

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7212 HOUSE RESOURCES

Comments of
Neil MacKinnon
on
H.P. 918
May 25, 1991

Mr. Chairman, members of the Committee, thank you for the opportunity to testify today.

For the record, my name is Neil MacKinnon. My great grandfather came into this land from Nova Scotia to prospect under the Mining Law of 1872, one of the few laws in the then District of Alaska. I am a graduate of the University of Alaska with a degree in mining engineering. Since graduation, I have supported my family and prospecting habit as a businessman in Juneau. I have been involved in numerous prospecting ventures and have negotiated many mining agreements both as lessor and as lessee. I was a member of the City and Borough of Juneau's mayor's committee on the mining lease for the A/J mine and the committee that drafted the local Juneau mining ordinance. Last year in my role as president of the Alaska Miners Association I was part of the working group of miners, environmentalists, and state representatives that drafted Alaska's mining reclamation law. I am speaking today for myself, and my family.

With the example of the failure of the planned economies of Russia and Eastern Europe so vividly before us, it will be ironic if this nation discards a law that has stood us well and moves down the path that led to their failure.

The roots of the Mining Law of 1872 can be traced back to the Middle Ages in Europe and can be said to form the foundation for many of the freedoms we as a people enjoy today. The law of 1872 is a people's law. It makes the individual in the mining business equal to the large corporations of this world. Under the law, anyone can prospect. The mining business is open to all with the initiative and interest to enter it. In that way it has been instrumental in providing us with the standard of living we enjoy today.

Why are we changing this law? Because it is old? So is our constitution and like our constitution the Mining Law of 1872 has been modified many times. Both specifically and by general environmental and land laws that have been the recent trend. (NEPA, FLMPMA, Clean Water Act, Clean Air Act, wetlands, and coastal zone to name a few.)

Are we trying to fix the abuses and problems in the law? Then let's fix them. But let's fix the real abuses and problems, not the precieved ones. Let's create a system that will enhance our mineral industry, not drive it to foreign lands. Let's make it possible for this nation to enjoy the economic activity and wealth that mining creates.

To be sure, there are some good points to H.R. 918. The wisdom of charging rent and not a royalty is refreshing. It is fair that the miner pay a reasonable rent for a claim and it is right to reclaim the past with that rent.

It is time that annual labor be increased to promote the development of mineral claims, but not be increased to the point that one cannot afford to pursue a mine because of it.

I also see in H.R. 918 the potential to open lands that are now closed to mining. It is a small potential but the fact that it exists in this bill gives me cause for hope.

But as hope gives way to fear let me say my greatest fear in changing the mining law is that many of those who advocate such change do so not to encourage responsible mining on the public lands, but to eliminate mining from the land altogether. The slogan "mine free by ninety three" comes to mind when I examine H.R. 918, for contained within the provisions of this bill are the tools that will eliminate mining from the land.

How will mining be eliminated? By planning us to death with unending study and the opportunity for "citizen suits" all along the way. By tying mining up in an ever increasing bureaucratic and legal morass. By closing all land to exploration except that which the bureaucracy specifically opens. By increasing the risk that through government fiat the prospector will lose his investment without compensation.

To change the law and still retain a viable industry is possible. But it will take more consideration of the true problems and abuses. More thought about the real consequences of change and more attention to the experience of the failure of the planned economies of the world.

Specific comments:

TITLE I - Title and Rights

Section 101

(a)(1) Diligence Year - the diligence year should follow the present assessment year practice of from September 1 to August 31 of each year. The confusion of dates presented by the proposed system will increase error and make it much more difficult for a person to tell if the requirements of this act have been met. Rent can easily be prorated for the fraction of the year to September 1.

Section 102

(b) Rights - some guarantee of access to a mineral deposit is crucial. Minerals must be developed where they are found. Without reasonable access a mineral deposit will be worthless. Without some guarantee that reasonable access will be available a mineral deposit is not worth searching for.

Section 103

(c)(3) - the historical precedent has been that the ground location always determined conflicts. The ground location has always held precedent because it relates directly to the minerals in the ground and that is what the miner is trying to acquire. If the notice will be determinative as proposed, then why even go through the bother of locating the claim on the ground, erecting monuments, and marking lines.

(g) Conflicting locations - adjudication of mining claims was tried by the State of Alaska Division of Mining. They soon were over two years behind on recording mining claims on their status plats. In every one of the adjudications I was associated with they were wrong and reversed. The cost of adjudicating and staff requirements will outweigh any benefit the nation could receive. I suggest you collect the rent and due diligence from both claimants and let them sort it out between themselves.

Section 104

(a)(1) - a reasonable rent is by far more preferable for all parties concerned than a royalty for several reasons. First, the odds of any given mineral discovery will result in a mine are less than one thousand to one. This fact alone means that there will always be many more claims paying rent than producing mines paying royalty. Secondly, Mr. Rahall is absolutely correct in his assessment of the government's inability to assess and audit any royalty. The treasury will always derive more money from rents than royalties no matter what the rate of taxation.

If one analyzes the wealth created from a mine (for that is what we are doing, creating wealth) through its first layer of distribution you will find that one-third goes to capital, one-third to labor, and one-third to the federal, state, and local governments. So, to me, it seems that the pie is being split as evenly as possible and any increase in the division for any party will come only at the expense of the other two. Adding an additional tax in the form of a royalty creates a disincentive to

produce minerals and diminishes, not increases, the revenue the treasury will receive.

As a point of information, the State of Alaska has recently instituted a rent for state mining claims. The initial assumptions were that 50% of the claims would be relinquished by the imposition of rent of \$.50/Acre. The actual loss in the first year was in the order of 20% of the approximately 40,000 claims existing before rent. This year Alaska expects to receive over six hundred thousand dollars in rent and will expend about one hundred thousand dollars in collection and administration.

(a)(2) - Deferring of diligent development expenditures should also be allowed because of lack of permits to operate from state and local governments.

(c)(2)(B) - any mineral sampling and testing should be allowed. Bulk sampling is but one type or phase of testing.

(C)(2)(f) - other mineral activities should also include filing fees and permitting costs and fees. While tradition has invalidated transportation of personnel as an allowed assessment expense this too should be allowed to encourage housing of exploration personnel in other than a camp on the claim.

(C)(2) - the diligent development expenditures as proposed in the early years are within reason. However, the diligent expenditures proposed for claims after eleven years will be a significant burden for the small prospector unless excess diligent development expenditures from previous years can be carried forward. This section will also cause exploration programs to be designed around meeting the diligent development expenditure and all work will halt for the diligence year once that amount has been reached.

The State of Alaska allows a miner to carry forward excess annual labor four years and the system works fine. I argue for and allow a carry forward provision in all my mining agreements because it makes good sense and serves to develop the minerals. The federal government should adopt it also.

(d) - Payment in lieu of diligent development - this is an admirable concept for enhancing receipts to the treasury but does not serve to develop any mines. On a year-to-year basis the concept has merit but I fail to see the reason or need to lock a claim holder into five years of cash payments in lieu of diligent development expenditures.

(e) - Deferment, waiver or reduction - this is another admirable concept for taking care of the small miner. However, I cannot envision any bureaucrat sticking his neck out to grant relief except in the most unusual of circumstances and even then, he will be open for litigation under section 202 (e), citizen suits. It is worth keeping the concept in the bill, but we are fooling ourselves if we think it will help the small miner except in the most extraordinary situation.

Section 105

(a)(3) - the penalty for failure to comply under section 104(g) is the loss of the claims. Adding an additional penalty of up to \$5,000.00 per day seems to me unusually harsh.

Section 106

Access through and across federal lands should be added to the list of permitted activities that the Secretary can make land available for.

Section 108

The present operation of the patent law and requirements make it impossible to risk going for a patent unless one is actually mining at a profit. At that point, why bother? What is important to the industry is long-term tenure and security for one's investment in the minerals. Patenting just the mineral and not the surface would provide that assurance. The time it takes to put a mine into production makes this a long-term business that requires stability to function efficiently. A patent to the minerals only, would satisfy most of the arguments against patenting and still provide long term protection for the prospectors investment in the minerals.

TITLE II - Environmental Considerations

Section 201

(a) - I agree and let me add that I also think everyone should do the same. The present plethora of environmental laws federal, state and local do just that.

(b)(4) - This section will designate all federal lands off limits to mining until the Secretary opens them. But only after the

Secretary has made provision for a land use plan and that plan has withstood any "citizen" suits would one be able to even prospect any presently open federal land. Mineral exploration, even on existing claims, could be impossible for years. One can look to Alaska's next door neighbor, the Soviet Union, to see the economic and environmental disaster that planning has wrought.

(c) - Reclamation - I was part of the group of miners and environmentalists who worked with the alaska legislature and administration to develop a reclamation law. Reclamation is the law in alaska on all lands, federal, state and private. Requiring reclamation to a capability of supporting the previous condition is reasonable. However I don't believe that requiring reclamation to a higher or better use is fair or reasonable. It is wise to allow for such reclamation but not to require it.

(c)(2) - Standards - I see here the laundry list of requirements some reasonable and necessary and some that will form the basis for more citizen suits by anyone wishing to stop a mining operation, for whatever reason. In Alaska a standard that is appropriate in one part of the state will be impossible to meet in another. The plan of operations is the place to set the requirements. The standard has been set in the preceding section (1). The Congress would be wise to let the specific methods of achieving the standard be set at a level closer to the ground.

Section 202 - inspection and enforcement

(a)(1) - Mandated quarterly inspections could be an extreme hardship and possibly life threatening for the miner and government personnel in Alaska's winter. The frequency of inspection should be a function of the level and timing of the operating plan being inspected. This seems to me to be more of an operating policy and not of the level of the general land law.

(e) - Citizen suits - this paragraph is misnamed for one need not be a citizen to sue the Secretary. We are seeing this concept being proposed more frequently, especially in relation to the environment. This will be one of the main tools used by anti-development forces to stop any project by paralyzing the government which issues the permit. The much acclaimed environmental goal for the public lands of "mine free by ninety three" will be realized through citizen suits.

Section 203 - Land use plans

This section is in conflict with section 102 which says that mining claims may be located on "such lands and interests that were

open to the location of mining claims on the date of enactment of this Act". This section would require the Secretary to perform an environmental impact statement on any lands opened up for mineral location and will effectively close all federal lands to mineral entry under the guise of planning.

To open any lands the Secretary will have to run the gauntlet of citizen suits and study the lands to such an extent that only the most valuable of mineral deposits could withstand the costs and time involved. There are environmental groups and government agencies that routinely oppose any proposal for development. They demand that all possible, not just reasonably foreseeable, effects and consequences be studied and studied and analyzed in order to delay, frustrate, and kill the development proposal.

The Tongass National Forest is in the process of revising its forest plan. They have had a team working for over two years and are working on their second revision of the draft EIS. (Some members on the planning team joke about the perpetual planning process and it might be funny if it weren't so true and costing us all time and money.) The initial planning did not even consider minerals at all. It took intense pressure on the part of the mining community to even get the forest service to consider minerals as a prescription and part of the Tongass plan. Even so, they have only given minerals the most cursory of treatments and only in areas where proven reserves exist. They have ignored the mineral possibilities in the lesser explored areas of the Tongass, which under this proposed law will always remain unexplored.

(f) Withdrawal review - this is a most welcome concept to see proposed, but I believe it does not go far enough. Several areas in Southeast Alaska that I am personally familiar with are highly mineralized, have had a long mining history and yet were withdrawn as wilderness. The reports detailing the mineral potential of these areas were buried and ignored by the elements propounding their withdrawal. Uncontrolled mining existed in these areas before wilderness and yet they were still suitable for wilderness, ample evidence that mining and wilderness are not mutually exclusive. Modern mining with all of the controls that exist can be done in a manner that will not compromise wilderness in the long term and still provide the metals we need today. Over seventy-five percent of the federal land in Alaska is already closed to mining.

It has been argued by Thomas Barrett in his pamphlet on self initiation that one impetus for many of the present withdrawals from mineral entry was to eliminate alienation of the land to citizens through patent. If we are to eliminate the patent then

that threat no longer exists and thus the need to exclude mining from these areas. I think it is not unreasonable that we examine all of our lands especially with the new controls on the industry proposed here.

Section 204 - Lands not open to mineral location

This will close even more land to exploration for minerals. The immediate effects will be the loss of the investment dollars and jobs that exploration spending brings to the economy. The full effects upon the nation will not be felt until even more of the minerals we depend upon are produced from foreign sources.

TITLE III - Abandoned Mine Reclamation

This is a good idea and hopefully will work provided that there is a pool of mining claims paying into the fund. For the fund to be successful the mining law must allow mining in this country. As drafted H.R. 918 will not be successful in this regard. If H.R. 918 is amended so that the mining industry can remain successful, then the fund can work. But what happens after the fund cleans up the past practices and reclaims all abandoned mines? Does this fund become a pot full of money looking for a problem or does the industry get some credit for cleaning up its mess, a mess that the entire nation shares in creating in the form of inexpensive metals.

TITLE IV - Fees and Discovery

Section 402 - User fees

Rent should be considered sufficient. This carte blanche invitation for bureaucracies to grow cannot help solve any problems of the nation.

Section 404(c) - Discovery

Here is another case where H.R. 918 is turning an ancient concept in mineral law completely around. Discovery has been defined by the large body of law around it. The prudent man test and the marketability test further restrict and define discovery in such a way as to limit severely the number of new patents issued. The federal lands, at least in Alaska, are not being converted to condominiums under the guise of the mining laws. The requirements to prove discovery today are such that it is virtually impossible for any but the most valuable of mineral deposits to go to patent. However, that patent helps to protect the huge financial risk that a miner must make to discover, define and develop a mineral

deposit. Discovery and patent to the minerals discovered are vital parts of a healthy mineral industry.

One can solve the problem of holding of mining claims prior to discovery by instituting a prospecting site as Alaska has done. The prospecting site gives the claimant exclusive rights to prospect within the confines of the prospecting site yet does not require discovery. A claim cannot be staked without discovery. On Alaska land a claim without discovery can be challenged by any one not just the state. The doctrine of Pedis possessio will not protect a claim without discovery on Alaska land.

(d) Interim period - this section forces a lot of work and expense upon the industry as well as the government. Relocating claims on the ground will be time consuming and seemingly needlessly as the legal description will control not the ground location. In areas where present claims exist sorting out the legal description and claim rights will be a legal and administrative nightmare.

I also have problems with changing the rules of a game after people have risked money, labor and time in providing minerals for our nation. After closely reviewing this bill I believe that ,to change in mining law systems and retain a mining industry, requires much more thought in an atmosphere of trying to solve the problems of mining on the public lands not confrontation.

7-LS1056G
Luckhaupt
4/9/92

HOUSE CS FOR SENATE JOINT RESOLUTION NO. 27 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS FRANK, Pearce, Shultz, Sturgulewski, Uehling, Halford, Collins

REPRESENTATIVES MA.Miller, M.W.Miller, Sharp, G.Phillips

A RESOLUTION

1 Relating to support for the Mining Law of 1872.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS the federal government is and will continue to be the largest landowner in the State
4 of Alaska; and

5 WHEREAS 165,400,000 acres of federal Parks, Preserves, wildlife refuges, wilderness, and other
6 federal land in Alaska are already closed to application of the Mining Law of 1872; and

7 WHEREAS 49,600,000 acres of federal land in Alaska are still open to mineral exploration and
8 mining under the Mining Law of 1872; and

9 WHEREAS a healthy mining industry can provide new jobs in many remote parts of Alaska,
10 jobs that are well-paying, year-round, and skilled; and

11 WHEREAS the Mining Law of 1872 has served our nation well since it was first enacted; and

12 WHEREAS the Mining Law of 1872 has been amended many times to accommodate changing
13 conditions; and

14 WHEREAS amendments to specific portions of the Mining Law of 1872, such as increasing the
15 patent fee, may be appropriate to accommodate changing conditions and ensure continued viable
16 opportunities for mineral exploration and development; and

1 WHEREAS the Mining Law of 1872 is a land tenure law and the mining industry must comply
2 with numerous state and federal laws concerning water and air quality, reclamation, land management,
3 health and safety; and

4 WHEREAS if individuals and companies risk their time and money in search of economic
5 mineral deposits, they must have a reasonable assurance that they will be able to mine the minerals they
6 find; and

7 WHEREAS legislation pending before Congress, H.R. 918 and S.433, would fundamentally
8 change the precepts of the Mining Law of 1872 and would significantly hinder or eliminate mining
9 opportunities;

10 BE IT RESOLVED that the Alaska State Legislature supports the basic tenets of the Mining
11 Law of 1872; and be it

12 FURTHER RESOLVED that the Alaska State Legislature urges the United States Congress to
13 continue to support the basic tenets of the Mining Law of 1872.

14 COPIES of this resolution shall be sent to the Honorable George Bush, President of the United
15 States; the Honorable Dan Quayle, Vice-President of the United States and President of the U.S. Senate;
16 the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; the Honorable Manuel
17 Lujan, Jr., Secretary of the Interior; the Honorable Edward Madigan, Secretary of Agriculture; the
18 Honorable J. Bennett Johnston, Chair of the United States Senate Committee on Energy and Natural
19 Resources; the Honorable George Miller, Chair of the House Interior and Insular Affairs Committee; and
20 to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable
21 Don Young, U.S. Representative, members of the Alaska delegation in Congress.

SJR

29

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SJA 29
(S) Publish Date: 5/8/91

Revision Date: _____ Department Affected: _____
 Title: Proposed annual federal fee for BRU: _____
Recreational vessels Component: _____
 Sponsor: Senator Zharoff
 Requestor: _____ COMPONENT SERIAL NO.

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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	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Senate Resources Committee Phone: 465-4907
 Division: Park Terrel Resources Staff Date: 5/6/91
 Approved by Senator Lloyd Jones, Chairman
 Agency: _____ Date: _____

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



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99815 (907) 488-5259

DURING SESSION:

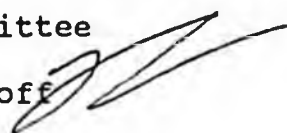
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DISTRICT N

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

MEMORANDUM

TO: Representative Cliff Davidson
Chairman
House Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: May 14, 1991

RE: Senate Joint Resolution 29 - "Relating to the proposed annual federal fee for recreational vessels."

I respectfully request the House Resources Committee to hold a hearing on SJR 29 at the earliest possible opportunity.

