Conservation Council

SEACC 419 Sixth Street, Suite 328 Juneau, Alaska 99801 Phone 907-586-4422

February 27, 1992

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DOCUMENT 10

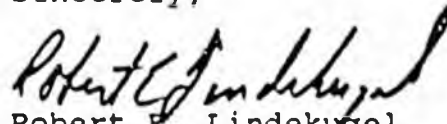
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DNR is currently short-cutting the land trade public process required by law, in an effort to obtain legislative approval this session. Under Alaska law, DNR must prepare a report for the public which fully explains the process used to appraise the parcels offered for trade thirty (30) days before public hearings on the proposed trade. The draft appraisal has not yet been accepted, however, because DNR has determined that the public could not understand the appraisal in its present form. Yet in spite of this, DNR is pushing forward with the public process.

Cape Fox has been proposing this trade, or variations of it, since 1977. DNR has rejected each proposal because it was not in the state's best interest. DNR has now, however, changed its tune.

DNR used to be right. Trading trees for stumps is not in the best interest of Alaska or Alaskans. Alaska's prime forest lands, and valuable forest resources, must be managed for the long-term benefit of all Alaskans.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Lindekugel". The signature is written in a cursive style with a large, sweeping initial "R".

Robert E. Lindekugel
Staff Attorney



Alaska Center for the Environment

519 West 8th Ave #201 • Anchorage, Alaska 99501 • 907-274-4027

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Proposed Exchange with Cape Fox Corporation

DOT/PF's proposal (see Attachment - "O" to the original report) which would connect Ketchikan to the Bradfield Canal near the Tyee Hydropower Project, carries a price tag of up to \$150,000,000 or about \$1,000,000 per mile. If funds were limited, and the KGB/CFC proposed roads were in place, attention could be focused on stretches of road beyond Leask Lake, eliminating the immediate need for construction of the first eleven miles from Ketchikan, and deleting or deferring the need for almost \$11,000,000 required to provide the Ketchikan connection from its intersection with the proposed Leask Lake recreation road.

Any road dissecting rather than skirting the Naha, a U.S. Forest Service LUD II area, could be expected to encounter opposition. Although the Forest Service alignment running north of Lake Harriet Hunt best accesses its lands, the KGB/CFC alignment proposed in Alternative "G" (see Map 1, attached to the Final Exchange Agreement) provides the best access to lands now in state ownership or proposed for state ownership, and could act as a recreation loop if a better road is later constructed using DOT/PF's interior alignment.

J. Other Exchange Alternatives: Exchanges are difficult even when they are strongly supported and clearly benefit the areas involved in the exchange. The small amount of non-trust land in Southeast Alaska in state ownership, coupled with the high demand for its lands, e.g. need for lands for University of Alaska and Mental Health settlements, etc., adds to the difficulty. Alternatives (see Attachment - "K" to the original decision) were explored by CFC and the Borough, and Leask Lake was determined to be the only suitable site, and more importantly the only site of further interest to CFC. Although an attempt was made to interest CFC in timber rights in the Thorne Bay area, it indicated that it was clearly not interested because the more valuable timber in the Thorne Bay parcel has already been cut. KGB does own a stand of timber located at Whipple Creek estimated to contain approximately 15.3 million board feet. KGB, however, feels that there are problems which need to be addressed and is not willing to commit substantial amounts of this resource to an exchange at this time. It is likely that in addition to the problems that need to be worked out, that the Borough perceives these lands as not great enough to accommodate the primary objectives of the exchange but may be substantial enough to generate funds necessary to manage the lands ultimately acquired from the state exchange. This could be extremely important, given predictions again of diminished state revenue.

EVALUATION OF U.S. FOREST SERVICE LANDHOLDINGS
AS PART OF THE LAND EXCHANGE PROCESS

The following is a summary of discussion with a Cape Fox Corporation representative (Doug Campbell) regarding the feasibility of harvesting timber in the southern portions of Revilla Island, generally adjacent to urban and rural areas. He and Eric Muench evaluated U.S. Forest Service properties in order to identify areas for inclusion in a potential land exchange.

Slide Ridge. This area probably should not be harvested for the following reasons: Visibility from the Ward Lake area, visibility from Tongass Narrows, and because it is adjacent to the Ward Lake recreation area. In addition, the topography is very steep and the soils are not conducive to logging operations.

Connell and Perseverance Lakes. Perseverance Lake is a principal destination of a major USFS trail within the Ketchikan area. Many residents as well as visitors use the trail, and it is a principle recreational resource for the community. Connell Lake is a source of water for the pulp mill. Because of the visibility of a cut in these areas and because of possible water quality impacts to the water supply of Connell Lake, logging in this area does not appear to be practical.

Talbot Lake. The areas of the lake that are north of this feature have already been logged; the area to the south could be logged but in doing so the areas of clear cut would be clearly visible from the lake, and this area is considered to be a principal recreation area for community residents. The remainder of the area is visible from the Ward Lake road as well as from Ward Lake.

Round Mountain. There is a road in this area, and a logging sale occurred here as recently as a year ago; apparently between 30 and 40 percent of marketable timber was logged from this area. It is impractical to assume the Forest Service will allow additional logging on the basis of the sustained yield principle and other environmental concerns.

Ketchikan Lakes. This is the area of water supply for the community of Ketchikan.

Ridge Behind Saxman. This area, which is heavily forested, is also very steep and visible from the Tongass Narrows.

Whitman Lake. Whitman Lake has good commercial timber. However, the area is very steep and it is the water supply for Herring Bay as well as the fish hatchery. The area of the ridge that continues along George Inlet, generally to the northeast, is heavily forested, very steep, and is very visible from George Inlet.

Upper and Lower Silvus Lake. This is an area of very steep topography as well as an area of recreational use; while areas of this region have marketable timber, the logging that would occur would be clearly visible from Silvus Lake. While the Cape Fox Corporation is interested in this area, to complete the geographic integration with lands it owns and to acquire the land where the power facility is now located, it is probably impractical for this selection to occur because of sensitivities related to the control of price and market for electricity.

Interior of South Central Revilla Island. This area is mountainous and does not contain any extensive stands of marketable timber.

However, in discussions with Cape Fox they have indicated an interest in two other areas. These are now to be discussed.

Easterly parts of Sections 27 and 34, Township 73 south, Range 91 east. This area contains a ridge that is heavily forested. The site is comprised of average value hemlock. The state boundary line splits the ridge and it would make sense to alter that boundary line to put it at a location where it aligns with current state land boundaries. This area consists of approximately 200 to 250 acres.

Area East of Coon Cove. This is an area where Forest Service land immediately adjoins Cape Fox Corporation land, and roads exist in portions of the Cape Fox properties. Within Section 34, which is comprised of Forest Service lands, there are average stands of spruce hemlock forest. In addition, there are areas of similar forested areas immediately to the north of the aforementioned parcels. Importantly, this area to the north cannot be selected by the Cape Fox Corporation, while the area to the south can. In addition, these more northerly areas are positioned in such a way that they can provide access from existing roads of the Cape Fox Corporation to U.S. Forest Service properties having marketable timber.

BGP/bjs

STATE of ALASKA
DEPARTMENT of NATURAL RESOURCES
TIMBER APPRAISAL
THORNE BAY TRACT

AS OF
JUNE 30, 1989

BY
CASCADE APPRAISAL SERVICES, INC.
P.O. BOX 423
WILSONVILLE, OREGON 97070



December 21, 1989

Mr. Joseph F. Wehrman III
Department of Natural Resources
Division of Forestry
3601 "C" Street, Suite 1003
Anchorage, Alaska 99503

Re: State of Alaska - 1989 Thorne Bay Timber Appraisal

Dear Mr. Wehrman:

At your request we have appraised the subject timber in the Thorne Bay Tract owned by the State of Alaska as to its fair market value. The date of valuation is June 30, 1989. The subject timber consists of western hemlock, sitka spruce, and associated species on lands in southeast Alaska. The timber is appraised as an unencumbered fee simple interest. The total estimated fair market value is

TWENTY-SEVEN MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS
(\$27,850,000)

This appraisal utilized information and data provided by the State of Alaska in regards to timber volume within the tract. Log sales data, logging cost, and road construction cost data are based on information from southeast Alaska timber industry sources. Information was also utilized which was provided by persons and/or firms listed in the Addenda. The information provided is believed to be reliable, but no responsibility is assumed for its accuracy.

In developing our opinion, we have made a personal inspection of the subject property. We have reviewed the operating costs, log and timber sale information, and timber marketing conditions as they pertain to the subject property market area.

503 622-3766

PARK PLACE BUILDING SUITE A • 30470 SW PARKWAY AVENUE
PO BOX 423 • WILSONVILLE OREGON 97070

Mr. Joseph F. Wehrman III
December 21, 1989
Page Two --

This appraisal and its use are subject to the contingent and limiting conditions and the certification listed in the Addenda. This letter serves to introduce the appraisal report which follows. The appraisal procedures are described in that report.

Sincerely,

CASCADE APPRAISAL SERVICES, INC.

Ray E. Granvall, Jr.
Ray E. Granvall, Jr.

Larry L. Ismert
Larry L. Ismert

REG:db

SCR

13

Testimony of Loren Flagg
to the
House Resources Committee on Chinook Salmon Bycatch
April 10, 1991

The Kenai Peninsula Fishermen's Association is greatly concerned with the high level of chinook salmon bycatch presently occurring in the Gulf of Alaska (GOA). During March the chinook bycatch by the factory trawl fleet increased dramatically from 4,600 at the beginning of the month to over 30,000 by the end of the month.

This year's catch of chinook salmon is already approximately twice the catch made in 1990. What is of particular concern is that the highest catches recorded last year occurred during the month of April. As we speak the GOA trawl fishery is hammering away at chinook salmon, many of which are Southcentral Alaska stocks (by some estimates 28%). We feel this fishery needs to be brought under control immediately and we support the Committee Substitute for Senate Resolution No. 13 that is currently before you. We support the amendment on page 2, line 9 which adds the words "and Gulf of Alaska". We also recommend that the word "Immediately" be substituted for the words "be prepared to" on page 2, line 18.

The reason for our concern with the high chinook salmon bycatch is that inshore management decisions, that can have major impacts on user groups, are often made based on relatively small numbers of salmon. Last year both early and late run stocks of king salmon returning to the Kenai River in Cook Inlet were weak. The early run - which has not been fished commercially in Cook Inlet since the early 1960's - went to 'hook and release only' on June 7 and stayed in that status for the remainder of the run. This caused major cancellations in the guide industry.

The management decision to close the Kenai River to the retention of late run king salmon last year was based on only 500 fish. This decision caused major disruption in the fisheries and led to the "Save the Kings" protest and consequently to changes in the Kenai River King Salmon Management Plan by the Board of Fish last December. And now the Hickel administrator is threatening further restrictions to the commercial fishery along the eastside of Cook Inlet including the elimination of offshore nets. All of this grief was caused by the lack of only 500 king salmon.

We know that many of the king salmon killed by factory trawlers in the GOA are Southcentral Alaska stocks (some estimates indicate about 28%). We also know the Cook Inlet bound fish are present in this fishery based on coded wire tag returns from the early to mid 1980's. The Kenai River is one of the major king salmon producers in Cook Inlet and Southcentral Alaska. There is no doubt that these stocks are being adversely impacted by the trawl fishery.

We appreciate your time and we support your efforts to get this fishery under control before further damage is done.

ESTIMATES OF TOTAL BYCATCH OF CHINOOK AND 'OTHER' SALMON IN THE GROUNDFISH FISHERIES OF THE BERING SEA/ALEUTIAN ISLANDS AND GULF OF ALASKA AS OF 4/04/91.

NMFS/AKR
04/04/91

1991 GULF OF ALASKA FISHERIES
CHINOOK & OTHER SALMON BYCATCH

TRAWL GEAR

WEEK	CHINOOK SALMON		'OTHER' SALMON	
	WEEKLY NUMBER	CUMULATIVE NUMBER	WEEKLY NUMBER	CUMULATIVE NUMBER
01/06	341	341	0	0
01/13	985	1326	0	0
01/20	493	1819	0	0
01/27	503	2322	0	0
02/03	1119	3441	5	5
02/10	529	3970	4	9
02/17	420	4390	1	10
02/24	260	4650	0	10
03/03	326	4976	2	11
03/10	3189	8165	0	11
03/17	6285	14450	29	40
03/24	9220	23670	95	135
03/31	7791	31461	198	333

NMFS/AKR
04/04/91

1991 BERING SEA/ALEUTIAN ISLANDS FISHERIES
CHINOOK & OTHER SALMON BYCATCH

TRAWL GEAR

WEEK	CHINOOK SALMON		'OTHER' SALMON	
	WEEKLY NUMBER	CUMULATIVE NUMBER	WEEKLY NUMBER	CUMULATIVE NUMBER
01/06	11424	11424	745	745
01/13	4489	15913	362	1106
01/20	1255	17167	32	1139
01/27	866	18033	0	1139
02/03	2006	20039	46	1185
02/10	2137	22176	2	1187
02/17	1921	24097	113	1300
02/24	1968	26065	654	1954
03/03	440	26505	19	1973
03/10	1158	27663	3	1977
03/17	430	28094	34	2010
03/24	323	28417	443	2453
03/31	87	28504	0	2453

NOTE: No PSC Limits apply to salmon

Data based on observer reports, extrapolated to total groundfish harvest.

NOTE: ESTIMATES OF BYCATCH MAY CHANGE (INCREASE OR DECREASE) AS ADDITIONAL OBSERVER DATA BECOME AVAILABLE.

FOR MEETING - DIMORAN RE
KARL KIRCHER



34824 Kalifornsky Beach Road • Suite E • Soldotna • Alaska • 99669 • (907) 262-2492

1991 GULF OF ALASKA FISHERIES
HALIBUT BYCATCH MORTALITY

4/24/91

HOOK & LINE ALLOWANCE
1st. Quarter
200 MT MORTALITY

TRAWL ALLOWANCE
1st. Quarter
600 MT MORTALITY

WED	WK HAL MORT MT	WK %	CUM HAL MORT MT	CUM %	WK HAL MORT MT	WK %	CUM HAL MORT MT	CUM %
11/06/91	3	1.6%	3	1.6%	2	0.3%	2	0.3%
11/13/91	3	1.7%	7	3.3%	0	1.0%	7	1.2%
11/20/91	2	1.0%	9	4.3%	6	1.0%	13	2.2%
11/27/91	3	1.3%	11	5.5%	21	3.6%	35	5.8%
12/03/91	5	2.7%	17	8.3%	30	5.1%	65	10.8%
12/10/91	1	0.0%	18	8.8%	17	2.8%	82	13.6%
12/17/91	5	2.4%	22	11.2%	24	3.9%	105	17.6%
12/24/91	8	3.8%	30	16.0%	35	5.9%	141	23.4%
13/03/91	8	3.9%	38	18.9%	58	9.3%	198	32.7%
13/10/91	15	7.7%	63	26.6%	83	13.9%	279	46.6%
13/17/91	12	5.9%	66	32.6%	87	14.6%	367	61.1%
13/24/91	16	8.0%	81	40.6%	162	26.3%	518	86.4%
13/31/91	3	1.7%	85	42.3%	149	24.8%	668	111.3%

Data based on observer reports, extrapolated to total groundfish harvest.

MFSA/AR
14/04/91

1991 GULF OF ALASKA FISHERIES
CHINOOK & OTHER SALMON BYCATCH

TRAWL GEAR

WEEK	CHINOOK SALMON		'OTHER' SALMON	
	WEEKLY NUMBER	CUMULATIVE NUMBER	WEEKLY NUMBER	CUMULATIVE NUMBER
11/06	341	341	0	0
11/13	805	1320	0	0
11/20	493	1819	0	0
11/27	603	2322	0	0
12/03	1119	3441	6	6
12/10	629	3970	4	9
12/17	420	4390	1	10
12/24	200	4650	0	10
13/03	326	4976	2	11
13/10	3109	8185	0	11
13/17	6285	14470	29	40
13/24	9220	23670	95	135
13/31	7791	31461	198	333

28%
South Central

NOTE: No PSC Limits apply to salmon.

Data based on observer reports, extrapolated to total groundfish harvest.
Alaska Fisheries Service


Senator Lyman F. Hoffman

Alaska State Senate
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4453



MEMORANDUM

TO: Members of House Resources Committee

FROM: Senator Lyman F. Hoffman 

RE: SCR 13, relating to chinook bycatch

DATE: April 10, 1991

I have introduced SCR 13 as a result of data from state and federal observer programs which indicate an excessively high number of Alaska chinook caught by the U.S. trawl fleet while fishing for groundfish in both the Bering Sea and Gulf of Alaska, as well as a significant bycatch of chinook salmon in the central Bering Sea Donut Hole. These chinooks are predominantly of Bristol Bay and western Alaska origin, stocks which are already experiencing severe conservation problems.

My resolution asks the Governor of the state of Alaska to take a strong position on this issue and use all means at his disposal to ensure the federal government acts to significantly reduce or eliminate this bycatch.

This issue is of concern not only to Bristol Bay and western Alaska fishermen, but also to southeast and central Alaska fishermen, since their salmon are also affected by bycatch problems from the various trawl fleets.

I ask for your support.

