

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7683 SENATE RESOURCES



UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

July 26, 1990

OFFICE OF THE CHANCELLOR

Mayor Bill Noll
City of Seward
PO Box 1789
Seward AK 99664

Dear Mayor Noll:

I was pleased to learn of your proposal to establish a marine mammal study center in Seward. Such a center, incorporating research and public education, would be of great value to Alaska and to other parts of the circumpolar north.

The future of our ecosystems which support our natural resources is dependent upon an accurately informed citizenry. This requires education based upon up-to-date information generated by scientists on the cutting edge of their fields. Marine ecosystems will be under increasing pressure as oceans are increasingly utilized for food, minerals and sources of transport. Due to the positions they occupy in food webs, marine mammals are important indicator species for the health of these ecosystems. Thus the importance of increased knowledge of these animals is clear.

A marine mammal center in Seward would attract productive scientists from other states and nations, as well as Alaska. It would be of great value to the University of Alaska in pursuing research and public service activities. From the standpoint of the University of Alaska Anchorage (UAA), such a center would provide opportunities for faculty and graduate student research in physiology, morphology, ecology, etc. Basic research opportunities would transcend the interests of marine scientists, and include those focused on human health. This would include UAA and UAF scientists in the Washington-Alaska-Montana-Idaho (WAMI) medical program and in the Alaska-Siberia Medical Research Program. All of these endeavors should combine to bring increased federal and private foundation funding to Alaska for high priority needs.

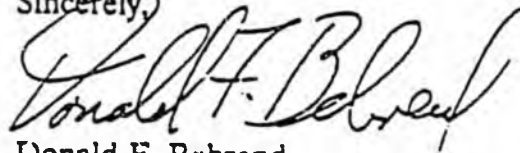
The educational value of a marine mammal center would range from formal college course work for credit to a broad array of short courses, seminars, conferences, and other programs for a variety of publics. The UAA College of Continuing Education could be invaluable in helping to plan and implement a broad program of public education for the proposed center.

UNIVERSITY OF ALASKA ANCHORAGE
Office of the Chancellor

Mayor Bill Noll
Page 2
July 26, 1990

In summary, I envision many significant advances in research and education that could flow from a marine mammal study center in Seward. These advances would be of great value to Alaska, the nation, the northern Pacific Rim nations, and the circumpolar north. Accordingly, I commend you for your vision and initiative in proposing this center, and pledge the support of UAA in assisting you to make it a reality.

Sincerely,



Donald F. Behrend
Chancellor

DFB:st

CHENEGA BAY, ALASKA
A PLAN FOR THE SITE RESTORATION OF THE ABANDONED CANNERY

December 10, 1990

This study and report will present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

SUMMARY:

1. The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulations.
2. Project budget in 1991 dollars is \$555,000.

GENERAL INFORMATION:

Chenega Bay is located on Evans Island in Prince William Sound, Alaska, on the shore of a small cove formerly known as Crab Bay. It's coordinates are

Latitude: 60°04'N
Longitude: 142°02'W

The abandoned fish processing plant at this location is reported to have been constructed about 1930 although the machinery it contains and the style of construction would indicate it to be ten years older. It operated as the Chatham Stuart Fish Company until about 1958. It operated spasmodically after that depending on the fish run until 1960 and has not operated since then. Nor has it been maintained. The original construction utilized locally cut and milled spruce insofar as practical. During the past several years much of the useable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its attendant piping is supported off the floor by rotting wood. The installed machinery included a steam boiler and a quantity of steam piping which was insulated with asbestos/plaster wrapped with muslin cloth in the style of the time. Only a few scattered remnants of this insulation remain -- the rest having weathered off the pipe, fallen to the floor, and been washed away by rain and snow.

FAXED
4-2-92

MT. MARATHON NATIVE ASSOCIATION

Facsimile Cover Sheet

To: Representative Kubina
Company: Alaska State Legislature
Phone: 465-4859
Fax: 465-2287

From: Ken Blatchford, President

Company: Mt. Marathon Native Association
Phone: 224-3118
Fax: 224-5874

Date: 04/02/92

Pages including this
cover page: 1

Comments:

Dear Representative Kubina:

I am writing to support the inclusion of \$800,000 in HB 411 to support the development of the Chugach Regional Resources Committee OYSTER SPAT HATCHERY. The Chugach Regional Resources Committee of which Mt. Marathon is a member, has been very successful in the development of the Oyster industry in Prince William Sound. An Oyster Spat Hatchery built by CRRC in cooperation with the Alaska Shellfish Growers Association the ADF&G FRED division and others will have a powerful influence on the success of the Oyster industry in Alaska. If you need any technical information you can contact Dave Daisy at the CRRC office in Anchorage. His number is 586-4155.

Thank you for your support of this important matter.

Ken Blatchford

CHENEGA BAY I. R. A. COUNCIL

U R G E N T

April 3, 1992

via TELECOPIER and FIRST CLASS MAIL

Representative Eugene Kubina
ALASKA STATE LEGISLATURE
Post Office Box V
Juneau, Alaska 99811

APR 1 C 1992

RE: HB 411

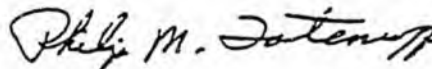
Dear Gene:

We strongly support the CHUGACH REGIONAL RESOURCE COMMISSION'S request for \$800,000.00 to build an oyster spat hatchery. We strongly urge and request that you provide support for House Bill 411.

Please keep us informed as to the progress on this bill. Thanking you in advance for your assistance.

Sincerely,

CHENEGA BAY I.R.A. COUNCIL



Philip M. Totemoff, President

mariculture.kubina@alaska.gov

Excerpt from
Saltery Restoration Plan by James R. Clinton
December, 1990

The study and report present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

Summary:

The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulation.

General Information:

The original construction utilized locally cut and milled spruce. During the past several years much of the usable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its' attendant piping is supported off the floor by rotting wood.

Several large steel tanks exist outside and immediately adjacent to the plant. Several were fuel tanks in which was stored bunker oil and probably, diesel oil. These tanks are supported from three to five feet off the ground on wood piers, wood caps, and a timber deck system, all of which is in a condition ranging from good to advanced decay. All have been damaged severely by rust and snow loads.

In its' present advanced state of decay it is difficult to overstate the danger this structure presents to anyone in it, on it, or under it. Unfortunately it presents an irresistible temptation to the village children as a place to play. To protect their safety it must be removed.

Cost Estimate Summary:

Mobilization and demobilization	\$239,000
Dismantling and disposal	257,000
Contract preparation and administration	39,000
Project contingency	50,000
Total Estimated Project Cost	\$585,000

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 465-3991
Fax: (907) 463-3331

June 27, 1991

MEMORANDUM

TO: Representative Gene Kubina

FROM: Glenn T. Gray ^{GTG}
Legislative Analyst

RE: Hazardous Substances at Chenega Bay Saltery Site
Research Request 91.313

You asked for information about a herring saltery at Chenega Bay that the community would like to have removed. You specifically asked about possible funding sources to do the work, which involves removal of hazardous substances. This memorandum provides a history of the problem and identifies the current status of the clean-up effort as well as possible funding sources.

Background

The Chenega Bay herring saltery site currently poses several threats to local villagers. First, the buildings are collapsing and village leaders fear that someone will be injured. Although the site is posted against trespassers, children and other villagers are often seen at the site. Second, friable asbestos is present in the buildings, both on the floor and on pipes and other fixtures. Third, large fuel oil tanks are leaking bunker crude onto the ground and into the water. Other threats include 55-gallon drums containing unidentified substances. The creosote-treated pilings supporting the structures are also considered a hazard and cannot be burned. A report by the Alaska Health Project identifies these and other concerns (Attachment A).

Although the site is currently administered by the State of Alaska, the federal government originally owned the land. The U.S. Forest Service issued various fish processing companies special use permits to use the Chenega Bay herring saltery site. Use of the site ended in the 1940s. The community of Chenega Bay relocated close to the saltery after the 1964 earthquake. The Chenega Native Corporation selected this saltery site as part of its land entitlement under the Alaska Native Claims Settlement Act (ANCSA), and the Bureau of Land Management (BLM) issued an interim conveyance to the corporation in 1979. Authorized by a provision in the ANCSA [Section 14 (c) (3)], the corporation conveyed the land to the state in trust during 1983 until a local municipality

Representative Kubina
June 27, 1991
Page 2

becomes incorporated.¹ The site, administered by the Department of Community and Regional Affairs (DCRA) as part of the Municipal Lands Trustee Program, was leased to the Chenega Village Council in 1984 for future use as a bulk fuel storage site.

After the land was conveyed to the state, the Alaska Department of Environmental Conservation (DEC) identified the hazardous substances at the site and notified the Village of Chenega Bay (Attachment B). In 1985, the State of Alaska sued the Forest Service (i.e., the Secretary of Agriculture) in an attempt to get federal funding to clean up the site. During September 1990, the federal district court granted judgment to the federal government, and the Attorney General decided not to appeal the case (Attachment C).

Rick Elliot, program manager for the Municipal Lands Trustee Program, said that the community originally planned to use the site for bulk fuel storage. According to a letter written by Marty Rutherford of the DCRA, the community of Chenega Bay now intends to develop a port facility at the saltery site (Attachment D). Before the port facility can be developed, however, the buildings will have to be removed. Prior efforts to remove the buildings by the community have been curtailed because of special treatment needed to remove the asbestos, fuel oil and creosote-treated pilings.

According to Lynn Chambers of the North Pacific Rim, the regional nonprofit Native corporation, the saltery buildings were constructed on pilings over the water. The buildings are currently collapsing and some of the oil tanks still have about a foot of sludge in them that is slowly leaking. Ms. Chambers said that an engineering firm (H4M Engineering) has estimated that it will cost about \$585,000 to remove the buildings and that the Chenega Bay Village Council does not have resources to pay for such a removal. The removal of the buildings includes storage of the creosote-treated pilings, treatment of the asbestos, removal of the fuel tanks, and removal of machinery.

Clean-up Funding Options

According to Jane Tonkin of DEC's Cordova office, various funding options have been or are currently being explored to remove the contamination. The department has unsuccessfully tried to add the site to the superfund list (the list of the nation's worst sites contaminated by hazardous substances) and the agency is currently exploring the possibility of using funds available for emergency response. The site, however, ranked low on the state's hazardous sites priority list.