SJR 29 would place the Alaska Legislature on record in support of the Congressional efforts to repeal the federal recreational vessel fees that are going into effect this year.

The vessel fees are a revenue generating measure that was included in the Omnibus Budget Reconciliation Act of 1990. They provide recreational vessel owners with absolutely no direct benefits. The fees are a targeted tax that will be deposited in the U.S. Treasury for the purpose of funding all federal expenditures.

Two bills have been introduced in the U.S. Congress -- H.R. 534 by Rep. Robert W. Davis of Michigan and S. 843 by Sen. John B. Breaux of Louisiana -- to repeal the recreational vessel fees.

The following background information is attached:

1. "Boat Use Tax Fact Sheet" from the Office of Rep. Robert Davis.
2. Copy of H.R. 534, legislation to repeal the boat tax.
3. News release from the U.S. Department of Transportation regarding implementation of boat tax, dated March 28, 1991.
4. Recreational vessel fees Federal Register notice, dated March 28, 1991.

BOAT USE TAX FACT SHEET

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Background

First proposed in the FY 1981 Administration's budget request, the recreational boat use fee proposal has faced opposition annually since then. The Merchant Marine and Fisheries Committee has traditionally been opposed to the boat use fee, believing it to be a general tax rather than a fee for a specific service rendered by the Coast Guard. The boating community of approximately six million licensed boats already pays a motorboat fuel tax, which was also increased 5 cents per gallon as part of budget reconciliation, and this is calculated to collect \$149 million in FY 1991. The recreational boat use fee was tested on the Floor of the House when it was offered as an amendment to the Coast Guard Authorization Act of 1987 and was resoundingly defeated by a vote of 287 to 119 on July 8, 1987.

Reconciliation instructions imposed by the House Concurrent Resolution on the Budget for FY 1991 directed the Merchant Marine and Fisheries Committee to implement a set of fees and taxes with savings totaling \$200 million. The budget conference resulted in a combination of fees for licenses and inspections (\$26 million), the graduated recreational boat use tax (\$127 million), and a small increase in a shipping tonnage tax (\$53 million).

Boat Use Tax

The Omnibus Budget Reconciliation Act of 1990 directs the Secretary of Transportation to establish an annual fee for recreational boats that are greater than 16 feet in length. There is a graduated schedule so that owners of larger vessels pay a higher fee and the fee applies only to vessels operating on navigable waters of the United States where the Coast Guard has a presence. This applies to all recreational vessels, including kayaks and canoes.

Greater than 16 ft., but less than 20 ft. -- not more than \$25
20 ft. or more, but less than 27 ft. -- not more than \$35
27 ft. or more, but less than 40 ft. -- not more than \$50
40 ft. or more -- not to exceed \$100.

No specific Coast Guard service is guaranteed in return for this tax and the proceeds go into the general treasury.

Collection of the Tax

The Coast Guard is preparing the regulations, which will be published in the Federal Register prior to implementation, and they should be in effect by Memorial Day weekend. The method of collection has not yet been determined.

H.R. 534

H.R. 534, to repeal the boat use tax, was introduced by Robert W. Davis (R.-Mich.), on January 15, 1991. To cosponsor, please call, ext. 52650.

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102D CONGRESS
1ST SESSION

H. R. 534

To amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1991

Mr. DAVIS (for himself and Mr. BATEMAN) introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

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

3 SECTION 1. COAST GUARD RECREATIONAL BOAT TAX

4 REPEAL.

5 Section 2110 of title 46, United States Code, is amend-
6 ed—

7 (1) by repealing subsection (b);

8 (2) in subsection (c), by striking "subsections (a)

9 and (b)," and inserting "this section,"; and

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1 (3) by redesignating subsections (c) through (i) as
2 subsections (b) through (h), respectively.

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U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

465-2920
2921

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FOR IMMEDIATE RELEASE
Thursday, March 28, 1991

CG 04-91
Contact: PAC Hellick
Tel.: (202) 267-3931

COAST GUARD PROPOSES ANNUAL FEES FOR RECREATIONAL VESSELS

The U.S. Coast Guard is soliciting public comment on a Notice of Proposed Rulemaking that would establish an annual fee for recreational vessels over 16 feet long that are operated on navigable waters of the United States where the Coast Guard has a presence.

Under the Omnibus Budget Reconciliation Act of 1990, the Secretary of Transportation is required to establish an annual fee for recreational vessels and collect it for a five-year period beginning in fiscal year 1991 through 1995. Congress has stated that the fee "is intended to require recreational boaters to share in the cost of existing Coast Guard programs, including search and rescue, boating safety, and aids to navigation. . . which provide substantial benefits to recreational boaters."

The proposed fees are: \$25.00 for vessels over 16 feet but less than 20 feet; \$35.00 for vessels at least 20 feet but less than 27 feet; \$50.00 for vessels at least 27 feet but less than 40 feet; and \$100.00 for vessels at least 40 feet in length. The fees collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury and attributed to U.S. Coast Guard activities.

The fee would not apply to vessels 16 feet and under, public vessels, or certain Coast Guard Auxiliary vessels. The proposed rule also would exempt foreign vessels, lifeboats, racing vessels, yacht tenders, sailboards, rowboats, canoes, kayaks, and rowing sculls.

Navigable waters of the United States include the territorial seas, internal tidal waters, and certain internal non-tidal waters. Each Coast Guard district office maintains a list of navigable waters within its jurisdiction. "Where the Coast Guard has a presence" is broadly defined to mean "within Coast Guard district boundaries."

The Coast Guard proposes to require a decal affixed to the vessel as proof of payment. It would be valid for the federal fiscal year — Oct. 1 - Sept. 30. Comments are also requested on whether the validity period should be a fiscal year, calendar year or some other time frame.

-2-

The Coast Guard will include procedures for obtaining the decal in the final rule. Options being considered include obtaining the decals in person, by mail, or by telephone, and permitting payment by cash, check, money order, or credit card. Convenience to the purchaser will be an important factor in this decision.

Full text of the Notice of Proposed Rulemaking is in the March 28, 1991, issue of the Federal Register (Part IV). Copies may be obtained from the Coast Guard by calling the toll-free boating safety hotline, 800-368-3647 -- in Washington D.C., call 267-0780.

Written comments should be mailed on or before May 13, 1991, to Commandant (G-LRA-2/3406) (CGD 90-067), U.S. Coast Guard Headquarters, 2100 Second St. S.W., Washington, D.C. 20593-0001, telephone (202) 267-1477.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 1

(CGD 90-067)

RIN 2115-AD87

Recreational Vessel Fees

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to establish a graduated annual fee for recreational vessel operated on navigable waters of the United States where the Coast Guard has a presence. Assessing the fee will require recreational boaters to share in the cost of Coast Guard programs from which they benefit, including search and rescue, boating safety, and aids to navigation. The amounts collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury as offsetting receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities.

DATE: Comments must be received on or before May 13, 1991.

ADDRESSES: Comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA-2/3406) (CGD 90-067), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001, or may be delivered to room 3406 at the above address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The telephone number is (202) 267-1477.

The Executive Secretary maintains the public docket for this rulemaking. Comments will become part of this docket and will be available for inspection or copying at room 3406, U.S. Coast Guard Headquarters.

FOR FURTHER INFORMATION CONTACT: Mr. Carlton Perry, Auxiliary, Boating, and Consumer Affairs Division, (202) 267-0979.

SUPPLEMENTARY INFORMATION:**Request for Comments**

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Persons submitting comments should include their name and address, identify this rulemaking (CGD 90-067) and the specific section of this proposal to which each comment applies, and give a reason for each comment. Persons wanting acknowledgment of receipt of comments should enclose a stamped, self-addressed postcard or envelope.

The Coast Guard will consider all comments received during the comment period. It may change this proposal in view of the comments.

The Coast Guard plans no public hearing. Persons may request a public hearing by writing to the Marine Safety Council at the address under "ADDRESSES". If it determines that the opportunity for oral presentations will aid this rulemaking, the Coast Guard will hold a public hearing at a time and place announced by a later notice in the Federal Register.

Drafting Information

The principal persons involved in drafting this document are Carlton Perry, Project Manager, and Christena Green, Project Counsel, Office of Chief Counsel.

Background and Purpose

The Omnibus Budget Reconciliation Act of 1990 (the Act) amended section 2110 of title 46, United States Code, to require the Secretary of Transportation to establish a fee or charge for recreational vessels and collect it annually in fiscal years (FY) 1991 through 1995 from the vessel owner or operator. The fee is intended to require recreational boaters to share in the cost of Coast Guard programs from which they benefit, including search and rescue, boating safety, and aids to navigation, but for which direct user fees cannot be assessed. The proposed regulations would apply to recreational vessels greater than 16 feet in length, operated on the navigable waters of the United States where the Coast Guard has a presence. The amounts collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury, ascribed to U.S. Coast Guard activities.

Discussion of Proposed Amendments**Section 1.30-1 Applicability**

Under 46 U.S.C. 2110(b), the recreational vessel fee applies to recreational vessels that are greater than 16 feet in length and are operated on navigable waters of the United States where the Coast Guard has a presence. However, the same provision also provides that the fee, "does not apply to a public vessel, or a vessel deemed to be a public vessel under section 827 of title 14."

Section 1.30-5 Exemptions

The fee under 46 U.S.C. 2110(b) would not apply to most sailboards and manually propelled vessels such as rowboats, canoes, and kayaks because they are not over 16 feet in length. However, in calculating the expected amounts of receipts to be collected from

recreational vessels, the Congressional Budget Office (CBO) did not include these types of vessels that are over 16 feet in length. The use of Coast Guard search and rescue, boating safety, and aids to navigation programs by these vessels that are over 16 feet in length is no greater than the use of these programs by the smaller vessels. Therefore, under the discretionary exemption provision of the Act, this proposal would exempt from recreational vessel fees: rowboats, canoes, kayaks, sailboards, racing shells, rowing sculls, racing kayaks, and other recreational vessels propelled by oars, paddles, poles or sails attached to an unsupported mast. This proposal would also exempt other vessels over 16 feet in length, including foreign vessels temporarily operated on navigable waters of the U.S.; ships' lifeboats; vessels used exclusively for racing; and numbered or documented vessel tenders. These vessels were also not in the data base considered by CBO in calculating the estimated receipts from recreational vessels.

Section 1.30-7 Definitions

The Coast Guard also proposes to define key terms related to the recreational vessel fee. This proposal generally relies on the existing definitions listed in subtitle II of title 46, United States Code, or subchapter S of title 33 Code of Federal Regulations, as follows:

Recreational vessel. This proposal would use the definition of "recreational vessel" in 46 U.S.C. 2101(25), "a vessel being manufactured or operated primarily for pleasure; or leased, rented, or chartered to another for the latter's pleasure."

Public vessel. This proposal would use the definition of "public vessel" in 46 U.S.C. 2101(24), "a vessel that is owned, or demise chartered, and operated by the United States Government or a government of a foreign country; and is not engaged in commercial service."

Vessel deemed a public vessel. This proposal would define "vessel deemed a public vessel" as a vessel accepted by the Coast Guard as an Auxiliary Operational Facility, under 33 CFR 5.43, and bearing a current Auxiliary Operational Facility Sticker. Under 14 U.S.C. 827, "Any motorboat or yacht, while assigned to authorized Coast Guard duty, shall be deemed to be a public vessel of the United States." The Coast Guard considered exempting from the fee only those vessels that actually performed such duty in the prior year, but determined that this would be

administratively burdensome and difficult to enforce. An Auxiliary vessel may only perform authorized Coast Guard duty after it has been accepted by the Coast Guard as meeting the requirements in section II of the CG-4951 inspection checklist and authorized to bear a Coast Guard Auxiliary Operational Facility sticker. The Coast Guard therefore, proposes to define a "vessel deemed a public vessel" as an Auxiliary vessel bearing a current Coast Guard Auxiliary Operational Facility sticker.

Navigable waters of the United States. This proposal would use the definition of "Navigable Waters of the United States" in 33 CFR 2.05-25, which include the territorial seas of the U.S.; internal waters of the U.S. subject to tidal influence, meeting specific criteria related to substantial interstate or foreign commerce. Under 33 CFR subpart 2.10, each Coast Guard district office maintains a list of waters within the district boundaries which the Coast Guard has decided to be navigable waters of the U.S. for the purposes of its jurisdiction.

Where the Coast Guard has a presence. Congress expressed its intent regarding the changes to 46 U.S.C. 2110 by stating in the Conference Report (Report 101-964, 27 October 1990), "The indirect user fee authorized by this subsection is intended to require recreational boaters to share in the cost of existing Coast Guard programs, including search and rescue, boating safety, and aids to navigation, for which no direct user fee may be assessed, but which provides (sic) substantial benefits to recreational boaters." The jurisdictional boundaries of the Coast Guard's Areas, Districts and Marine Inspection and Captain of the Port Zones are listed in 33 CFR part 3. This proposal would broadly define "where the Coast Guard has a presence" as "within the district boundaries" because Coast Guard district commanders are responsible for providing search and rescue, boating safety, and aids to navigation services within their district boundaries. The Coast Guard does not propose the Area limits because they are too broad—Western and Eastern Hemispheres—nor the listed port zones because they are not Search and Rescue, Boating Safety, or Aids to Navigation zones.

Section 1.30-10 Fee Amounts.

This proposal would set the fee amount at the maximum allowed under 46 U.S.C. 2110 for each category of vessel length. The CBO estimated that the recreational vessel fee would generate \$127 million in fiscal 1993 and

\$718 million over the five-year life of the fee. Although the Coast Guard has collected statistics on the numbers of numbered, undocumented vessels since 1960, the vessel length categories do not fully coincide with the length categories now used in 46 U.S.C. 2110. In considering the amount of the fee to set under 46 U.S.C. 2110, the Coast Guard relied on the numbers of vessels for the length categories maintained in its Boating Statistics 1989 (Commandant Publication P16754.3; June 1990) to derive the numbers of vessels for each of the length categories used in 46 U.S.C. 2110. The boating statistics for 1989 indicate there were 3,471,000 vessels over 16 feet but less than 20 feet; 1,156,000 vessels 20 feet but less than 27 feet; 397,000 vessels 27 feet but less than 40 feet; and 115,000 vessels at least 40 feet in length. The Coast Guard estimates that 80 percent of these vessels will be operated on the navigable waters of the U.S. where the Coast Guard has a presence. The decision to charge the maximum fees was based on these statistics.

Section 1.30-15 Evidence of Fee Payment

This proposal would require a recreational vessel owner to annually obtain a decal (by paying the appropriate fee) and to affix the decal to the vessel. The Coast Guard is considering potential agents and methods for collecting the annual fee, including provisions to obtain the decals in person, by mail, or by telephone, and which would permit payment by cash, check, money order, or credit card. Convenience to the purchaser will be an important factor in selecting the method to be utilized. The Coast Guard will include the procedures for obtaining the decal in the final rule. The Coast Guard is proposing that the decal be valid during the fiscal year for which it is issued to coincide with the fiscal year collection requirement in the statute. The Coast Guard recognizes that this proposal could require a boat owner to purchase two decals during calendar year 1991. The Coast Guard specifically solicits comment on whether the decal validity period should be fiscal year, calendar year or some other time frame.

Section 1.30-30 Penalties

This proposal includes two provisions on penalties. Under 46 U.S.C. 2110, a person failing to pay the fee would be liable to the U.S. Government for a civil penalty of not more than \$5,000 for each violation and the Coast Guard may also assess appropriate additional charges to a vessel owner or operator to recover collection and enforcement costs

associated with delinquent payment of the annual fee. These penalties and changes would be administered under the provisions of subpart 1.07 of this chapter.

Regulatory Evaluation

This proposal is major under Executive Order 12291 and significant under the Department of Transportation Regulatory Policies and Procedures (44 FR 11040; February 28, 1979). This proposal is expected to generate approximately \$127 million from owners of recreational vessels in FY 1991, \$135 million in FY 1992, \$143 million in FY 1993, \$152 million in 1994 and \$161 million in FY 1995 for a total economic impact of approximately \$718 million on the boating public over the five year period.

Although the proposal would exceed a \$100 million annual effect on the economy, the fees would apply only to owners or operators of recreational vessels used on navigable waters of the U.S. where the Coast Guard has a presence. The fees for recreational vessels are unlikely to influence an individual's decision to purchase a recreational vessel, and therefore the fees are unlikely to have an effect on recreational vessel production and sales. The Coast Guard believes that even the maximum fee allowed for each category of vessel length is a minimal increase in the annual expense of owning and operating a recreational vessel.

Because the statute mandates establishment and collection of fees, the discretionary aspects of this rulemaking are limited to setting the amount of the fee within the statutory range for each category of vessel length. The usual cost/benefit analysis required for a Regulatory Impact Analysis is not appropriate. The proposed fees are not directly related to the cost of the Coast Guard programs that Congress intends the recreational boaters to support, i.e., search and rescue, boating safety, and aids to navigation. The fees to be paid by individual boaters are not directly related to his or her use of, or benefits derived from, these programs. Rather the fees are to be related solely to the length of the vessel. The revenues collected from these fees are not added to current Coast Guard appropriations and do not directly affect future appropriations for these programs.

The amendments to 46 U.S.C. 2110 removing long-standing prohibitions against charging fees for services provided to commercial vessels and maritime personnel, as well as the new mandate to establish fees for

recreational vessels, are consistent with other provisions of the Omnibus Budget Reconciliation Act designed to increase revenues to further reduce the budget deficit.

The collection of these fees does not alter or expand the functions, powers, responsibilities, or liability of the United States under any law for the performance of services. Recreational vessel owners paying the proposed fees, therefore, can expect no increase in the quantity, quality, or variety of services they receive from the Coast Guard.

The proposed fees will have no impact on government agencies and any difference in impact on geographical regions is related solely to the prevalence of navigable waters of the United States in the region.

Under 46 U.S.C. 2110(b), the fees can be set at not more than \$25 for vessels greater than 16 feet but less than 20 feet; not more than \$35 for vessels at least 20 feet but less than 27 feet; not more than \$50 for vessels at least 27 feet but less than 40 feet; and not more than \$100 for vessels at least 40 feet in length. The Coast Guard estimates that 80 percent of the total number of applicable recreational vessels over 16 feet in length will be operated on navigable waters of the U.S. where the Coast Guard has a presence. The following table lists the calculated fees collected at the maximum fee amount by category of vessel length.