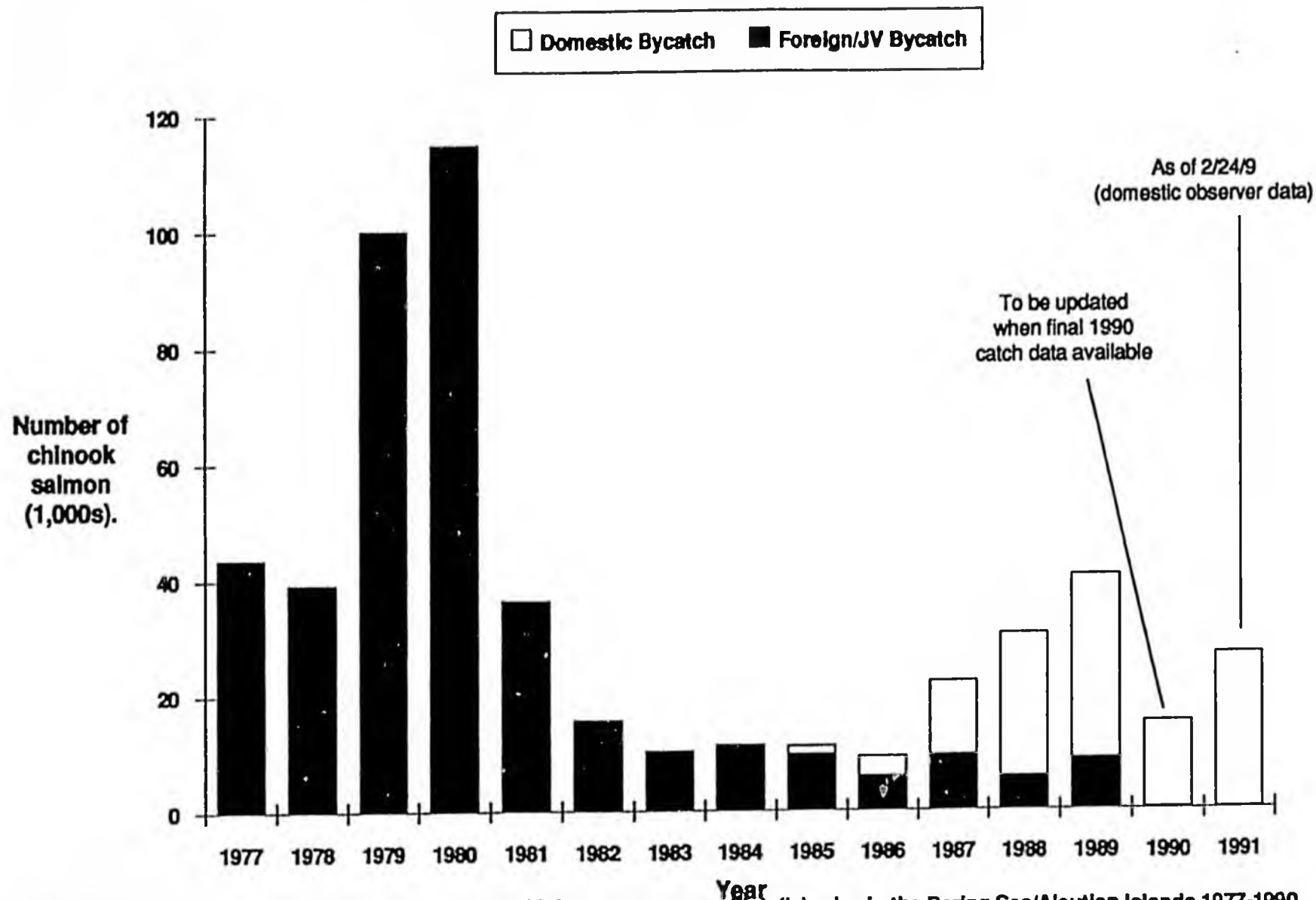


Figure 3. Bycatch of chinook salmon in foreign and joint venture groundfish fisheries in the Bering Sea/Aleutian Islands 1977-1990, and bycatch of chinook salmon in the domestic groundfish fisheries of the BS/AI, 1985-1991 (ADF&G, 2/28/91).

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

BOARD OF FISHERIES

WALTER J. HICKEL, GOVERNOR

PO. BOX 3 2000
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February 12, 1991

Steve Pennoyer
Regional Director
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National Marine Fisheries Service
P.O. Box 1668
Juneau, Alaska 99802

Post-It™ brand fax transmittal memo 7871 # of pages 5

To	Molly McGinnon	From	Nelson
Co.	Sen. Hoffmann	Co.	ADF&G
Dept.		Phone #	465-4110
Fax #	465-4523	Fax #	

Dear Mr. Pennoyer:

The State of Alaska, Board of Fisheries is extremely concerned with the high rate of salmon by-catch in area 517 by the mid-water pollock trawl fishery.

We formally request you take immediate action to address this unacceptable high rate of salmon by-catch. We would strongly support an immediate closure of all or parts of area 517 and, if necessary, area 518 under your "hot spot" authority and would naturally support such closures in Federal Waters with closures of state waters in the contiguous areas.

We seek an immediate response from you and the North Pacific Fishery Management Council at the earliest date possible. An analysis of what actions might conceivably be taken by the council in the coming year to address this issue would also be in order and greatly appreciated.

Thank you.

Sincerely,

Michael R. Martin
Mike Martin
Chair
Board of Fisheries

Deborah Lyons
Deborah Lyons
Chair
By-Catch Committee

cc: Governor Hickel
Clarence Pautzke, Chairman, NPFMC
Commissioner of Fish and Game

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

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February 13, 1991

Steve Pennoyer
Director
Alaska Region
National Marine Fisheries Service
P.O. Box 1668
Juneau, Alaska 99802

Dear Mr. Pennoyer:

As you are aware, the Bering Sea trawl fishery has exhibited some startlingly high bycatch rates for chinook salmon during the first several weeks of 1991. The incidental harvest of some 20,000 chinook by February 3 has fishermen, biologists, and the Alaska Board of Fisheries very alarmed. Past reports of chinook bycatch in the Gulf of Alaska and in the "donut hole" of international waters of the central Bering Sea are also of great concern.

The Department of Fish and Game has developed a summary of the 1991 bycatch to date, based upon initial observer reports, and comparisons to past levels of chinook catches, both as bycatch and as directed harvest in state waters (enclosed). The few stock identification studies available indicate that the majority of chinook taken in Bering Sea trawl fisheries are likely from western and central Alaska stocks. Most of these stocks are already fully allocated to commercial, sport, and/or subsistence fisheries, and several of them are suffering declines in run strength.

The additional pressure of bycatch on these stocks may, in at least a few instances, constitute a conservation problem; it certainly constitutes a reallocation of state-managed resources. Given the obvious disputes between our own fishermen over even small numbers of kings in many systems, I am sure you understand our concern for yet another source of mortality, let alone one that is truly incidental and of no apparent benefit.

I believe that this problem warrants your immediate attention. We encourage the National Marine Fisheries Service (NMFS) to monitor the salmon bycatch very closely and make projections of any additional take expected during the 1991 groundfish fisheries. In addition, I ask that you review your authorities to institute time/area ("hot spot") closures or other emergency measures to protect Alaskan chinook stocks. Because of the importance of these

Steve Pennoyer

- 2 -

February 13, 1991

stocks to our traditional fisheries, we are urging you to consider emergency action as requested by the Board of Fisheries:

As a potential point of reference, we note that foreign and joint-venture fishermen were able to control their annual chinook bycatch rates from 115,100 chinook salmon per 1.33 million mt of groundfish (0.087 chinook/mt) in 1980 down to about 0.004 chinook/mt in 1986. Presumably we should expect our own domestic fishermen to exhibit the same, if not better, control of their impacts on the resources upon which other domestic fishermen depend. I suggest that NMFS, in the short term, and perhaps the North Pacific Fishery Management Council, consider a bycatch management program that would limit chinook take to, at maximum, a commensurate 0.004 chinook/mt. For 1990, this rate would have restricted bycatch to approximately 6,600 chinook for the 1.65 million mt of groundfish taken, rather than the 14,000 chinook reported by observers. Similar protection may also need be afforded in the Gulf of Alaska and the donut hole.

Steve, I know that this is not a simple issue. On the other hand, it is not an issue easily dismissed. The burden of responsibility lies properly with the newly exploding groundfish fishery rather than with the established and traditional users of chinook salmon. I look forward to your consideration of the control of this bycatch and offer the assistance of ADF&G staff for any further data analysis which may be necessary. Please keep us apprised of your actions. Thanks.

Sincerely,



Ron Somerville
Deputy Commissioner

Enclosure

cc: Michael Martin
Clem Tillion
Clarence Pautzke
Denby Lloyd

1991 Chinook Salmon Bycatch Summary
February 13, 1991

Alaska Department of Fish and Game
Division of Commercial Fisheries

Current Status of Chinook Bycatch in the Groundfish Fisheries of the Bering Sea/Aleutian Islands and the Gulf of Alaska

As of February 3, 1991 an estimated 20,708 chinooks had been caught incidentally in the groundfish fisheries of the Bering Sea/Aleutian Islands (BS/AI). An additional estimated 2,213 chinooks had been caught in the Gulf of Alaska groundfish fisheries, primarily in the midwater trawl fishery for pollock.

In the BS/AI, the vast majority of the bycatch has occurred in the pollock midwater trawl fishery, predominantly from federal statistical area 517 and, to a lesser extent, statistical area 515. The pollock fishery was initially concentrated in statistical area 517 and, during the last two weeks of January, expanded to include statistical area 515. As of February 3, the bycatch rates for these two areas were 0.325 and 0.013 chinooks/mt of groundfish, respectively. Federal statistical areas are indicated in Figure 1a.

In addition, preliminary data from groundfish vessels in the Donut Hole suggest bycatches of chinook salmon that could be in excess of 60,000 in 1990.

BS/AI Groundfish Catch and Chinook Bycatch: 1990 VS. 1991

This year, by January 27, both reported groundfish catch and reported chinook bycatch in statistical area 517 had increased dramatically compared to the same period in 1990. However, the observer program was newly established in 1990 and actual observer coverage was very minimal prior to March 1990. Therefore, it is possible that the actual chinook bycatch for the first month of 1990 in the entire Bering Sea was higher than the approximate 3,000 chinooks reported.

By January 27, reported groundfish catch and chinook bycatch for 1990 and 1991 in statistical area 517 of the BS/AI was:

<u>YEAR</u>	<u>GROUND FISH (MT)</u>	<u>CHINOOKS (NOS.)</u>	<u>BYCATCH RATE (NOS./MT)</u>
1990	7,657	383	0.05
1991	53,872	12,316	0.23

Cumulative bycatches of chinook salmon through the week ending February 3 are shown in Figure 1.

Commercial Catch History and Health of Chinook Salmon

The total statewide commercial harvest of chinook salmon has been relatively stable since the late 1980's. The projected total statewide commercial harvest for 1991 is 672 thousand chinook salmon (Geiger and Savikko, 1991). The total statewide harvest in 1990 was 665 thousand chinooks.

On the district level, the Bristol Bay chinook salmon stocks have suffered the greatest decline. Chinook salmon numbers have dropped since the early 1980's raising concern over the health of the Nushagak and Togiak River runs. The number of chinook harvested in the Cordova district (Copper River) and the Cook Inlet district (Kenai River) have also declined since 1987. According to area management biologists, the Yukon and Kuskokwim stocks are currently in a rebuilding phase after lower-than-optimum returns in the mid-1980's.

The total annual commercial catch for districts or combined districts from the years 1980 - 1990 are provided in Figure 2. The total bycatches of salmon for each year are provided in this figure as well. The projected 1991 harvest by district, the 1980-1990 average, the 1990 catch, and comments are provided below:

Yukon/Kuskokwim	The 1991 projected harvest of 166 thousand chinook salmon is below the 1990 harvest of 190 thousand chinook salmon and below the 11 year average of 198 thousand fish. The 1990 catch was 95.7% of the 11 year average.
Bristol Bay	The 1990 harvest of 33 thousand chinook salmon was 28.0% of the 1980-90 average of 118 thousand fish. The projected 1991 harvest is 45 thousand fish, an increase from the 1990 catch. However, the chinook salmon catch in the Nushagak district has been in decline since 1984. There has been no directed commercial fishery for chinook salmon since 1986.
Ak Pen/Chignik	The eleven year average of 33 thousand chinook salmon is less than the 1990 catch of 35 thousand chinook. However, the 1991 projected harvest of 22 thousand fish is well below the average.
Kodiak	Although historically small, the commercial catch in Kodiak has risen from between 1 and 5 thousand chinook salmon during the period

1980-87, to 22 thousand in 1988 and 19 thousand in 1990. The 1991 projected harvest is 15 thousand fish.

Cook Inlet . . . Although high chinook harvests were reported in 1986 and 1987 (40 and 41 thousand fish, respectively), the 1990 harvest of 18 thousand chinook salmon was 75.9% of the eleven year average of 24 thousand fish. The 1991 projection is for 32 thousand chinook salmon.

Cordova The 1990 harvest of 22 thousand chinook salmon was lower than the 1980-90 average of 34 thousand fish. However, the run is thought to be stable and the 1991 projected harvest is 42 thousand chinook salmon.

Origins of Chinook Salmon Caught Incidentally in Groundfish Fisheries

Information on the origins of chinook salmon caught incidentally in trawl and other fisheries of the Bering Sea comes primarily from salmon scale pattern analysis. The study most relevant to the groundfish fisheries is Myers and Rogers (1988). Scales collected by groundfish observers were analyzed to identify the origin of chinook salmon bycaught in the foreign and joint-venture groundfish fisheries in the Bering Sea EEZ during 1979, 1981 and 1982. The percent origin of chinook salmon from various regions and within the Western Alaska region over all three years was:

Western Alaska		60 %
Yukon	17 %*	
Kuskokwim	24 %*	
Bristol Bay	29 %*	
Central Alaska		17 %
Asia		14 %
S.E. Alaska/British Columbia		9 %

* Not intended to sum to Western Alaska total percentage.

Myers and Rogers indicated that the predominant ages of chinook salmon in the western Alaska commercial catches were ages 1.3 (years in fresh water, years in salt water) and 1.4. They speculated that the greatest effect of large incidental catches of ages 1.2 and 1.3 chinooks offshore on inshore harvests would likely occur 1 or 2 years later.

Davis (1990) also used scale pattern analysis to determine origins of chinook salmon near Japanese mothership and landbased driftnet

salmon fisheries in 1985 and 1986. Based on scales collected in the vicinity of the mothership fisheries (north of the Aleutians and between 175°E and 175°W) the percent origin of immature (age-1.2) chinook salmon was:

	1985	1986
Western Alaska	58 %	10 %
Central Alaska	3 %	17 %
Asia (Kamchatka)	39 %	73 %

A previous study of chinooks from the area of the Japanese mothership salmon fishery, 1975 to 1981 (Myers et al., 1987), indicated the following percentage origin of chinooks from the Bering Sea:

Western Alaska	70 %
Yukon	48 %*
Kuskokwim	21 %*
Bristol Bay	14 %*
Central Alaska	10 %
Asia	18 %
S.E. Alaska/British Columbia	2 %

* Not intended to sum to Western Alaska total percentage.

Davis (1990) cites additional scale pattern studies (Major et al. 1975, 1977a,b) which also indicated "that western Alaskan fish predominated in the Bering Sea and that the proportion of western Alaskan fish increased to the east".

Tagging data to determine region of chinook origin have been very limited but tend to corroborate results of scale pattern analyses (Myers and Rogers, 1988). Although scales from chinooks are currently being collected by observers, no scale pattern analysis is currently conducted to determine the origin of chinook salmon bycatch in groundfish fisheries. Observers are also collecting the heads of salmon with clipped adipose fins for potential recovery of coded wire tags.

Potential Future Chinook Bycatch

As of February 3, 59 % of the pollock roe season quota had been taken in the Bering Sea, 61 % of the Bogoslof management area (Figure 1a) quota had been taken and 18 % of the Aleutian Islands quota had been taken. At these rates of fishing, the Bering Sea

and Bogoslof quotas will probably be attained near the end of February. Once the roe season pollock quota has been taken in the Bering Sea, it is expected that a large percentage of the fleet will shift to the Aleutians for what remains of a minimal quota on pollock, to bottom trawling for Pacific cod and other species, and to the Gulf of Alaska for pollock.

As of February 3, only 9 % of the Pacific cod quota in the BS/AI had been taken. In 1990, the chinook bycatch rate in the Pacific cod bottom trawl fishery (range: 0 - 0.043 chinooks/mt groundfish) exceeded the rate in the pollock midwater trawl fishery (range: 0 - 0.020 chinooks/mt groundfish) in eight of the ten management areas. The 1990 chinook bycatch rate in the Pacific cod trawl fishery in statistical area 517 (0.037 chinooks/mt groundfish) was over twice the corresponding rate in the pollock midwater trawl fishery in statistical area 517 (0.016 chinooks/mt groundfish). This suggests the possibility of continued high bycatch of chinook salmon even after the fleet shifts to fishing for Pacific cod and other species.

A shift of boats to the Gulf of Alaska could increase the bycatch of chinook salmon in the Gulf, where bycatch of chinooks exceeded that of the BS/AI in 1990 (see Figures 3 and 4). It should be emphasized that the early-year bycatch of chinooks in 1990 in the Bering Sea may have been similar to that reported for January 1991, but may have been largely unreported due to the delays in implementing the observer program in 1990. Thus, the apparent increase in chinook bycatch in 1991 compared to 1990 may in part be an artifact of inadequate observer coverage in early 1990. Weekly and cumulative bycatches of chinook salmon for 1990 in the Bering Sea are shown in Figure 5. The same information for chinook salmon bycatch in the Gulf of Alaska is shown in Figure 6.

In addition to incidental catches of chinook in the groundfish fisheries of the U.S. EEZ, the bycatch of chinooks in the groundfish fisheries in the Donut Hole should be taken into account in evaluating the potential impact of bycatch on the directed catches of chinook salmon.

To fully understand the impact of chinook salmon bycatch on Alaskan salmon stocks will require a detailed analysis of the data provided by onboard observers. Additional information concerning the origin of the stocks of salmon being intercepted by the trawl fleet is also necessary to reveal specifically affected stocks. Scale pattern analysis, tag recovery, and genetic stock identification are means which can be incorporated to identify stock origins. Knowledge concerning the affect of chinook salmon bycatch on Alaskan stocks is especially necessary in the case of districts such as Bristol Bay, and perhaps Cook Inlet and the Copper River, which have experienced a significant drop in the numbers of returning fish in spite of adequate escapement.