¹AS 44.47.150 directs the commissioner of the Department of Community and Regional Affairs to "accept, administer, and dispose of land conveyed to the state in trust by village corporations" pursuant to the ANCSA provision.

Representative Kubina
June 27, 1991
Page 3

Lynn Chambers of the North Pacific Rim said that she has unsuccessfully attempted to obtain removal funds from the U.S. congressional delegation. Ms. Chambers noted that the site has been included on a BLM list of contaminated sites conveyed to Native corporations. A recent article in the Anchorage Times claims that Congress will ask the BLM to negotiate with the Alaska Federation of Natives to determine how these sites will be cleaned up (Attachment E). However, according to Wayne Svejnoha, a BLM hazardous materials specialist, it is unlikely that the BLM would assist with the clean-up of this site because the contamination occurred while the Forest Service managed the land.

The party or parties liable for the clean-up of this site is unclear. However, according to Assistant Attorney General Breck Tostevin, the state is not liable for the clean-up because of how it received the land. A federal court has found that the USDA Forest Service is not liable for the asbestos removal. The Chenega Native Corporation could be found liable for clean-up costs, but the corporation does not have funds for this clean-up. Mr. Tostevin thinks that if federal funds cannot be obtained for the clean-up, it may be necessary to appropriate state funds for this purpose.

I hope that you find this information useful. Should you wish additional information about this issue, please contact this agency.

Attachments

STATE OF ALASKA -- ELECTION DISTRICT REPORT

SALEDST

DISTRICT 06 PRINCE WILLIAM SOUND

3/19/92

CAPITAL BUDGET SUMMARY

PAGE 6

FISCAL YEAR 1993

BUDGET COMPONENT	GOV CAP
DEPARTMENT OF EDUCATION	
AVTEC MAINT/EQUIP/DORMITORY	300.0 ✓
DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES	
CENTRAL REGION FEDERAL HIGHWAY	
SEWARD HWY, MP 50-65.5 RECONST	15414.3 ✓
EXIT GLACIER RD, MP 0-3.9	443.6 ✓
CENTRAL REGION FED AVIATION	
CHENEGA BAY ARPT DEVELOPMENT	3320.2 ✓
NORTHERN REGION FEDERAL HWYS	
COPPER RIVER HWY, PE	970.0
VALDEZ ARPT RD INTER UPGRADE	150.0 ✓
NORTHERN REGION FED AVIATION	
CORDOVA AIRPORT IMPROVEMENTS	1320.0 ✓
VALDEZ SAND STORAGE BUILDING	400.0 ✓
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS	
CHENEGA CONTAM SITE CLEANUP	30.0
*** ELECTION DISTRICT TOTAL ***	22356.1
FED RCPTS	22026.1
GENERAL FUND	330.0

CHENEGA BAY DEMOLITION PLAN

Cost Estimate Summary

CONTRACT COSTS:

Labor	224,350.
Equipment	123,500
Petroleum, oils, & lubricants	15,100
Transportation	<u>32,500</u>
Total estimated cost	3415,550
Contractor contingency, O. H., profit	<u>31,000</u>
Total estimated contract	3496,550

ROUNDED CONTRACT COST 496,000

ADMINISTRATIVE OVERHEAD: 39,000

PROJECT CONTINGENCY: 50,000

TOTAL ESTIMATED PROJECT COST IN 1991 DOLLARS 3525,000

A PLAN FOR THE RESTORATION
OF
THE SITE OF THE ABANDONED CANNERY
AT
CHENEGA BAY, ALASKA

Prepared By

JAMES R. CLINTON

December 10, 1990

For

THE NORTH PACIFIC RIM
3300 C Street
Anchorage, Alaska

CHENEGA BAY, ALASKA
A PLAN FOR THE SITE RESTORATION OF THE ABANDONED CANNERY

December 10, 1990

This study and report will present a demolition plan and a project budget for the removal of the abandoned fish processing plant which presently exists at Chenega Bay, Alaska.

SUMMARY:

1. The project can be accomplished without overly severe environmental regulatory complication or prohibitive cost penalty resulting from the regulations.
2. Project budget in 1991 dollars is \$565,000.

GENERAL INFORMATION:

Chenega Bay is located on Evans Island in Prince William Sound, Alaska, on the shore of a small cove formerly known as Crab Bay. It's coordinates are

Latitude: 60°04'N
Longitude: 142°02'W

The abandoned fish processing plant at this location is reported to have been constructed about 1930 although the machinery it contains and the style of construction would indicate it to be ten years older. It operated as the Chatham Stuart Fish Company until about 1956. It operated spasmodically after that depending on the fish run until 1960 and has not operated since then. Nor has it been maintained. The original construction utilized locally cut and milled spruce insofar as practical. During the past several years much of the useable lumber has been salvaged leaving the plant open to the full force of the weather. The remaining structure is full of dry rot and is in the process of collapsing. Most of the operating machinery was left in the plant and is useless for anything but scrap iron. A substantial amount of this machinery and its' attendant piping is supported off the floor by rotting wood. The installed machinery included a steam boiler and a quantity of steam piping which was insulated with asbestos/plaster wrapped with muslin cloth in the style of the time. Only a few scattered remnants of this insulation remain - the rest having weathered off the pipe, fallen to the floor, and been washed away by rain and snow.

Several large steel tanks exist outside and immediately adjacent to the plant. Several were fuel tanks in which was stored bunker oil and, probably, diesel oil. These tanks are supported from three to five feet off the ground on wood piers, wood caps, and a timber deck system, all of which is in a condition ranging from good to advanced decay. The tanks are of bolted construction. All have been damaged severely by rust and snow loads. It is probable that the bottoms below the outlets contain sludge residues of the products that were stored in them. Some spills have occurred around the tanks. At the time of inspection the snow and ice cover in the area rendered it not possible to estimate how much product has spilled, but other investigators have previously estimated that about 3,000 gallons or a little more have emptied on the ground. It was not possible to see how far it has spread or to what degree it has weathered.

The piles supporting the over water portion of the structure are a mixture of native spruce and other wood piles which appear to have received some sort of treatment which is probably creosote. The untreated piles are rotting above water and destroyed by marine worms below water. The creosote piles have weathered almost surface clean but appear to be in better shape. A sixteenhundred square foot area of the center of the pile supported structure has collapsed into the waters' edge at this writing. It would not strain the imagination to picture the whole pile supported section collapsing into the bay with this winters' snow load during the southeasterly storms which are common to the area. In such an event the debris would be scattered by wind, wave, and tide throughout Prince William Sound to become a hazard to both navigation and the fishermen who use these waters.

In its' present advanced state of decay it is difficult to overstate the danger this structure presents to anyone in it, on it, or under it. Unfortunately it presents an irresistible temptation to the village children as a place to play. To protect their safety it certainly must be removed.

DEMOLITION PLAN:

1. MOBILIZATION. It has been assumed in the preparation of the cost estimate for this project that the equipment and supplies for the project will be moved to Chenega Bay from Seward or Whittier. Mobilization from Valdez or Cordova would cost about the same.

Conversations with the Community Administrator of Chenega Bay indicate that the community desires that local residents be given preference in hiring for the work. This is desirable in all respects depending on the availability of qualified people at the time needed. If the job is timed correctly it should be started as soon as the snow is gone in the spring to take advantage of the best weather for the work. But this would time the work to be in full swing at the same time as the fishing season in the Sound. Obviously, since Chenega Bay is a fishing village, this would present a choice to qualified local residents.

It was also indicated that the residents would not fully enjoy the influx of a crew from outside the community. It is a quiet, insular community. Intrusions of this nature are very distressing to them.

In resolving these issues the conservative option has been taken in preparing the cost estimate. The cost of a temporary camp which will accommodate a maximum of 14 people is included. This camp will require cooperation from the village in providing a suitable site with access to sewer and water. It might be of interest to the community to use this as an opportunity to leverage the acquisition of some quarters for accommodating visitors to the village.

1. ASBESTOS. Two sets of regulations apply:

- a) Alaska Department of Labor
Division of Labor Standards and Safety
Occupational Safety And Health Standards
Construction Code (Asbestos)

Copies of this code may be obtained in Anchorage at the Alaska Department of Labor, 3301 Eagle Street.

- b) United States Environmental Protection Agency
Office of Pesticides and Toxic Substances
Washington, DC 20460
Guidance for Controlling Asbestos-
Containing Materials in Buildings

Ref: Paragraphs 61.145, 61.146, 61.147

Copies of these regulations may be obtained in Anchorage at the Alaska Operations Office, Federal Court House, 222 W. 7th Ave., Room 537.

Note should be taken of 61.145(c). If a higher governmental authority (Borough or State) ordered demolition then the EPA requirements are simplified. Unfortunately no Borough exists and no State agency claims that authority.

The written notice required in para 61.146 is mandatory and must be submitted as specified.

The general effect of these regulations is to require that the asbestos be removed by trained, certified people. These workers will be required to wear respirators and disposable protective clothing. Nobody will be permitted on the jobsite during asbestos removal excepting these equipped workers. They will have to keep the material which they are removing wet while it is being handled. The asbestos will be packaged in marked, sealed, double bags. Disposal of the bags must be in a permitted landfill. The closest permitted landfill is in Anchorage. This work is a specialty and is ordinarily subcontracted out by a General Contractor to a specialist. Prudent care must be taken by both the General Contractor and the Subcontractor to keep this phase of the operation safe for the workers.

2. GENERAL DEMOLITION. The overall plan for demolition is as follows:

- a) Remove the asbestos.
- b) Prepare the community landfill site to receive the scrap wood for burning.
- c) Clean up the sludge as it may appear inside the tanks and package the sludge in acceptable tanks and the soiled sorbents and waste in poly bags. These containers will be stockpiled for later shipment with the asbestos containers and scrap iron to acceptable disposal sites.
- d) Dismantle or cut up the tanks into convenient sizes for handling and shipping, and stockpile them in the area of the beach landing site.
- e) Clean up the spilled oil sludge from the ground, and package and stockpile it for later shipment. Alaska DEC regulations require the ground contamination to be reduced to 20 parts per million.
- f) Continue the onshore demolition. Haul the wood to the landfill and pile and burn it. Reduce the iron to convenient handling and shipping size and pile it for loading and shipping.