Vessel length category	Number of vessels	Maximum fee amount (\$)	Total fees collected (\$)
>16'-<20'	3,471,000	25	86,775,000
20'-<27'	1,156,000	35	40,460,000
27'-<40'	387,000	50	19,350,000
40' and over	115,000	100	11,500,000
Totals	5,129,000		158,585,000
80% of totals	4,111,200		126,868,000
CBO estimate for FY 1991			127,000,000

Thus, establishing the fees uniformly at the maximum amount authorized by the statute will produce approximately the same amount estimated to be collected in the Congressional Budget Office report that was considered by Congress in enacting the statutory change.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard must consider whether this proposal will have a significant economic impact on a substantial number of small entities.

"Small entities" include independently owned and operated small business that are not dominant in their field and that otherwise qualify as "small business concerns" under section 3 of the Small Business Act (15 U.S.C. 632). This proposal would apply the fee to recreational vessels, not uninspected passenger or other commercial business vessels. Because it expects the impact of this proposal on small entities to be minimal, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposal, if adopted, will not have a significant economic impact on a substantial number of small entities.

Collection of Information

This proposal contains no collection of information requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Obtaining and placing a decal on a vessel is not a collection of information, but merely an exhibit of evidence of payment of the required fee, with no need to retain any receipt or other evidence of payment to show to a boarding officer.

Federalism

The Coast Guard has analyzed this proposal in accordance with the principles and criteria contained in Executive Order 12812 and has determined that this proposal should not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The Coast Guard invites comment from any State or local governmental entity that believes this proposal will have any such federalism implications.

Environment

The Coast Guard considered the environmental impact of this proposal and concluded that under section 2b.2. of Commandant Instruction M16475.1B, this proposal is categorically excluded from further environmental documentation. This proposal is an administrative action, required by the Act to generate revenues, that clearly does not have any environmental impact. A Categorical Exclusion Determination is available in the docket for inspection or copying where indicated under "ADDRESSES."

List of Subjects in 33 CFR Part 1

Administrative practice and procedure. Authority delegations (Government agencies). Freedom of information. Penalties. Fees.

For the reasons set out in the preamble, the Coast Guard proposes to amend 33 CFR part 1 as follows:

1. Part 1 is amended by adding a new subpart 1.30—Recreational Vessel Fees to read as follows:

PART 1—GENERAL PROVISIONS

Subpart 1.30—Recreational Vessel Fees

Sec.

- 1.30-1 Applicability.
- 1.30-5 Exemptions.
- 1.30-7 Definitions.
- 1.30-10 Fee amounts.
- 1.30-15 Evidence of fee payment.
- 1.30-30 Penalties.

Subpart 1.30—Recreational Vessel Fees

Authority: 46 U.S.C. 2110; 49 CFR 1.46.

§ 1.30-1 Applicability.

This subpart establishes an annual fee for recreational vessels operated on navigable waters of the United States where the Coast Guard has a presence. The fee requirement will be effective in fiscal years 1991, 1992, 1993, 1994 and 1995. This subpart does not apply to recreational vessels 16 feet in length and under, public vessels, and vessels deemed public vessels under 14 U.S.C. 827.

§ 1.30-5 Exemptions.

The following recreational vessels are exempt from the vessel fee provisions of this subpart:

- (a) Foreign vessels temporarily operated on navigable waters of the United States;
- (b) Ships' lifeboats;
- (c) Manually propelled rowboats, canoes, kayaks, sailboards, racing shells, rowing sculls, racing kayaks, and other recreational vessels propelled by oars, paddles, poles, or sails attached to an unsupported mast.

(d) A vessel that is used exclusively for racing;

(e) A vessel equipped with propulsion machinery of less than 10 horsepower that:

(1) Is owned by the owner of a vessel for which a valid certificate of number has been issued;

(2) Displays the number of that numbered vessel followed by the suffix "1" in a manner prescribed in § 173.27 (Example: DC 5678 EF 1 or DC-5678-EF-1; and

(3) Is used as a tender for direct transportation between that vessel and the shore and for no other purpose.

(f) A vessel equipped with propulsion machinery of less than 10 horsepower that is owned by the owner of a documented vessel and is used as a tender for direct transportation between

that vessel and the shore and for no other purpose.

§ 1.30-7 Definitions.

Fiscal year means the 12 month period beginning on October 1 of one calendar year and ending on September 30 of the following calendar year. The fiscal year is designated by the calendar year in which it ends, i.e., fiscal year 1991 begins on October 1, 1990, and ends on September 30, 1991.

Length means the straight line horizontal measurement of the overall length from the foremost part of the vessel to the aftermost part of the vessel, measured from end to end over the deck excluding sheer, and measured parallel to the centerline. Bow sprits, bumpkins, rudders, outboard motor brackets, handles, and other similar fittings, attachments, and extensions are not included in the measurement.

Navigable waters of the United States means the waters defined in § 2.05-25 of this subchapter, and includes the territorial seas of the United States; internal waters of the United States that are subject to tidal influence; and internal waters of the United States not subject to tidal influence meeting the criteria of that section. Under subpart 2.10 of this subchapter, a Coast Guard district office maintains a list of waters within the district which the Coast Guard has decided to be navigable waters of the United States for the purposes of its jurisdiction.

Operator means the person who is in control or in charge of a vessel while it is in use.

Owner means a person who claims lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles the person to such possession.

Public vessel means a vessel that is owned, or demise chartered, and operated by the United States

Government or a government of a foreign country; and is not engaged in commercial service.

Racing shell, rowing scull, and racing kayak means a manually propelled vessel that is recognized by a national or international racing association for use in competitive racing and one in which all occupants row, scull, or paddle, with the exception of a coxswain, if one is provided, and is not designed to carry and does not carry any equipment not solely for competitive racing.

Recreational vessel means a vessel being manufactured or operated primarily for pleasure; or leased, rented, or chartered to another for the latter's pleasure.

Sailboard means a sail propelled vessel with no freeboard and equipped with a swivel mounted mast not secured to a hull by guys or stays.

Use means operate, navigate, or employ.

Vessel includes every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

Vessel deemed a public vessel means a vessel accepted by the Coast Guard, under the provisions in part 5 of this chapter, as an Auxiliary Operational Facility and bearing a current Auxiliary Operational Facility sticker.

Where the Coast Guard has a presence means the geographical areas over which the Coast Guard District Commanders exercise operational responsibility. These areas are described in part 3 of this chapter.

§ 1.30-10 Fee amounts.

The recreational vessel fees for the categories of vessel length are as follows:

(a) Vessels greater than 16 feet in length but less than 20 feet—\$25;

(b) Vessels at least 20 feet in length but less than 27 feet—\$35;

(c) Vessels at least 27 feet in length but less than 40 feet—\$50; and

(d) Vessels at least 40 feet in length—\$100.

§ 1.30-15 Evidence of fee payment.

(a) The owner or operator of each vessel subject to this subpart must pay the prescribed fee annually to the designated collection agent announced by the Coast Guard and obtain the appropriate evidence of fee payment for the fiscal year in which the vessel is to be operated.

(b) The evidence of fee payment must be securely attached to the forward half of the vessel within 6 inches of either the location of a vessel number issued under part 173 or 174 of this chapter, or, for vessels not issued a vessel number, where the number would be located, if issued.

(c) The evidence of fee payment will be valid during the fiscal year for which it is issued.

§ 1.30-30 Penalties.

(a) A person that violates this subpart by failing to pay a fee or charge established under this subpart is liable to the United States Government for a civil penalty of not more than \$5,000 for each violation.

(b) The Coast Guard may assess additional charges to a vessel owner or operator to recover collection and enforcement costs associated with delinquent payments of the annual fee.

(c) Collection of these penalties and charges would be under the provisions of subpart 1.07 of this chapter.

Dated: March 22, 1991.

J. W. Kline,

Admiral, U.S. Coast Guard, Commandant.

[FR Doc. 91-7348 Filed 3-27-91; 8:45 am]

BILLING CODE 4910-14-M

years studying American lobsters as they trot on his homemade treadmill.

He puts a custom-fitted oxygen mask over their heads, hooks some plastic wires into their hard bodies and — while they're cruising along at a kilometer an hour — measures the effects of the exercise on their cardiovascular and respiratory systems.

"When an animal is instrumented, I'm making measurements, and it's walking along the treadmill, I'm just really intrigued," Jorgensen said. "It's incredibly exciting."

The image of lobsters galloping for science may inspire a few chortles among non-academics. To Jorgensen, it represents the pursuit of knowledge at its purest.

"This is about the joy of learning about the world," the soft-spoken University of Puget Sound marine biologist says. "You learn something about how the lobster works, and you get a sense of understanding how other related animals work."

lar system.

Among the things he's learned so far: "They respond basically in a similar way you would respond if somebody put you on a treadmill. The blood pressure goes up, the amount of blood the heart pumps goes up. The differ-

ence is our hearts beat faster, their hearts beat more forcefully."

To date, the professor estimates he's spent about \$6,000 in university funds on the project. It's worth the money because ventures like his give his undergraduate students the kind of hands-on research experience often not available until graduate school, he says.

use data he's collected so far to apply for a federal government grant that would expand the research.

Why lobsters? Jorgensen, who's taught at UPS for eight years, says he's been interested in marine invertebrates for the last decade because relatively

stride — all eight spiny legs trotting along, more or less coordinated. "It takes them a little while to get used to it," the professor says.

In an actual experiment, a lobster is first fitted with an oxygen mask, walks the treadmill for about a half hour and then is monitored for the next several hours, Jorgensen says.

He worries that some will view his research as inhumane. But he says the lobsters would have ended up in a boiling pot anyway because he gets them from a seafood distributor.

Jorgensen's lobsters appear to be well treated. They have plenty of room in their holding tanks, are supplied fresh sea water, and regularly feast on salmon and cod.

When they're deemed ready for retirement, most of the lobsters are taken to the Jorgensen household where he, his family and students gather for a lobster feed. By feasting time, he says, "they really have done double duty."

...a lobster is first fitted with an oxygen mask and walks the treadmill for about a half hour.

ence is our hearts beat faster, their hearts beat more forcefully."

To date, the professor estimates he's spent about \$6,000 in university funds on the project. It's worth the money because ventures like his give his undergraduate students the kind of hands-on research experience often not available until graduate school, he says.

little is known about their physiology.

He picked the American lobster because they're easy to get, easy to monitor, and are representative of other crustaceans.

To show how the research works, Jorgensen recently took a couple of visitors into his cold storage lab. He plucked a blue and rust female lobster from her holding tank, switched on

Boaters demand repeal of fee

Ketchikan Daily News

4/27/91

WASHINGTON (AP) — Members of Congress and boating organization leaders denounced a new fee on recreational boats Wednesday, saying it discriminates against a pastime wrongly stereotyped as a preserve of the rich.

"Contrary to pervasive opinion in Washington, boaters by and large are not fat cats," Nat Stone of the National Boating Federation told the House Coast Guard and Navigation Subcommittee.

But Rear Adm. Robert T. Nelson, the Coast Guard chief of staff, defended the fee and said the Bush administration would fight its repeal.

It is "intended to require that recreational boaters bear a larger share of

the cost of existing Coast Guard programs from which they benefit," Nelson said.

Opponents fended off repeated attempts to impose a boating fee in the 1980s, but failed to block its inclusion in the deficit-reduction package enacted last fall.

The fee will be levied on an estimated 4.1 million of the 10 million boats registered in the United States that operate on waters under Coast Guard jurisdiction, exempting those less than 17 feet long.

It will range from \$25 to \$100 per vessel depending on its size. It is expected to generate \$127 million this year and \$161 million by 1995.

Subcommittee members and law-

makers testifying before the panel unanimously supported rescinding the fee. The repeal bill, sponsored by Rep. Bob Davis, R-Mich., has 157 co-sponsors. Similar legislation is pending in the Senate.

Opponents acknowledged the fee wouldn't exactly bankrupt anyone — especially owners of the 115,000 boats longer than 40 feet, who would be assessed the maximum of \$100.

But they complained that while the new levy is routinely described as a "user fee," none of the revenue would be earmarked for Coast Guard programs.

"It all disappears into that sinkhole called the federal Treasury without any assurance that the boaters or the

Coast Guard can ever expect to see the benefit of a single penny," Davis said.

No other form of recreation is singled out to raise money for the government or to defray the costs of running a federal agency, he said.

"Skydivers don't pay a tax for their sport, even though federal air traffic controllers are necessary," Davis said. "Snow skiers don't pay a tax for avalanche patrols or for rescue efforts on their behalf. Bird watchers don't pay for the benefits from the national wildlife refuges and parks."

The Coast Guard is taking public comment on proposed regulations and probably will begin collecting it this summer.

SJR

30



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-463-3366
Fax 907-463-3312

SJR 30 TESTIMONY BEFORE HOUSE RESOURCES COMMITTEE MAY 15, 1991

Mr. Chairman, Members of the Committee: I am Mollie TeVrucht, a volunteer representing the Alaska Environmental Lobby.

We strongly support the resolution to repurchase the oil and gas leases that were sold in North Aleutian Basin Lease Sale 92. The need to preserve this region is paramount:

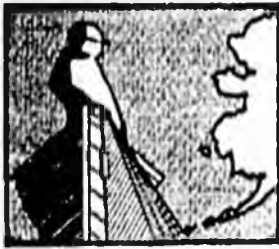
** The North Aleutian Basin fishery is among the most productive in the world. Bristol Bay region domestic commercial fisheries have an average annual wholesale value of \$1 billion dollars, employing over 10,000 people.

** The oil and gas leases are located in a critical migratory pathway for fish and wildlife populations migrating between the Pacific Ocean and Bristol Bay. Even low-level concentrations of oil can be severely detrimental to the health of this wildlife.

** The hydrocarbon potential of this area is low compared to that of other Alaskan OCS planning areas. Unlike the Bristol Bay fisheries, the oil and gas reserves are a non-renewable resource.

The benefits of protecting this region far outweigh the federal government's needs to explore the region for oil and gas. We urge you to make a wise resource management decision and support SJR30.

Thank you for the opportunity to testify.



Bering Sea Fishermen's Association

725 Christensen Drive
Anchorage, Alaska 99501
(907) 279-6519

May 15, 1991

**Representative Cliff Davidson
Chairman, House Resources Committee
P.O. Box V
Juneau, Alaska 99811**

Dear Mr. Chairman and Committee Members:

The Bering Sea Fishermen's Association strongly supports the underlying concept of SJR 30 to request the cancellation and buyback of Sale 92 oil and gas leases in Bristol Bay. The intent of this resolution as we understand is to afford some measure of permanent protection to the extremely valuable resources in and around Bristol Bay.

Therefore, we would like to see this resolution include language which would request that the federal government prohibit future lease sales from taking place in the North Aleutian Basin. As you are well aware, the commercial value of the fisheries resources in the Bay are worth about a billion dollars annually, and the value of the marine ecosystem to the entire Bering Sea and the cultural importance of the subsistence activities to local people are incalculable. Bristol Bay is a jewel in the Bering Sea which must be preserved.

Sincerely,

**Henry Mitchell
Executive Director**



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-6250

DURING SESSION:

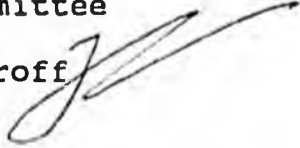
P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

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

MEMORANDUM

TO: Representative Cliff Davidson
Chairman
House Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: May 14, 1991

RE: CS For Senate Joint Resolution 30 (O&G) - "Relating to federal oil leases in the North Aleutian Basin section of Bristol Bay."

CSSJR 30 places the Alaska Legislature on record in support of the repurchase of the oil and gas leases that have been sold in the North Aleutian Basin section of Bristol Bay. It also requests the governor to represent the state in the negotiations for the repurchase.

Bristol Bay is one of the world's richest fisheries, with abundant and commercially-valuable quantities of salmon, crab, halibut, and groundfish. The North Aleutian Basin oil and gas lease sale has been controversial ever since it was first proposed. Alaska's previous three Governors all strongly opposed the sale. Despite their best administrative and legal efforts, the sale was held and, in October, 1988, the bids were opened.

In the aftermath of the Exxon Valdez disaster, Congress in September, 1989 passed a one year moratorium on exploration and development activities in the North Aleutian Basin. In October, 1990, Congress extended this moratorium.

A campaign is now underway to build support for a repurchase of the OCS Sale 92 oil and gas leases in order to remove the risk to this resource-rich region once and for all. The passage of SJR 30 would support these efforts.

SJR 30 was drafted in consultation with the Department of Natural Resources and with groups advocating a buyback.

The following backup information is attached:

1. Resolution from the Bristol Bay Native Association.
2. Solicitation notice for the Bristol Bay Protection

Fund.

3. Letter from the Bristol Bay Buyback Coalition to Gov. Walter Hickel, dated Dec. 13, 1990.
4. Bristol Buy Buyback Coalition news release regarding Minerals Management Service study on oil spill response capabilities for the North Aleutian Basin, dated April 19, 1991.
5. Minerals Management Service map of the North Aleutian Basin and Bristol Bay.
6. Oct. 28, 1990 news article on Congressional extension of North Aleutian Basin moratorium.
7. Sept. 7, 1990 letter from Gov. Steve Cowper to Rep. Jamie Whitten in support of the moratorium extension.
8. Feb. 9, 1990 letter from Sen. Ted Stevens with a copy of the language from the FY 90 federal appropriations bill that implemented the first moratorium.
9. Sept. 29, 1989 news article on Congressional approval of moratorium.
10. April 26, 1989 news release announcing Gov. Cowper's support for a Bristol Bay buyback.

P.O. BOX 310
DILLINGHAM, ALASKA 99576

①

RESOLUTION 91 - 10
BY
FULL BOARD OF DIRECTORS

A RESOLUTION URGING A REPURCHASE OF
OIL AND GAS LEASES IN OUTER BRISTOL BAY (LEASE SALE 92)

- WHEREAS, The Department of the Interior has sold oil and gas leases in outer Bristol Bay (Lease Sale 92), despite overwhelming objections to this sale by the people of Bristol Bay, the State of Alaska, fishing organizations, and other groups, and
- WHEREAS, Concern for subsistence resources and the environment is a precondition of Bristol Bay Native Association for any development activities within the Bay, and
- WHEREAS, Despite its long history of supporting oil and gas development, the State of Alaska, in recognition of both the environmental sensitivity and unparalleled productivity of the region's marine resources has called for a federal buy-back of the leases from Sale 92.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Association Full Board of Directors join with the State of Alaska in calling for a continuation of the moratorium on drilling in Bristol Bay and in support of the State's position that the federal government should repurchase the leases sold in Sale 92.