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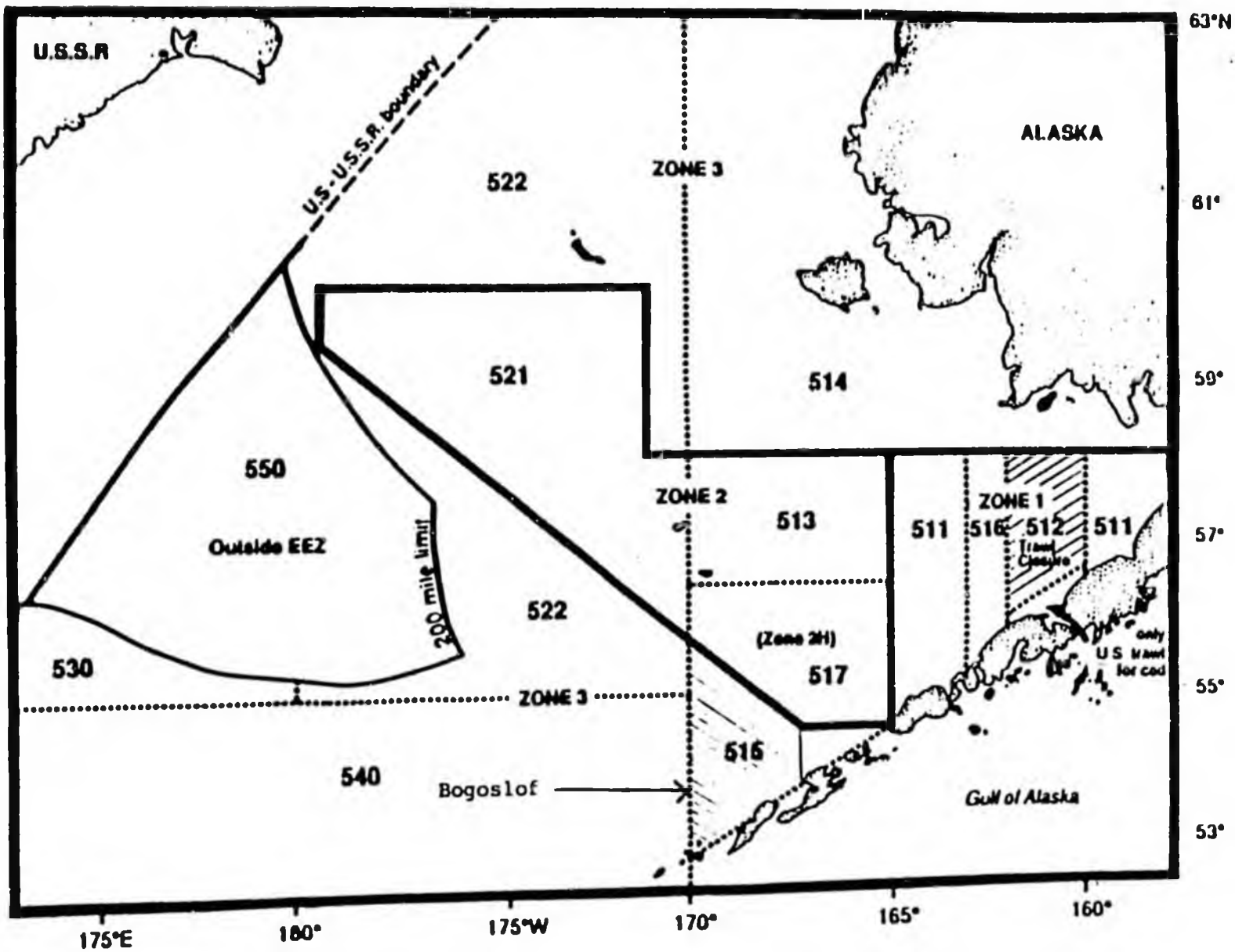


Figure 1a. Bering Sea federal statistical zones and areas (from: Guttormsen et.al.).

Figure 1. Cumulative numbers of chinook salmon caught incidentally in the groundfish fisheries in the Bering Sea/Aleutian Islands, 1990 and 1991.

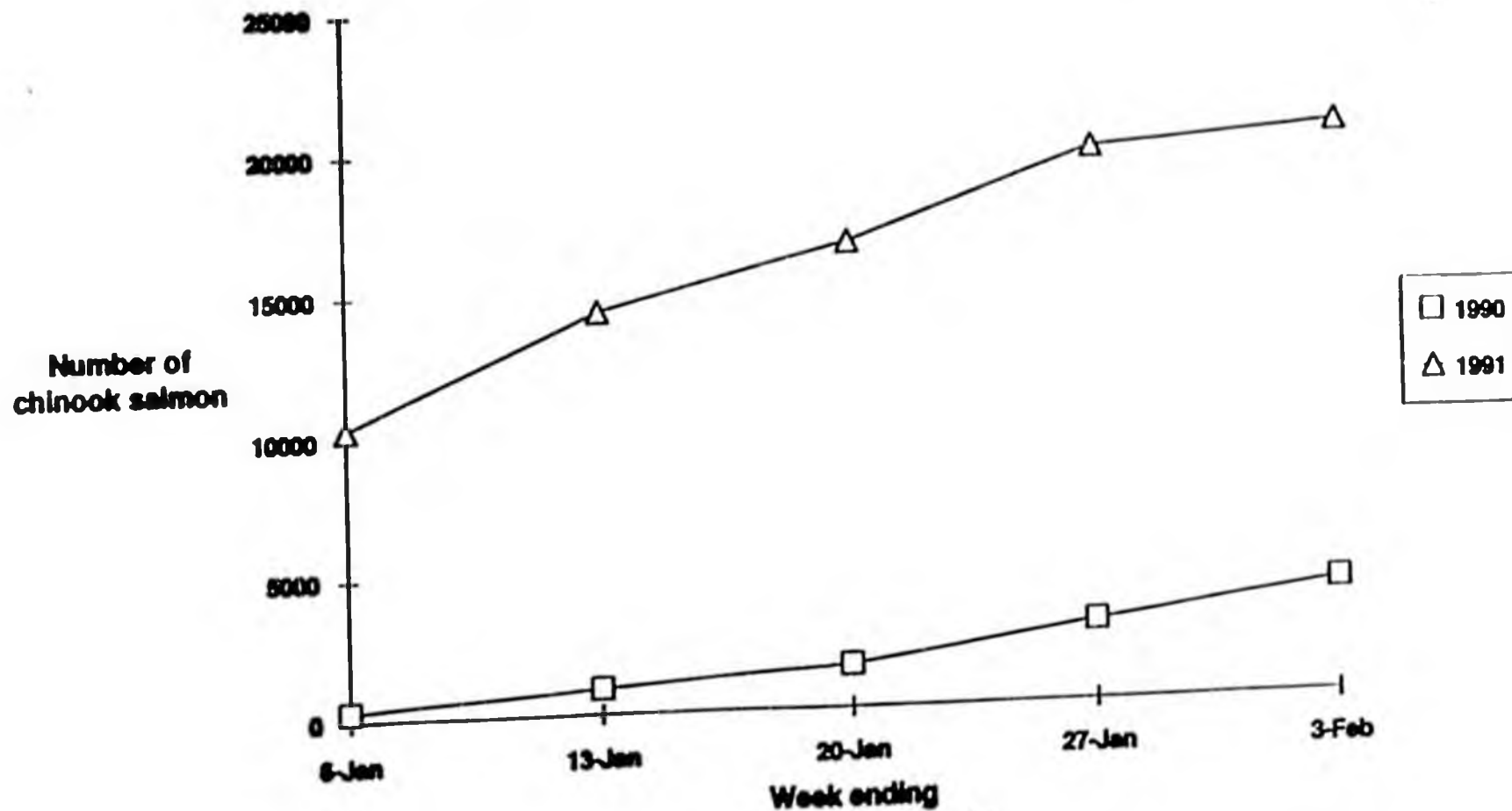


Figure 3. Bycatch of chinook salmon in foreign and joint venture groundfish fisheries in the Bering Sea/Aleutian Islands 1977 - 1990, and bycatch of chinook salmon in the domestic groundfish fisheries of the BS/AI, 1989 - 1991.

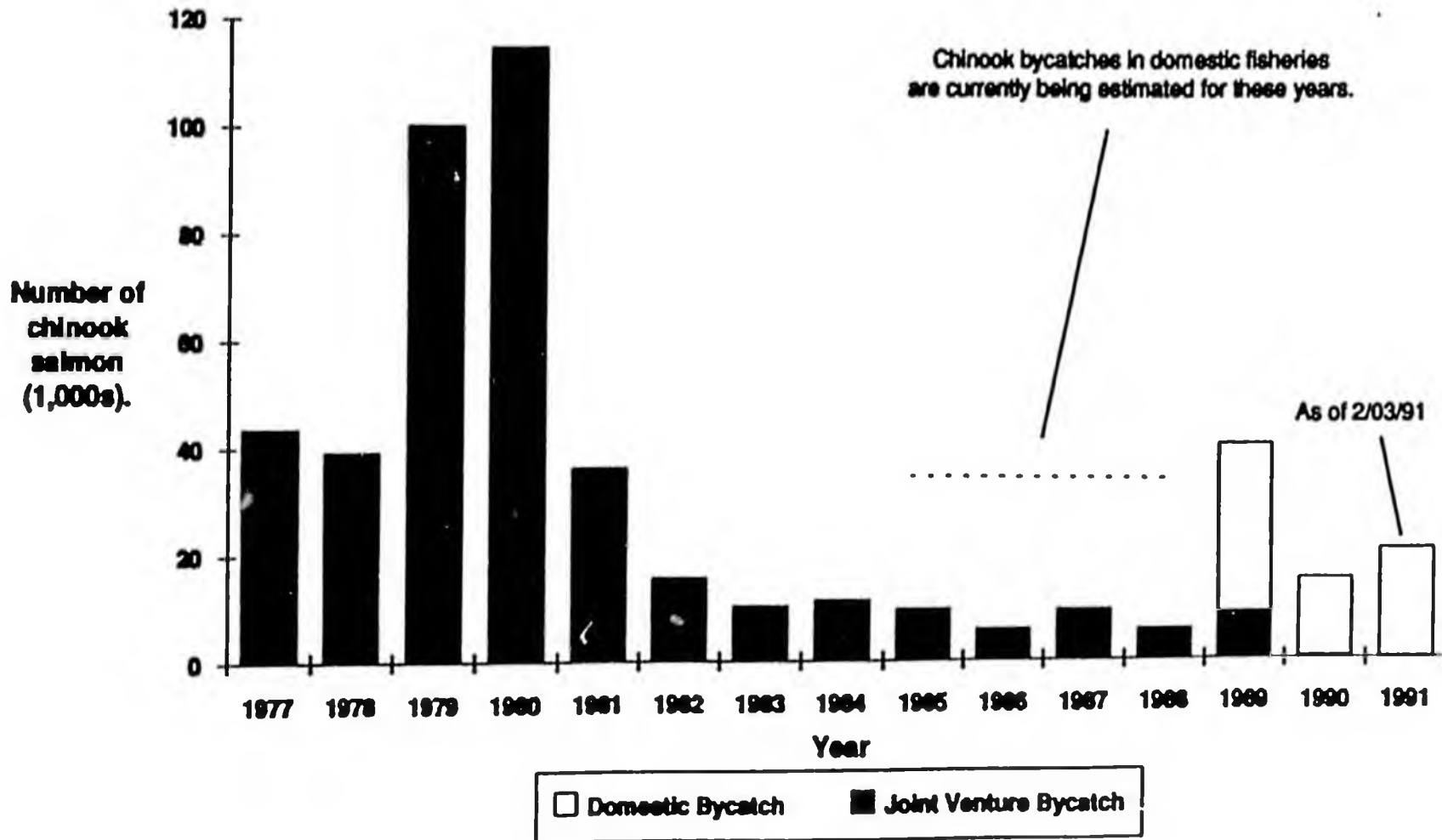
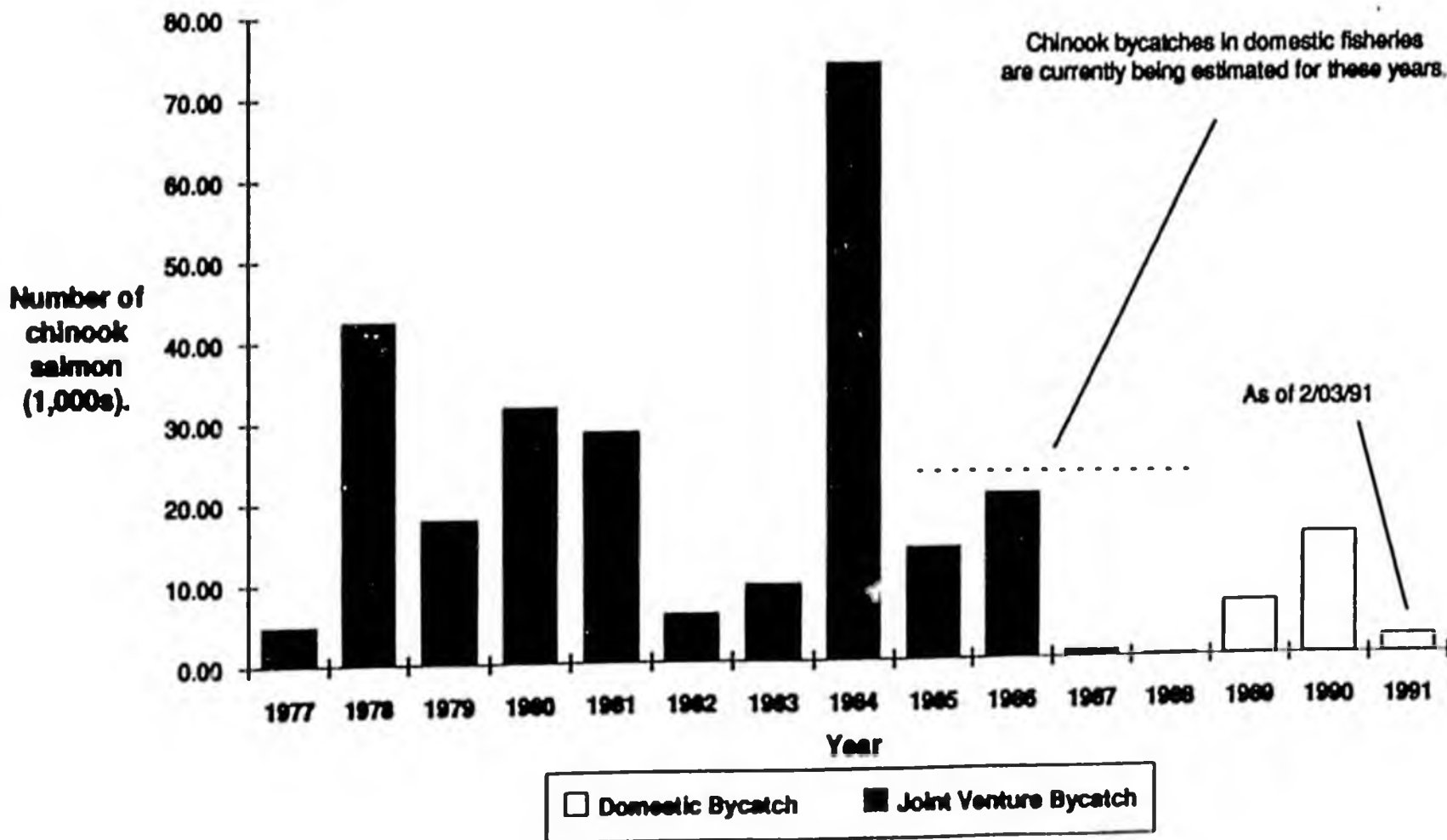


Figure 4. Bycatch of chinook salmon in foreign and joint venture groundfish fisheries in the Gulf of Alaska 1977 - 1988, and bycatch of chinook salmon in the domestic groundfish fisheries of the Gulf of Alaska, 1989 - 1991.