- g) The demolition of the portions of the structure which are supported on piles over the water requires some discussion.

It is possible that a resourceful demolisher could remove the pile supported sections of the structure from the land. It would be risky and inconvenient to do so, but it can be done. In the interest of safety and the more conservative approach, the cost estimate contained herein has been based on working from the water utilizing a crane mounted on a barge to remove the over-water portions of the structure. These operations can and should be conducted concurrently with the onshore work.

Everything above the pile heads will be hauled to the landfill site and burned.

The piles will be removed by breaking them off at the mud line with the crane. The native spruce piles can be burned. Alaska DEC regulations 18AAC 50.030(b)(c) forbid burning creosote treated piles. They must either be salvaged and stockpiled for future use or removed from Chenega Bay and hauled to and buried in a licensed landfill. Anchorage is the closest place. This plan anticipates salvaging and stockpiling the creosoted piles in the area of the Chenega Bay landfill. The creosoted piles should not be stacked in a tight pile, but they should be cribbed with space between piles and tied at the corners to keep them from rolling. The salvaged piles will be useful in the future as building piers.

3. DISPOSAL.

- a) Asbestos, properly bagged and marked, will be sent to the landfill in Anchorage.
- b) Oil, oily waste and grease will be sent to a disposal site in Oregon.
- c) Creosote treated piles will be salvaged and stockpiled at the landfill site in Chenega Bay.
- d) Scrap iron will be sent to Anchorage for consolidation with other scrap for shipment to the scrap markets outside.

- e) Scrapped lumber and any other combustibles will be burned at the Chenega Bay Landfill and the residue buried. Other noncombustible trash will be buried in the landfill.

PROJECT BUDGET:

Mobilization and demobilization	\$229,000
Dismantling and disposal	257,000
Contract preparation and administration	39,000
Project contingency	<u>50,000</u>
TOTAL PROJECT BUDGET	\$555,000

CHENEGA BAY DEMOLITION PLAN

Cost Estimate Summary

CONTRACT COSTS:

Labor	224,350.
Equipment	123,500
Petroleum, oils, & lubricants	15,100
Transportation	<u>52,500</u>
Total estimated cost	\$415,550
Contractor contingency, O. H., profit	<u>81,000</u>
Total estimated contract	\$496,550

ROUNDED CONTRACT COST 495,000

ADMINISTRATIVE OVERHEAD:

39,000

PROJECT CONTINGENCY:

50,000

TOTAL ESTIMATED PROJECT COST IN 1991 DOLLARS

585,000

CHENEGA BAY DEMOLITION PLAN

Operation Schedule & Labor

No.	Operation	Cal Days	Man-days	Rate	Tot. Labor
1	Mobilize in Anchorage	10	40	200	8000
2	Load & Ship	5	20	400-	12000
3	Unload & Setup @ Chenega	6	36	425-	15300
4	Prepare Landfill & Jobsite	3	18	425-	7650
5	Remove Asbestos & Haz. Wastes	14	56	675-	37200
6	Dismantle & Stockpile Tanks @ Beach	12	72	350-	25200
7	Remove Scrap Iron	12	36	350-	12600
8	Extend Access Ramp @ Jobsite	1	.5	350-	1050
9	Remove & Burn Onshore Combustibles	4	24	350-	8400
10	Mobilize Work & Tender Scows	5	30	200	6000
11	Dismantle Overwater Structure,	12	102	425-	43350
12	Handle & burn NO. 11 Above	6	36	350-	12600
13	Remove Concrete	3	12	350-	4200
14	Load & Ship Scrap Iron	3	18	350-	6300
15	Unload & Rehandle Scrap Iron	2	12	350-	4200
16	Dispose of Hazardous Wastes	3	6	200	1200
17	Demobilize @ Chenega	4	24	350-	8400
18	Ship Equip't to Place of Origin	1	6	350-	2100
19	Demobilize at Point of Origin	10	40	200	8000
TOTALS			332.5		322435

NOTES:

* Denotes that a room & board allowance of \$150 per man-day is included.

Small computational errors in items 7 & 11 were discovered corrected to give a revised total for labor from that which app in the report.

CHENEBA BAY DEMOLITION PLAN

Equipment, Transportation & Administrative Overhead

EQUIPMENT:

Units	Item	Time	Rate	Total	POC
1	Beach crane or hoe	3 Mo.	9000	27000	2050
1	Bulldozer	" "	3600	10800	1620
2	Dumptrucks	" "	4000	24000	3600
1	Front end Loader 3 cy	" "	5000	15000	2250
1	Compressor 150 cfm	" "	300	900	135
1	Water pump 5" Hi press.	" "	300	900	135
1	Welding Machine 200 amp.	" "	300	900	135
1	Clamshell bucket	" "	150	450	68
4	Chainsaws	" "	LS	500	90
1	Jackhammer	2 wks	LS	100	15
	Camp for 14 men	3 Mo.	Included in Labor		---
1	Crane-barge 50 ton	1 "	25000	25000	1500
1	Tender barge	2 "	4000	8000	1000
1	Work skiff & motor	3 "	500	1500	160
lot	Hand tools & rigging		LS	5000	---
lot	Misc vehicles & equip't	3 Mo.	---	2400	350
	TOTAL			\$123550	\$15115
	ROUNDED			\$123500	\$15100

TRANSPORTATION:

2 R/T	Hvy duty lowboy	1050	2100
6 R/T	Flatbed or Van	650	3900
30 R/T	Air charters	250	7500
6 R/T	Tug charters	5000	30000
2 C/L	Scrap shipment	2000	4000
	Hazardous waste shipment	LS	5000
	TOTAL		\$42500

ADMINISTRATIVE OVERHEAD:

Contract preparation	2650
" Advertising	500
" supplies & printing	750
" administration	29000
" Transportation 9 R/T @ 250	2000
Testing fees	4000
TOTAL	\$32900
ROUNDED	\$32900

RECAP OF CHENEGA BAY SALTERY HISTORY

- March 1930 U. S. Forest Service issued a use permit to Chatham Straits Fish Company.
- July 1965 U.S. Forest Service issued a special use permit to Washington Fish and Oyster Company for the 5.3 acre site for use in connection with fish processing. Improvements consisted of: Cannery, Residence, Bunkhouse, Outbuildings and dock.
- Feb. 1968 Above permit terminated for failure to comply with permit conditions, namely maintaining the improvements and premises acceptably to forest officer in charge.
- June 1979 Federal Interim Conveyance of surface rights to Chenega Bay Corp. and subsurface rights to Chugach Corp.
- Sept. 1984 Alaska Department of Environmental Conservation first learned, that prior to the conveyances, 4000 gal. of oil had spilled, leaked or discharged from storage tanks, penetrating the ground and migrating into the waters of Prince William Sound.
- Sept. 1987 State of Alaska files suit against U. S. Secretary of Agriculture asking the court to order clean up and containment of all pollution at the cannery site.
- Dec. 1990 State of Alaska accepts Sept. 1990 federal court judgement for the United States. The court concluded there was insufficient evidence that asbestos was disposed of during federal ownership. State Dept. of Law recommends renewed efforts to seek federal funding, in light of new emphasis in Congress on cleaning up former federal facilities.

Alaska State Legislature

Chairman
State Affairs
Committee

Legislative Council

Transportation
Committee



Representative Eugene Kubina

During Session:
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-4859

During Impane:
P.O. Box 2463
Valdez, Alaska 99686
(907) 835-2111

August 13, 1991

Edgar Blatchford, Commissioner
Department of Community and Regional Affairs
P.O. Box B
Juneau, AK 99811

Dear Edgar,

When we last met in June, we discussed the issue of the herring saltery in Chenega Bay and the necessity of its removal. We agreed at that time to each look further into the matter. My efforts continue to be thwarted by the legalities involved. Have your inquiries yielded any answers?

As you know, the saltery is an ongoing health and safety threat to the people of Chenega Bay. I feel it is urgent that we figure out a way to solve the responsibility question and move on toward a removal of this hazard at the soonest opportunity.

Thank you very much for your help in this matter. I look forward to hearing from you soon.

Sincerely,

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

Representative Gene Kubina
District Six

-- DISTRICT SIX --

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •

ALASKA PACIFIC
SHELLFISH HATCHERY

\$800,000

SEWARD SHELLFISH HATCHERY

SUMMARY SHEET

The Alaska Mariculture Industry

- The shellfish mariculture industry in Alaska is expanding rapidly.
- The number of permitted aquatic farms in Alaska now exceeds the number for Oregon and Washington combined.
- Shellfish sales from Alaska farms is expected to reach \$2 million in 1992 and exceed \$4 million in 1993.
- The concern about health problems associated with eating shellfish from polluted waters has significantly dampened market demand. Alaska, with its pollution free waters and strict inspection program for naturally occurring toxins such as PSP and domoic acid, is one of the very few places that can market shellfish that is genuinely safe to eat. This could turn the state into a major shellfish supplier.

Hatchery Rationale

- Insure a reliable supply of oyster seed for the grow-out farms. Currently, all oyster seed is supplied by two hatcheries located outside the state, one in California and one in Washington state. If either hatchery loses its certification or has production problems, it could devastate the industry in Alaska.
- There is a concern that bringing large volumes of oyster seed into the state will increase the risk that a shellfish pathogen will slip through the detection net and be introduced into Alaska waters. An oyster hatchery in Alaska would significantly reduce the need for seed from outside the state.
- Currently there is no effort to culture clams or scallops in the state because it is too difficult to obtain clam or scallop seed. A hatchery in the state could provide a source for clam and scallop seed and allow shellfish farmers to begin taking advantage of the exceptional markets for both these species.
- Re-seeding projects to restore clam beds destroyed by the Exxon Valdez oil spill will need an in-state hatchery to supply the seed stock.

Concept

- The Chugach Regional Resources Commission (CRRC), a Native consortium involved with natural resource development in the Chugach Native region, is proposing to oversee construction and operation of a shellfish hatchery located in Seward. This hatchery will be used to supply seed stock to shellfish farmers including those operations located in the Native villages in the region.