Dated this 12th day of October, 1990, at Dillingham, Alaska.

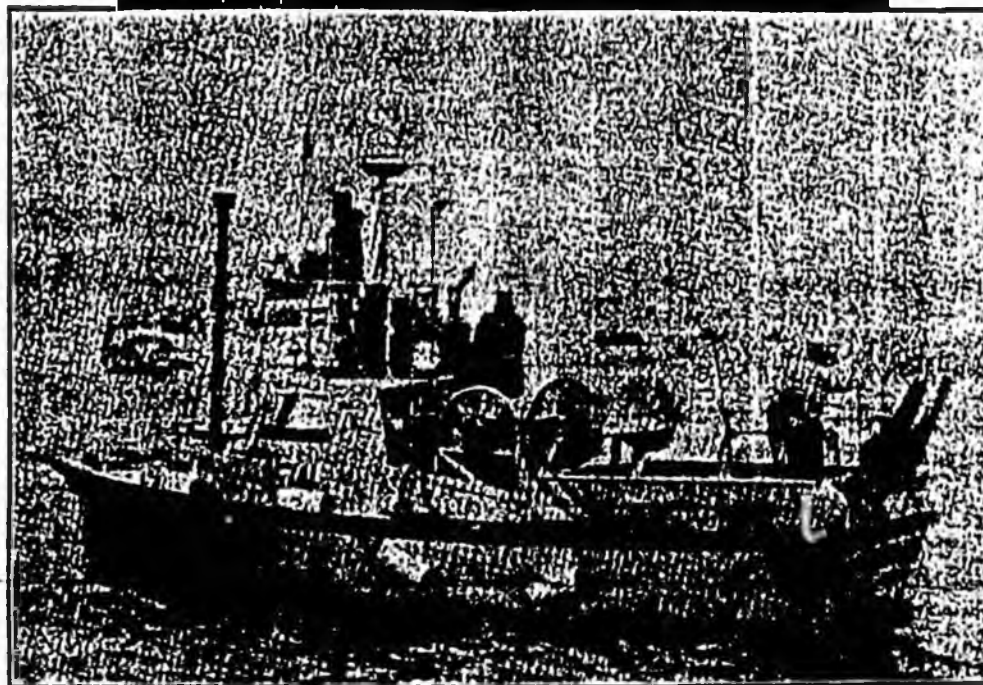
Signed: _____

William P. Jensen
President

ATTEST:

Signed: _____

Robert T. Collins
Secretary



Jon Zuck

You can help save Bristol Bay from oil and gas leasing

In cooperation with the Bristol Bay Buyback Coalition and your fishing association, the Alaska Conservation Foundation announces its Bristol Bay Protection Fund to support cancellation and repurchase of oil and gas lease sale #92. This effort is endorsed by the United Fishermen of Alaska.

Your contribution is needed immediately to help:

- Educate federal and state politicians about your concerns and the importance of this buyback effort for the economic well being of the Bristol Bay region.
- Build national support for the buyback option by educating Americans in all 50 states about the wildlife and fishery values of Bristol Bay and the Bering Sea.

In the wake of the Exxon Valdez, the U.S. House Interior Appropriations Subcommittee placed a moratorium on development of Bristol Bay pending a federal study to examine buyback options. That study is due out this spring and the moratorium will likely be lifted. With a presidential ban on drilling in coastal waters of the contiguous 48 states, pressure is intense to increase Alaska offshore drilling opportunities. Your help is needed to permanently protect the bay's \$1 billion fishery and other marine resources from the threat of oil and gas development.

Yes, I want to support the Bristol Bay Protection Fund. Please use my contribution to support the efforts of the Bristol Bay Buyback Coalition and others working to permanently protect the bay from oil and gas development.

\$100 \$50 \$250 \$500 \$1000 Other _____

Name _____

Address _____

City _____ State _____ Zip _____

Please make your check payable to Alaska Conservation Foundation. Contributions are tax deductible.



Alaska Conservation Foundation

430 W. 7th Ave. #215 • Anchorage, AK, 99501 • (907) 276-1917

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BRISTOL BAY BUYBACK COALITION

725 Christensen Drive, Suite 6 Anchorage, AK 99501 (907) 279-6519

December 13, 1990

The Honorable Walter Hickel
Governor of Alaska
P.O. Box A
Juneau, AK 99811-0101

Dear Governor Hickel:

Congratulations on your recent inauguration as the new Governor of Alaska. The Bristol Bay Buyback Coalition looks forward to working with you, the Lieutenant Governor Jack Coghill, and your staff on the important issue of securing a buyback of the OCS leases in Bristol Bay.

The Bristol Bay Buyback Coalition was formed in the fall of 1990 to organize groups who are in favor of a buyback of the OCS leases in Bristol Bay (North Aleutian Shelf Sale 92). At present, the Buyback Coalition consists of over thirty member groups representing commercial and subsistence fishermen, Native groups, local governments, and Alaskan environmental groups. Many of these groups have been deeply involved in the issue of Bristol Bay OCS leasing and development, most notably in achieving moratoria on exploratory oil and gas drilling in the North Aleutian Shelf Sale 92 Area.

As you well know, Bristol Bay and its surrounding environs are vital to Alaska's economy and environment. The region supports fisheries valued at over one billion dollars, including Alaska's most lucrative commercial salmon fishery as well as fisheries for pollock, crab, cod, halibut, and herring. The Bay's bountiful marine environment is a critically important feeding and migration habitat for a variety of marine mammals, marine fish, and migratory waterfowl. These resources in turn provide the backbone of the subsistence economy for the coastal villages and towns of western Alaska. Simply put, we feel the proven fisheries and bountiful marine ecosystem of the region are too valuable to risk for the relatively small amount of recoverable oil estimated to be contained in the Sale 92 Area.

Governor, we know that you have long advocated a buyback of those OCS leases in the Bristol Bay region. After all, the Federal Government ignored the wishes of the Alaskan people when it offered the leases for sale. We appreciate and strongly endorse your position, and your willingness to carry on the long tradition of opposition by the State of Alaska to this lease sale. We have been able to stave off unwise development in this region so important to Alaskans and their economy. However, we must seek a permanent solution to this problem.

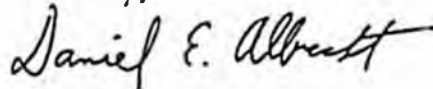
We believe that it is vital to advocate for a Bristol Bay Buyback now. Otherwise, federal bureaucrats will continue to make decisions that affect Alaskans' daily lives. Please do not misunderstand us, Governor. We understand the need for oil development in Alaska, both to provide energy security for our country and to promote Alaska's economy; however, oil development should not threaten already established economies like the Bristol Bay and Bering Sea fisheries which are worth upwards of one to two billion dollars on an annual basis.

Over these past years, we've received strong support on this issue from the Alaska Governor's office in Washington, D.C.. We hope that our groups, now organized into the Buyback Coalition, will continue to receive the support of the Washington office. Alaskans, both individuals and government, must continue to present a united front for a buyback of the Bristol Bay OCS leases.

We would like to meet with you and your staff at your earliest convenience so we can jointly plan a strategy to achieve a federal buyback or cancellation of those leases. By working together in a partnership, we can achieve this goal so vital to Alaskans.

We look forward to hearing from you.

Sincerely,



Daniel E. Albrecht
Coordinator

cc: Coalition members
Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young
Senator Richard Eliason

Representative Ben Grussendorf
Senator Fred Zharoff ✓
Senator Lyman Hoffman
Representative George Jacko
Representative Martin Ivan

RECEIVED APR 22 1991

(4)

BRISTOL BAY BUYBACK COALITION

725 Christensen Drive, Suite 6 Anchorage, Alaska 99501

April 19, 1991

NEWS RELEASE For more information, contact: Dan Albrecht, (907) 279-6519

Buyback Coalition challenges MMS studies on Bristol Bay oil leases

The Bristol Bay Buyback Coalition is contesting the conclusions of a recent government study on the Bristol Bay OCS oil leases. The Coalition says that the study overestimates the industry's ability to cleanup a major oil spill in the subarctic waters of the region. The Coalition's thirty-two member groups are pushing for Congressional action to authorize a cancellation and repurchase of the Bristol Bay or Sale 92 leases.

The Minerals Management Service (MMS) study, entitled "Oil Spill Response Capabilities for North Aleutian Basin Sale 92", examines cleanup response to a hypothetical worst-case oil well blowout during exploration and is based on a preliminary plan prepared by Shell and Chevron. It concludes that although well blowouts are an extremely rare occurrence, a blowout in the Sale 92 area could spew an estimated 495,000 barrels of oil into the Bay, a discharge more than twice the size of the Exxon Valdez spill. Using the Shell/Chevron response Plan, the MMS estimates that 53 percent of the spilled oil would be burned offshore and that evaporation and mechanical cleanup would further limit the effects of the spill leaving 28 percent of the oil to either naturally disperse or contact the shoreline.

The Buyback Coalition points out several weakpoints in the assumptions by MMS. The spill scenario used in the report is assumed to occur during excellent weather conditions of 10 miles visibility and 3-foot seas. However, Jon Zuck of the Bering Sea Fishermen's Association notes that "the waters off the north shore of the Alaska Peninsula are usually much rougher than that; most of the time the seas are higher than three feet, and during the fall, winter and spring ten foot seas are common. They sure picked a rosy scenario to judge their response capabilities."

The MMS's major strategy appears to be in situ burning which the study claims is effective in seas up to 6 to 8 feet. "Burning may work," Zuck said, "but heaven help us if a storm kicks up during a blowout."

The MMS report estimated a 0.5 to 19 percent chance that commercial salmon fisheries habitat would be contacted within 30 days of a hypothetical blowout. It identifies the coastline from Izembek Lagoon to Port Heiden as the most likely area to be contacted by spilled oil. Deming Cowles, Washington D.C. representative for the Buyback Coalition, points out that the MMS study completely ignores the potential impacts to non-salmon fisheries; "as soon as any oil is spilled in the Sale 92 area, it's impacting many other fisheries besides salmon such as the harvest of yellowfin sole, rock sole, flounder, pollock and red king crab. Either the fish are directly contacted by the oil or the fisheries will have to shut down to avoid having their gear oiled." Longliners are also concerned about oil drilling in the region since the lease area (located northeast of Unimak Island) has been identified by the National Marine Fisheries Service as a vital juvenile halibut nursery area.

The study was one of two reports prepared by the MMS at the request of Congress when it imposed the first of two one-year moratoria on exploratory drilling in the Sale 92 leases after the March 1989 Exxon Valdez spill. A second report by the MMS estimated the costs to repurchase the 23 leases that were sold to nine companies in October of 1988 for 95.4 million dollars. That report estimates that in 1994 (after the required 5-year period of lease suspension) a buyback would cost between \$141 million and \$186 million. However, bills recently submitted by Senator Bob Graham and Representative Larry Smith of Florida and Representative Leon Panetta of California would amend the OCS Lands Act to allow a buyback after only one year of lease suspension. Congress also ordered the Fish and Wildlife Service to analyze the likely impacts of a spill in the Bay on the region's wildlife. That report, originally due in March, is now being delayed until sometime between this coming September and January of 1992.

The Bristol Bay Buyback Coalition will be hiring independent scientists and economists to review and analyze the MMS studies. Also, since the Federal government has now released some preliminary data from the Valdez spill studies, the Coalition will also prepare a short study similar to the expected F&WS report. Coalition staff will be visiting Washington D.C. during April and May to urge Congress to support a continued moratorium on drilling and to work for a buyback of the leases.

The Coalition recognizes the fiscal constraints on a straight cash buyback of the leases and therefore has been advocating the use of crediting the value of cancelled leases either towards the purchase of leases in upcoming OCS sales or as a credit on royalty or lease rent payments. Another option would be for the Federal government to reimburse the oil companies over several years so as to minimize the impact on the budget process.

The Buyback Coalition is being assisted by the Alaska Conservation Foundation which has set up the Bristol Bay Protection Fund. Contributions to the Fund help support activities of the Coalition and are tax-deductible. Several member groups of the Coalition have already made significant contributions including the Bristol Bay Borough, the Pacific Seafood Processors Association, Concerned Area M Fishermen, the Alaska Crab Coalition and the Egegik Setnetters' Association. The Alaska Fisheries Development Foundation has also made a large contribution to the Fund.

Since its inception in October 1990, the Coalition has grown to include thirty-two member organizations:

Association of Village Council Presidents
Bristol Bay Coastal Resource Service Area
Cenaliurrit Coastal Resource Service Area
Greenpeace Alaska
Northern Alaska Environmental Data Center
Southwest Alaska Municipal Conference

Bristol Bay Borough
Bristol Bay Native Association
Choggiung, Ltd.
Lake & Peninsula Borough
Nunam Kitlutsisti, Inc.
Trustees for Alaska

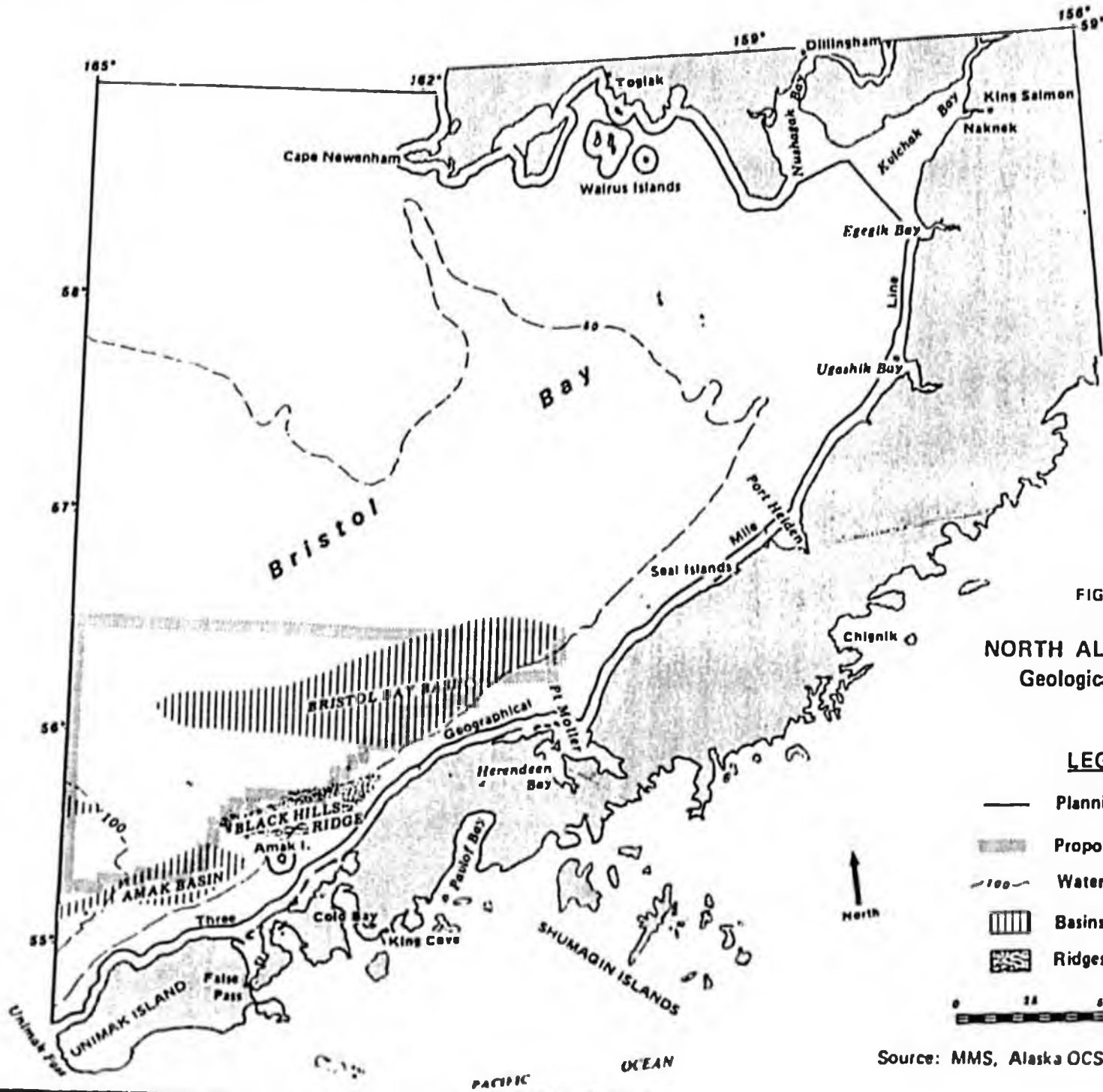


FIGURE III-1

**NORTH ALEUTIAN BASIN
Geological Structures**

LEGEND

- Planning Area Boundary
- ▨ Proposed Lease Sale Area
- 100- Water Depth in Meters
- ▤ Basins
- ▩ Ridges

Source: MMS, Alaska OCS Region, 1983

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Congress maintains drilling moratorium in Bristol Bay waters

By DAVID WHITNEY
Daily News reporter

WASHINGTON — Prohibitions on offshore oil drilling in Bristol Bay will be maintained for another year under a hard-fought compromise congressional leaders accepted Saturday.

The deal, part of a 1991 spending bill for the Interior Department and related agencies, means that the Bush administration also will be legally barred from selling new leases off the coasts of Oregon, Washington, California and Florida.

In another last-minute action, Congress approved reauthorization of the Magnuson Fishery Management and Conservation Act.

That measure bans the use of long driftnets by U.S. fishermen and directs the Bush administration to negotiate a similar worldwide ban with other fishing nations.

The act also creates a new mechanism for spreading the cost of federal observers on commercial fishing vessels throughout the industry.

Until Saturday's compromise on offshore drilling, it appeared that that issue might turn into a hot battle holding up the adjournment of Congress.

The chief opponent of the ban was Sen. J. Bennett Johnston, a Louisiana Democrat whose hefty campaign contributions from the oil and gas industry helped finance his re-election victory this month over former Ku Klux Klan grand dragon David Duke.

Johnston is chairman of the Senate Energy and Natural Resources Committee. He argued that his committee, and not congressional appropriators, had jurisdiction over issuing drilling bans.