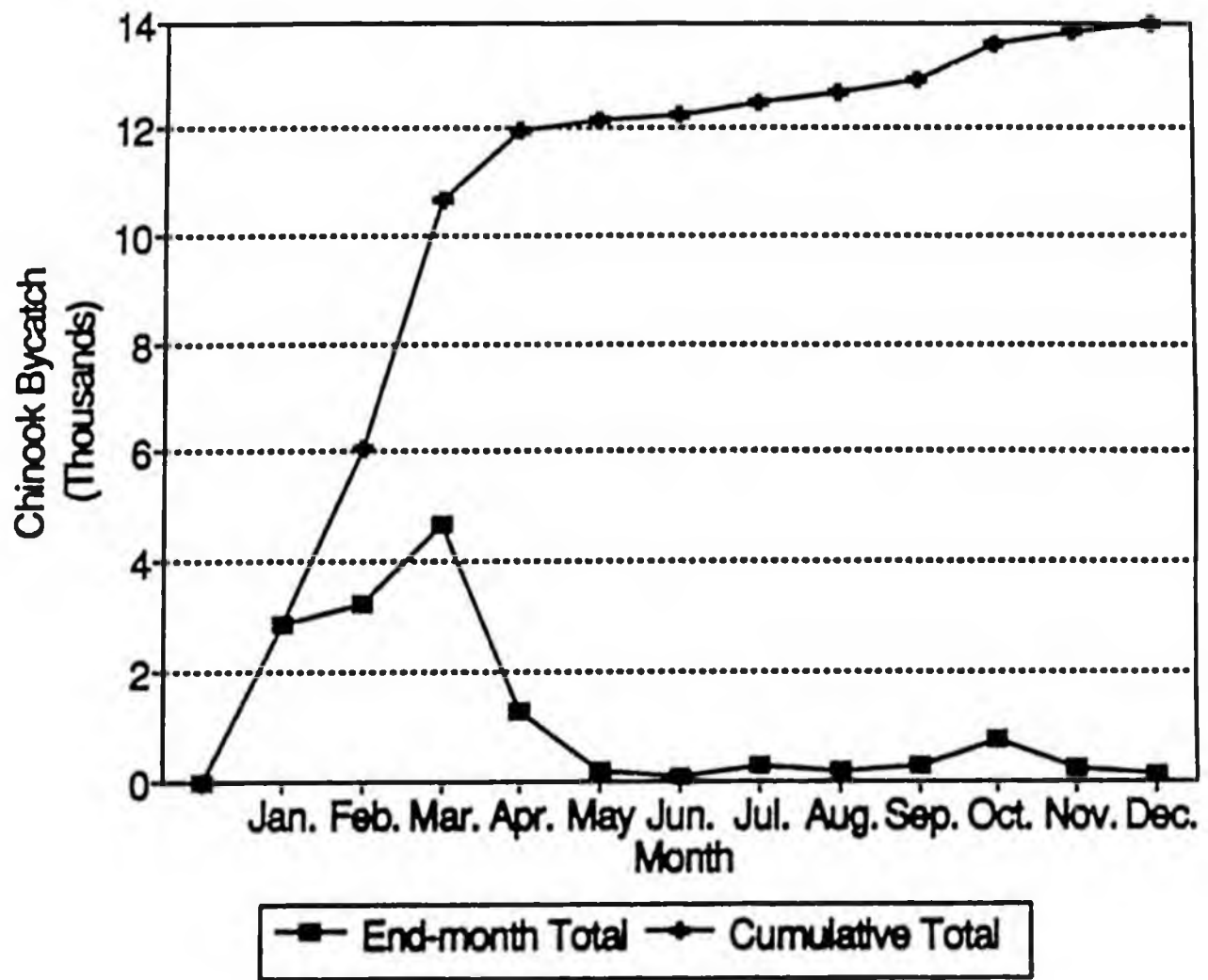


Figure 5. 1990 chinook salmon bycatch in the Bering Sea.

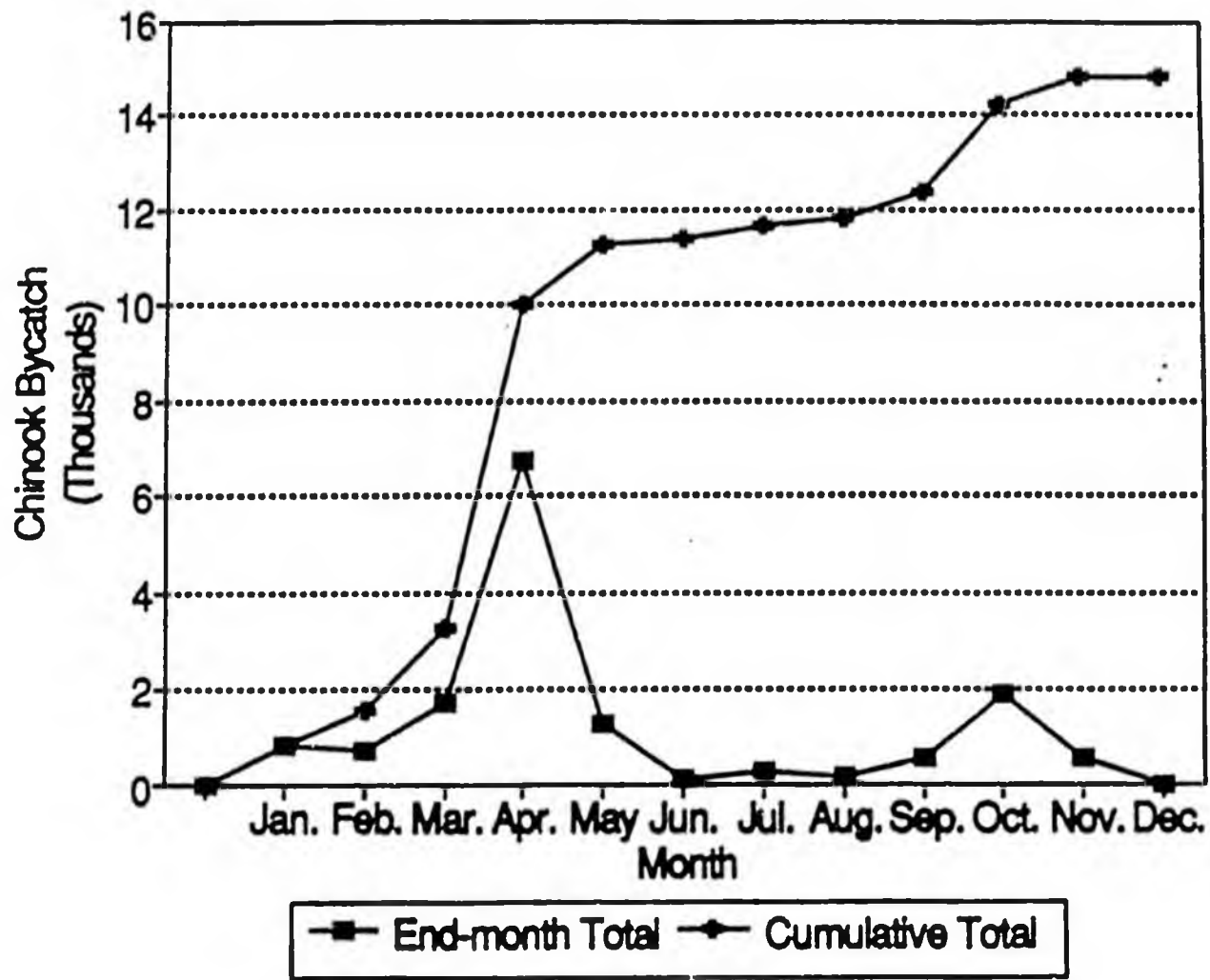


Figure 6. 1990 chinook salmon bycatch in the Gulf of Alaska.

Revised December 11, 1990

**PRELIMINARY ESTIMATES OF CHINOOK SALMON BYCATCH
IN THE GROUND FISH FISHERIES OF THE GULF OF ALASKA
AND BERING SEA/ALEUTIAN ISLANDS, 1989 & 1990**

Prepared by

Alaska Department of Fish and Game

November 28, 1990

The primary purpose of this report is to present preliminary estimates of the number of chinook salmon caught incidentally in the domestic groundfish fisheries of the Gulf of Alaska (GOA) and Bering Sea/Aleutian Islands (BS/AI) areas in 1989 and 1990. Estimated numbers of bycaught chinook are compared to the directed catch. Also included is information about the spatial distribution of chinook bycatch, the percent of 1990 groundfish catch sampled by observers, the distribution of groundfish catch among vessel size categories, and the historical bycatch of chinook salmon in the foreign and joint venture groundfish fisheries.

METHODS OF ESTIMATING CHINOOK BYCATCH

1989

Two different data sets were used to estimate chinook bycatch for 1989. As the first method, average chinook bycatch rates from 1985 through 1989, by target fishery and $1/2^\circ$ latitude x 1° longitude blocks, were estimated using joint venture observer data. These rates were multiplied by the total 1989 domestic groundfish catch in the respective $1/2^\circ$ x 1° blocks to yield estimates of the total number of chinook salmon caught incidentally in that block. Estimated bycatches from individual blocks were summed within each area to produce an overall estimate of the numbers of chinooks bycaught in the 1989 domestic groundfish fisheries. For those blocks with 1989 domestic groundfish catch, but lacking an actual bycatch rate estimate, a weighted average bycatch rate was used. Rates for such blocks were computed as the weighted average of the five closest rates, weighted by the inverse distance between the individual rate and the center of the block without a rate. The second method of estimating chinook bycatch used domestic observer data from 1989. These data were limited, and generated from observer efforts associated with a marine mammal observer program, the NPFMC pilot domestic observer program and a program funded, in part, by industry. The estimation method used to estimate bycatch rates based on the domestic observer data, and subsequent bycatch

totals was identical to that used with the the JV data. These methods were used for both the GOA and the BS/AI.

1990

The same average, JV-based bycatch rates applied to 1989 domestic groundfish catches to estimate the total numbers of chinook salmon bycaught in the 1989 domestic groundfish fisheries were applied to the 1990 domestic groundfish catch to estimate the total numbers of chinooks bycaught in the 1990 domestic groundfish fisheries. Alternative estimates of chinook bycatch were based on data from the current domestic observer program. The domestic-based estimates included here are the estimates included on the NMFS Alaska Region Bulletin Board through November 10 ("1990 Gulf of Alaska Fisheries Chinook & Other Salmon Bycatch", "1990 Bering Sea/Aleutian Islands Fisheries, Chinook & Other Salmon Bycatch"). These domestic-based bycatch rates and totals are based on management sub-area rather than the 1/2° x 1° blocks used with the JV-based estimates. As for 1989, these methods were used for both the GOA and the BS/AI in 1990.

RESULTS

1989 Chinook Bycatch

Based on the limited 1989 domestic observer data, an estimated 3,740 chinook salmon were caught in the domestic groundfish fisheries in the GOA in 1989 (Figure 1., Table 1.). When the average 1985-89, JV-based bycatch rates are applied to the 1989 domestic groundfish catch, an estimated 9,640 chinook salmon were taken incidentally in the GOA. The directed catch of chinook salmon in the 1989 salmon fisheries in the GOA was approximately 357,590. Of that number, 69,590 chinooks were taken in the directed fisheries in the Central and Western Gulf. Therefore, estimated bycatch of chinook salmon in the 1989 domestic groundfish fisheries was approximately one to three percent of the total GOA directed chinook catch, and five to fourteen percent of the directed catches in the Central and Western GOA.

In the BS/AI, estimates of chinook bycatch ranged from 34,320, based on domestic observer data, to 29,210, based on JV data. The directed chinook catch in the BS/AI in 1989 was approximately 225,330. The estimated bycatch of chinook salmon was approximately 13 to 15 % of the directed catch in 1989.

1990 Chinook Bycatch

An estimated 16,020 chinook salmon were taken incidentally in the the GOA domestic groundfish fisheries through November 10, based on

domestic observer data. In comparison, the total bycatch of chinook estimated from JV data was 6,480. These estimates of incidental catch are compared to a directed catch of 413,890 chinooks in the GOA. Of the total directed catch, about 81,830 chinooks were caught in the Central and Western GOA. Thus, bycatch of chinooks was equivalent to approximately two to four percent of the directed catch in the entire GOA in 1990. The estimated bycatch of chinook salmon in the entire GOA was equivalent to approximately 8 to 20 % of the directed catch in the Central and Western GOA.

Based on domestic observer data, an estimated 13,750 chinooks were taken incidentally in the BS/AI domestic groundfish fisheries through November 11, 1990. Using JV-based bycatch rates, an estimated 10,290 chinooks were taken incidentally during this time period. The preliminary estimate of the number of chinook taken in the directed salmon fisheries in the BS/AI is 233,480. Using these estimates, the estimated bycatch of chinook in the domestic groundfish fisheries was approximately four to six percent of the directed harvest.

1990 Observer Coverage

Through October of 1990, approximately 49 % of the domestic groundfish catch in trawl fisheries in the GOA has been observed as part of the NMFS Domestic Observer Program (Fig. 7). In the BS/AI, approximately 72 % of the catch in trawl fisheries has been observed.

Distribution of Groundfish Catch Among Vessel Size Categories

Through July of 1990, approximately 260,000 mt, or 25 % of the total groundfish catch in the GOA and BS/AI was harvested by boats in the 60 to 124 feet size category (Fig. 9). Another 730,000 mt, or 71 % of the total, groundfish catch was taken by vessels in the 125+ feet size category. Thus, approximately 96 % of the groundfish catch through July of 1990 was taken by vessels requiring some level of observer coverage.

Historical Bycatch in Joint Venture and Foreign Fisheries

Historically, the estimated numbers of chinook caught as bycatch in the joint venture and foreign groundfish fisheries in the GOA ranged from a low of approximately 90 in 1988 to a high of almost 75,000 in 1984 (Fig. 10.) In the BS/AI, estimates of chinook bycatch varied from lows of about 5,000 in 1986 and 1988, to a high of approximately 115,000 in 1980 (Fig. 11).

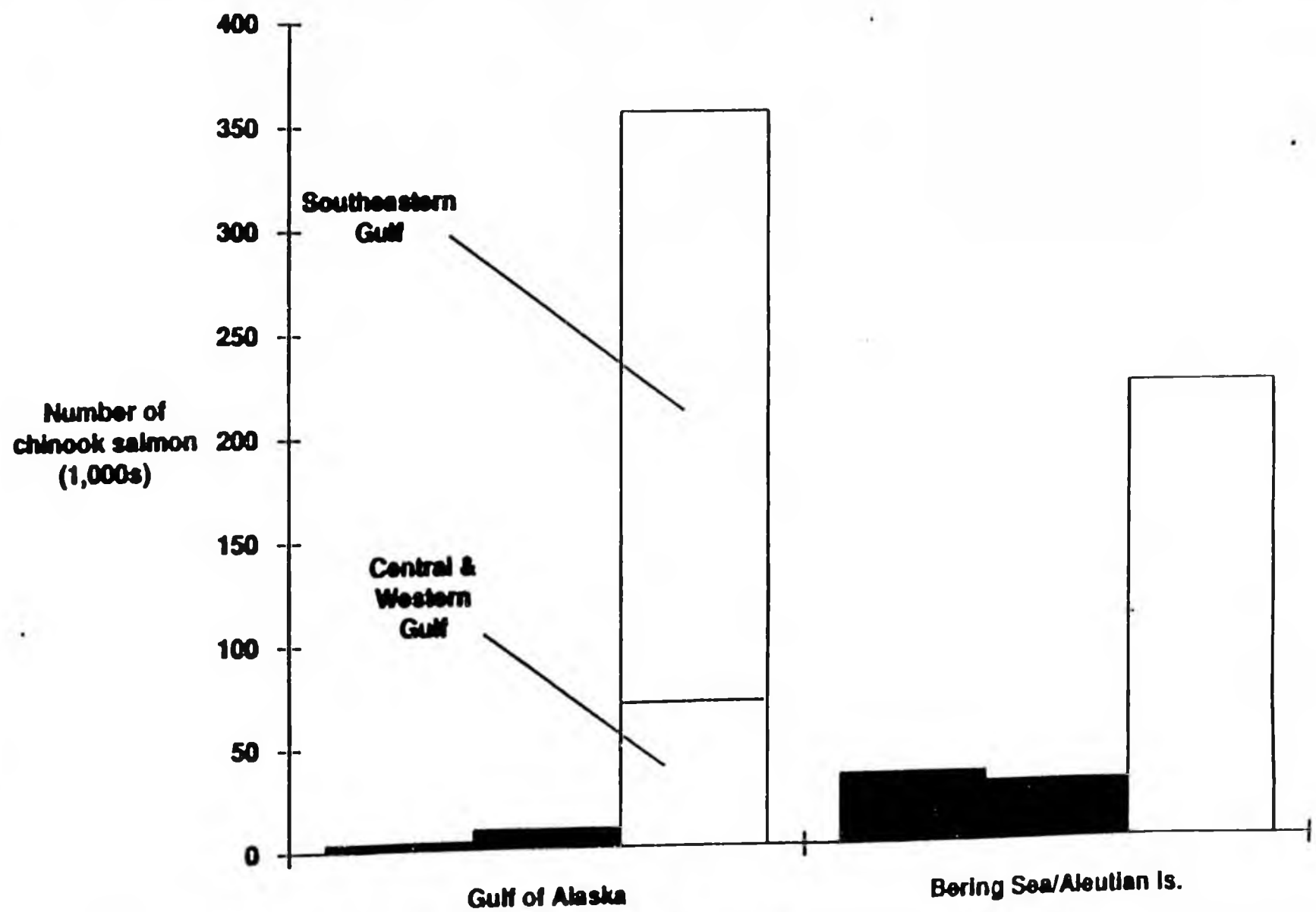
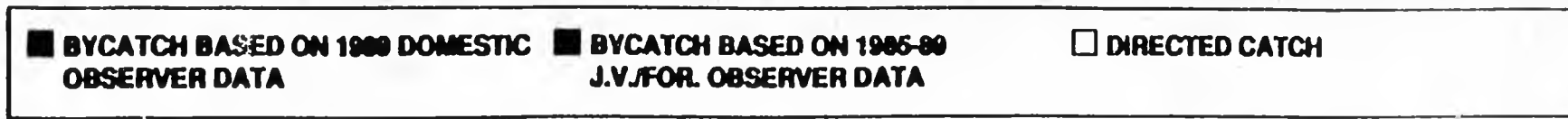


Figure 1. Numbers of chinook salmon caught in the Gulf of Alaska and Bering Sea/Aleutian Islands groundfish fishery bycatch (2 estimates) and directed catch. 1989.