- The hatchery will be located in Seward on land provided by the University of Alaska, Institute of Marine Science. Seward has all the infrastructure necessary to support the hatchery. Both the Alaska Department of Fish & Game and the Alaska Shellfish Growers Association have endorsed Seward as a primary hatchery location.
- The hatchery will produce mainly oyster seed but will also develop seed stock for clam and scallop operations.

Design

- The hatchery is being designed to produce between 10 million and 12 million oyster seed a year at full capacity plus a small amount of clam and scallop seed.
- Production strategy will be to have all seed ready for distribution to the grow-out farms in May and June of each year.
- It is estimated that it will take between three and five years for the hatchery to reach full capacity. If the hatchery is constructed in 1993, year to year increases in production capacity will parallel the increasing demand for oyster seed in the state. Demand will outstrip capacity by 1998.
- The hatchery building will encompass 20,000 square feet. About 10,000 ft.² will be used to house offices, wet lab/R&D setup, broodstock holding, the spawning area and the seed production area. The water treatment and distribution system and the algae production area will be located in the remaining 10,000 ft.².
- Hatchery water supply will be saltwater with a salt concentration of at least 20 parts per thousand. Water source will be a combination of a deep water intake in Resurrection Bay and saltwater wells.

Cost

- It is estimated that the hatchery will cost between \$1 million and \$1.3 million to design, construct and equip. Design and construction will take approximately one year to complete once funding has been obtained.
- The annual operating cost is estimated to run between \$300,000 and \$350,000.
- CRRC is searching for funding to construct the hatchery.
- CRRC will take responsibility for the operating costs.

scallop production not only to take advantage of additional markets, but to diversify the product base in order to help insulate the industry from problems that may develop with a particular species.

Currently, the lack of available seed stock is preventing farms in the state from producing clams and scallops. It is planned that the hatchery will initiate a program for producing clam and scallop seed stock. Significant production of clam and scallop seed will take several years to develop. Identifying wild stocks of clams and scallops in the state that are suitable for culture operations will take a lot of time. In addition, difficulties in culturing the commercially valuable weathervane scallop will need to be overcome. It is estimated that it will take five to seven years to achieve significant production of clam seed and perhaps longer for scallops.

The hatchery that is envisioned for Seward will require 20,000 ft.² of enclosed space. About 10,000 ft.² of this will house offices, the wet lab/R&D setup, broodstock holding, spawning and seed production areas. The remaining 10,000 ft.² will contain the water treatment and distribution system and algae production. Unlike salmon hatcheries shellfish hatcheries manufacture the food needed to produce the seed stock. Bivalve shellfish eat microalgae through their entire life cycle. These shellfish require great quantities of algae and the most practical way to obtain it in a hatchery situation is to grow it on site. Eight to ten 40,000 liter tanks will be needed to produce the amount of algae needed to grow the 10 to 12 million oyster seed to a size of 15 millimeters or greater. Both algae and the seed stock need saltwater with a salt concentration greater than 20 parts per thousand. Saltwater for the Seward hatchery will be obtained from a combination of a deepwater intake in Resurrection Bay and saltwater wells.

The hatchery will be in production for 10 months a year and be shut down for two months for maintenance and disinfection. The production strategy will be to produce maximum size seed for distribution to grow-out farms in May and June. This will be done by growing the seed in separate production cycles of up to 2 million seed per cycle. Seed reaching the desired size prior to the May - June distribution time will be placed on a maintenance diet and held in a relatively dormant state until it is time for them to be shipped to the grow-out farms.

It is estimated that the hatchery will cost between \$1 million and \$1.3 million to design, construct and equip. The annual operating cost is estimated to be between \$300,000 and \$350,000.

Although the hatchery is a very important part of Alaska's shellfish mariculture industry, the industry is not in a position at this time to underwrite construction and operating costs by itself. CRRC is in the process of putting a package together to cover design and construction. The oil spill restoration fund money is certainly a legitimate source for some of the construction funding. CRRC will also put together a package to underwrite operating costs up to the time the hatchery becomes self sufficient.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

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

February 20, 1992

Mr. Richard A. Rolland
Executive Director
The North Pacific Rim
3300 "C" Street
Anchorage, AK 99503-3920

Dear Mr. Rolland:

Thank you for your letter of support to Governor Hickel for the department's proposed Mariculture Technical Center (MTC). You are aware that during this time of declining revenues and increased costs that not all capital requests will be funded. However, because this project will support a new and developing, primarily rural industry in Alaska, I am hopeful that it has a good chance for funding this year.

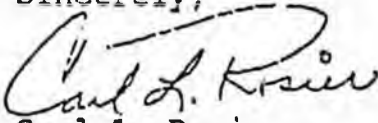
I compliment your organization on the commitment to build Alaska's first commercial shellfish hatchery. It is sorely needed, and is an essential step in the evolution of the industry. The MTC would add the needed extension of research and development of technology that could be applied directly to your endeavor. Aquatic farming has excellent potential to add to the economic base and diversity of the coastal Native communities in Alaska. Your efforts in developing that opportunity are outstanding.

Though a final site has not been selected, a list of sites with suitable physical and biological characteristics was developed by the department in consultation with the aquatic farm industry and University of Alaska staff. The Seward location was rated highly. Should the project be funded, that location will be one of the primary sites considered.

Please feel free to contact Jim Cochran, Division of Fisheries Rehabilitation, Enhancement and Development Mariculture Coordinator, at 465-4160, if you have further questions regarding the project proposal.

Thank you for your interest.

Sincerely,



Carl L. Rosier
Commissioner

Mr. Richard A. Rolland

-2-

February 20, 1992

cc: Clem Tillion
Commissioners ADF&G, DCRA, and DCED
Jim Cochran, FRED
Jeff Koenings, FRED
Rodger Painter, ASGA

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

150 THIRD STREET
 JUNEAU, ALASKA 99801-1291
 PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
 ANCHORAGE, ALASKA 99508 4302
 PHONE: (907) 563-1073

March 9, 1992

Mr. Richard A. Rolland
 Executive Director
 The North Pacific Rim
 3300 "C" Street
 Anchorage, AK 99503-3920

RE: Capital Funds Request for Mariculture Center

Dear Richard:

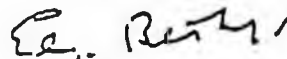
Thank you for your letter of February 11, 1992, requesting support for your funding request to establish a mariculture hatchery in conjunction with a mariculture technology center.

I fully support the development of a mariculture industry in Alaska; it's a natural for our maritime environment. I have brought this issue before the Rural Sub-Cabinet and I feel they are in support as well. Officials from the Department of Fish and Game have reported phenomenal growth in the shoreside mariculture industry and indicate this is only the beginning. I have assigned a staff task force to study the issue of permitting and recommend to the Sub-Cabinet ways to streamline and accelerate currently cumbersome permitting requirements.

The FY93 capital budget is due out early this week. I will review it closely for mariculture funds. At the same time, I caution you to note the severe fiscal crisis looming before the state. Oil revenues are much less than forecast and budget cuts are imminent. Discussions are currently underway to slice some \$200 M plus from the operating budget. Critics note that possibly some cuts should come from the capital budget as well. All this affects our ability to address development funding needs such as yours.

Please stay in close contact with this office as well as the Department of Fish and Game as the budget process works its way to the end. Thank you for your letter and concerns.

Sincerely,



Edgar Blatchford
 Commissioner

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

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

March 12, 1992

Mr. Richard A. Rolland
Executive Director
The North Pacific Rim
3300 "C" Street
Anchorage, AK 99503-3920

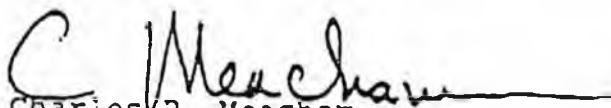
Dear Mr. Rolland:

Thank you for your February 11 letter to Commissioner Rosier that provides additional information on The North Pacific Rim's proposed shellfish hatchery. I also appreciate your continued cooperation and support for the department's Mariculture Technical Center funding request.

I agree that aquatic farming is an excellent opportunity for economic diversification in rural Alaska communities. The program you outline for development of the farms at Tatitlek as well as other communities you are involved with sounds exceptional. I want to assure you that you have my support in these endeavors; I offer my assistance and that of my staff in your efforts. It is a unique opportunity to have the state and private enterprise work together to achieve development of a new industry for Alaska.

Please keep me apprised of your progress and any assistance the department may be able to provide. Thank you for your continued interest and involvement.

Sincerely,

Charles P. Meacham
Deputy Commissionercc: Clem Tillion, Governor's Special Assistant
Jim Cochran
Jeff Koenings
John Nielsen, President, ASGA
Rodger Painter, ASGA Special Projects

Alaska State Legislature



Write in Session:
P.O. Box V
State Capitol
Juneau, Alaska 99801
465-4829

P. O. Box 2463
Valdez, Alaska 99586
835-2659

Representative Eugene Kubina

February 20, 1992

Mr. Richard A. Rolland
Executive Director
The North Pacific Rim
3300 "C" Street
Anchorage, Alaska 99503-3920

Dear Dick:


Thank you for the letter on the Mariculture development taking place in Prince William Sound. I am aware of, and appreciate, all of the effort that the Chugach Regional Resources Commission is involved in with some of the villages in District 6.

We're all aware of the dramatic need for economic diversification throughout the region, and Mariculture seems to be a natural for serving this purpose. The success that the oyster culture test beds have shown in the last year implies that there may be great potential for long term employment if the projects are developed to their full potential. The fact that the villages of Tatiklek and Chenega Bay have the opportunity to be involved is encouraging to say the least.

I intend to include the request, for funding of the Mariculture projects outlined in your letter, in the annual capital improvement projects request as well as in the special restoration funds requests that we are currently preparing. In fact, I talked today to Max Hodel, the Governor's Chief of Staff on the subject. He agreed that this is one area where Exxon Valdez money can and should be used.

It was good to meet with you earlier this month. I hope to see you if you visit Juneau again during the session. Thank you again for all the encouraging information you have provided.