But Johnston was criticized because his committee, despite hearings on offshore development, had failed to produce legislation telling the Bush administration which offshore areas could be developed and which could not.

The impasse was broken

Please see Page B-3,
CONGRESS

CONGRESS: Moratorium maintained for Bristol Bay

Continued from Page B-1

when Rep. Les AuCoin, D-Oregon, offered the Senate a deal allowing another year of drilling bans in exchange for the House agreeing not to raise grazing fees that critics claim are so low that federal lands are being ruined by livestock at taxpayer expense.

The deal was an important political victory for coastal states.

One of the most ardent advocates of the House drilling ban was Rep. Bill Lowery, D-Calif., who argued that Bush's June announcement was based on determinations by the National Academy of Sciences that the federal Minerals Management Service didn't have the necessary scientific analysis to support its offshore drilling program.

Sen. Ted Stevens was caught in the middle of the controversy.

Commercial fishermen and the Gov. Steve Cowper don't want Bristol Bay drilled. The area is among the most productive fishing grounds in the world. The annual wholesale value of the Bristol Bay fishery is about \$1 billion.

Federal studies are now under way to determine whether the the federal gov-



ernment should buy back Bristol Bay oil leases worth \$95 million. Those studies were ordered after the Exxon Valdez tanker dumped nearly 11 million gallons of crude oil into Prince William Sound last year.

Stevens said that while he supported the ban on Bristol Bay development for another year, he was not content with the moratoriums in other areas because of the pressure it placed on offshore development in his state.

"My state has 80 percent of the outer continental shelf," Stevens said, referring to those federally owned areas where oil development could occur.

In the end, however, it was Stevens who moved for the Senate to cave in and accept AuCoin's offer.

"Senator Stevens has saved our bacon," said C. Deming Cowles, a lobbyist for the Alaska commercial fishing industry.

"Six weeks ago he told us he would get us another moratorium," Cowles said. "This morning he did it."

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STEVE COWPER
GOVERNOR



7

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

September 7, 1990

The Honorable Jamie L. Whitten
Chairman
House Committee on Appropriations
H-218 Capitol Building
Washington, D.C. 20515

Dear Mr. Chairman:

As you know, the Interior Appropriations Subcommittee has included a moratorium on oil and gas exploration in Bristol Bay in its markup of the House appropriations bill. I am writing to urge you to retain this important protective measure during the full Committee's deliberations.

We anticipate that, given the upheaval in the Persian Gulf, Congress will carefully scrutinize any budget action that has the potential to affect our energy position. For your information, I have included a copy of my recent remarks before a hearing on National Energy Strategy conducted in Fairbanks, Alaska, by Deputy Energy Secretary W. Henson Moore. You will see that Alaska is now, and will continue, doing its share to contribute to the nation's energy security. We now provide 20% of total U.S. domestic production, have more offshore areas under lease than the entire OCS combined, and have taken recent action to enable exploration and development of additional North Slope fields.


Bristol Bay is the only area where we have ever opposed oil and gas development, and we continue to oppose such development today.

As you know, the report accompanying the FY 1990 appropriation to the Department of the Interior called for studies on contingency planning and response technology for the North Aleutian Basin, an assessment of the applicability of Exxon Valdez oil spill findings to a potential spill in Bristol Bay, and an examination of the possible repurchase of the leases from Sale 92. The conclusion of those studies is not expected until March 1, 1991. It seems logical to us that the moratorium should be extended through the next fiscal year to enable Congress to have the benefit of those studies before deciding whether exploration and development should go forward.

In our view, of course, the known value of the fish and wildlife resources of the North Aleutian Basin clearly outweighs the low potential of the area's hydrocarbon resources, and that view is not changed by the present world situation. For more than a decade, Alaskans have expressed their concern at risking this biologically productive area to the chance of an oil spill. We have consistently opposed oil and gas development in Bristol Bay and continue to believe that the best resolution of the matter is an eventual repurchase of the leases there.

Thank you for your consideration of my views on this important matter.

Sincerely,


Steve Cowper
Governor

Enclosure

Identical letter sent to all members of the House Committee on Appropriations

cc: Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young

ROBERT C BYRD, WEST VIRGINIA CHAIRMAN

DANIEL K. INOUE, HAWAII
ERNEST F. HOLLINGS, SOUTH CAROLINA
J. BENNETT JOHNSTON, LOUISIANA
QUENTIN N. BURDICK, NORTH DAKOTA
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ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
CHARLES E. GRASSLEY, IOWA
DON NICKLES, OKLAHOMA
PHIL GRAMM, TEXAS

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

8

JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

February 9, 1990

The Honorable Fred Zharoff
Alaska State Senate
Box V
Juneau, Alaska 99811

Dear Fred:

Knowing of your interest in drilling in the North Aleutian Basin, I thought you'd like copies of the Interior Appropriations bill addressing that issue. You'll find the relevant sections on pages 25-26. President Bush signed the measure into law on October 23rd. I know my staff called your office after the Congress passed the bill, but I thought you'd like to see the provisions for yourself.

The budget the President sent to Congress the end of January did not include a North Aleutian Basin moratorium for FY91. The reports required in the FY90 conference report -- the review of contingency plans, the analysis of the impacts of the Prince William Sound spill on fisheries resources, and the buy-back options -- will not be completed until March 1, 1991. Therefore, Don and I will work to impose another one-year moratorium in the FY91 Interior Appropriations bill while we wait for those studies to be completed. A one-year moratorium is the maximum delay possible under this bill since it applies only to the 1991 budget year. We're announcing that decision today at the UFA Convention, but wanted to give you a heads up.

Thanks for sharing your views on this important issue to the people Southwest Alaska. Your comments were helpful as we developed our language. We'll continue to keep you posted as we continue to work on this important issue to Western Alaska.

With best wishes,

Cordially,


TED STEVENS

Original mailed with enclosure

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR
AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER
30, 1990, AND FOR OTHER PURPOSES

low:

OCTOBER 2, 1989.—Ordered to be printed

Mr. YATES, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 2788]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2788) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 19, 40, 42, 46, 51, 52, 53, 65, 66, 67, 68, 69, 73, 77, 80, 89, 90, 99, 101, 103, 108, 109, 115, 116, 117, 127, 130, 147, 154, 155, 156, 157, 158, 159, 160, 161, 162, and 163.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 20, 29, 30, 36, 56, 74, 75, 78, 82, 119, 125, 126, 141, 148, and 151, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$442,084,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$5,961,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

Senate instead of \$10,000,000

The net increase over the amount proposed by the House includes increases of \$1,000,000 in outer continental shelf lands for second year funding of a three-year cost-shared oil spill research initiative and \$3,600,000 in royalty management to initiate a project to place audits on a more timely schedule using additional in-house and State and tribal auditors.

The increases are partially offset by decreases of \$1,000,000 in outer continental shelf lands for the environmental studies program and in royalty management of \$100,000 for systems development and \$41,000 for refunds on Indian allottee lease overpayments.

The managers agree that the MMS should coordinate and cooperate in the Northwest OCS Task Force which was established to assist in identifying and resolving OCS issues specific to that region. The managers expect the MMS to work closely with the task force on identifying and conducting needed environmental studies and on scheduling the prelease steps leading to Sale 132. The Federal government and the States are urged to appoint high level management officials, authorized to make commitments on behalf of their respective organizations, to the task force.

The managers agree that the focus of the oil spill research initiative should be on containment, cleanup and mitigation measures including those associated with spills from tanker accidents.

Elsewhere in the bill there are restrictions on OCS oil and natural gas leasing activities. None of these restrictions apply to the non-fuel minerals leasing program on the OCS.

The grounding of the Exxon Valdez on March 24, 1989 in Prince William Sound has led to concern among many people, including the fishermen of Bristol Bay, over the possible impact oil and gas exploration and development in the North Aleutian Basin could have on fisheries resources. The managers recognize that these concerns should be addressed before oil and gas exploration in Bristol Bay goes forward. For that reason, the managers have included a one-year moratorium on exploration and development in the North Aleutian Basin.

The managers agree that the Secretary of the Interior should conduct a three-pronged study to address concerns related to oil and gas exploration in the North Aleutian Basin and report to the Committees by March 1, 1991 as follows:

1. Within available funds, the Fish and Wildlife Service, in cooperation with the National Oceanic and Atmospheric Administration and the State of Alaska, is to conduct a study of the effects of the March 24, 1989 oil spill on the Prince William Sound fisheries. The Service may draw upon the results of the fisheries research projects being conducted as part of the damage assessment process under the Clean Water Act and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). These studies are already funded through the CERCLA process. The study should also address the applicability of its findings to reasonable potential threats to the Bristol Bay fisheries if OCS exploration and production were to occur in the North Aleutian Basin.

2. In order to better assess the risk in the North Aleutian Basin, the Secretary is to determine if:

SURVEY

AND RESEARCH

\$484,709,000 for surveys, investigations, and research as proposed by the House. The decrease by the Senate consists of \$67,000 for Louisiana barrier island surveys, \$186,931,000 for offshore geologic surveys, \$100,000 for roadless and RARE II studies, and \$41,000 for water data dissemination.

Surveys are expected to continue

to receive priority consideration. Aerial Photography Program

the existing site selection procedure for the side-looking airborne sonar, if priority considerations for Mississippi, and Alabama and Alaska are to be completed;

for coastal studies should include studies in western Texas as part of options

for a feasibility study on alternate marine research facility, including the Science Center in Newport, Oregon

of Tualatin River pollution as part of the joint Federal/State study, and should not be undertaken without participation;

the possibility of assisting the States through the Federal/State Cooperation Program to locate a water supply for use

\$1.5 million appropriated for roadless areas on work identified in the Idaho State Wilderness Study Act. The managers will coordinate their field operations with the Idaho Geologic Survey and the Idaho State

CONTRACT SERVICE

MANAGEMENT

\$178,525,000 for leasing and management as proposed by the House. The decrease by the Senate.

(i) contingency plans for the North Aleutian Basin are acceptable and based on the best available technology;

(ii) the technology, equipment and personnel will be in place and personnel will be adequately trained to implement the contingency plans; and

(iii) the contingency plans together with the technology, equipment and personnel in place to implement them are capable of containing a maximum volume spill during the exploration phase. A maximum volume spill shall be determined by potential spill volume and without reference to the probability of such a spill occurring.

3. The Secretary is to examine the possible repurchase of leases currently held in the North Aleutian Basin, including alternative options for compensating lease holders in the North Aleutian Basin, assuming the compensation procedures outlined in 43 U.S.C. 1334 and applicable court decisions. These options should include, to the extent practicable, credits in lieu of appropriations, such as credits on Federal royalties on producing OCS leases. Based on the results of the Fish and Wildlife study and the North Aleutian Basin risk assessment study, the Secretary is to recommend whether the repurchase options should be exercised. No such option may be exercised, however, without an Act of Congress addressed to this issue.

In directing the Department to conduct these studies, the managers' action should not be construed as support by the Congress for either continuing or discontinuing the moratorium in the North Aleutian Basin. Nor should it be construed as taking a position on whether the leases should be repurchased.

In other matters, the managers endorse the concept of a more timely audit cycle using in-house and State and tribal auditors. The managers caution the MMS to proceed at a reasonable pace in implementing the contemporaneous audit initiative. Candidates for in-house auditing positions should be carefully screened and interviewed to ensure that a high quality and enduring program is maintained. Hiring through term appointments for the audit program should be minimized and used only to the extent that highly qualified candidates are available for such appointments. Routine attrition in the staffing of permanent positions should permit the MMS to manage an orderly reduction of the additional auditors hired to support the project as the contemporaneous audit objectives are achieved.

Amendment No. 33: Earmarks \$56,060,000 for royalty management instead of \$52,601,000 as proposed by the House and \$56,796,000 as proposed by the Senate.

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the matter proposed by said amendment, insert: *Provided further, That of the above enacted amounts, up to one-half of the increase over the fiscal year 1989 funding provided for mineral royalty audits may be used to compensate States and Indian tribes for audit activities under the provisions of sections 202 and 205 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732, 1735): Provided further, That for fiscal year*

Bill includes oil lease buy-back

By DAVID WHITNEY
Daily News reporter

WASHINGTON — The Interior Department would study buying back about \$95 million worth of oil leases in Bristol Bay under an agreement reached Thursday by House and Senate negotiators working on a 1990 spending bill.

The provision also prohibits any oil drilling in the bay for a year.

The development was a victory for Alaska fishermen and the state. They had long protested any oil development in the bay, one of the world's richest fishing grounds.

The state lost a federal court suit to block leasing in the bay. Those leases were awarded late last year.

Concern about Bristol Bay oil development was heightened after the March 24 oil spill in Prince William Sound, which closed several commercial fishing districts.

Alaska fishermen, joined by national environmental organizations, lobbied the House for a buy-back provision as part of its one-year moratorium.

During the House debate, Alaska Rep. Don Young was equivocal on a lease buy-back and several House members cit-

ed him as being opposed.

When the spending bill reached the Senate, Alaska Sen. Ted Stevens offered a provision that required the Interior Department only to study the impacts of the March 24 oil spill and to evaluate whether oil-spill contingency plans for Bristol Bay development would be adequate.

Young said Thursday that strong support from the state and fishermen for repurchasing the leases caused him and Stevens to fight for the House-passed provision.

The Interior Department report must be approved by both

houses before President Bush may sign it.

What was finally agreed to was a melding of the House and Senate provisions, with some modifications that give plenty of room for the Interior Department to conclude that repurchasing the leases is not warranted.

Any buy-back decision will be tied directly to the results of the oil-spill impact study. Only Congress could authorize the lease repurchases, which probably would be paid for with credits on royalties owed for other offshore oil developments.

Please see Page D-4, BRISTOL

BRISTOL BAY: Bill will include oil lease buy-back

Continued from Page D-1

Besides studying the oil-spill affects, the Interior Department would review oil-spill contingency plans for Bristol Bay, oil-spill technology and equipment that would be in place, and the oil industry's capability of responding to "a maximum volume spill during the exploration phase."

Based on these studies,

the department would have to recommend whether buying back the leases should be authorized.

The reports, and any agency recommendations, are due by March 1991, meaning that no development in Bristol Bay is likely for at least that long.

At the time Stevens' provision was approved by a Senate Appropriations Com-

mittee panel in July, the Republican lawmaker said he would base a decision on whether to support buying back the leases on the oil industry's track record.

"It depends on the credibility of the oil industry at the time," Stevens said. "Today, that credibility is at a low ebb. I would not want Alaska to become again a proving ground for that credibility."

But Stevens said Thursday he will use the Interior Department studies to make up his mind.

"If research shows that the oil spill has caused irrevocable damage to Prince William Sound fisheries and that the impact of a similar incident would be the same in Bristol Bay, I will support buying back the (Bristol Bay) leases," he said.

NEWS RELEASE

10

STATE OF ALASKA

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

STEVE COWPER,
GOVERNOR



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DAVID RAMSEUR
PRESS SECRETARY

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DEPUTY PRESS SECRETARY

(907) 465-3500

FOR IMMEDIATE RELEASE
April 26, 1989
No. 89-74

COWPER PROPOSES BUY BACK OF BRISTOL BAY LEASES

JUNEAU--Gov. Steve Cowper has called on the federal government to buy back from the oil industry more than \$114 million worth of leases bid for oil development in fisheries-rich Bristol Bay in the aftermath of the Exxon oil spill.

The Governor, in a letter to the chairman of the U.S. House subcommittee with jurisdiction over Alaska off-shore development, said oil development in the bay should be cancelled and the bid money refunded.

"It is no longer assurance enough to delay exploration and development in Bristol Bay for six months or one year or one year at a time for an indefinite period," Cowper told Rep. Sidney Yates, D-Ill., and chairman of the House Subcommittee on Interior and Related Agencies.

"Studies during such a period would confirm what Alaskans have long contended: the relatively low probability of finding commercial deposits of oil in Bristol Bay does not justify the risk to one of the most biologically productive offshore areas in the world. In our opinion, it is time to cancel the sale and refund the bid money. The risks are too high and the potential benefits too low to pursue any other course."

-MORE-

Despite opposition to oil development in Bristol Bay by Cowper and his two predecessors, the federal government has proceeded with collecting \$114.7 million in leases in the area. The state has challenged the sale in federal courts and plans to appeal the issue to the U.S. Supreme Court if necessary.

In the meantime, Cowper said the specter of an oil spill similar to the March 24 Exxon spill in Prince William Sound is "unthinkable."

"Alaskans already have had to face the closure of this year's multi-million dollar Prince William Sound salmon herring fishery and black cod fishery and the attendant loss of jobs and community stability," the Governor said. "We face the potential of losing a portion or all of the Prince William Sound salmon fishery. The loss of seabirds, marine mammals and the coastal environment is not yet measurable, but likely immense."

The salmon fishery in Bristol Bay is worth about \$1 billion annually and the region is home to one of the world's largest collections of marine mammals.

Cowper noted that in 1976 the state bought back leases in Kachemak Bay following an oil spill. The federal buy-back he proposed could include tax credits or credits for future leases.

Cowper's proposal comes on the heels of his request to President Bush that a moratorium be imposed on Bristol Bay pending a federal review.

Chairman Yates has not yet formally responded to the Governor's proposal.

SJR

410

Testimony of Robert Martin, Jr., General Manager of Tlingit Haida REA:
May 7, 1992
Senate Joint Resolution No. 40

Energy and Transmission Corridors within the Tongass National Forest.

1. General Manager of Tlingit-Haida REA
2. Serves five SE villages directly, a sixth on contract, and working to build a new system in a community which does not have central electricity.
3. Like many rural utilities, we are dependent on PCE.
4. Unlike many, we are working extremely hard to prepare for the day PCE is gone. Our success is reflected in continuous rate decreases since PCE--from 41¢ / kwh in 1981 to 29¢ / kwh today.
5. Rate decreases means the State pays less PCE to us than it would have.
6. When faced with an emergency, it is always best to turn to the tried and proven solutions. We have seen only two solutions with consistently good results:
 - a. Consolidation of utilities to gain administrative, financial and technical economies of scale. THREA, AVEC, AP&T are successful consolidated utilities.
 - b. Regional interties which would connect community load centers with the most efficient and cost-effective sources of power. Connection of Craig to Klawock allowed rates to decrease in both communities.
7. Interties have benefits beyond connection to a source of power.:
 - a. Peak loads are not additive. The combined load peak is not the sum of the individual peaks. This means less generation is needed.
 - b. Standby capability can be reduced because standby generation in one community can be standby generation for both. Again, less generation capability is needed.
 - c. More efficient generation equipment can be acquired, because the larger generating units tend to be more efficient.