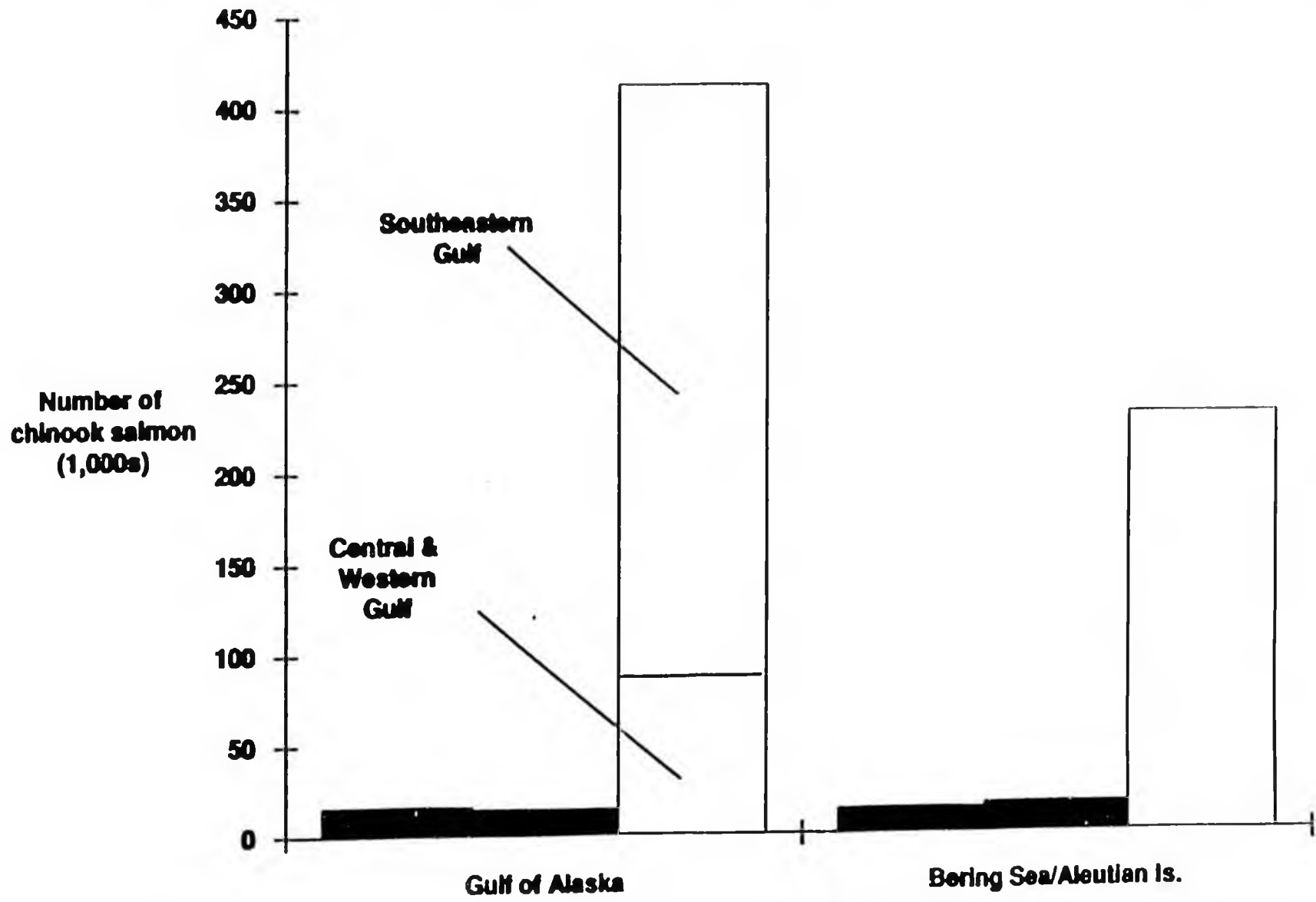


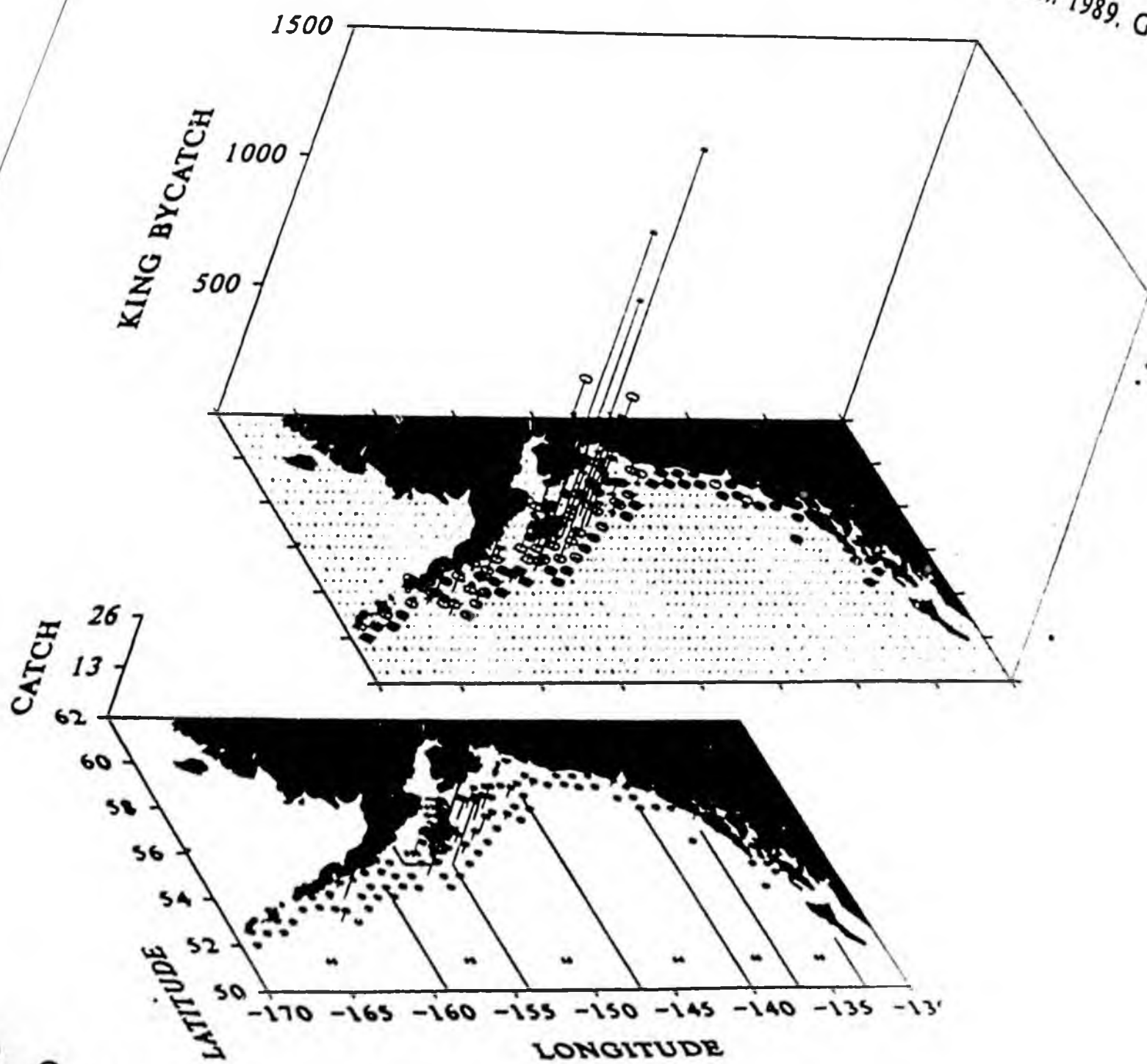
Figure 2. Numbers of chinook salmon caught in the Gulf of Alaska and Bering Sea/Aleutian Islands groundfish fishery bycatch (2 estimates) and as directed salmon fishery catch. 1990.

Table 1. Preliminary estimates of the numbers of chinook salmon (1,000s) caught as bycatch in the groundfish fisheries and as directed catch in salmon fisheries in the Gulf of Alaska and the Bering Sea/Aleutian Islands in 1989 and 1990.

Year	Area	Bycatch based on domestic observer data.	Bycatch based on joint venture observer data	Directed catch
1989	Gulf of Alaska	3.74	9.64	357.59
	Bering Sea/Aleutian Islands	34.32	29.21	225.33
1990	Gulf of Alaska	16.02	14.5	413.89
	Bering Sea/Aleutian Islands	13.75	16.22	233.48

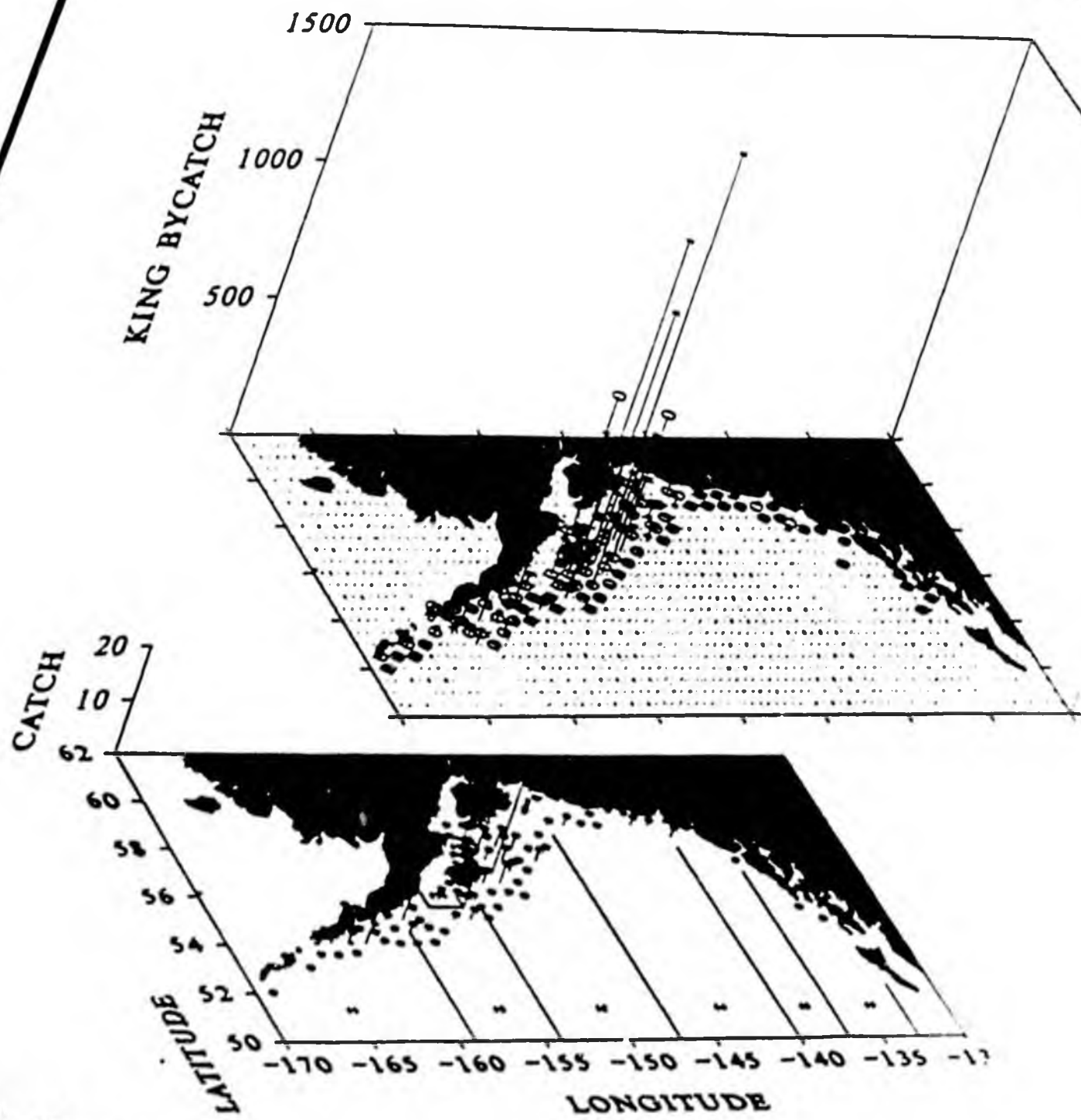
Note: Domestic observer data for 1989 were collected from three observer programs, including a marine mammal observer, program, the NPFMC pilot program, and a program supported, in part, by the fishing industry. Domestic observer data for 1990 were generated from the new NMFS domestic observer program. Average bycatch rates from the 1985-89 joint venture fisheries were applied to both 1989 and 1990 domestic groundfish catch to obtain JV-based estimates of chinook salmon bycatch.

Fig. 3. KING SALMON BYCATCH (NO) & TRAWL CATCH (1000 MT). 1989. GOA



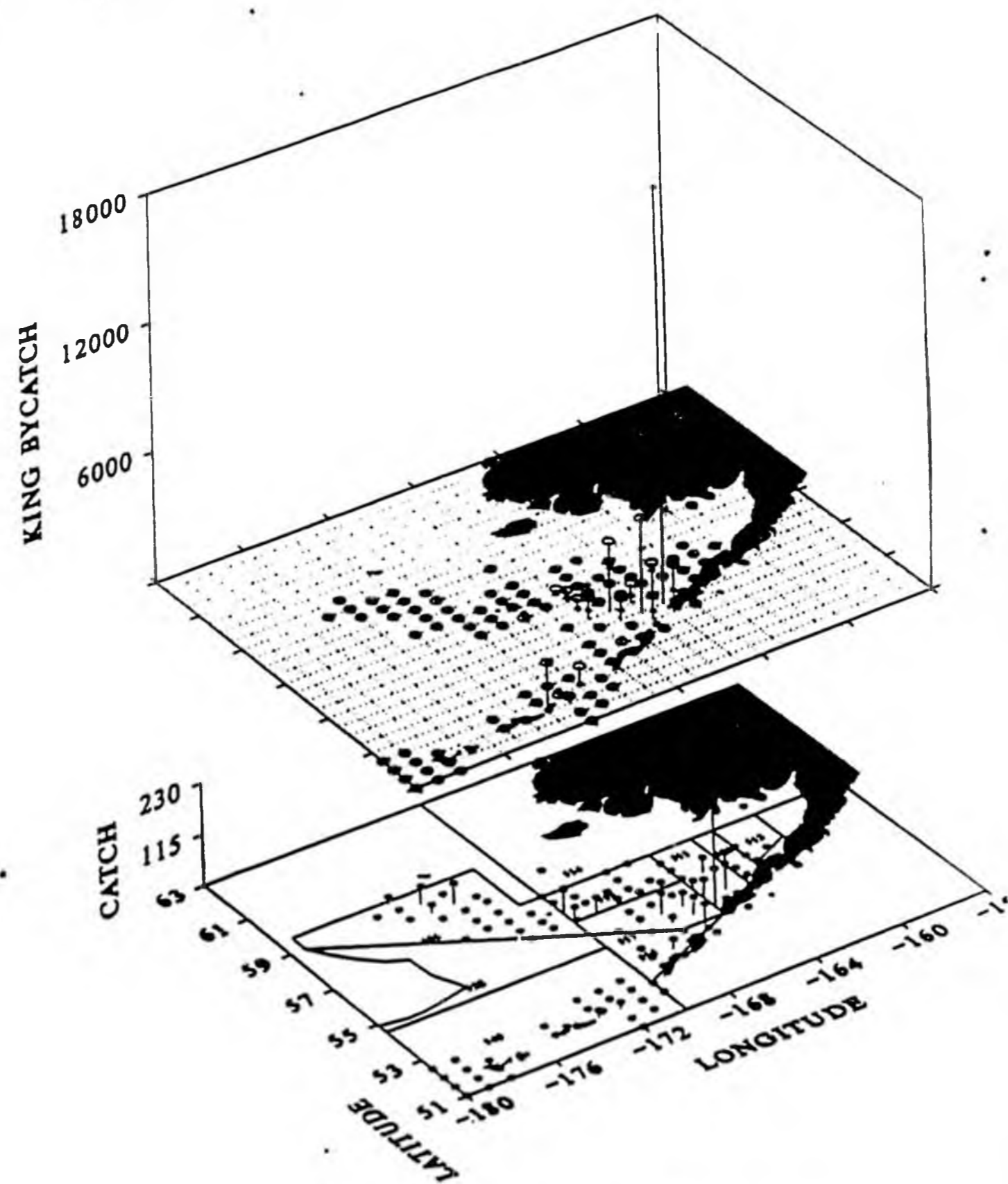
LEGEND
○ - BYCATCH BASED ON DOMESTIC OBSERVER DATA
● - BYCATCH BASED ON JV OBSERVER DATA

Fig. 4. KING SALMON BYCATCH (NO) & TRAWL CATCH (1000 MT), 1990. GOA



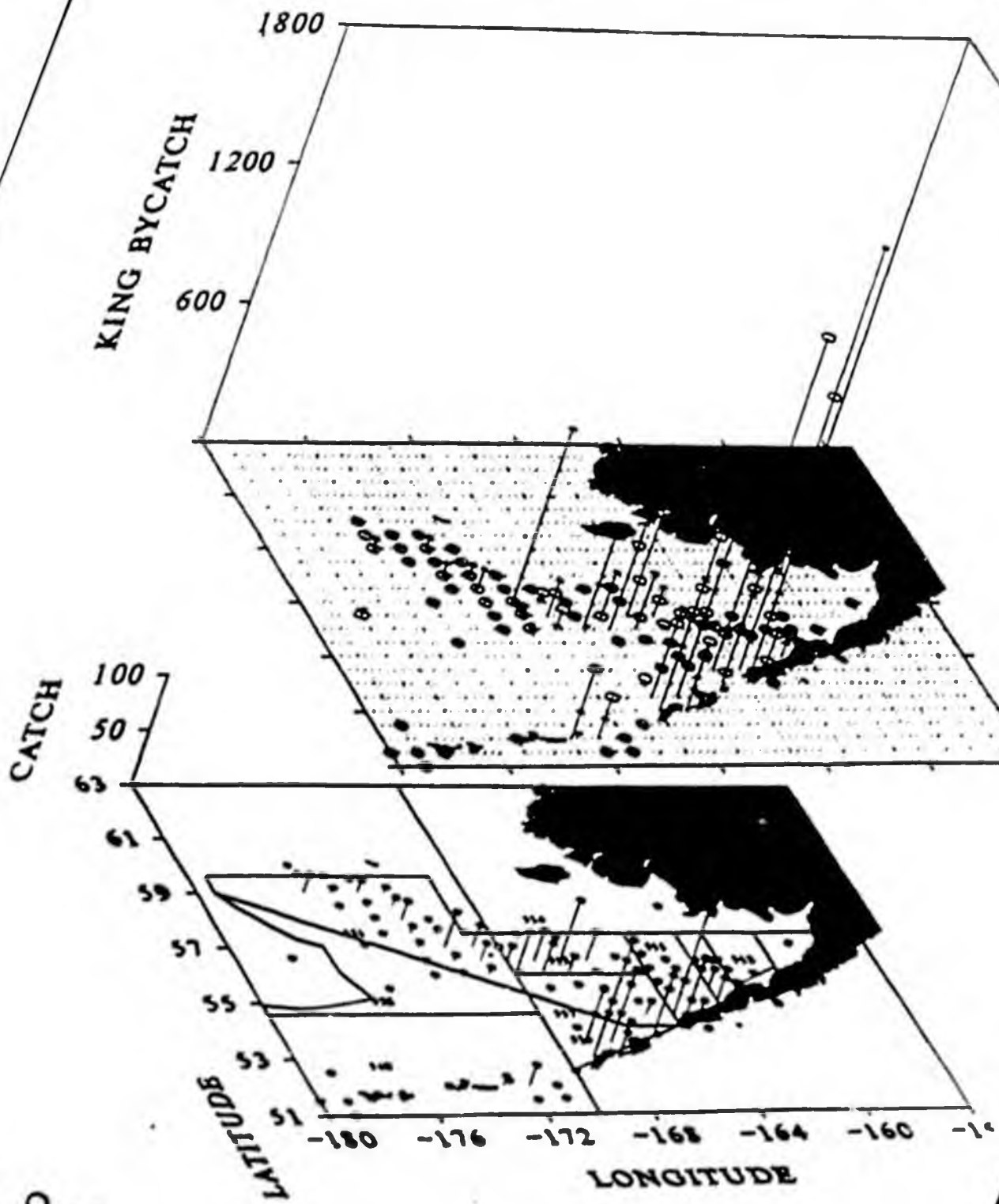
LEGEND ○ - BYCATCH BASED ON DOMESTIC OBSERVER DATA