Sincerely,


Representative Eugene Kubina
District 6

GK/rjl



Official Business

Alaska State Legislature

SENATE

*Committee on Finance*P.O. Box V
State Capitol
Juneau, Alaska 99811

RECEIVED FEB 21 1992

February 13, 1992

Richard A. Rolland, Executive Director
The North Pacific Rim
3300 C Street
Anchorage, AK 99503-3920

Dear Mr. Rolland:

I have received your February 11, letter concerning mariculture development. Please extend my congratulations to the villages of Chenega and Tatitlek for their success in oyster development.

I have noted your request for \$1 million in state funding for an oyster hatchery in Seward to be affiliated with the Institute of Marine Science. Also, I have noted your support of the Department of Fish and Game's \$1.8 million request for a mariculture research and development center.

Thank you for keeping me advised of your opinions on these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Keritula".

Jay Keritula
State Senator

JK:ms



RECEIVED FEB 21 1992

REPRESENTATIVE LOREN LEMAN West Anchorage

3111 C Street Anchorage, AK 99503 561-7614 During Session: P.O. Box V Juneau, AK 99811 465-2095

February 18, 1992

Mr. Richard A. Rolland
Executive Director
The North Pacific Rim
3300 C St
Anchorage AK 99503-3920

Dear Mr. Rolland:

RE: Mariculture Development in Prince William Sound

Thank you for your February 11 letter with supporting information regarding resource development in the Chugach Native Region. I applaud you for your aggressive efforts at establishing a promising new industry.

I support your efforts to fund new facilities. Your projects seem like classic examples for funding from the Exxon Valdez settlement.

You mentioned the development of oyster farms as a means for "replacing resources lost in the Exxon Valdez spill." I know that the spill resulted in substantial loss of birds, otters, seals and sea lions. However, what are the lost resources that oyster farming will replace?

I too enjoyed our brief conversation at the AFN reception. Thank you for stopping to chat with Joseph and me.

Sincerely,

Loren Leman
Loren Leman

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 2, 1992

Mr. Richard Roland
Executive Director
The North Pacific Rim
3300 C Street
Anchorage, AK 99503-3920

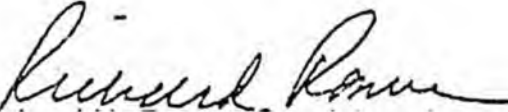
Dear Mr. Roland:

This is to acknowledge your letters to myself and Governor Hickel, both dated February 11, 1992, regarding your organizations mariculture project.

The project appears to show enormous potential for economic development and job opportunities for your communities and region. We are pleased that you are taking the initiative and have the foresight to create the opportunities for local residents. These are the types of projects the Governor likes to see because they have a direct positive impact on the people and their communities.

Please feel free to call or visit next time you are in Juneau.

Sincerely,


Richard H. Romer, Special Assistant
for Rural Affairs

cc:enc: Commissioner Edgar Blatchford, DCRA
Shelby Stastny, Director, OMB
Paul Fuhs, Legislative Liaison

bcc:enc: Jackie Brown

ALASKA DEPARTMENT OF FISH AND GAME

DIVISION OF
FISHERIES, REHABILITATION, ENHANCEMENT AND DEVELOPMENT



REPORT
on
AQUATIC FARMING ACTIVITIES
in 1991

JUNEAU, ALASKA
JANUARY, 1992

Prepared by:

James O. Cochran, Mariculture Coordinator

Jeffery P. Koenings, Ph.D., Director

THE MARICULTURE PROGRAM

Background

The Aquatic Farm Act (Section 19, Chapter 145, SLA 1988) was signed into law on June 8, 1988, authorizing the Commissioner of ADF&G to issue permits for the construction or operation of aquatic farms, and hatcheries to supply aquatic plants or shellfish to aquatic farms. The intent of the program was to create an industry in the state that would contribute to the state's economy and strengthen the competitiveness of Alaska seafood in the world marketplace, broadening the diversity of products and providing year-round supplies of premium quality seafood. The law limited aquatic farming to shellfish and aquatic plants. In 1990 CSHB 432 became law, prohibiting farming of finfish in the state.

Regulations to administer the aquatic farm program were developed by the resource agencies during 1988 and 1989. The Department of Natural Resources (DNR) divided coastal Alaska into eleven districts. The law required that each district be opened annually for 60 days for farm site application. Permits for farm or hatchery sites not located on state land may be applied for at any time.

The ADF&G, FRED Division Mariculture Program, in cooperation with the department's fisheries management and Habitat Divisions, carries out the statutory and regulatory responsibilities of the department pertaining to aquatic farming in Alaska.

The Mariculture Program responsibilities include:

- in cooperation with ADF&G Habitat Division, coordination of the permitting process for aquatic farms and hatcheries
- review of aquatic farm and hatchery permit applications for site suitability and technical and operational feasibility
- issuing and administering the department aquatic farm and hatchery permits
- interdivisional coordination of the aquatic farm program
- administration and coordination of aquatic stock acquisition permits for the purpose of supplying brood stock and seed stock to aquatic farms and hatcheries
- administration and coordination of the shellfish and aquatic plant transport permit system
- administration and coordination of research permits for aquatic farming and hatchery activities
- provide technical assistance to other divisions, agencies and the public sector

- coordinate aquatic farming and hatchery research activities statewide

Program Implementation

The FRED Division Mariculture program continued to evolve in 1991. Budget constraints eliminated the research program and reduced technical assistance provided to the industry. The administrative work load associated with the large number of permittees continued to grow.

Considerable interaction with the other resource agencies, including the Department of Environmental Conservation (DEC), DNR, Division of Governmental Coordination (DGC) and Federal agencies was required to review and revise the permitting process and insure coordination of effort. The Interagency Mariculture Workgroup (IAMWG) ceased to formally exist with the change of administration. An informal group of agency representatives met several times to review and revise the aquatic farm permit application form and to discuss applications. FRED Division and Habitat Division continued to coordinate the farm permitting process. FRED Division coordinated the overall department program, reviewed permit applications, and issued aquatic farm permits. Habitat Division coordinated the department Alaska Coastal Management Program (ACMP) and statutory review, providing that information to DGC.

Permitting and administration responsibilities for aquatic stock acquisition, shellfish and aquatic plant transport and Scientific or Educational Permits were administered. One clerical position was assigned to the program to assist with administrative functions.

Forty eight aquatic farm permit applications were received and processed this year. Thirty one farm operation permits were issued. Three permits were closed at the request of the respective permittees. Scientific/educational (research) and acquisition/transport permit applications were at levels consistent with the number of permitted farms (table 11.1) and are expected to increase again in 1992, reflecting the increase in active farms.

A statewide opening of all aquatic farm districts is again scheduled for March/April, 1992.

The division proposed a Mariculture Technical Center (MTC) for inclusion in the Governor's capital projects budget for fiscal year 1993. The Commissioner supported the request and prioritized it in the top 1/3 of projects submitted by the ADF&G to the Governor for consideration. If funded, the MTC would be a central facility providing assistance to the industry through practical research and development, providing indigenous seed stocks not available from commercial sources, and space for private mariculture development projects. The Alaskan Shellfish Grower's Association (ASGA) voted unanimous support of the project and elected sub-committees to work with the department during project development. A committee composed of the FRED Division Mariculture Coordinator and University of Alaska staff met to initiate the site selection process. Considering only technical criteria, locations were ranked according to physical and biological variables that would not compromise facility operations for any species of potential value to the industry. Two locations, Seward and Juneau, were determined to

meet the criteria defined. Other sites (Sitka, Seldovia area) were determined to have features that would compromise the facility. Two sites, Kodiak and Yakutat, could not be evaluated because of insufficient information. A conceptual design and detailed cost estimate were prepared. Further work on the project was deferred awaiting a determination on facility funding.

Aquatic Farm Operations

1991 was a pivotal year for the aquatic farm industry in Alaska. With the implementation of the Aquatic Farm Act, farmers could acquire a farm site permit from DNR that was a property right revokable only for breach of permit conditions. The initial permit is for a three year period, during which the permittee must attain goals agreed upon in the farm's development plan. Once the goals are attained the permittee may apply for a ten-year lease which is assignable. This added stability to the industry and should provide some remuneration for the effort and investment of developing a farm site. A number of farms reached their development plan goals in 1991. The first applications for conversion of DNR permits to leases are expected in 1992.

Aquatic farmers aggressively pursued operations in 1991, even though the Southcentral permits were issued late in the spring. Thirty seven of the 56 permitted farms reported inventory in the water at the end of 1991 (table 11.2). At market size, this inventory was valued at over \$2.7 million. Aquatic farm sales for 1991 were again slightly less than \$100,000. Production was dominated by oysters, with a small amount of mussels produced in southcentral Alaska. This was expected because no new farms had received permits by beginning of the growing season and the existing farms had taken a conservative approach to seed purchases and acquisition in 1989 and 1990.

Southeast farmers received an average of \$0.28/oyster, up slightly from the \$0.27 received in 1990. The Southcentral value was, as last year, higher at \$0.42/oyster. This was down from \$0.48 in 1990. The average price received for mussels was \$1.73/lb. The amount of product sold was small, though, and probably does not reflect the price farmers are likely to receive for mussels as production increases. One farmer harvested wild, adult mussels and cycled them through his farm for periods of several weeks to a few months. Though legally definable as farm product, this "semi-farmed" product represented a quality question for the industry. For purposes of blue mussel value projections, \$1.50/lb seemed attainable. (table 11.2) All prices were based upon landed value at the farms and did not take into account production or transportation costs.

A growing facet of the aquatic farm industry was employment opportunities provided by farm operations. Excluding owner-operators and non-resident managers or consultants, 94 individuals were employed by the farm industry this year, working over 3600 person-days (table 11.2). No figures for jobs in the processing sector were available.

Industry Projections

Though 1991 production was low, the end of year inventory of farm product was

encouraging. Over 5.5 million oyster spat were purchased by Alaskan farmers. Production was regional in nature, attributable to successes of farms within the regions. The picture will change in 1992, though, primarily due to active native corporation farms in Southcentral. Southeast Alaska will cease to be the state's largest producer of farmed shellfish. Oysters available from the farms should increase significantly, statewide. Mussel production is not expected to increase. No other species of shellfish or aquatic plants will contribute to farm sales.