- d. Small hydro and other generation units tend to be fairly expensive per unit of power. Generally, the larger the project, the lower the per unit cost. Combining load centers with interties allows consideration of larger, less costly projects. Tyee Lake was made possible by the connection of Wrangell and Petersburg.
- e. Connection of load centers allows consideration of projects far beyond the confines of the immediate area surrounding the community. (cite examples of Lake Dorothy-Juneau: expensive. Takatz Lake-Sitka: too large. But if intertied to Sitka and Tyee, next project would be Takatz--or Thomas Bay. Dorothy would never be considered.
- f. Many active fuel-storage tank farms can be eliminated. This eliminates many potential sources of spills, because every active tank farm presents a potential for fuel spill.

8. Interties (and Regionalization) allow delivery of low-cost energy to all of the areas within the transmission route. Sitka-Petersburg includes Kake. Sitka Juneau includes Angoon, Tenakee, Hoonah, Greens Creek and West Douglas.

If rural areas are to survive, they need jobs. If jobs are to be created, they need industry. If industry is to be developed in rural areas, industry needs low cost power.

For instance, interties would allow development of fish processing facilities closer to the fishermen. Quality and value would be enhanced, and both the fishermen and the processors would benefit.

9. The routes for transmission and for transportation within the Tongass are well-known. Transmission lines are relatively unobtrusive, and even brand-new aluminum wires become less visible with only a few months of weathering. The Snettisham line, the Tyee line and the Swan Lake line are all good examples.

10. I strongly urge passage of this important resolution, because it will preserve the option to create permanent solutions to the energy and transportation problems in Southeast Alaska.

STATE OF ALASKA
1992 LEGISLATIVE SESS. .N

Bill Version: SJR 40
(S) Publish Date: 3-11-92

Revision Date: March 10, 1992 Department Affected: Senate Transp. Comm

Title: Relating to Energy Transmission

and Surface Transp. in Southeast AK Component: _____

Sponsor: Sen. Lloyd Jones

Requestor: Sen. Curt Menard

COMPONENT SERIAL NO.

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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	0	0	0	0	0	0
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REVENUE						
FUND SOURCE:	0	0	0	0	0	0

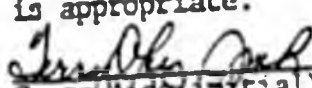
FUNDING: (Thousands of Dollars)

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: _____

<p>ANALYSIS: (Attach a separate page if necessary.)</p>	<p>Changes in <u>CSSJR 40 (RES)</u> have no fiscal impact. This fiscal note is appropriate.</p> <p style="text-align: right;"> <u>3-25-92</u> date  Connie Aida (initial) </p>
---	---

Prepared By: Johanna Munson, Sen. Transp. Comm Phone: 465-2679

Division: _____ Date: 3/10/92

Approved by Chairman  Date: 3/10/92

Agency: _____

ALASKA STATE LEGISLATURE

While in Ketchikan
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Senator Lloyd Jones

**CS for Senate Joint Resolution 40(RES)
Relating to identified hydroelectric sites and energy transmission and
surface transportation requirements for Southeast Alaska**

SPONSOR STATEMENT

The purpose of this resolution is to make a legislative statement emphasizing to the federal government that southeast Alaska has certain requirements for its economic future. And that transportation and utility corridors and potential hydroelectric sites have a direct impact on economic development. Inexpensive power and efficient multi-modal transportation are vital for a promising economic future for Alaska's southeastern region. In order to accomplish this goal, an efficient and integrated system of distribution of energy and transportation is necessary.

Southeast Alaska now has many of the ingredients necessary for a positive economic future. The Alaska Marine Highway System and numerous hydroelectric facilities already serve to keep the region's economy moving. Yet, there are other opportunities to facilitate more economic prosperity. Among them would be an integration of the ferry system to the continental highway system. Highways linking Juneau, Wrangell and Ketchikan to the Canadian road system would provide additional access to Southeast Alaska via the marine highway. It would also promote more travel between the southern region of Yukon and northern British Columbia.

FISHERY AND TOURISM OPPORTUNITIES

Highway links to and on the islands of Southeast Alaska would free the ferry system from less profitable routes to serve the higher revenue generating ones. With these roads the fishing industry would enjoy more reasonable and flexible shipping options for fresh fish. Shipping fish via the highway system is considerably cheaper than air freight. It also allows a higher volume of seafood product to be shipped fresh during busy periods.

SHARED ENERGY POTENTIAL

Energy transmission would be facilitated through the interconnection of the southeast power grid. Ketchikan and Sitka are nearly reaching their peak

energy generation capacity. If there was a power grid reaching these two communities, there would be an overall surplus of energy available connecting Wrangell, Petersburg and Ketchikan. The state would be earning full income from this project.

The state's Tyee hydro generation facility can easily be connected to Ketchikan in the near future. The right-of-way has been laid out. Yet, the U.S. Forest Service, as a result of the Tongass Timber Reform Act and the Tongass Land Management Revision is considering designating one of the principle energy transmission routes, as Scenic River under the National Wild and Scenic River System. While this does not in itself preclude a transmission line through the area - it makes its implementation much more difficult and expensive. This is what Congress and its agent, the Forest Service, continue to lay in the way of economic development in our region of the state.

HYDROELECTRIC POTENTIAL

There are many potential hydroelectric sites in southeast Alaska which will provide for the future growth in the region's economy. There is a concern that the Forest Service may put many of the potential sites in to a more restrictive category. This resolution requests this not be done. There are sites which are identified that fall within wilderness areas; it is recognized that they would probably not be affected by this resolution.

HISTORICAL PERSPECTIVE

In 1987 and 1988 I asked several government agencies and private organizations to meet on a regular basis to draw up a transportation and utility corridor plan for southeast Alaska. The purpose was to develop a plan which would serve the needs of southeast Alaska well into the next century.

It was originally intended this plan would not be an official endorsement of any group but rather a model to be used by the various agencies. It seemed appropriate at the time, but now the Tongass Timber Reform Act has passed and the Tongass Land Management Revision is being considered. There will may be additional Congressional oversight. It is time for the Alaska Legislature to take a unified and formal stand in support of Southeast Alaska's economic future by endorsing this plan for the region .

PARTICIPATING AGENCIES AND ORGANIZATIONS

The group was represented by the following state agencies:

- Department of Commerce, Alaska Power Authority (AEA)
- Department of Transportation, S.E. Region
- Department of Commerce and Economic Development
- Department of Natural Resources, SE Region
- Department of Transportation, Marine Highway Division

The following federal agencies were represented:

- Federal Highway Administration
- United States Forest Service
- Bureau of Indian Affairs
- Bureau of Mines
- Department of Energy, Alaska Power Administration
- Army Corps of Engineers

These private interests were represented:

- Sealaska Corporation
- Tlingit and Haida Regional Electric Authority

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SOUTHEAST ALASKA CORRIDOR PLANNING

SCOPE

- * Identify potential opportunities for coordinating planning efforts and sharing of resources to achieve actual improvements.

- * Assign agency priorities in terms of general time frames in which significant activity is expected to occur.

MATRIX DEFINITIONS

Transportation - Extensions of Regional or Sub-regional surface transportation links.

Utility - Transmission of power and/or other utilities, including pipelines.

Timber - Development and harvest of timber resources.

Mining - Exploration, extraction, processing, and transportation of mineral resources.

Lands - Access to lands for community expansion, or for development of new recreational opportunities.

Time Codes -

- O = Existing
- A = less than 5 years
- B = 5 to 20 years
- C = more than 20 years
- X = Unknown

S.E. ALASKA CORRIDOR PLANNING

CORRIDOR SEGMENT	MAP REF.	ACTIVITY				
		TRANSP.	UTILITY	TIMBER	MINING	LANDS
Metlakatla to Ketchikan	01	C	A			
Ketchikan to Kasaan	02	O	B			
Kasaan to Thorne Bay	03	B	B	B		B
Hollis to Thorne Bay via Karta Bay	04	C	C			B
P.O.W. Island - Control Lake to Pt. Baker	05	B	C	O		B
Craig to Klawock to Hydaburg to Hollis	06	O	O/B	O		O
Klawock to Thome Bay	07	O	B	O		O
Revilla Island - Ketchikan to Carroll Inlet	08	B	O	B		B
Carroll Inlet to Portland Canal	09		C		C	
Carroll Inlet to Cow Creek	10	B	A	B		
Cow Creek to Tye Lake	11	C	A			
Ketchikan to Cleveland Peninsula	12		C			
Cleveland Peninsula to Thorne Bay	13		C			
Cleveland Peninsula to Tye Lake	14		C			
Bradfield River Route to Border	15	B	A		O	
Tye Lake to Wrangell	16	C	O			C
Wrangell to Tolstoi Bay	16A	C				
Wrangell to Petersburg	17	C	O			B
Aaron Creek Route to Border	18	C	X			
Stikine River Route to Border	19	C	X			
Kake to Petersburg	20	B	B	B		
West Petersburg to Petersburg	20A	B				
Kake to Snettisham	21		B			
Kake to Baranof Warm Springs	22		C			B
Baranof Warm Springs to Sitka	23	C	C			
Sitka to Rodman Creek	24	C	B			C
Rodman Creek to Rodman Bay	25	C	B			
Rodman Creek to Sitkoh Bay	26		B			
Sitkoh Bay to Angoon	27		C			
Sitkoh Bay to Hoonah	28		B			
Hoonah to Young Bay	29		B			C
Juneau to North Douglas Middle Point	30	B	A			C
N. Douglas Middle Point to Greens Creek	31		A		O	
Juneau to Border via Taku River Route	32	C	X			C
Juneau to Snettisham	33		O		C	
Juneau to Echo Cove	34	O	C	B		B
Echo Cove to Berners Bay	35	B	C	B	B	

S.E. ALASKA CORRIDOR PLANNING

CORRIDOR SEGMENT	MAP REF.	ACTIVITY				
		TRANSP.	UTILITY	TIMBER	MINING	LANDS
Berners Bay to Skagway	36	C	C			
Skagway to Whitehorse	37	O	C			
Berners Bay to William Henry Bay	38	C	X			C
William Henry Bay to Haines	39	C	X			
Haines to Skagway	40	C	C			C
Haines to Border via Haines Highway	41	O	C			C
Yakutat to Border via Alsek River	42	C	X	C	C	

- * MAP REFERENCE AND CORRIDOR SEGMENT
 - * ROUTE DESCRIPTION
 - * MAJOR ACTIVITIES
 - * INVOLVED AGENCIES
-

01 METLAKATLA TO KETCHIKAN

From end of the existing road system at Metlakatla northwesterly to the north end of Annette Island, across Revilla Channel to the road system on Revilla Island.

Road and ferry transportation between communities.
Electric power transmission.
Community expansion.

DOT/PF, APA, BIA

02 KETCHIKAN TO KASAAN

From Ketchikan to Kasaan via Clarence Strait and Kasaan Bay.

Ferry service between communities.
Electric power transmission.

APA, DOT/PF

03 KASAAN TO THORNE BAY

From Kasaan northerly to Tolstoi Bay and Thorne Bay via upgraded logging roads.

Transportation between communities.
Electric power transmission.
Timber harvest.
State Lands.

BIA, SEALASKA, APA, DNR, USFS

04 HOLLIS TO THORNE BAY

From Hollis, along the east shore of Kasaan Bay via Karta Bay and Tolstoi Bay to Thorne Bay.

Transportation between communities.

Timber harvest.

Recreation opportunities.

State Lands

DOT/PF, DNR, USFS

05 CONTROL LAKE TO POINT BAKER

From existing State Highway at Control Lake to north end of Prince of Wales Island near Point Baker, via upgraded logging roads.

Transportation between communities.

Timber harvest.

Recreational opportunities.

State selected lands.

USFS, DOT/PF, DNR

06 CRAIG TO KLAWOCK TO HYDABURG TO HOLLIS

Existing State Highway system.

Transportation between communities.

Timber harvest.

Recreational opportunities.

State lands & State selected lands.

DOT/PF, USFS, DNR

07 KLAWOCK TO THORNE BAY

From the Hollis Highway near Klawock to Thorne Bay via the existing State Highway system.

Transportation between communities.

Timber harvest.

Recreational opportunities.

State Lands.

USFS, DOT/PF, DNR

08 KETCHIKAN TO CARROLL INLET

From Ketchikan, via Harriet Hunt Lake Road to head of Carroll Inlet.

Transportation between communities.

Electric power transmission.

Recreational opportunities.

Timber harvest.

Community expansion.

State lands & State selected lands.

USFS, APA, DOT/PF, DNR

09 CARROLL INLET TO PORTLAND CANAL

From head of Carroll Inlet (Corridor segment 08) to Quartz Hill mine site, then easterly to Canadian border at Portland Canal (with an extension to Kitsault, B. C.).

Electric power transmission.

Mining.

APA

10 CARROLL INLET TO COW CREEK

From head of Carroll Inlet (Corridor segment 08) to north end of Revilla Island at Cow Creek.

Transportation between communities.
Electric power transmission.
Timber harvest.
Recreational opportunities.

USFS, APA, DOT/PF

11 COW CREEK TO TYEE LAKE

From Cow Creek via Anchor Pass and Eagle River to Tyee Lake power plant.

Transportation between communities.
Electric power transmission.

DOT/PF, APA

12 KETCHIKAN TO CLEVELAND PENINSULA

From Ketchikan, northerly across Behm Canal to Cleveland Peninsula near Helm Bay.

Electric power transmission.

APA

13 CLEVELAND PENINSULA TO THORNE BAY

From Cleveland Peninsula (Corridor segment 12) westerly across Clarence Strait to Thorne Bay.

Electric power transmission.

APA

14 CLEVELAND PENINSULA TO TYEE LAKE

From Cleveland Peninsula (Corridor segment 12) easterly to Tyee Lake power plant.

Electric power transmission.

APA

15 BRADFIELD RIVER ROUTE TO BORDER

From head of Bradfield Canal (Tyee Lake) to Canadian Border via Bradfield River (with an extension to Cassiar Highway).

Transportation connection with continental road system.

Electric power transmission.

Mining.

APA, DOT/PF

16 TYEE LAKE TO WRANGELL

From Tyee Lake power plant via Blake Island and Thoms Lake to Wrangell.

Transportation between communities.

Electric power transmission.

State lands.

APA, DOT/PF, DNR, USFS

16A WRANGELL TO TOLSTOI BAY

From Wrangell to Tolstoi Bay via Alaska Marine Highway.

Transportation between communities.

DOT/PF

17 WRANGELL TO PETERSBURG

From Wrangell via Dry Strait and Wrangell Narrows to Petersburg.

Transportation between communities.

Electric power transmission.

Community expansion.

Recreational opportunities.

Timber harvest.

State lands.

DOT/PF, APA, DNR, USFS

18 AARON CREEK ROUTE TO BORDER

From the Wrangell/Petersburg route (Corridor segment 17) via Aaron Creek and West Fork Katete River to Canadian border (with an extension to Cassiar Highway).

Transportation connection with continental road system.

Recreational opportunities.

DOT/PF

19 STIKINE RIVER ROUTE TO BORDER

From Wrangell/Petersburg route (Corridor segment 17) via Stikine River to Canadian border (with an extension to Cassiar Highway).

Transportation connection with continental road system.

Recreational opportunities.

DOT/PF

20 KAKE TO PETERSBURG

From Kake to Petersburg.

Transportation between communities.

Electric power transmission.

Timber harvest.

Recreational opportunities.

APA, DOT/PF, USFS

20A WEST PETERSBURG TO PETERSBURG

From West Petersburg to Petersburg via ferry.

Transportation between communities.

DOT/PF

21 KAKE TO SNETTISHAM

From Kake via Stephens Passage to power plant at Snettisham.

Electric power transmission.

APA

22 KAKE TO BARANOF WARM SPRINGS

From Kake via Frederick Sound and Chatham Strait to Baranof Warm Springs.

Electric power transmission.
State selected lands.

APA, DNR

23 BARANOF WARM SPRINGS TO SITKA

From Baranof Warm Springs to Sitka via Blue Lake.

Electric power transmission.
Transportation between communities.
Recreational opportunities.
Timber harvest.

APA, DOT/PF, USFS

24 SITKA TO RODMAN CREEK

From Sitka to head of Rodman Creek.

Electric power transmission.

Transportation between communities.

Potential State land selection.

APA, DOT/PF, DNR, USFS

25 RODMAN CREEK TO RODMAN BAY

From head of Rodman Creek (Corridor segment 24) to Rodman Bay.

Transportation between communities.

DOT/PF, USFS

26 RODMAN CREEK TO SITKOH BAY

From head of Rodman Creek (Corridor segment 24) across Peril Strait to Sitkoh Bay.

Electric power transmission.

APA

27 SITKOH BAY TO ANGOON

From Sitkoh Bay (Corridor segment 26), across Chatham Strait to Angoon.

Electric power transmission.

APA

28 SITKOH BAY TO HOONAH

From Sitkoh Bay (Corridor segment 26) to Tenakee Springs and to Hoonah.

Electric power transmission.

APA

29 HOONAH TO YOUNG BAY

From Hoonah via Icy Strait, across Chatham Strait, to Young Bay.

Electric power transmission.
Potential State land selection.

APA, DNR

30 JUNEAU TO NORTH DOUGLAS MIDDLE POINT

From Juneau, via existing State highway to Outer Point, then along west shore of Douglas Island to Middle Point.

Community expansion.
Recreational opportunities.
State lands.

DOT/PF, SEALASKA, GOLDBELT, DNR

31 MIDDLE POINT TO GREENS CREEK

From Middle Point, across Stephens Passage, to Greens Creek.

Electric Power transmission.
Mining.

APA

32 JUNEAU TO BORDER VIA TAKU RIVER

From Juneau to Canadian Border via Taku River route (with an extension to Alaska Highway via Atlin).

Transportation connection with continental road system.
Recreational opportunities.
Timber harvest.
State lands.

DOT/PF, DNR, USFS

33 JUNEAU TO SNETTISHAM

From Juneau to Snettisham power plant.

Electric power transmission.

APA

34 JUNEAU TO ECHO COVE

From Juneau north to Echo Cove via existing State highway system.