Fig. 5. KING SALMON BYCATCH (NO) & TRAWL CATCH (1000 MT). 1989. BS



LEGEND ○ - BYCATCH BASED ON DOMESTIC OBSERVER DATA
★ - BYCATCH BASED ON JV OBSERVER DATA

Fig. 6. KING SALMON BYCATCH (NO) & TRAWL CATCH (1000 MT). 1990. BS



LEGEND ○ - BYCATCH BASED ON DOMESTIC OBSERVER DATA
● - BYCATCH BASED ON TRAWL OBSERVER DATA

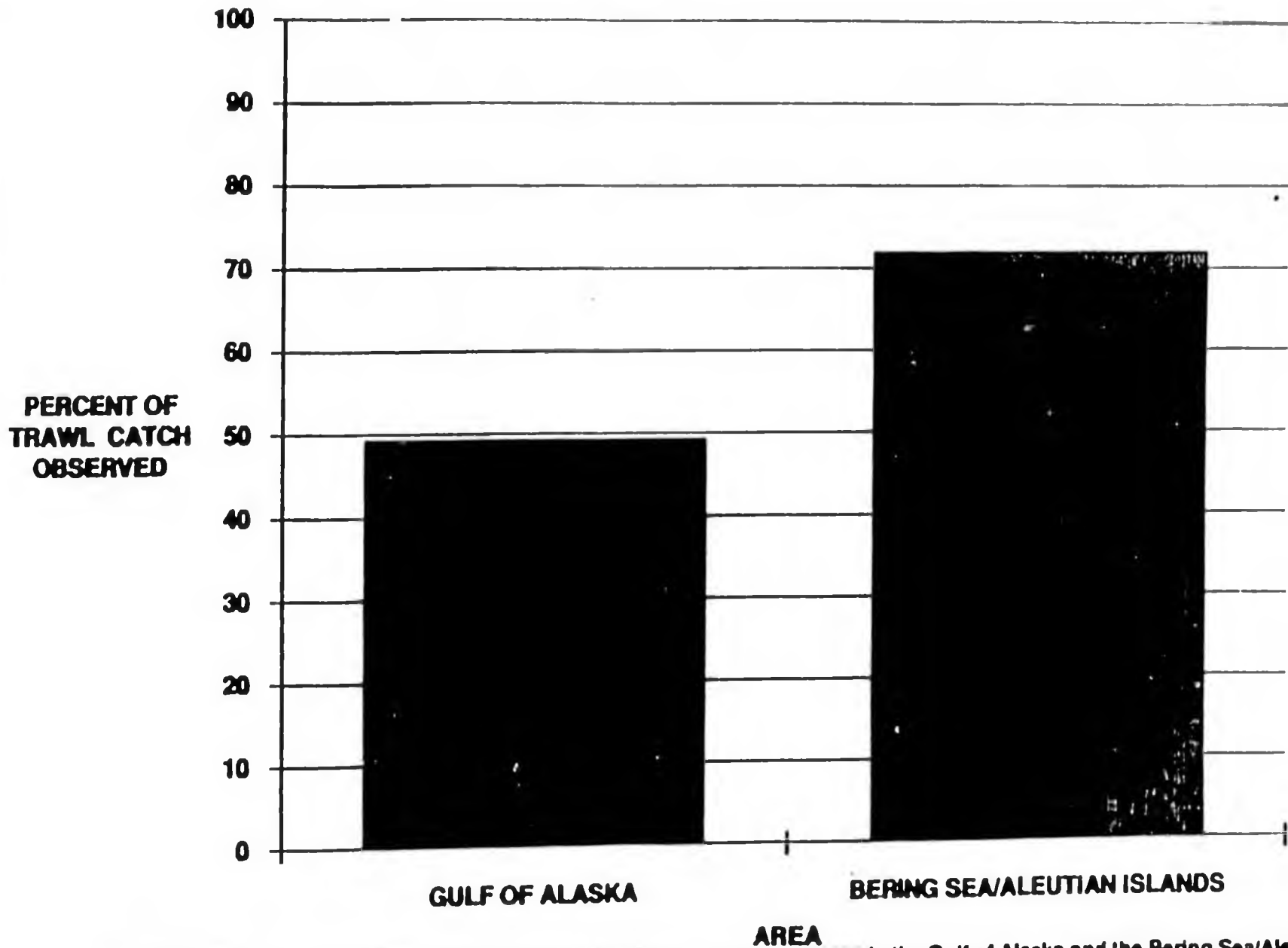
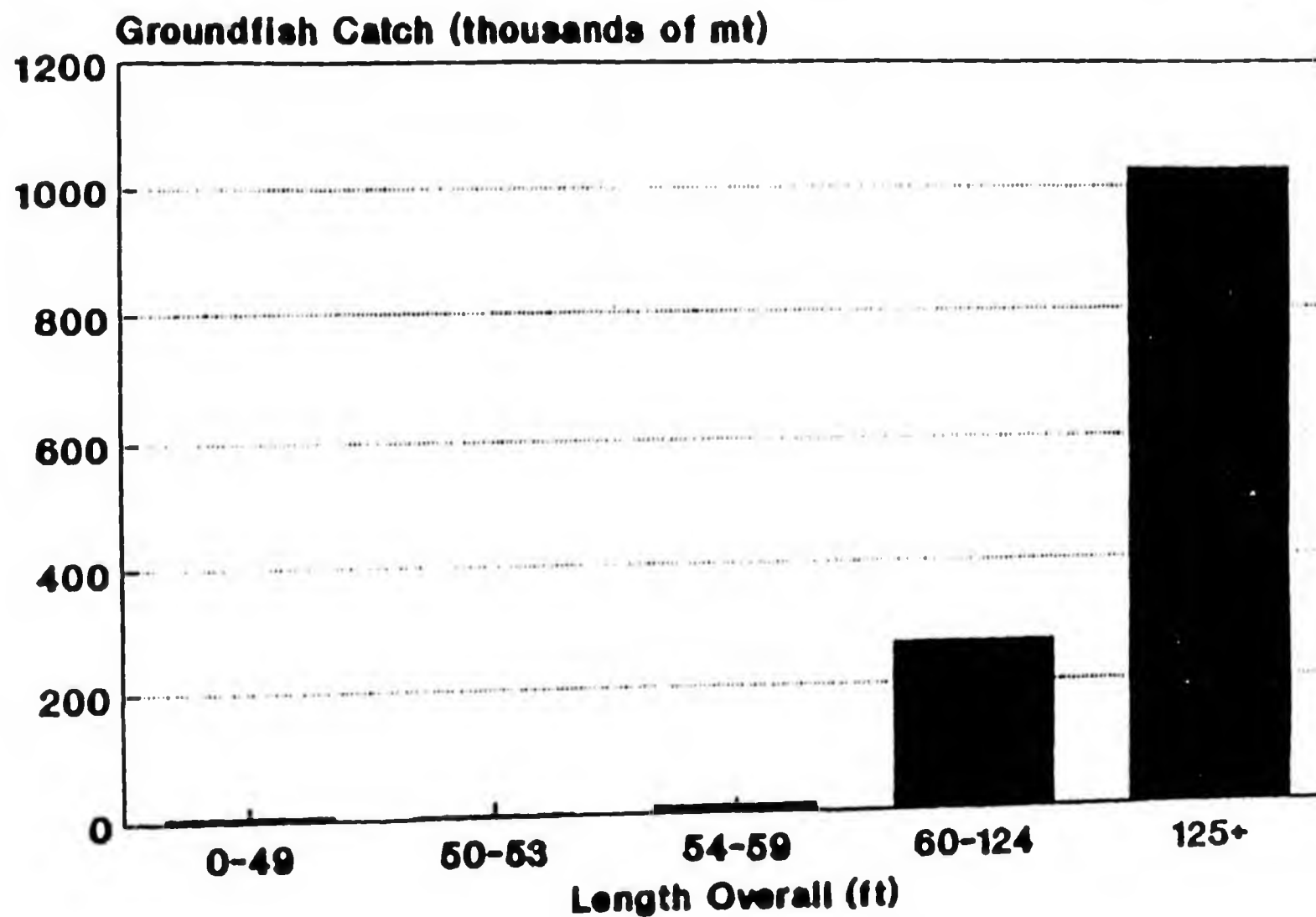
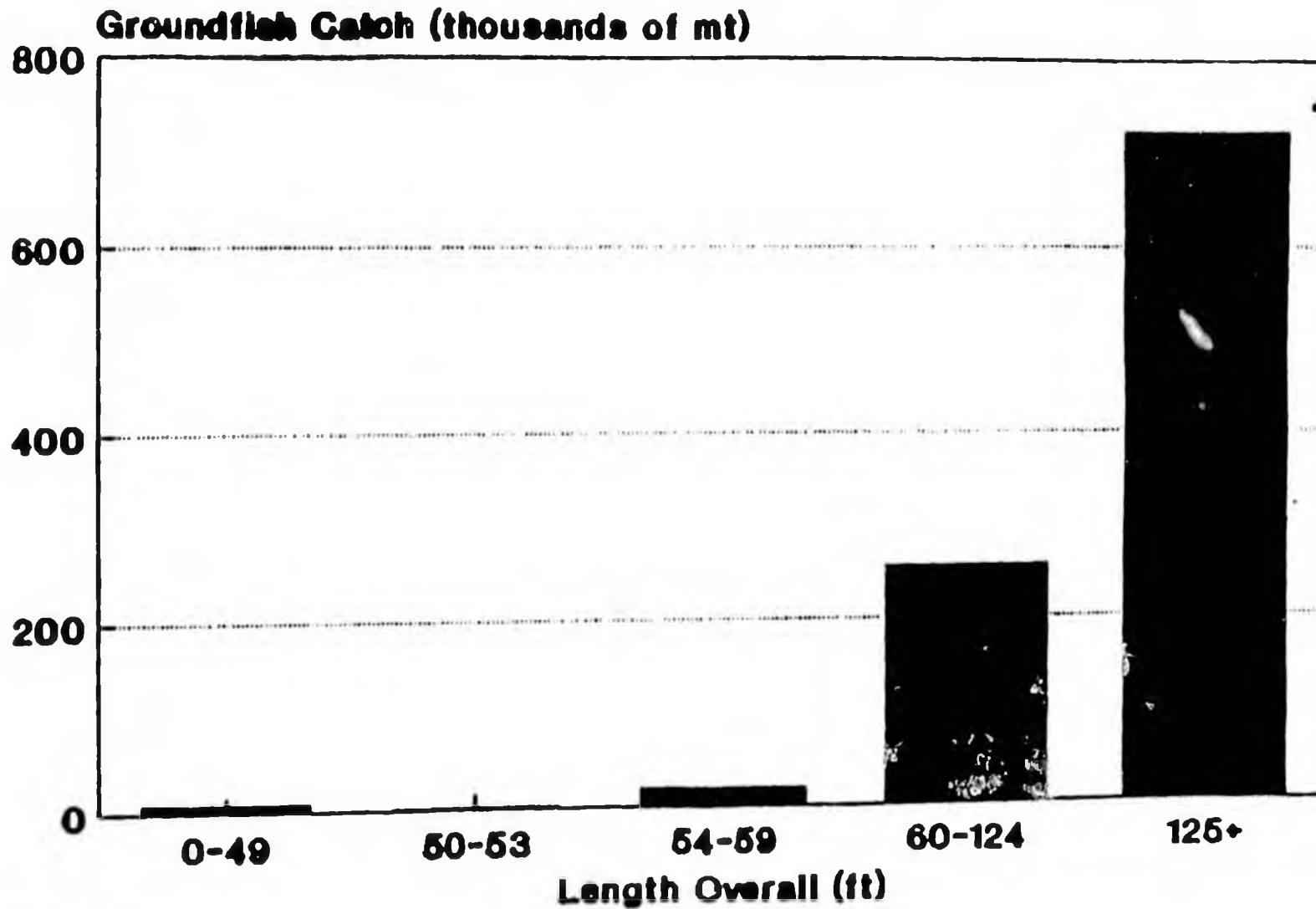


Figure 7. Percent of trawl groundfish catch observed through October 1990 in the Gulf of Alaska and the Bering Sea/Aleutian Islands

**FIGURE 8. BSAI and GOA Groundfish Catch
In Relation to Vessel Size for 1989**



**FIGURE 9. BSAI and GOA Groundfish Catch
In Relation to Vessel Size for 1990***



*through July

NOV 30 '90 13:23 N.M.F.S. 50-526-131

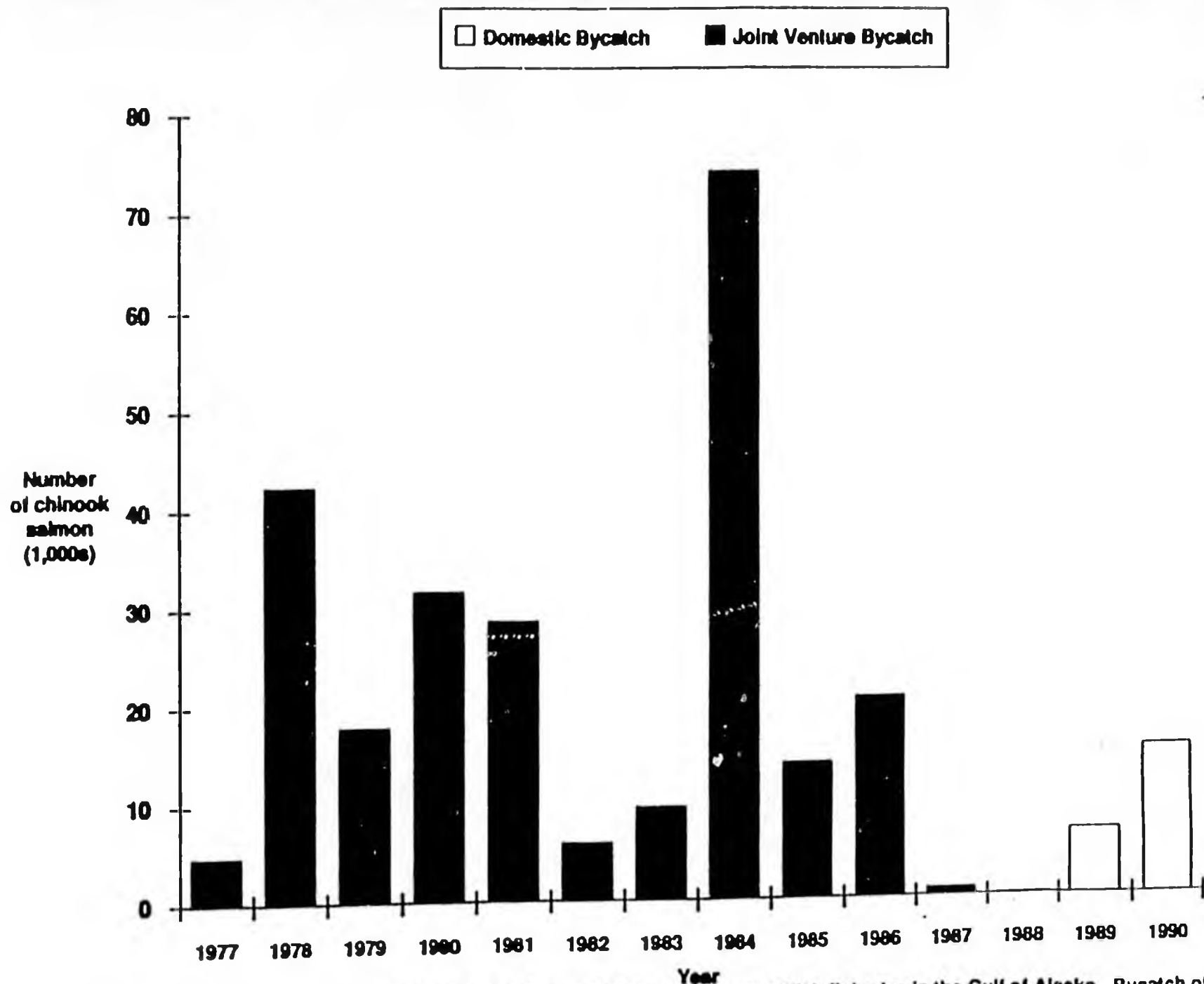


Figure 10. Bycatch of chinook salmon in foreign and joint venture groundfish fisheries in the Gulf of Alaska. Bycatch of chinook salmon in 1989 and 1990 domestic groundfish fisheries included.