Large-scale aquatic farm industry development was again constrained in 1991 by the lack of government assistance (loan funds, grants, etc.) and the general lack of loans or other sources of investment capital from the private sector. Out-of-state businesses did not show interest in investing in the industry this year. This is almost certain to change. Nationwide, shellfish production is constrained by pollution and competition for limited coastal resources. The major eastern U.S. production areas, such as Chesapeake Bay, have ceased to be a major factor in shellfish production. For the first time, Washington state became the largest oyster producer in the United States. There, increasing effects of pollution, upland development and user conflicts are occurring and will limit growth of the industry. Washington has approximately half the number of permitted aquatic farms that Alaska has, though they are larger. British Columbia's industry is growing, receiving considerable support from the public sector. Alaska, with its clean waters and large amount of protected coastline, has immense potential of becoming a major aquatic farming area. Investment capital, the logistics of producing and selling product, and lack of a vertically integrated industry are major constraints that will have to be addressed before this can occur.

A major component lacking in Alaska is a hatchery industry to provide a dependable supply of seed to aquatic farms. No shellfish or aquatic plant hatcheries exist in-state. All oyster seed must be imported from Washington. Collection of indigenous stock seed is susceptible to the vagaries of nature. To help address this problem, the North Pacific Rim, representing native people in the southcentral Alaska area, committed to construction of an oyster hatchery in Seward. This facility is intended primarily to produce seed for native-owned farms in the area. If funded, the MTC will also help provide a consistent supply of shellfish and, possibly, aquatic plant seed until other commercial hatcheries come on-line.

The benefits of aquatic farming as a source of income and economic stability is of interest to a number of rural Alaskan communities. In 1991 development and site suitability research was conducted near Angoon in Southeast and Chenega Bay in Southcentral. Active farms were being operated by the Klawock Heenya Corporation and Yak-Tat Kwaaan in Southeast, and the Tatulek Native Corporation in Southcentral. Considerable interest in aquatic farming was shown by villages on Kodiak Island, Prince William Sound and the Kenai Peninsula. Even the educational community was involved, with Petersburg High School operating a for-profit farm.

Table 11.1. 1991 Aquatic Farm Program Permit data.

	Southeast Districts	Southcentral Districts	TOTAL
<u>OPERATIONS</u>			
Permit applications	10 ¹⁾	38	48
Permits issued	2	29	31
Permits withdrawn	2	1	3
Permits pending or still in process	6	19	25
Permitted farms as of 12/31/91	26	30	56
Farms operating in 1991 that reported inventory	20	17	37
Farms in certified growing areas ²⁾	17	22	39
<u>RESEARCH</u>			
No. permit applications received	5	4	9
Permits issued	4	2	6
Permits pending	0	1	1
<u>SHELLFISH AND AQUATIC PLANT ACQUISITION/TRANSPORT</u>			
Permit applications received	39	68	107
Permits issued	33	64	97
Permits pending	6	1	7

1) Includes 3 applications for significant permit amendments

2) More than one farm may be located in a growing area as defined by the Department of Environmental Conservation

Table 11.2. 1991 Aquatic Farm Operations Data.

	<u>Southeast Districts</u>	<u>Southcentral Districts</u>	<u>TOTAL</u>
<u>SALES</u>			
Oysters (ind.)	160,376 ¹⁾	61,380	221,756
Value \$44,440	\$25,780	\$70,220	
Mussels (lbs)	0	17,076	17,076
Value \$0	\$29,628	\$29,628	
	Total Aquatic Farm Sales		\$99,848
<u>END OF YEAR INVENTORY</u>			
Oysters (ind.)	4,933,600 ²⁾	2,849,655 ¹⁾	7,783,255
Value (\$0.35/ind)	\$1,726,760	\$997,379	\$2,724,139
Mussels (lbs)	3,600	45,800	49,400
Value (\$1.50/lb)	\$5,400	\$64,566	\$69,966
	Total Aquatic Farm Inventory Value		\$2,794,105
<u>EMPLOYMENT SUMMARY</u>			
No. employees	31 ³⁾	63 ³⁾	94
Days worked	1,921	1,700	3,621
No. volunteers	16 ⁴⁾	0	16
Days worked	55	0	55

1) One active farm did not report production data in 1991. 1990 information used to extrapolate estimate in this table.

2) One active farm did not report end of year inventory.

3) Does not include farm owner or non/resident manager

4) Includes participants at school owned site

ALASKA
SEALIFE CENTER

\$600,000

CITY OF SEWARD
CAPITAL PROJECT ASSISTANCE 1992

CATEGORY - ECONOMIC DEVELOPMENT

PROJECT TITLE: ALASKA SEALIFE CENTER

PROJECT COST: EXCESS OF \$40,000,000

ANNUAL O & M COST: \$4,000,000 TO \$5,000,000

DESCRIPTION:

The Center will consist of a world-class, state-of-the-art research, rehabilitation and public viewing facility that will be a national and international destination point. It will be located on the south shoreline of Seward's downtown business district, south of Railway Avenue between Third and Fifth Avenues and adjacent to the University of Alaska Institute of Marine Science. The area will be developed into a park like setting, with promenades and pedestrian amenities connecting buildings, pools and other facilities.

IUSTIFICATION:

Seven species of marine life, including four animals and three birds that live in the subarctic area adjacent to the Alaskan coastline are classified as threatened. If any of these species are classified as endangered, severe restrictions will be enforced in the area where they reside and upon their natural food, which includes salmonoid and bottom fish. Such restrictions could have a disastrous effect on the economy of Alaska, especially coastal fishing and tourist communities. The center will have a primary mission to research the endangered species and develop solutions to halt their alleged decline. Public education and rehabilitation of stranded, injured or sick animals, whether from natural or environmental disasters, will be equally important functions.

No similar facility that includes all three areas - research, education and rehabilitation exists or is planned in the world. The facility will have a profound economic impact on Alaska. Research projects are anticipated to draw \$10 to \$12 million of research funds and employ 60 to 70 scientists year around. Basic seasonal employment at the facility will be 200 to 400 new jobs. It is estimated 400,000 tourists will visit the facility annually.

OPERATING COST: Estimated to be 4.5 to 5 million dollars per year.

<u>SOURCE OF FUNDING:</u>	Local (Inkind and cash)	\$ 2,000,000
	Private Contributions	150,000
	State (Oil Spill Settlement fund)	<u>\$40,000,000</u>

CONTACT: Darryl Schaefermeyer
City Manager
224-3331

The Honorable Walter Mackel
Governor of Alaska
February 1, 1991
Page 2

premiere center for Arctic marine mammal research. However, the AMMC is needed to achieve this goal.

Another area of concern is the lack of facilities within the state capable of rehabilitating injured or ailing marine mammals. At the present time, they are transported to sites outside the state, at great expense and at increased risk to the animal, for rehabilitation. The AMMC would provide state of the art care in the animals' natural environment as well as additional information to the research arm of the AMMC.

Exxon operated a temporary marine mammal rescue center in Seward during the oil spill. They invested over \$8 million in that facility. Ironically, it is now dismantled and would have to be totally rebuilt in the event of another spill. The AMMC project would take care of that eventuality.

Static displays and viewing areas will be incorporated into the design of the facility to give tourists and Alaskans alike the opportunity to see and learn about our marine mammal life. Our natural curiosity about seals, sea otters, and other marine life will make the AMMC a popular attraction for adults and children alike throughout the year. We foresee a time when school children from throughout southcentral Alaska will make annual trips to Seward as part of their school's science program.

Once the Alaska Marine Mammal Center is built we plan to cover operating costs from operating revenues.

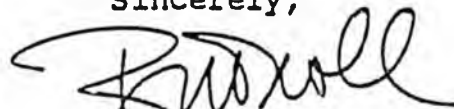
The Alaska Marine Mammal Center is not just a dream. The local community has contributed in excess of \$20,000 to the project. By resolution, the Seward City Council has officially dedicated waterfront property as a site for the facility and has appropriated \$10,000 to assist SAAMS during its initial organizational phase. So far, we have about \$50,000 additional in donated scientific, engineering and legal services. Considering the value of our land, we have a million dollar head start on making the AMMC a reality. We will be meeting with representatives of Cambridge Seven, an internationally recognized design firm, next week to begin development of a site plan and conceptual drawings. We will provide you a set as soon as they are ready.

The groundwork for the Alaska Marine Mammal Center has been laid. The need for the AMMC has been justified by the scientists. Funds are now needed to complete design work and to begin construction. I urge you to keep this project in mind during your discussions with Exxon and as you deliberate on the use of

The Honorable Walter Hickel
Governor of Alaska
February 1, 1991
Page 3

settlement funds for excellent Alaskan projects. We would be most happy to meet with you or with representatives of Exxon to further discuss this project. Thank you very much for your consideration.

Sincerely,



William C. Noll
Mayor of Seward

Enclosures: Letters of Support

cc: Senator Kerttula
Senator Menard
Representative Kubina
Deputy Chief of Staff Roberts
Municipal Liaison Overstreet
OMB Director Stasny
OMB Budget Review Director Fresca
Commissioner Blatchford

CS 4/12/90



OREGON STATE UNIVERSITY
2030 S. Marine Science Drive • Newport, Oregon 97365-5296
Telephone 503-867-0100 Fax 503-867-0138
Bitnet HMSC@ORSTATE.BITNET

September 5, 1990

Mayor William Noll
Seward Assoc. for the Advancement
of Marine Science
P.O. Box 730
Seward, AK 99664

Dear Mayor Noll:

I am writing you at the request of Dr. Michael Castellini of the University of Alaska, Fairbanks who advised me that you are endeavoring to obtain information from the scientific community of interest in the proposed construction of a marine mammal center in Seward.

There are few opportunities where people can view marine mammals endemic to the Alaska region and even less where scientists might have access to these animals for non-lethal studies. I would personally favor seeing such a facility available to University of Alaska and researchers throughout the world to conduct studies of importance for a better understanding of these animals. Many such studies are important for continued conservation of these animals.

I have been active in marine mammal research for over 20 years and can assure you that such a facility would be used by many responsible scientists.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Bruce R. Mate'.