Transportation between communities.

Electric power transmission.

Timber harvest.

Community expansion.

Recreational opportunities.

State lands.

DOT/PF, APA, USFS, GOLDBELT, DNR

35 ECHO COVE TO BERNERS BAY

From Echo Cove (Corridor segment 34) north to Berners Bay.

Transportation between communities.

Electric power transmission.

Timber harvest.

Community expansion.

Recreational opportunities.

Mining.

DOT/PF, APA, USFS,

36 BERNERS BAY TO SKAGWAY

From Berners Bay, along the east side of Lynn Canal, to Skagway.

Transportation between communities.

Electric power transmission.

DOT/PF, APA

37 SKAGWAY TO WHITEHORSE

From Skagway to Canadian border via existing State highway (with an extension to Whitehorse).

Transportation connection with continental road system.
Electric power transmission.

DOT/PF, APA

38 BERNERS BAY TO WILLIAM HENRY BAY

From Berners Bay (Corridor segment 35) across Lynn Canal.

Transportation between communities (ferry route).
State selected lands.

DOT/PF, DNR

39 WILLIAM HENRY BAY TO HAINES

From William Henry Bay, along west side of Lynn Canal, to Haines.

Transportation between communities.

DOT/PF, USFS

40 HAINES TO SKAGWAY

From Haines to Skagway via new highway system.

Transportation between communities.
Electric power transmission.

DOT/PF

41 HAINES TO BORDER

From Haines to Canadian border via existing State highway system (with an extension to Alaska Highway).

Transportation connection with continental road system.

Electric power transmission.

Petroleum pipeline.

State lands.

DOT/PF, DNR

42 YAKUTAT TO BORDER

From Yakutat to Canadian border via Alsek River route (with an extension to Alaska Highway via Tatshenshini River).

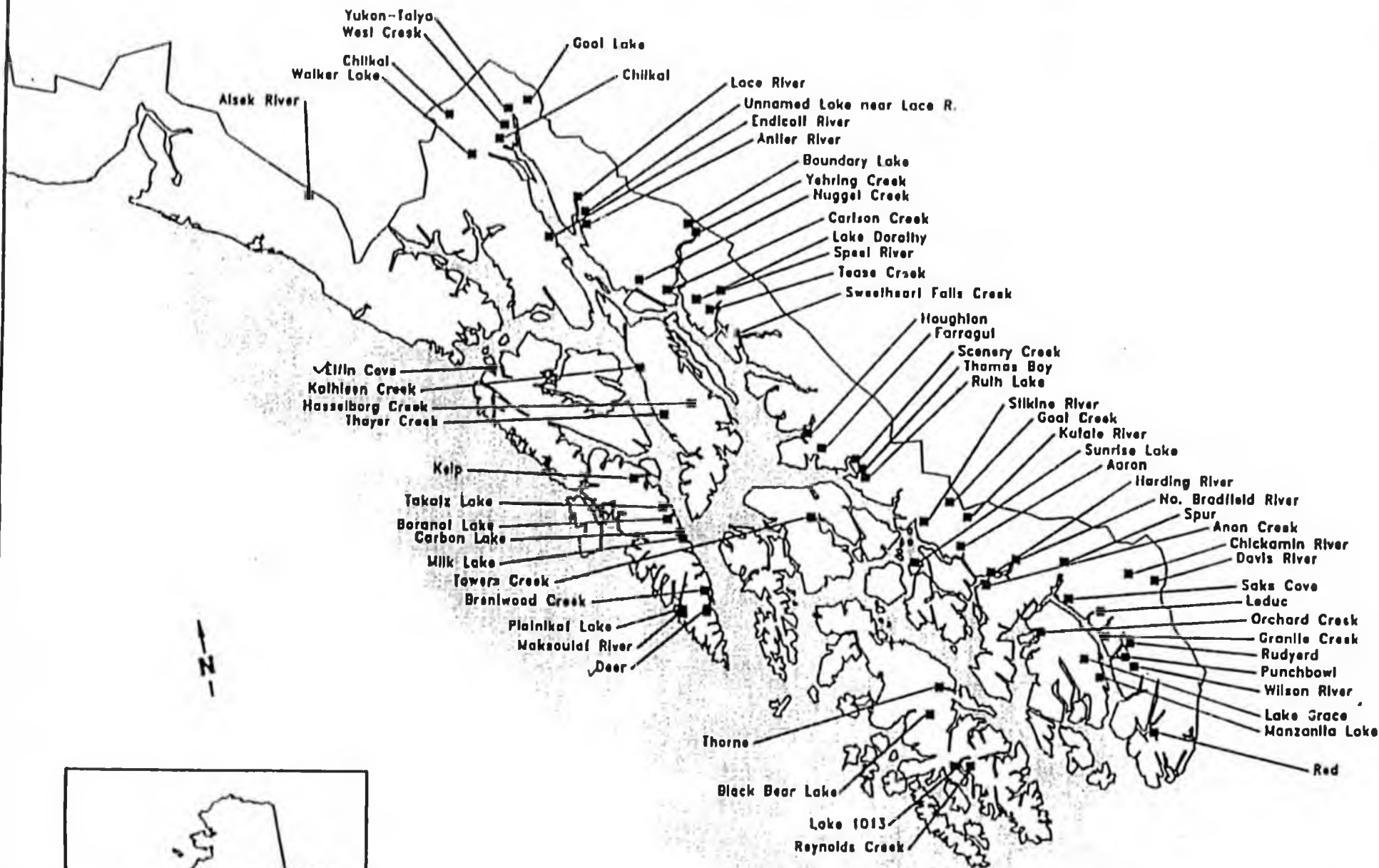
Transportation connection with continental road system.

Timber harvest.

Mining.

USFS, DOT/PF

POTENTIAL HYDROELECTRIC SITES



State of Alaska
Alaska Energy Authority
 P.O. Box 100849
 701 East Third Street
 Anchorage, Alaska 99511-0849

POTENTIAL HYDROELECTRIC SITES

Scale: 1:500,000

Potential Hydroelectric Sites

No.	Power Site	Stream	USGS Map sheet	Drainage Area (sq. mi.)	Reservoir Regulated Surface (ft.)	Average Head (ft.)	Average Annual Runoff (1000 AF)	Per Cent Regulation	Firm Energy (million kWh)	Installed Capacity (1000 kW)	1/ (plant factor %)	Index Cost 2/
SOUTHWEST REGION												
63 (29)	Crooked Creek	Kushkwin R.	Hiawatha D-6	31,100	500	152	33,400	100	9,400	2,140	50	5.0
64	So. Fork Kushkwin River	S.P. Kushkwin R.	McGrath A-1	870	2,000	174	840	40	72	19	55	112.0
67	Lake Bulsh	Wind R.	Dillingham	316	173	30	3,000	100	95	10	55	40.6
68 (30)	Muyahuk Lake	Muyahuk R.	Dillingham D-6	1,530	312	176	4,100	90	555	127	50	15.9
69	Chikaminah	Allen R.	Taylor Mine	784	630	262	800	90	134	32	55	22.0
70	Upuk Lake	Titchik R.	Taylor Mine	100	830	170	280	100	39	8	55	44.4
71 (27)	Iliamna Lake	Sulchak R.	Dillingham A-2	6,440	150	114	14,600	100	1,370	313	50	11.1
73	Kakhonak Lake	Kakhonak R.	Iliamna D-4	145	300	200	275	100	45	9	55	51.8
73	Mowhalon River	Mowhalon R.	Iliamna D-4	3,319	325	74	6,475	100	411	85	55	11.9
74 (28)	Tasimino	Tasimino R.	Iliamna D-5	345	723	393	724	96	224	51	50	15.0
75	Kontashibuna	Tonellan R.	Lake Clark A-4	200	510	226	461	99	83	17	55	17.4
16 (29)	Ingeatol	Eljeh R.	Lake Clark B-2	100	1,460	1,120	695	99	430	144	50	14.2
77	Alagnak River	Alagnak R.	Iliamna A-8	530	375	170	960	35	47	10	55	53.5
78	Nonvianuk Lake	Nonvianuk R.	Iliamna A-7	370	611	115	670	100	63	13	55	22.4
79 (30)	Kukahuk Lake	Alagnak R.	Iliamna A-7	480	825	326	870	100	232	53	50	10.9
80 (31)	Maknek	Maknek R.	Maknek C-2	2,720	150	124	4,600	100	273	108	50	13.2
81	American Creek	American Creek	Mt. Katmai D-4	100	1,625	861	180	95	120	25	55	22.7
82	Ukuk River	Ukuk R.	Mt. Katmai D-4	194	375	145	320	75	30	6	55	164.0
83	Contact Creek	Contact Creek	Mt. Katmai A-6	54	1,050	274	92	65	13	3	55	354.0
84	Bechasof	Eggwahk R.	Maknek A-2	1,280	70	58	1,600	100	76	16	55	21.3
85	Uqashik Lakes	Uqashik R.	Uqashik C-2	810	50	33	1,100	100	10	6	55	50.2
SOUTHWESTERN REGION												
86	Olga Bay	Olga Narrows	Kasliak A-1	315	70	64	710	100	37	8	55	68.6
87	Fraser Lake	Dog Salmon Creek	Kasliak B-1	72	353	202	110	100	12	7	55	33.0
88	Ayahulik	Ayahulik	Kasliak A-2	181	200	181	320	100	49	10	55	42.6
89	Kasliak Lake	Kasliak	Kasliak C-1	165	400	246	300	100	85	18	55	24.9
90	Terror Lake	Unnamed	Kasliak C-4	15	1,325	1,057	72	96	85	12	55	24.9
91	McNeil River	McNeil River	Iliamna A-4	102	150	112	180	50	8	2	55	145.0
92	Point River	Point R.	Iliamna A-4	205	150	115	370	80	28	6	55	115.0
93 (32)	Crescent Lake	Crescent R.	Ranal R-B	200	599	517	454	98	179	41	50	9.9
94 (33)	Chahachvina	Chahachvina R.	Tyonah A-7	1,120	1,127	793	2,460	100	1,600	366	50	6.5
95	Chullina	Chullina R.	Tyonah A-4	66	600	552	120	70	45	9	55	81.4
96	Lower Beluga	Beluga R.	Tyonah R-1	950	100	49	1,790	100	72	15	55	19.1
97 (34)	Coffin	Beluga R.	Tyonah R-4	840	310	109	1,800	100	160	37	50	11.5
98 (35)	Upper Beluga	Beluga R.	Tyonah R-4	840	375	142	1,800	100	210	40	50	11.1
99	Strandilna Lake	Beluga R.	Tyonah R-6	54	1,300	832	115	100	81	17	55	20.8
100	Lake Creek (sheep)	Lake Creek	Talkeetna A-2	335	800	265	718	80	165	22	55	37.6
101	Upper Lake Creek	Lake Creek	Talkeetna D-2	85	1,400	560	180	90	74	15	55	20.3
102	Talchullitna River	Talchullitna R.	Tyonah C-4	160	700	211	720	100	117	28	55	41.6
103	Nayak, Shvutina R.	Shvutina R.	Tyonah D-5	1,710	575	187	3,500	80	429	89	55	72.8
104	Dargold	Shvutina R.	Tyonah D-8	170	1,900	168	790	74	177	37	55	69.7
105 (36)	Tontina	Tontina R.	Tyonah C-2	6,400	150	82	12,350		135			
106 (37)	Talchullitna	Shvutina R.	Tyonah D-4	2,252	350	124	4,500	79	1,190	251	50	10.1
107 (38)	Shvutina	Shvutina R.	Tyonah D-6	950	1,000	291	1,900		98			
108	Chullina Creek	Chullina Creek	Talkeetna B-1	240	800	198	380	40	25	5	55	50.9
109 (39)	Lower Chullina	Chullina R.	Talkeetna B-1	2,600	500	89	6,150	84	294	90	50	8.1
110 (40)	Talchullitna	Chullina R.	Talkeetna C-1	2,540	325	182	6,300	85	862	188	50	8.8
111	Talkeetna River (sheep)	Talkeetna R.	Talkeetna Mt. R-6	1,790	605	91	4,400	50	149	11	55	40.4
112 (41)	Kestna	Talkeetna R.	Talkeetna Mt. R-6	1,260	950	266	1,690	82	224	74	50	11.3
113	Iron Creek	Iron Creek	Talkeetna Mt. R-5	310	1,750	750	400	60	147	31	55	63.9
114	Granite Gorge	Talkeetna R.	Talkeetna Mt. R-5	845	1,500	416	1,160	87	345	72	55	43.8
115	Greenstone	Talkeetna R.	Talkeetna Mt. C-5	750	1,375	304	1,150	65	285	51	55	38.6
116	Trapper	Talkeetna R.	Talkeetna Mt. C-5	760	1,700	245	1,140	94	218	45	55	68.6
117	Lucy	Chullitna R.	Talkeetna Mt. D-5	1,080	1,100	166	2,600	20	71	15	55	19.2
118	Onal	Chullitna R.	Talkeetna Mt. D-6	985	1,450	241	2,400	40	183	40	55	26.2
119	Ohio	Chullitna R.	Talkeetna Mt. D-6	916	1,500	324	2,220	35	144	20	55	21.0
120	Chullitna-Turkey	Chullitna R.	Healy A-6	795	1,600	207	1,900	50	164	34	55	26.7
121	West Fork Chullitna	W.F. Chullitna R.	Healy A-6	355	1,900	287	610	45	68	16	55	32.4
122	East Fork Chullitna	E.F. Chullitna R.	Healy A-7	135	2,500	180	240	80	59	12	55	31.2
123 (42)	Whiteno	Suelitna R.	Talkeetna D-1	6,118	490	59	7,500	100	368	88	50	11.5
124 (43)	Lane	Suelitna R.	Talkeetna C-1	6,280	640	169	7,500	100	1,052	240	50	8.9
125 (44)	Gold	Suelitna R.	Talkeetna Mt. C-6	4,160	850	199	7,327	100	1,139	260	50	12.1
126	Deedman Creek	Deedman R.	Talkeetna Mt. D-1	160	3,000	962	330	60	165	34	55	22.7
127 (45)	Devil Canyon	Suelitna R.	Talkeetna Mt. D-5	3,810	1,450	375	6,840		138			
128 (46)	Vatona	Suelitna R.	Talkeetna Mt. D-4	5,180	1,905	435	6,018	100	7,000	478	50	6.2
129 (47)	Van	Suelitna R.	Talkeetna Mt. C-2	4,148	2,355	630	4,718		386			
130 (48)	Donell	Suelitna R.	Talkeetna Mt. D-1	1,140	2,512	---	2,318		---			
131	McLaren River	McLaren R.	Guthrie D-6	485	2,825	262	1,410	85	262	55	55	45.2
132	Boulder Creek	Boulder Cr.	Healy D-1	47	2,575	817	67	70	33	7	55	55.6
133	Palmer	Matanuoka R.	Anchorage C-6	2,078	400	186	2,918	20	78	16	55	195.5
134	Morna Creek	Matanuoka R.	Anchorage C-6	2,078	580	166	2,918	20	78	16	55	195.5
135	Pling Mountain	Matanuoka R.										

Would be reduced 11 million kWh by development of No.

New mapping indicates Mowhalon could be included on lower priced hydro.

Alternative to Fraser Lake.

Development of Upper Beluga would reduce energy 11 of

Assumes operation as a system.

Alternative to Granite Gorge.

Would be inundated by development of Ohio site.

Would be inundated by development of Chin site.

Assumes operation as a system.