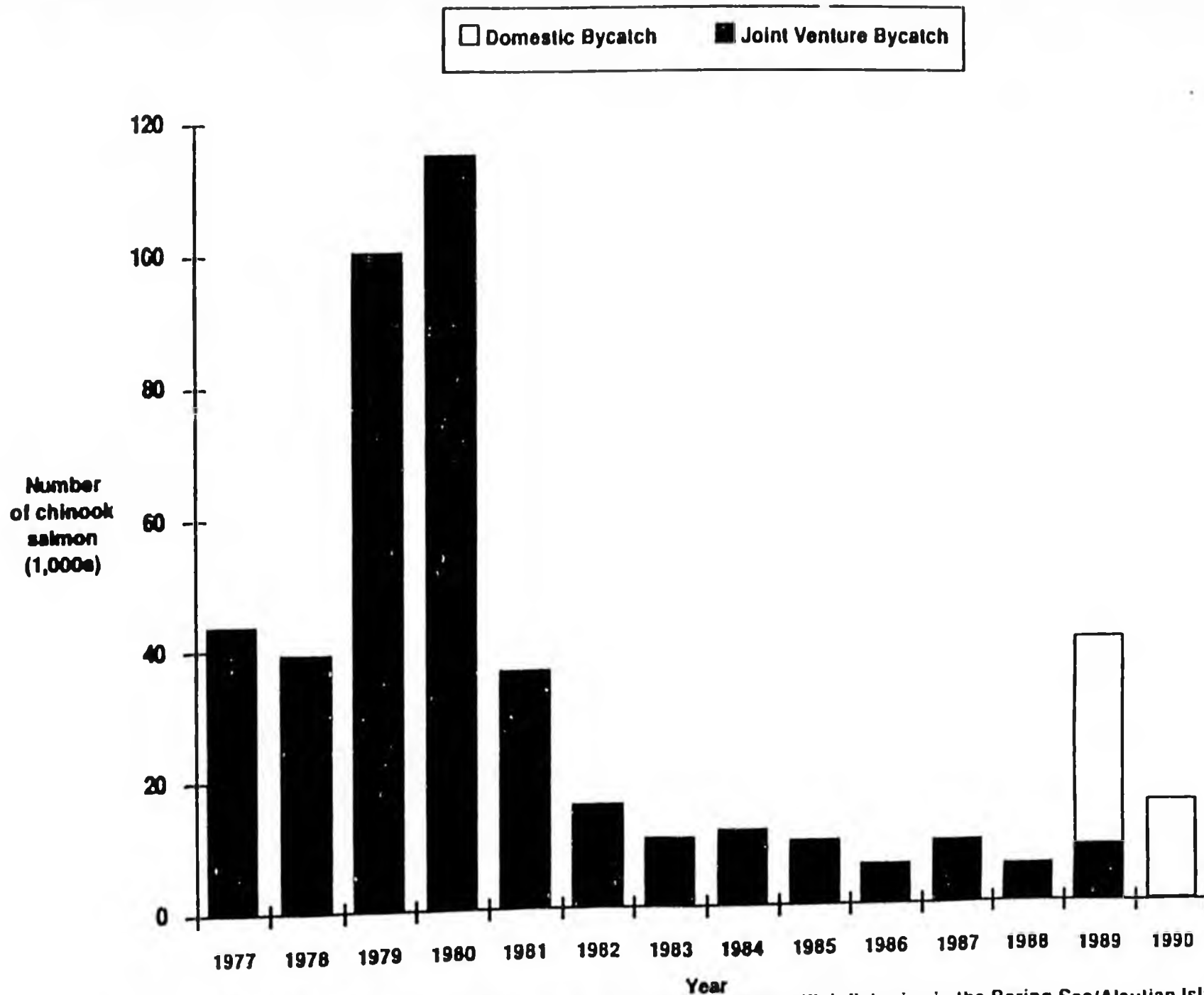


Figure 11. Bycatch of chinook salmon in foreign and joint venture groundfish fisheries in the Bering Sea/Aleutian Islands. Bycatch of chinook salmon in 1989 and 1990 domestic groundfish fisheries included.

SJR

10

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

No. 1

Bill Version: SJR 10

Revision Date: _____

Department Affected: _____

(S) Publish Date: 4-17-92

Title: Relating to discharge of ballast water.

BRU: _____

Component: _____

Sponsor: Zharoff

Requestor: _____

COMPONENT SERIAL NO.

--	--	--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

Changes in CS SJR 10 (RES) have no fiscal impact. This fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary.)

4/16/92 /date TCO /Comte Aide (initial)

Resolution requests the U.S. Coast Guard to take action on ballast water issue. No fiscal impact on the state government.

Prepared By: Terry Otness, Committee Aide

Phone: 465-3743

Division: Senate Resources Committee

Date: 4/15/92

Approved by Commissioner: Sen. Lloyd Jones

Agency: Alaska State Senate

Date: 4/15/92



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIDILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Representative Cliff Davidson
Chairman
House Resources Committee

FROM: Senator Fred F. Zharoff

DATE: May 5, 1992

RE: Senate Joint Resolution No. 10 - "Relating to the discharge of ballast water by vessels entering the waters of Alaska."

RESOLUTION SUMMARY: SJR 10 requests the U.S. Coast Guard to adopt regulations that would protect Alaska's ecosystem from the introduction of exotic marine organisms.

SJR 10 is a reintroduced version of SJR 59, which expired in the House Rules Committee upon adjournment in 1990.

PREVIOUS ACTION: Moved out of the Senate Resources Committee on April 17 (4 DP). Passed the State Senate 18-0 on April 24.

FISCAL IMPACT: No financial expenditures required by the Alaska state government.

RESOLUTION BACKGROUND: SJR 10 is based on a resolution adopted in 1989 by the Pacific Fisheries Legislative Task Force (made up of fisheries-oriented legislators from Alaska, California, Idaho, Oregon and Washington).

The resolution is aimed at a national problem - the introduction of exotic species through the discharge of ballast water. In many locations throughout the United States -- in particular, California and the Great Lakes region -- foreign marine species have overwhelmed native species, creating serious environmental problems and widespread destruction. The most dramatic example of this is the zebra mussel, which -- through its rapid reproductive capability and ability to clog up water intake and discharge systems -- has caused millions of dollars worth of damage in the Great Lakes basin.

To the best of our knowledge, Alaska has been spared this problem. However, the potential threat exists, particularly

in regard to the introduction of exotic marine organisms from northern Asia and Siberia.

ATTACHED BACKUP INFORMATION:

1. Resolution adopted by the Pacific Fisheries Legislative Task Force.
2. Historical overview on ballast water discharge and the invasion of exotic species.

RESOLUTION

89-10

INTRODUCED ORGANISMS FROM BALLAST WATER

(2)



WHEREAS, west coast sport and commercial fisheries are resources of great economic and recreational importance; and

WHEREAS, these resources are threatened by the introduction of aquatic organisms from foreign ports brought in by means of the ballast water of freighters and tankers; and

WHEREAS, in recent years several planktonic and benthic organisms have arrived and become established, at least one of which is suspected to have caused a great decline in the abundance of an important striped bass food organism in California's Sacramento-San Joaquin Estuary; and

WHEREAS, exotic eel grass brought in through ballast water has created problems in Humboldt Bay and estuaries along the Pacific Coast; and

WHEREAS, similar introductions have probably occurred or will occur at other estuarine and coastal ports all along the west coast and they already have occurred in the Great Lakes with consequent harm to Great Lakes fisheries.

NOW, THEREFORE, BE IT RESOLVED that to protect native fisheries and ecosystems of the Pacific Coast States, the Pacific Fisheries Legislative Task Force urges the U.S. Coast Guard to adopt a regulation prohibiting the dumping of ballast water originating in foreign ports in any west coast river, estuary, bay or coastal area. Such ballast water should be dumped at sea and exchanged for open ocean water prior to entry into State waters; and

BE IT FURTHER RESOLVED that this resolution be forwarded to the Commandant of the U.S. Coast Guard, the Secretary of the Treasury, the Secretary of Commerce and the respective Congressional Delegation of the Pacific Fisheries Legislative Task Force states.

BALLAST WATER AND THE INVASION OF EXOTIC SPECIES
A Brief Historical Review: 1868 - 1990

James T. Carlton
Maritime Studies Program, Williams College - Mystic Seaport Museum
Mystic, Connecticut 06355

A Chronological Summary of the Some of the Events and Concerns
Relative to Ballast Water:

- 1868 Grantham (1868) describes the design of double-bottom tank systems for water ballast in iron ships
- 1880 Lloyd's Register begins in 1880 (but not before) noting types and capacities of water ballast tanks
- 1896 "Probably most cargo steamers in these days are fitted with some means of carrying water as ballast..." (Walton, 1896)
- 1900 Fulton and Grant (1900) suggest that the European shore crab Carcinus maenas was introduced to Australia by ballast water
- 1908 Ostenfeld (1908) suggests that the Asian diatom Odontella (Biddulphia) sinensis may have been introduced to the North Sea in 1903 by ballast water
- 1933 Peters describes the introduction of the mitten crab Eriocheir sinensis, sometime before 1912, from Korea or China to Germany
- 1968-
1978 Extensive literature discussions on the role of ballast water in exchanging marine organisms through the Panama Canal (reviewed by Carlton, 1985, p. 319)
- 1973 Medcof and Scribner (1975) provide first detailed report of living organisms in ballast water, based upon samples of a ship arriving from Japan to New South Wales, Australia
- 1973 "Resolution 18": "Research into the Effect of Discharge of Ballast Water Containing Bacteria of Epidemic Diseases" passed by the International Conference on Marine Pollution (including the International Convention for the Prevention of Pollution from Ships)
- 1976-
1977 CSIRO (Australia) biologists sample bulk cargo carriers coming from Japan to Western Australia (see Williams et al., 1988)
- 1980 Environment Canada commissions ballast water study at Montreal, to sample 55 merchant vessels in the summer and fall; published as Bio-Environmental Services (1981)

- 1980-
1982 Ballast water investigations commence at the Woods Hole Oceanographic Institution, Woods Hole, based upon experimental studies using oceanographic research vessels, and upon bulk bulk cargo traffic arriving at US ports (J. T. Carlton and colleagues)
- 1985 Publication of review monograph by Carlton (1985)
- 1986 Ballast water investigations commence in Coos Bay, Oregon, at the University of Oregon Institute of Marine Biology, based upon bulk cargo vessel traffic from Japan to Pacific Northwest (J. T. Carlton and colleagues)
[Sea Grant funded, 1987-1988, 1989-1991]
- 1987 Publication of monograph on introductions of non-indigenous marine organisms by ballast water and other vectors into Australia, by Hutchings, van der Velde, and Keable (1987)
- 1987 CSIRO (Australia) scientists re-commence sampling of bulk cargo vessels inbound from Japan (Dr. G. Hallegraeff, of CSIRO Division of Fisheries, Hobart)
- 1987 Revision of Water Quality Agreement between Canada and the United States assigns responsibility (under Annex 6) for studying the ballast water issue and possible solutions to the US and Canadian Coast Guards
- 1988 Publication of paper on ballast water as a mechanism of introduction of exotic species in Australia by Williams et al. (1988).
- 1988 Great Lakes Fishery Commission meeting in Toledo, Ohio, (May) considers issue and questions of ballast water release in the Great Lakes
- 1988 "Recommendation No. 1" of the International Council for the (June) Exploration of the Sea's "Working Group on Introductions and Transfers of Marine Organisms" formulated and sent to ICES for consideration at Plenary Session in October 1988
- 1988 Canada and U.S. raise the issue of Great Lakes introductions (Sept) via ballast water at the London meeting of the Marine Environment Protection Committee of the UN's International Maritime Organization (IMO).
- 1989
March Congressmen Davis and Hertel introduce a House of Representatives bill "to direct the Secretary of Transportation to report on methods available to control the influx of exotic species into the Great Lakes"

1989 [continued]

- May Canadian Coast Guard Voluntary Guidelines on ballast water exchange go into effect in Great Lakes (compliance begins in April)
- Aug Mandatory guidelines on ballast water exchange go into effect in Australia; suspended soon thereafter
- Aug "Resolution 89-10" passed by Pacific Fisheries Legislative Task Force, "Introduced Organisms from Ballast Water", urging US Coast Guard to prohibit non-exchanged ballast water release
- Sept American Fisheries Society's Introduced Fishes Section passes Resolution at Annual Meeting (Alaska) on control of ballast water discharges
- Oct New York Congressman Nowak introduces House of Representatives Bill 3403 "to require that vessels exchange their ballast water entering the Great Lakes" [legislation pending, February 1990]
- Oct Ballast Water Monitoring Workshop, sponsored by the Great Lakes Fishery Commission, at St. Catherines, Ontario
- Dec House of Representatives bill 2459 passes, calling for US Coast Guard to produce report on ballast water management strategies by June 1990 (Bill authored by Michigan Congressmen Robert Davis and Dennis Hertel)

1990

- Jan Senator F.F.Zharoff submits "Senate Joint Resolution No.59" to State of Alaska legislature "Relating to the discharge of ballast water by vessels entering the waters of Alaska" (and the organisms therein)
- Feb Voluntary guidelines on ballast water exchange go into effect in Australia (February 1)
- Feb Ballast Water Monitoring Workshop II, sponsored by the Great Lakes Fishery Commission, at Toronto, Ontario (8-9 February)
- Feb Exotic Species and the Shipping Industry Workshop, sponsored by the International Joint Commission and the Great Lakes Fishery Commission, at Toronto, Ontario (28 Feb, 1-2 March)

SJR

12

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99501
(907) 561-7615

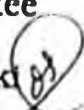
While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

April 26, 1991

TO: Representative Cliff Davidson, Chairman
House Resources Committee

FROM: Senator Arliss Sturgulewski 
Senate District F

RE: Hearing request for Senate Joint Resolution 12

This resolution supports pending federal legislation introduced by Senator Ted Stevens and Co-sponsored by Senator Frank Murkowski that would provide for coastal states to share in federal revenue generated by outer continental shelf(OCS) developments.

At present, states do not receive any share of revenue generated from OCS development. Under this pending federal legislation, each adjacent coastal state would receive a one-third share of the OCS revenue. The state's one-third share would be divided evenly between the state and those communities impacted by the development.

In addition, the federal legislation calls for a Coastal Zone Impact Assistance Fund to be created using 4 1/2 percent of OCS lease sale income, royalties and other revenues. Money from this fund would be provided to coastal states and communities impacted by any type of energy development.

The federal Office of Minerals Management Service has estimated that development of oil resources in the Chukchi and Beaufort Seas alone, could bring as much as \$12 billion in revenue to the state if this legislation passes.

Thank you for your consideration of an early hearing on this legislation. If there are any questions please contact Frank Homan on my staff at 465-3818.

Enclosure

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SJR12

Revision Date: _____ Department Affected: REVENUE

Title: Endorsing S.49 the Ocean and Coastal Resources Enhancement Act..... BRU: Revenue Operations

Component: Oil and Gas Audit

Sponsor: Sturgulewski

Requestor: Sturgulewski

COMPONENT SERIAL NO.

1	1	5
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

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

REVENUE	0	0	-----	see analysis	-----	-----
---------	---	---	-------	--------------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis

Prepared By: Roger Marks Phone: 277-5627

Division: Oil and Gas Audit Date: 3/14/91

Approved by Commissioner: _____

Agency: _____ Date: 3-20-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Analysis of Senate Joint Resolution 12
Endorsement of the Ocean and Coastal Resources Enhancement Act

Senate Joint Resolution 12 endorses S.49, the Ocean and Coastal Resources Enhancement Act, federal legislation which, if passed, would direct the federal government to share with the states and their local governments federal revenue generated by the development of the resources of the outer continental shelf (OCS).

The act would deposit one-third of all OCS revenues (bonuses, rents, and royalties) received beginning in FY 92 into a fund. Note that the federal fiscal year begins October 1. For leases in existence at that time any bonuses and rentals would be exempt, as would royalties if the lease was producing then. Six months later, and annually thereafter, half of the fund balance (with interest) would be distributed.

Currently there is no production on the Alaska OCS. There are some confirmed discoveries in the Beaufort Sea, but their size makes commercial production uncertain. No production plans have been filed. Around Alaska there are active leases in the Bering, Chukchi, and Beaufort Seas. The probability of commercial success in Bering Sea appears very small. The Minerals Management Service (MMS) of the U.S. Department of Interior has estimated that the Chukchi Sea has a 16 percent chance of commercial success with a mean resource estimate of 4.16 billion barrels recoverable, and that the Beaufort Sea has a 21 percent chance of commercial success with a mean resources estimate of 1.45 billion barrels recoverable. MMS estimated that this act would generate \$5.4 billion to Alaska from royalties over the economic life of these areas, assuming a constant \$23 per barrel wellhead price, if discovery and production occurred. (Note that MMS made a serious methodological flaw in the use of probability in these calculations. Correcting this flaw would reduce that number by half.) Note that commercial production in these areas usually follows about ten years after discovery, so these revenues may not be forthcoming soon.

As far as unleased acreage is concerned the current draft proposed Federal OCS lease sale schedule shows the following sales over the next few years:

- Beaufort Sea	Late 1993
- Chukchi Sea	Mid 1994
- Cook Inlet	Mid 1994
- St. George or Hope Basin	Mid 1995
- Gulf of Alaska	Late 1995
- Norton or Navarin or St. Mathew-Hall Basin	Mid 1996
- Beaufort Sea	Late 1996
- Chukchi Sea	Mid 1997

It would be impossible to precisely estimate the lease bonuses that might be realized from these sales. However it should be noted that the most prospective of acreage in these areas has already been leased. Also, exploration efforts in all but the Chukchi and Beaufort has been disappointing. (Results on the former are currently unknown.) Ultimately, the magnitude of lease bonuses would depend mainly on expectations on the probability of success, oil prices, size of find, and exploration costs. Perhaps a range of \$0 to \$100 million per sale could be considered reasonable.