Bruce R. Mate, Ph. D.
Associate Professor
Oceanography

BRM:vb



National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
1335 East-West Highway
Silver Spring, MD 20910
OFFICE OF THE DIRECTOR

JUL 24 1990

Dr. A. J. Paul
University of Alaska Fairbanks
School of Fisheries and Ocean Sciences
Seward, Alaska 99664

Dear Dr. Paul:

Thank you for your letter regarding my reply to Senator Ted Stevens about the feasibility of establishing a new marine mammal research center in Seward.

I continue to believe that Alaska's Institute of Marine Science conducts valuable marine mammal research at its Seward Marine Center, and Seward may be the appropriate location to conduct long-term studies on resident populations of marine mammals.

Sincerely,


William W. Fox, Jr.

THE ASSISTANT ADMINISTRATOR
FOR FISHERIES



UNIVERSITY OF CALIFORNIA, SAN DIEGO

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



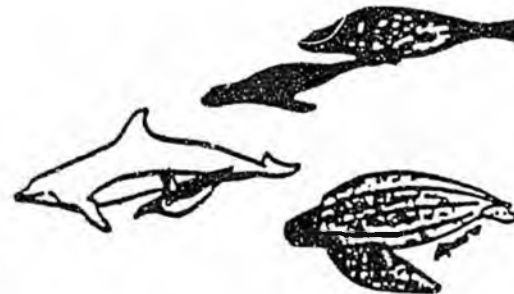
SANTA BARBARA • SANTA CRUZ

SCRIPPS INSTITUTION OF OCEANOGRAPHY
PHYSIOLOGICAL RESEARCH LABORATORY
SCHOLANDER HALL A-004

LA JOLLA, CALIFORNIA 92093-0204

July 24, 1990

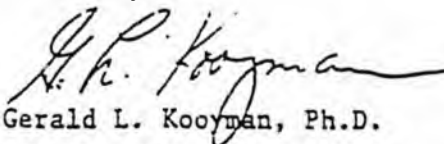
Mayor William Noll
Seward Association for the Advancement
of Marine Science
P.O. Box 730
Seward, Alaska 99664



Dear Mayor Noel:

On my recent visit to Seward and your offices with Dr. M. Castellini, I was very impressed with the potential facilities there. I hope your plans for establishing a marine mammal center are realized. There is no doubt in my mind that if such a facility, in its key location, were available that myself and my colleagues would be anxious to use it in the course of our ongoing research on the behavior and physiology of birds and mammals. Therefore, if there is any assistance I can give you or Dr. Castellini in this endeavor, please feel free to contact me.

Sincerely,


Gerald L. Kooyman, Ph.D.

GLK:pf

cc: M. Castellini



P.O. Box 705
Cordova, AK 99574
(907) 424-5800 FAX: (907) 424-5820

FOR IMMEDIATE RELEASE

APR 20 1992

April 15, 1992

The Prince William Sound Science Center was awarded a major competitive grant in March from the M.J. Murdock Charitable Trust of Vancouver, Washington. The three-year \$300,000 award will provide start-up support for the Center's operation. This funding has allowed Dr. Gary Thomas to assume a full-time position as Director and establish Cordova residence on April 1.

"The M.J. Murdock Charitable Trust recognizes the importance of developing a self-supporting research organization in this region that will provide critical resource information and encourage local participation in natural resource stewardship," said Dr. Thomas. "The Science Center is promoting an ecosystem monitoring and research program that will give resource managers and users better information to consider in balancing the continuing pressures of development with the need to maintain a healthy ecosystem."

This is the second major grant the Science Center has received from national foundations. In late 1990, the Pew Charitable Trusts, of Philadelphia, Pennsylvania, awarded the Center \$120,000 over two years to organize workshops on critical resource management issues.

The Science Center was established in 1989, shortly after the EXXON VALDEZ oil spill. A non-profit research organization, its purpose is to conduct research and ecosystem monitoring to improve

monies in the testing of promising concepts and in the launching of well-thought out programs which have the potential to thrive beyond the stage of initial funding.

In 1990, the M.J. Murdock Charitable Trust provided monies to support the initial phase of a geographic information system (GIS) project for the Greater Prince William Sound region. The GIS program was initially based in Anchorage but the Science Center is looking for cooperators to move this computer facility to Cordova this summer.

The Trust also supported the publication in 1991 of a 16-page document with color maps presenting an initial overview of the Greater Prince William Sound region's ecosystems. Titled Prince William Sound/Copper River/North Gulf Ecosystem, it examines the physical and biological resources, as well as the role of human activities in relation to the resources of the region.

Other accomplishments of the Science Center include the hosting of two workshops, one in 1990 on the long-term research needs for the region, and the second in 1991 on the interactions of natural and enhanced stocks of salmon in Alaska. In addition to the ecosystem overview document, Center publications include: Research for the 1990's in Prince William Sound and the Copper River Delta, and Biological Interactions of Natural and Enhanced Stocks of Salmon in Alaska - Interim Report from the Cordova Workshop, November 10-15, 1991.

In the education field, the Science Center in 1990 helped

RECEIVED MAR 10 1992



NORTH GULF OCEANIC SOCIETY

P.O. BOX 15244
HOMER, ALASKA 99603
(907) 235-6590

Hon. Rep. Cliff Davidson
Alaska Legislature
Juneau, Alaska 99811

Atten: Jay Nelson

Date: March 5, 1992

Re: Proposal to Continue Long Term Killer Whale Research
in Prince William Sound, Alaska via SB 379

Background:

Since 1983 systematic photoidentification studies have been conducted in the Sound by our group. We have been able to determine changes that have occurred in the highly stable resident killer whale pods, first as a result of interactions with the longline fishery and then as a result of the Exxon Valdez Oil Spill. Support from the State of Alaska via the Alaska Legislature and then Senator Mike Symanskis office was instrumental in providing pre-spill data to assess changes in killer whale pods after the spill. Over the past 3 years the Federal Government has supported this critical work, but funding has now ended (as result of Trustees decision) despite the demonstration of damages. These are whales that are viewed by the tour boats and attract visitors from all areas. The Federal Government does not have the long term view of this work that the State has demonstrated in the past. We are asking that the State provide research monies once again to insure the continuity of the project through 1992. Bringing the project back under the State will improve communication and dissemination information as we have been extremely limited in this regard under the Federal program.

Research

The project involves the yearly photographic identification of each animal in the killer whale pods that use Prince William Sound. It is possible to keep track of births, deaths, and other changes within the killer whale population if the process is completed each year. Graduate projects at the University of Alaska and University of British Columbia have been fostered by this study and examine other aspects of killer whale biology. Recently NGOS has produced catalogues of individual whales (for both humpback and killer whales) that soon will be available to the individuals and the tour boat industry for use in identifying whales.

Budget

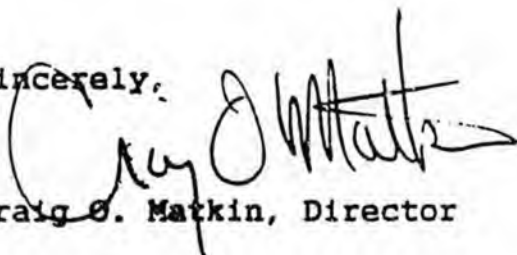
Because of in kind donations, and other support developed by our non-profit research group, the cost to the State for maintaining this project is substantially less than actual cost. Each season NGOS operates a fieldcamp and at least two research vessels and have 6 individuals working part time on the project. The total requested to continue operations in 1992 is \$60,000.

This includes the preparation and completion of the field program, data analysis, and annual report. As was our policy before the oil spill and federal funding, all data files remain open for use by other workers. At this time other users are primarily graduate students.

Breakdown:

Salaries	24,000
Vessel Operations (includes food, fuel, logistic support, etc.)	27,000
Photographic Processing	5,200
Communications, Computer	3,100
Travel	700
	<hr/>
	60,000

Sincerely,


Craig O. Matkin, Director

RECEIVED MAR 3 1992



HOMER SOCIETY OF NATURAL HISTORY
PRATT MUSEUM
3779 Bartlett Street
Homer, Alaska 99603
(907)235-8635



February 28, 1992

Rep. Cliff Davidson, Chairperson
House Resources Committee
Alaska State Legislature
Box V
Juneau, AK 99811

RE: HB411

Dear Rep. Davidson,

The Pratt Museum educates thousands of students each year about the marine environment. More recently we have had the opportunity to educate children and the general public about the consequences of an enormous oil spill on that environment. In addition to our in-house education program, we have created an exhibit on the effects of the spill which will reach millions of people throughout the United States as it travels for the next three years.

We urge you and your fellow legislators to appropriate at least three million dollars (out of the 50 million criminal settlement) for education. By making this money available over time to organizations such as ours, the legislature will be able to play an important part in preventing such a disaster from happening again. Much has been lost, but now it is time to look to the future. Setting this three million aside for education is the greatest assurance that we will all not have to go through this again.

Sincerely,

Betsy Pitzman
Museum Director

cc: Gov. Walter Hickel Rep. Gail Phillips Rep. Mike Navarre
 Sen. Paul Fischer Rep. Georgianna Lincoln Rep. Ivan Ivan
 Rep. Pat Carney Rep. David Finkelstein Rep. Bill Hudson
 Rep. Tom Moyer Rep. Loren Leman Rep. Jim Zawacki



KCHU

Terminal Radio, Inc.

P.O. Box 467 • Valdez, Alaska 99686 • (907) 835-4665 • FAX 835-2847

Representative Cliff Davidson
 Capitol Building, Room 108
 Juneau, Alaska 99811

March 2, 1992

Dear Representative Davidson,

I would like to offer the thanks of the KCHU, Valdez Board of Directors and membership for your sponsorship of HB 411. KCHU is also very pleased to have the opportunity to provide input to the bill. Most important and pertinent here was the provision for the funding of educational projects. Section 6 of the bill includes funding for "grants for environmental education projects related to the Exxon Valdez oil spill and coastal studies". Public information is the sine qua non of any plan for public involvement in the activities of the Trustees Council for the Exxon Valdez Settlement. An informed public makes good decisions and public radio is an integral part of Alaska's information network.