No.	Power Site	Stream	USGS Map sheet	Drainage Area (sq. mi.)	Maximum Regulated Water Surface (ft.)	Average Head (ft.)	Average Annual Flow (1000 AF)	Per Cent Available	Fire Energy (million kWh)	Installed Capacity (1000 kW)	1/ Factor	Index Cost
136	Coni Creek	Matonaka R.	Anchorage D-4	1,128	1,100	291	1,600	80	307	64	55	78.5
137	Boulder Creek	Boulder Cr.	Anchorage D-4	90	2,400	1,317	82	80	59	14	55	57.0
138	Rock Lake	Boulder Cr.	Anchorage D-4	89	1,950	892	78	79	45	9	55	97.7
139	Parlinton Creek	Matonaka R.	Anchorage D-4	1,082	1,650	291	1,500	90	328	67	55	108.1
140	Richa Site	Matonaka R.	Anchorage D-2	950	1,475	281	1,200	90	286	39	55	37.2
141	Caribou Creek	Caribou Cr.	Anchorage D-2	360	1,150	310	1,150	100	100	18	55	11.7
142	Pagle River	Engle R.	Anchorage D-1	194	450	167	397	82	45	9	55	18.8
143	Sonyas	Blanche Cr.	Seward D-7	338	450	327	350	55	52	31	55	122.2
144	Lower Kenal	Kenal R.	Kenal B-3	1,650	1,600	84	4,200	88	263	55	55	18.2
145	Moose Horn	Kenal R.	Kenal C-2	1,240	275	95	4,000	93	290	60	55	18.4
146	Bliss River	Bliss R.	Kenal B-1	120	715	318	180	90	100	21	55	38.1
147	Blodgett Ranch	Kenal R.	Kenal B-1	849	500	199	2,000	97	403	86	55	17.9
148	Kenal Lake	Kenal R.	Seward B-6	660	650	311	2,030	97	552	135	55	27.3
149	Crescent Lake	Crescent L.	Seward B-7	21	1,454	914	18	100	39	6	55	31.4
150 (1)	Snow	Snow R.	Seward B-7	85	250	653	535	97	278	63	50	31.2
151	Sawtooth River	Sawtooth R.	Kenal B-4	318	800	318	1,135	100	193	40	55	15.8
152	Tustumena	Tustumena Glacier	Kenal A-2	57	1,496	1,100	21	85	102	21	55	17.1
153	Sheep Creek	Sheep Cr.	Selkovia D-2	101	725	382	460	34	94	20	55	21.8
154 (50)	Bradley Lake	Bradley Cr.	Selkovia D-3	88	1,195	1,155	615	93	410	94	50	8.0
155	Resurrection River	Resurrection R.	Seward A-7	141	425	233	600	75	86	18	55	58.5
156	McLellan River	McLellan R.	Seward B-3	138	808	210	788	31	47	10	55	37.0
157	Upper McElie River	McElie R.	Seward B-6	35	1,189	190	190	90	57	12	55	17.6
158 (51)	Lower McElie	Lower R.	Valdes A-6	6	1,180	316	1,000	66	254	55	50	31.2
159	Allison Creek	Allison Cr.	Valdes A-7	6	1,180	1,191	32	55	18	4	55	19.5
160	Bolton Gulch	Unnamed	Valdes A-7	18	660	608	100	20	11	2	55	21.0
161	Silver Lake	Duck R.	Cordova D-7	25	390	316	180	95	48	10	55	15.6
162	Power Creek	Power Cr.	Cordova C-5	21	560	470	182	90	66	14	55	20.9
163 (52)	Million Dollar	Copper R.	Cordova C-2	24,200	200	89	38,000	71	1,927	440	50	14.8
164	Van Clave	Unnamed	Cordova C-1	37	1,450	435	95	25	10	2	55	216.0
165	Little Bremen River	Little Bremen R.	Valdes A-2	187	600	272	502	82	70	15	55	67.8
166	Bremner R., Salmon Site	Bremner R.	Valdes A-2	660	575	366	2,100	70	86	18	55	16.7
167	Sn. Fork Bremner River	Sn. Fork Bremner R.	Cordova D-1	348	1,150	517	670	75	154	32	55	22.5
168	Three Mile Canyon	Bremner R.	Cordova D-1	526	725	218	1,660	41	227	26	55	31.5
169	McElie River	McElie R.	Boring Glacier	150	1,625	490	670	87	166	35	55	56.0
170 (53)	Clears	Copper R.	Valdes A-2	21,500	470	165	28,500	76	3,600	820	55	13.2
171	Telina	Telina	Valdes A-5	101	1,150	340	320	90	58	12	55	44.2
172	Tibbel River	Tibbel R.	Valdes A-3	421	950	400	900	35	105	22	55	37.8
173 (54)	Wood Canyon	Copper R.	Valdes B-2	20,600	1,400	950	26,700	100	21,900	3,600	69.4	3.2
174	Managita Lake	Managita R.	McCarthy A-8	100	2,375	1,010	228	85	160	33	55	27.0
175	Tebay Lakes	Tebay R.	Valdes A-1	105	1,875	504	240	25	193	40	55	23.6
176	Bunkiana River	Bunkiana R.	McCarthy C-8	260	2,950	504	350	50	112	32	55	66.3
177	Young Creek	Young Cr.	McCarthy A-4	40	2,375	2,017	110	45	42	17	55	40.3
178	Canyon Creek	Canyon Cr.	McCarthy A-4	100	2,100	1,308	270	45	131	37	55	46.1
179	Riagna River	Riagna R.	McCarthy A-4	185	2,500	193	490	50	379	40	55	77.9
180	Rotana River	Rotana R.	Valdes C-1	209	2,215	514	440	70	113	28	55	67.9
181	Fluina	Fluina R.	Valdes B-3	670	1,800	335	550	100	217	38	55	17.6
182	Tolona Creek	Tolona Cr.	Gulkana A-4	174	2,025	460	200	70	53	11	55	37.5
183	Tarlina	Tarlina R.	Gulkana A-5	1,970	1,875	273	2,300	100	503	104	55	15.6
184	McChina River	McChina R.	Gulkana A-6	820	2,250	285	940	99	219	45	55	51.3
185	Lower Gulkana River	Gulkana R.	Gulkana B-3	1,850	1,200	232	2,000	11	42	9	55	84.8
186	Upper Gulkana River	Gulkana R.	Gulkana B-3	1,170	1,850	124	1,900	23	45	9	55	86.8
187	Gulkana River	Gulkana R.	Gulkana C-4	575	2,475	405	620	80	164	16	55	27.5
188	West Fork Gulkana River	W.F. Gulkana R.	Gulkana C-5	398	2,375	192	440	100	69	14	55	58.7
189	Summit Lake	Gulkana R.	McCarthy A-4	83	2,210	509	88	100	36	6	55	19.9
190	Gahona Site	Copper R.	Gulkana B-3	2,965	1,250	266	4,000	75	227	170	55	35.2
191	Sanford	Copper R.	Gulkana B-3	3,185	1,825	178	3,700	70	385	40	55	19.3
192	White River	White R.	Boring Glacier A-4	29	375	282	210	40	19	4	55	51.3

SOUTHEAST SECTION

193	Alaska River	Alaska R.	Tahulak B-1	11,000	450	166	32,000	90	1,490	110	55	17.9
194	Pediment River	Pediment R.	Juneau D-5	56	800	483	270	97	105	21	55	25.9
195	Chilkoot	Chilkoot R.	Juneau B-2	130	175	136	280	80	78	16	55	15.8
196 (55)	Chilkat	Chilkat R.	Juneau C-3	160	600	318	878	80	180	41	50	10.8
197	West Creek	West Cr.	Stapley C-2	40	800	615	268	15	105	21	55	25.9
198	Foot Lake	Foot Lake	Stapley C-1	4	2,915	2,017	30	95	46	10	55	16.5
199	Loon River	Loon R.	Juneau D-3	363	200	164	2,300	97	298	62	55	51.9
200	Unnamed Lake near Lake R.	Unnamed	Juneau D-3	2	2,160	3,003	20	100	48	10	55	11.4
201	Antley River	Antley R.	Juneau D-3	3	1,950	1,613	39	100	33	9	55	17.8
202	Budget Creek	Budget Cr.	Juneau B-2	16	725	347	151	40	70	6	55	27.9
203	Collum Creek	Collum Cr.	Juneau B-1	21	650	414	246	66	46	10	55	21.5
204	Boundary Lake	Boundary Cr.	Toho B. C-6	23	935	355	170	85	59	20	55	22.2
205	Robling Creek	Robling Cr.	Toho B. C-6	16	1,100	1,017	112	26	26	5	55	28.0
206 (56)	Lake Barnaby	Lake Barnaby	Toho B. C-6	11	2,125	2,218	81	100	18	3	55	17.1

Major portion of reservoir area is in Canada.

Alternative to Ring Mtn. site.

Alternative to Wick site.

Alternative to Steierson Ranch site.

Authorized Project.

Alternative to Salmon site.

High Wood Canyon plan would reduce potential by about

High Wood Canyon plan would reduce potential by about

Alternative to Sanford site.

No.	Power Site	Stream	IRCS Map sheet	Distance Area (sq. mi.)	Regulated Water Surface (ft.)	Average Head (ft.)	Average Annual Power (1000 AHP)	Cost (\$/AHP)	Percent Regulated	Prime Energy (million kWh)	Installed Capacity (1000 kw)	Factor	Index Cost
200 (158)	Tease Creek	Tease Cr.	Tabu N. A-3	11	1,100	1,034	110	75	70	16	50	14.9	
200 (159)	Bowthorn Falls	Bowthorn Falls Cr.	Sumnum D-3	25	684	612	230	100	125	29	50	9.6	
210 (160)	Moughton	Unnamed	Sumnum D-3	29	310	437	310	98	136	31	50	11.0	
211	Farragut	Farragut R.	Sumnum A-3	64	935	481	400	56	163	31	50	12.8	
211 (161)	Genney Creek	Genney Cr.	Sumnum A-3	21	222	420	50	82	62	13	50	10.2	
211 (162)	Thornal Ferry	Genney Cr.	Sumnum A-3	19	1,514	1,442	160	88	166	38	50	8.1	
214	Buth Lake	Leyle Cr.	Petersburg D-3	8	1,530	1,449	90	90	63	11	55	18.1	
215 (163)	Belkline River	Belkline R.	Petersburg C-1	20,000	330	281	45,000	90	9,900	2,160	50	9.0	
216 (164)	Goat	Goat Cr.	Bradfield Canal C-4	14	1,338	1,056	112	87	82	20	50	12.9	
217	Estate River	Estate R.	Bradfield Canal C-4	71	450	749	123	82	82	20	50	12.2	
218	Aston	Aston Cr.	Bradfield Canal C-4	41	700	719	632	54	58	12	32	16.0	
218	Headling River	Headling R.	Bradfield Canal C-5	68	350	202	948	61	85	18	35	49.2	
219	Mr. Bradfield River	Mr. Bradfield R.	Bradfield Canal B-5	150	250	137	1,200	61	131	27	35	71.0	
221 (165)	Type Creek	Type Cr.	Bradfield Canal A-5	25	1,282	1,215	123	91	120	27	30	8.9	
222	Amo Creek	Amo Cr.	Bradfield Canal A-4	72	228	210	209	82	22	7	23	21.4	
223 (166)	Amo River	Unnamed	Bradfield Canal A-4	10	1,889	1,716	87	87	105	34	50	10.7	
224	Gate Cove	Gate Cr.	Retchikan D-4	22	675	621	150	93	72	15	35	18.7	
225 (167)	Ledec	Ledec R.	Retchikan	7	1,384	1,241	82	100	62	14	50	14.5	
226	Chickasha River	Chickasha R.	Bradfield Canal A-2	562	335	238	4,800	82	222	150	35	26.1	
227	Greenle Creek	Greenle Cr.	Matchless G-1	2	215	862	82	82	22	8	32	12.2	
228 (168)	Punchbowl Creek	Punchbowl Cr.	Retchikan C-3	14	650	622	126	99	64	15	35	10.6	
229 (169)	Hudyard	Unnamed	Retchikan C-3	8	1,735	1,800	63	100	83	19	50	10.6	
230	Wilson River	Wilson R.	Retchikan B-2	70	400	166	560	93	71	15	35	10.7	
231 (170)	Mad	Mad R.	Retchikan A-2	44	400	387	410	89	104	24	30	22.2	
232	Devils River	Devils R.	Retchikan D-1	79	490	167	687	67	121	28	35	12.4	
233	Kelf	Unnamed	Altha B-4	21	675	612	161	82	66	16	30	15.1	
234 (171)	Tabata Creek	Tabata Cr.	Altha A-1	11	1,010	981	329	82	97	20	50	12.5	
235	Barren Lake	Barren L.	Altha A-2	22	245	108	316	42	11	2	35	19.1	
236	Carbon Lake	Unnamed	Altha A-3	27	300	260	350	65	49	10	35	24.8	
237	Milk Lake	Unnamed	Port Alexander B-1	11	700	644	182	22	22	53	35	12.9	
238	Greenwood Creek	Greenwood Cr.	Port Alexander C-3	7	350	655	88	21	28	8	35	22.7	
239 (174)	Deer	Unnamed	Port Alexander C-3	7	274	218	114	96	21	7	50	14.8	
240 (175)	Malsout of River	Malsout of R.	Port Alexander C-3	24	600	570	272	74	117	24	50	12.6	
241	Pistolhof Lake	Unnamed	Port Alexander D-3	20	350	315	24	76	44	9	35	17.7	
242 (176)	Green Lake	Woodrow R.	Port Alexander D-4	29	400	352	212	84	92	21	50	12.4	
243	Massalhor Creek	Massalhor Cr.	Altha C-1	41	1.1	304	313	50	37	11	35	12.3	
244	Thayer Creek	Meyer Cr.	Altha C-2	41	402	277	252	100	78	16	35	22.1	
245	Reithen Creek	Reithen Cr.	Altha D-1	29	335	502	126	94	48	10	30	23.7	
246	Towers Creek	Towers Cr.	Petersburg D-3	81	215	239	200	100	64	12	35	108.7	
247 (177)	Orange Creek	Ochfeld Cr.	Retchikan D-3	60	100	170	420	75	44	5	35	17.8	
248	Lake Grape	Grave Cr.	Retchikan C-3	28	500	456	381	50	99	20	50	10.3	
249	Massalita Lake	Grave Cr.	Retchikan C-4	42	300	289	410	31	124	28	35	17.5	
250 (178)	Bean Lake	Grave Cr.	Retchikan C-4	26	328	275	276	91	69	13	30	12.8	
251	Thorn	Thorn R.	Craig C-2	166	135	101	1,100	85	80	13	35	13.6	
252	Reynolds Creek	Reynolds Cr.	Craig A-2	7	---	---	54	99	54	11	35	19.7	

Three power plants and lakes involved.

Percent calculations indicate Farragut could be Includ of lower priced hydro.

Lower site numbers refer to map locations.
 Numbers in parentheses refer to the published list and map of lower priced hydroelectric potentials 1500 kw continuous power and lower.

1/ The site and cost of the power plants for the inventory study was based on 550 plant factor. This list of the 76 lower priced sites assumes 50% plant factor with no significant change in cost. There are exceptions for the larger sites which were considered base load plants. Specific plant factors are noted.

2/ The index cost is a relative comparison cost of energy at the power plant bus bar. Substation and transmission costs are not included.

3/ An alternative development of the Baby site to elevation 235 would increase the Margate site power production at Baby would increase to 14.7 billion kWh annually and 5,350,000 kw.



State of Alaska
Walter J. Hickel, Governor

Alaska Energy Authority

A Public Corporation

March 24, 1992

The Honorable Lloyd Jones
Alaska State Senator
P.O. Box V
Juneau, Alaska 99811

Subject: Position Statement on CS for Senate Joint Resolution No. 40

Dear Senator Jones:

The Alaska Energy Authority strongly supports the subject resolution relating to identified hydroelectric sites and energy transmission and surface transportation requirements for Southeast Alaska. We support the development of energy and transportation infrastructure consistent with future economic growth and opportunity. As evidenced by previous projects of the Energy Authority in Southeast Alaska and elsewhere, such development can and will be accomplished in balance with environmental objectives. Additional Federal land use restrictions are unnecessary and counterproductive.

Enclosed for your information is a letter of comment provided last summer by the Authority to the U.S. Forest Service regarding our support for this position, and the reply to our letter of comment by the Forest Service. Please let me know if I can provide you with additional information.

Sincerely,

Charlie Bussell
Executive Director

Enclosures



CITY OF PETERSBURG

P.O. BOX 329 • PETERSBURG, ALASKA 99833

TELEPHONE (907) 772-4511

TELECOPIER (907) 772-3759

November 22, 1991

Senator Lloyd Jones
Alaska State Senate

312 Front St.
Ketchikan, Alaska 99901

Dear Senator Jones:

Enclosed please find a copy of Resolution No. 1270-R, passed and approved by the City Council of the City of Petersburg at their regular meeting of November 13, 1991.

The resolution resolves:

1. That the City of Petersburg supports the continued federal power site designations at Cascade Creek and Scenery Creek in Thomas Bay and urges the Forest Service to maintain these designations.
2. That the City of Petersburg supports the utility corridors which the State of Alaska and related federal agencies have identified for southeast Alaska.
3. That the City of Petersburg strongly recommend that the Forest Service should not designate the Eagle River on the Cleveland Peninsula as a Wild & Scenic River in the Tongass Land Management Plan revision.

Sincerely,

Patricia Curtiss
City Clerk

Resolution No. 1270-R

A RESOLUTION RELATING TO FEDERAL LANDS AND ENERGY REQUIREMENTS OF PETERSBURG AND SOUTHEAST ALASKA.

Whereas, the community of Petersburg will need long term and reliable sources of energy for the future; and

Whereas, the communities of Petersburg and Wrangell have a proven commitment to developing long term energy production by the formation of the Thomas Bay Power Authority, a jointly operated electric utility which operates the State of Alaska Tye Lake Hydroelectric facility; and

Whereas, the communities of Petersburg and Wrangell had originally planned to build a power project at Thomas Bay but were advised by state and federal energy regulatory agencies that Tye Lake would better suit the energy requirements for that time period; and

Whereas, the interconnection of Tye and the Ketchikan power facilities seems likely to become a reality soon and with the connection to Juneau's Snettisham power facility appearing more plausible day by day, making the utilization of the Thomas Bay power sites more probable with the result being more reliable power for Petersburg and southeast Alaska; and

Whereas, contrary to the statements made in the Tongass Land Management Plan revision, the worth of the power site withdrawals at Thomas Bay is undiminished to Petersburg, Wrangell and now the balance of southeast Alaska; and

Whereas, an electrical intertie from the Swan Lake Hydroelectric facility near Ketchikan to the Tye Hydroelectric facility is currently in the preliminary design process; and

Whereas, the Eagle River Valley on the Cleveland Peninsula has been identified as the most desired route; and

Whereas, the U.S. Forest Service may recommend to include the Eagle River in the National Wild and Scenic River System as a Scenic River; and

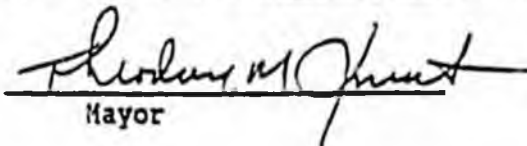
Whereas, historically there is a well founded concern that such a designation, if applied, would be too restrictive and would heighten the impression that the area is more valuable in its present state, adding mitigating factors which translate into increased costs for the overall transmission line between the

Type Hydroelectric Facility and Ketchikan by that potentially threatening the economic viability of the proposed electrical intertie.

Therefore, Be It Resolved by the City Council of the City of Petersburg, Alaska:

1. That the City of Petersburg supports the continued federal power site designations at Cascade Creek and Scenery Creek in Thomas Bay and urges the Forest Service to maintain these designations.
2. That the City of Petersburg supports the utility corridors which the State of Alaska and related federal agencies have identified for southeast Alaska.
3. That the City of Petersburg strongly recommend that the Forest Service should not designate the Eagle River on the Cleveland Peninsula as a Wild & Scenic River in the Tongass Land Management Plan revision.
4. That copies of this resolution be sent to the Honorable Dale Robertson, U.S. Dept. of Agriculture; Mike Barton, U.S. Forest Service, Tongass National Forest; Tad Stevens, U.S. Senate. Frank Murkowski, U.S. Senate; Don Young, U.S. Representative; Lloyd Jones, Alaska State Senate, Robin Taylor, Alaska House of Representatives; Cheri Davis, Alaska House of Representatives; and the communities of Wrangell, Ketchikan, Kake, Sitka and Juneau.

Passed and Approved by the City Council of the City of Petersburg, Alaska this 18 day of November 1991.



Mayor

ATTEST:



City Clerk



CITY OF PETERSBURG

P.O. BOX 329 • PETERSBURG, ALASKA 99833

TELEPHONE (907) 772-4511

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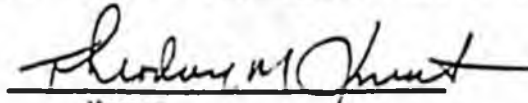
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Passed and Approved by the City Council of the City of Petersburg, Alaska this 18 day of December 1991.



Mayor

ATTEST:



City Clerk