S.49 also creates the Coastal Zone Impact Assistance Fund, which deposits 4.5 percent of all OCS revenues in a fund beginning in FY 92. Six months later, and annually thereafter, half of the fund balance (with interest) would be distributed to coastal states (including the Great Lakes) and communities by a yet to be determined formula that would consider the number, location, and impact of energy facilities. It would be impossible to make a reasonable estimate of what Alaska might realize, from this.

*separate
only if we have
energy for project*

Ted Stevens

United States Senator For Alaska



Contact: Press Office
(202) 224-5208

January 16, 1991

FOR IMMEDIATE RELEASE

BILL WOULD SHARE OCS REVENUES WITH STATE AND LOCAL GOVERNMENTS

Alaska and its coastal communities could receive as much as \$12 billion from the revenues generated by Outer Continental Shelf (OCS) development under legislation introduced by Senator Ted Stevens and cosponsored by Senator Frank Murkowski.

The Ocean and Coastal Resources Enhancement Act (S. 49) would require the federal government to share one-third of the revenue generated by a particular OCS development with the state that is located adjacent to the offshore wells, Stevens said. One-half of that amount would go to state government, with the remaining to be divided among the communities impacted by OCS development.

Under current law, the federal government shares none of the lease sale income, royalties or other revenues derived from OCS development since it occurs in federal waters.

"This bill would give states and coastal communities the funds they need to help ensure OCS leases are developed in an environmentally-sensitive way and to lessen the impact of development on affected communities," Stevens said.

"Under existing law, coastal states and communities don't share in the revenues generated by OCS development, but they are expected to shoulder the increased costs that come with it. This bill would correct that inequity," he added.

For example, Stevens said, the revenues could be used for projects designed to enhance and protect the environment and for determining whether OCS activity is consistent with state and local coastal zone management plans.

Coastal communities could use their funds to increase fire and police protection, expand sewer and water facilities and provide additional government services for the increased population that results from nearby energy development, Stevens said.

more

Alaska Offices: Anchorage: 271-5915 Fairbanks: 458-0261 Juneau: 686-7400
Kenai: 293-6808 Ketchikan: 226-5880

---4
OCS revenue sharing

"Development of oil and gas resources on the Alaska outer-continental shelf is an important issue to Alaskans," Murkowski said. "It makes sense for states and coastal communities impacted by OCS activity to receive some benefit from that development."

"This revenue-sharing concept is particularly important in Alaska, where OCS development would occur near rural communities with unique histories and heritages, many of them small enough to have great difficulty absorbing the impacts smoothly. Revenues received in these communities as a result of OCS development would be available to ease any adverse effects, accelerate necessary infrastructure development and provide seed money for economic diversification," Murkowski added.

Federal officials have estimated that the combined state and local share for Alaska from OCS development in the Chukchi and Beaufort Seas could be as much as \$12,745,833,333. That amount is based on the Minerals Management Service's (MMS) estimates of maximum production of 9.1 billion barrels of oil from the Chukchi Sea and 4.2 billion barrels from the Beaufort Sea.

OCS tracts in the Chukchi and Beaufort Seas are currently under lease, although to date no commercial discoveries have been made. Future OCS activity will be based on the MMS's new five-year leasing plan which will be issued later this month, Stevens said.

The Stevens bill would also direct the federal government to establish a Coastal Zone Impact Assistance Fund, into which the Secretary of the Treasury would deposit four and one-half percent of OCS lease sale income, royalties and other revenues. Money from the fund would be provided to coastal states (including the Great Lakes states) and communities impacted by any type of energy development.

The funds would be allocated under a formula that would take into account the number, location and impact of energy facilities. No state could receive more than 20 percent of the fund, according to the Stevens bill.

The money would be used to help pay the states' costs of leasing and permitting energy facilities, including refineries and pipelines, and fund environmental and natural resource projects.

The legislation has been referred to the Senate Commerce Committee.

OCS REVENUE SHARING FACT SHEET

ALASKA CCS REGION
BONUSES, RENTS, AND MINIMUM ROYALTIES

1985	\$11,715,642
1986	7,618,752
1987	7,748,634
1988	705,849,842
1989	18,810,814

TOTAL 751,743,684

250,565,929

State and local government share had OCS revenue sharing legislation been in place beginning in 1985

Information provided by Al Powers, Minerals Management Service
Anchorage, Alaska -- 907-261-4010

ESTIMATED UNDISCOVERED, ECONOMICALLY RECOVERABLE, UNLEASED
RESOURCES FOR THE CHUKCHI SEA AND BEAUFORT SEA

<u>Lease Area</u>	<u>Minimum</u>	<u>Mean</u>	<u>Maximum</u>
Chukchi (16% chance of commercial find)	1.1bb	4.16bb	9.1bb
Beaufort (21% chance of commercial find)	.4bb	1.45bb	4.2bb
TOTAL ARCTIC	1.5bb	5.61bb	13.3bb
Multiply by \$23 for wellhead value of oil		\$129.03 billion	\$305.9 billion
Divide by 1/8 for federal royalty share		\$16,128,750,000	\$38,237,500,000
Divide by 1/3 for State/local gov't share under OCS revenue sharing bill		\$5,376,250,000	\$12,745,833,333

Information provided by Marshall Rose,
Minerals Management Service, Washington, D.C. 703-787-1536

Alaska senators call for government to share production revenues

By MIKE MEYERS

TIMES WASHINGTON BUREAU

WASHINGTON — Alaska's senators introduced a bill Wednesday calling on the federal government to share revenues generated by offshore energy production, estimating the state and its communities could receive a total of more than \$12 billion.

The federal government has considered the idea for years.

But the idea has some opponents, chiefly the Office of Management and Budget.

The White House agency oversees the production of the annual budget and has expressed concern about losing revenue to states and communities at a time of rising federal deficits.

But Sens. Frank Murkowski and Ted Stevens said the money should be shared with states and

communities directly involved in the exploration and development of oil off their coasts.

There is often strong opposition from some coastal communities as well as state governments to offshore oil and gas exploration.

The Murkowski-Stevens bill calls on the federal government to share one-third of the revenue generated by a development in the Outer Continental Shelf with

the adjacent state. Half of this amount would go to the state, with the rest divided among the communities affected by the energy development.

This money, at a time of tight state and municipal budgets, could help ease political opposition to energy development, particularly in environmentally sensitive areas such as California.

"This bill would give states

and coastal communities the funds they need to help ensure OCS leases are developed in an environmentally sensitive way and to lessen the impact of development on affected communities," Stevens said.

"Under existing law, coastal states and communities don't share in the revenues generated by OCS development, but they are expected to shoulder the increased costs that come with it."

The government estimates the total state and local share for Alaska from Outer Continental Shelf development in the Chukchi and Beaufort Seas could be more than \$12.7 billion.

This sum is based on an estimate of the Minerals Management Service of maximum production of 9.1 billion barrels of oil from the Chukchi Sea and more than 4 billion barrels from the Beaufort Sea.

The Anchorage Times

Bill J. Allen, Publisher
William J. Tobin, Assistant Publisher
Gene R. Archart, General Manager

J. Randolph Murray, Editor
Paul Jenkins, Managing Editor
Frank Bradley, Editor, Editorial Page

Robert E. Atwood, Publisher Emeritus

ALASKAN OWNED AND OPERATED SINCE 1915

SHARE THE BURDEN

Share the profits

BESIDES CONCERN about effects that offshore oil development might have on fisheries and other resources, Alaskans haven't been too excited about oil development far off our shores because the state loses on the deal.

Under current law, the federal government claims all tax revenues from development of the Outer Continental Shelf (OCS), which is the area beyond the state's 3-mile coastal limit. States get none of the revenue.

Yet OCS development increases costs for state and local communities that are impacted by a temporary increase in population of workers and business activities that support offshore operations.

Sen. Ted Stevens wants to remedy the situation by requiring the federal government to share one-third of OCS revenues with states off whose shores oil is developed.

Under legislation he introduced the other day, Alaska could receive about \$12 billion from its share of projected revenues from the potential oil reserves off the Arctic Coast.

The U.S. Minerals Management Service estimates between 5 billion and 13 billion barrels of recoverable oil lie offshore in the Chukchi and Beaufort Seas. That equates to revenue to Alaska between \$7 billion and \$16 billion if the proposed revenue sharing plan becomes law.

Stevens' legislation, which is backed by the two other members of the Alaska delegation, would require individual states to share one-half of their OCS receipts with local coastal communities. These communities could use the income to increase fire and police protection, expand sewer and water facilities, and provide additional services required by the increased population due to OCS development.

Louisiana, Texas, California and other states with oil potential off their shore would benefit similarly.

Additionally, part of the Stevens' proposal would require the federal government to set aside 4.5 percent of OCS revenues for what he dubs the Coastal Zone Impact Assistance Fund.

Money from that fund would be used for environmental and natural resource projects in all coastal states, including those adjacent to the Great Lakes, whether or not there was OCS development off their shores. As envisioned by Sen. Stevens, this fund would be used by states to enhance and protect the environment and for determining whether OCS activity is consistent with state and local coastal-zone management plans.

The legislation could have a positive impact on the national energy policy debate. At present, a number of states have taken a strong position in opposition to any oil development off their shores. Governors and legislators in these states may want to reconsider their position if OCS development offers them a means to meet other state obligations.

Rather than face horrendous deficits, states might be able to receive a substantial income from oil development — as Alaska does.

Under an OCS revenue-sharing plan, which by the way President Bush has indicated he may support, states will have an incentive to sit down with the federal land owner and the industry to work together to develop an environmentally sound plan of action. That's a goal worth pursuing.

1991 FEB 4

STATEMENT OF SENATOR TED STEVENS

IN SUPPORT OF S. 49,
THE COASTAL ZONE IMPACT ASSISTANCE ACT

Monday, January 14, 1991

MR. STEVENS: Today I introduce S. 49, the Ocean and Coastal Resources Enhancement Act. The measure, which is similar to legislation I introduced in the mid-80s, is designed to give coastal states and communities the tools they need to minimize the impacts energy development can bring to coastal areas. The bill directs the Secretary of Commerce to distribute 4 1/2 percent of all OCS revenues to coastal areas impacted by a wide spectrum of energy development ranging from refineries to pipelines. All coastal areas would be eligible including the Great Lakes states.

The bill uses many of the concepts established in the Coastal Zone Management Act, and is intended to complement the provisions of that Act. For states and local governments directly impacted by OCS leasing activities, the Commerce Department would share one-third of OCS revenues derived off the coast of that particular state. The Secretary of Commerce would pass half the sum to the States and half to local governments.

The funds would be used to help state and local governments participate meaningfully in the permitting process. The monies would also enable them to undertake their own projects to enhance and protect the environment. In addition, local governments most directly impacted by energy development could use their funds to increase police and fire protection, sewer and water facilities, and provide needed government services for the increased population that energy development can bring.

Mr. President, twice the Senate approved similar legislation, but unfortunately because of administration opposition, we were not successful in getting it enacted into law. When he announced his decision on OCS development off the coasts of California and Florida, President Bush hinted that his Administration might support a revenue sharing concept. I look forward to working with the Administration to develop a fiscally responsible bill that addresses the concerns of coastal states and communities.

102D CONGRESS
1ST SESSION

S. 49

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To establish an Ocean and Coastal Resources Enhancement Fund and a Coastal Zone Impact Assistance Fund, to require the Secretary of Commerce to provide States and local governments with block grants from moneys in the Funds, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 14 (legislative day, JANUARY 9), 1991

Mr. STEVENS (for himself and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To establish an Ocean and Coastal Resources Enhancement Fund and a Coastal Zone Impact Assistance Fund, to require the Secretary of Commerce to provide States and local governments with block grants from moneys in the Funds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SHORT TITLE**

4 **SECTION 1.** This Act may be cited as the "Ocean and
5 Coastal Resources Enhancement Act."

6 **DEFINITIONS**

7 **SEC. 2.** For purposes of this Act—

1 (1) the term "coastal State" has the meaning
2 given such term under the Coastal Zone Management
3 Act (16 U.S.C. 1453(4));

4 (2) the term "local government" has the meaning
5 given such term under the Coastal Zone Management
6 Act (16 U.S.C. 1485(11));

7 (3) the term "coast line" has the meaning given
8 such term under the Submerged Lands Act (43 U.S.C.
9 1301(c));

10 (4) the term "coastal zone" has the meaning
11 given such term under the Coastal Zone Management
12 Act (16 U.S.C. 1459(1));

13 (5) the term "Outer Continental Shelf" has the
14 meaning given such term under the Outer Continental
15 Shelf Lands Act (43 U.S.C. 1331(a));

16 (6) the term "Secretary" means the Secretary of
17 Commerce; and

18 (7) the term "energy facilities" has the meaning
19 given such term under the Coastal Zone Management
20 Act (16 U.S.C. 1459(6)).

21 OCEAN AND COASTAL RESOURCES MANAGEMENT FUND

22 SEC. 4. (a) ESTABLISHMENT.—There is established in
23 the Treasury of the United States an interest-bearing account
24 to be known as the Ocean and Coastal Resources Enhance-
25 ment Fund, which shall be administered by the Secretary.

1 (b) PAYMENTS TO FUND.—Beginning in fiscal year
2 1992, the Secretary of the Treasury shall pay into the Fund
3 33 per centum of all revenues described in subsection (c)
4 which are attributable to an Outer Continental Shelf lease,
5 any part of which is within 200 miles of the coast line. The
6 Secretary of the Treasury may adjust amounts in the Fund at
7 any time to account for overpayments, underpayments, and
8 errors.

9 (c) NEW REVENUES.—Subsection (b) shall apply only
10 to—

11 (1) bonus revenues under a lease if no bonus reve-
12 nues have been received by the United States under
13 that lease before October 1, 1991;

14 (2) rent revenues under a lease if no rent reve-
15 nues have been received by the United States under
16 that lease before October 1, 1991;

17 (3) royalty revenues under a lease if no royalty
18 revenues have been received by the United States
19 under that lease before October 1, 1991; and

20 (4) other revenues under a lease if no other reve-
21 nues have been received by the United States under
22 that lease before October 1, 1991.

23 (d) COASTAL STATE SHARE.—(1) Six months after the
24 end of fiscal year 1992, and annually thereafter, the Secre-
25 tary shall pay from the Fund to coastal States one-half of

1 such revenues paid into the Fund with respect to the fiscal
 2 year most recently completed, and any interest earned on
 3 those revenues. Each coastal State shall receive only that
 4 share of revenues attributable to those leases that lie seaward
 5 of the boundaries of that particular coastal State.

6 (2) In order to determine to which coastal State reve-
 7 nues are attributable for purposes of this Act, the Secretary
 8 shall delimit the lateral boundaries between the coastal
 9 States to a point 200 miles seaward of the coast line. Such
 10 boundaries shall be set according to the following principles,
 11 listed in the order of priority of application:

12 (A) any judicial decree or interstate compacts de-
 13 limiting lateral offshore boundaries between coastal
 14 States;

15 (B) principles of domestic and international law
 16 governing the delimitation of lateral offshore bound-
 17 aries; and

18 (C) ~~the~~ desirability of following existing lease
 19 boundaries and block lines on the Secretary of the In-
 20 terior's official protraction diagrams.

21 (e) LOCAL GOVERNMENT SHARE.—(1) At the same
 22 time that the Secretary pays revenues to a coastal State
 23 under subsection (d), the Secretary shall pay to local govern-
 24 ments within that State the remaining one-half of the reve-
 25 nues for that fiscal year attributable to that State, and any

1 interest earned on those revenues. Each local government
2 shall receive only that share of revenues attributable to those
3 leases that lie seaward of the boundaries of that particular
4 local government.

5 (2) In order to determine local government boundaries
6 for purposes of this Act, the Secretary shall delimit the later-
7 al boundaries between the local governments to a point 200
8 miles seaward of the coast line. Such boundaries shall be set
9 according to the following principles, listed in the order of
10 priority of application:

11 (A) existing boundaries between local govern-
12 ments with valid supporting legal authority;

13 (B) the desirability of following existing lease
14 boundaries and block lines on the Secretary of the In-
15 terior's official protraction diagrams; and

16 (C) the principle that, to the extent consistent
17 with subparagraphs (A) and (B), the size of the local
18 government's adjacent offshore area, as a percentage of
19 all of that State's adjacent offshore areas, shall be
20 based on a formula giving equal weight to—

21 (i) the local government's coast line as a per-
22 centage of the State's coast line, calculated using
23 the same methods that are used to delimit the ter-
24 ritorial sea under international law; and

1 (ii) the local government's population as a
2 percentage of the population of all local govern-
3 ments in the coastal State, calculated by the Sec-
4 retary using the best available national census
5 data.

6 (f) USE OF FUNDS BY STATES.—Each coastal State
7 shall first use funds received pursuant to subsection (d) to pay
8 for the administrative costs the State incurs in the leasing
9 and permitting process under any applicable law including,
10 but not limited to, the Coastal Zone Management Act (16
11 U.S.C. et. seq.) and the Outer Continental Shelf Leasing Act
12 (43 U.S.C. 1331 et. seq.), with any remaining funds to be
13 used for such environmental and natural resource projects in
14 the coastal zone as the State determines.

15 COASTAL ZONE IMPACT ASSISTANCE FUND

16 SEC. 5. (a) ESTABLISHMENT.—There is established in
17 the Treasury of the United States an interest bearing account
18 to be known as the Coastal Zone Impact Assistance Fund,
19 which shall be administered by the Secretary.

20 (b) PAYMENTS TO FUND.—Beginning in fiscal year
21 1982, the Secretary of the Treasury shall pay into the Fund
22 4½ per centum of all revenues described in subsection (c)
23 which are attributable to an Outer Continental Shelf lease,
24 any part of which is within 200 miles of the coast line. The
25 Secretary of the Treasury may adjust amounts in the Fund at