Since March 1989, the numerous social, environmental and political effects of the spill have consumed a sizeable portion of the time and energy of the Valdez/Cordova, Homer and Kodiak public stations. The story continues to be of primary interest to the residents of affected areas. Through the services of the Alaska Public Radio Network, a steady stream of oil spill news and information has been made available to virtually all interested Alaskans. Some, however, still do not have such access. Last week, I received a request from Gail Evanoff of Chenega Bay Corporation for access to KCHU and public radio.

Unfortunately, due to substantial cuts in State of Alaska funding for public broadcasting, the ability of local stations and of the network to respond to requests for service from isolated communities and to provide essential information has been considerably reduced. The residents of Chenega Bay are the most spill impacted population and get no public radio signal. They have little access to news of the trustees or the activities of the Legislature or the Governor that closely affect their lives. Yet the need for public information and public education remains very high.

Community licenced radio stations in spill-impacted areas have been the primary provider of oil spill information and education, to the very limit of their resources, for almost three years. This coverage has been very costly and early on nearly bankrupted KCHU. The cost to the other stations is a burden that becomes daily more difficult to carry. KCHU, Valdez, KMXT, Kodiak, KBBI, Homer and APRN continue to be the logical vehicle for the collection and dissemination of this information. They are also a legitimate recipient of funding through this legislation.

COPPER RIVER DELTA FISH AND WILDLIFE

Memorandum of Understanding

for Cooperative Management of
the Copper River Delta Fish and Wildlife Management Area

between

the U.S. DEPARTMENT OF AGRICULTURE

FOREST SERVICE
ALASKA REGION

and

the U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
ANCHORAGE, ALASKA

and

the U.S. DEPARTMENT OF THE INTERIOR

FISH AND WILDLIFE SERVICE
ANCHORAGE, ALASKA

and

the STATE OF ALASKA

DEPARTMENT OF FISH AND GAME
JUNEAU, ALASKA

and

the STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
JUNEAU, ALASKA

THIS MEMORANDUM OF UNDERSTANDING (hereinafter this "MOU") between the U.S. Department of the Interior, Fish and Wildlife Service, hereinafter called the Fish and Wildlife Service (FWS); the U.S. Department of the Interior, Bureau of Land Management, hereinafter called the Bureau of Land Management (BLM); State of Alaska Department of Fish and Game, hereinafter called the Alaska Department of Fish and Game (ADF&G); State of Alaska Department of Natural Resources, hereinafter called the Alaska Department of Natural Resources (ADNR); and the U.S. Department of Agriculture, Forest Service, hereinafter called the Forest Service (FS), combines and supersedes the Copper River Delta Game Management Area Cooperative Agreement dated April 5, 1962, and is consistent with: the Act of June 30, 1914, pertaining to cooperative funds, the provisions of Section 601 of the Economy Act of June 30, 1932, the Master Memorandum of Understanding (MOU) between the FS and the ADF&G (FS #81009) dated July 6, 1981, and Sections 501(b) and 809 of the Alaska National Interest Lands Conservation Act (ANILCA), Public Law 96-487 dated December 2, 1980, the Bering River-Controller Bay Trumpeter Swan Management Area Cooperative Agreement (FS #76007) dated October 19, 1976, the Copper River Delta Critical Habitat Area established in A.S. 16.20.230(11), and the Alaska Coastal Management Act. This MOU applies to the following lands defined herein as the Copper River Delta Fish and Wildlife Management Area (hereinafter "the Area"): lands defined under Section 501(b) of ANILCA, and adjacent lands administered by BLM and State of Alaska lands collectively depicted on the attached map with a written description, inclusive of the Bering River and Controller Bay drainages shall be identified as The Copper River Delta Fish and Wildlife Management Area.

WITNESSETH:

WHEREAS, the FWS is the Federal agency having primary responsibility for the management and protection of migratory birds in the State of Alaska, and

WHEREAS, the BLM, under guidelines for public land administration established by Public Law 94-579, the Federal Land Policy and Management Act, administers land including Native-selected land adjacent to the Chugach National Forest boundary near Mt. Campbell, Upper Oaklee River, and Berg Lakes in the Bering River-Controller Bay drainages, and

WHEREAS, the FS, by authority of the Constitution, laws of Congress, and regulations of the U.S. Department of Agriculture, is the Federal agency responsible for the administration and multiple-use management of the natural resources within the Chugach National Forest, to include management of fish and wildlife habitat, recreation, wilderness, range, minerals, timber, and watershed, and

WHEREAS, the ADF&G has been created under the laws of the State of Alaska to protect, conserve, manage, enhance and rehabilitate the fish and wildlife resources of the State of Alaska, and

WHEREAS, the ADNR has been created under the laws of the State of Alaska to conserve and develop the natural resources, other than fish and wildlife, on land under State jurisdiction in the best interests of the public, and is in the process of developing the Prince William Sound Area Plan for State lands in this area, and

WHEREAS, the Alaska State Legislature has created in A.S. 16.20.230(11) the Copper River Delta State Critical Habitat Area to protect and preserve habitat areas especially crucial to the perpetuation of fish and wildlife, and

WHEREAS, the Prince William Sound Area Plan will be used to establish intent and guidelines for the management of State lands subject to this MOU. This MOU and the Bering River-Controller Bay Trumpeter Swan Management Area Cooperative Agreement (FS #76007) will be re-evaluated upon completion of the Prince William Sound Area Plan, and

WHEREAS, there are private lands interspersed within the boundaries covered by this MOU, and this MOU has no force or effect on private lands, patented lands, or Native lands currently conveyed, or to be conveyed during the term of this agreement, and

WHEREAS, under Section 501(b) of ANILCA, the FS is directed to manage the Copper/Rude River Addition and the Copper River-Bering River portion of the existing Chugach National Forest for the conservation of fish and wildlife and their habitat as the primary purpose, and

WHEREAS, the FS has been directed under Section 501(b) of ANILCA to draft special regulations for adoption by the Secretary of Agriculture for multiple-use management for the Copper/Rude River addition and the Copper River-Bering River portion of the Chugach National Forest consistent with the conservation of fish and wildlife and their habitat, and

WHEREAS, multiple-use activities shall be permitted in a manner consistent with the conservation of fish and wildlife and their habitat as set forth in special regulations adopted by the Secretary of Agriculture, and

WHEREAS, the taking of fish and wildlife shall be permitted pursuant to applicable State and Federal Law, and

WHEREAS, the Area includes wetlands that are essential nesting, rearing, and staging habitat for a distinct subspecies known as the dusky Canada goose which breeds almost exclusively on the west Copper River Delta, and

WHEREAS, the Area also provides nesting and rearing habitat for one of the largest concentrations of trumpeter swans in North America, and

WHEREAS, the Area's diverse habitats support a wide variety of other breeding water birds, and are a very important spring and fall staging area for a large number of migrant shorebirds, Pacific flyway waterfowl, and sandhill cranes, and

WHEREAS, the Area provides breeding and feeding habitats for large concentrations of bald eagles and a variety of other raptors, and

WHEREAS, the Area provides important habitat for moose, mountain goats, brown and black bears, Sitka black-tailed deer, wolves and other furbearers, and a variety of other species of mammals and birds, and

WHEREAS, the Area includes spawning and rearing waters for significant populations of chinook, pink, sockeye, and coho salmon, and supports both resident and anadromous trout, char, whitefish, halibut, and shellfish, and

WHEREAS, the Area currently provides opportunities for hunting, fishing, trapping, and a broad range of outdoor recreational activities, and

WHEREAS, the FS, FWS, BLM, ADF&G and ADNR recognize the increasing need to coordinate resource planning and policy development for the lands, waters and fish and wildlife of the Copper River Delta Fish and Wildlife Management Area, and

WHEREAS, it is the mutual desire of the FS, FWS, BLM, ADF&G, and ADNR, to cooperate in protecting, developing, maintaining and managing the diverse fish and wildlife and their habitat in the Copper River Delta Fish and Wildlife Management Area for the best interest of the public of Alaska and the United States of America.

NOW THEREFORE:

A. THE FISH AND WILDLIFE SERVICE AGREES:

1. To exercise management authority over migratory birds and to enforce appropriate laws and regulations.
2. To conduct periodic surveys of dusky Canada geese and trumpeter swans.
3. To conduct fish and wildlife research in cooperation with all parties to this MOU.
4. To coordinate with and assist all parties in waterfowl management activities.
5. To provide technical assistance to all parties for waterfowl habitat improvement.

B. THE ALASKA DEPARTMENT OF FISH AND GAME AGREES:

1. To exercise State management authority for migratory birds in accordance with appropriate State laws and regulations.
2. To coordinate and cooperate with all parties to this MOU in planning and conducting fish and wildlife management projects.
3. To conduct migratory bird surveys in cooperation with the FWS and the FS.
4. To cooperate with the FS, BLM, FWS, and ADNR in habitat studies and habitat improvement work to maintain and enhance waterfowl and other fish and wildlife populations of the area.

5. To recommend and enforce harvest regulations that are compatible with the maintenance of fish and wildlife populations and their habitat.
6. To conduct fish and wildlife research in cooperation with all parties.
7. To review under A.S. 16.20.250-260 and 5AAC 95 all proposed land use activities on lands administered by the State within the Copper River Delta Critical Habitat Area and authorize only those activities on lands administered by the State which are compatible with the conservation of fish and wildlife resources, habitats, and uses, as described in A.S. 16.20 Of the Alaska Statutes and 5AAC 95 of the Alaska Administrative code.
8. To develop a management plan for the Copper River Delta Critical Habitat Area.
9. To involve all parties to this MOU in the formulation of the management plan for the Copper River Delta Critical Habitat Area.
10. To conduct an active monitoring and enforcement program on lands administered by the State for land use activities authorized under A.S. 16.20.250-.260 and 5AAC 95.

C. THE ALASKA DEPARTMENT OF NATURAL RESOURCES AGREES:

1. To administer State lands within the Copper River Delta Critical Habitat Area consistent with the State Legislature's intent for those lands.
2. To manage lands within the area encompassed by the Bering River-Controller Bay Cooperative Agreement consistent with that agreement and consider fish and wildlife values when making permit, lease or other disposal decisions on State lands within the Copper River Delta Fish and Wildlife Management Area.
3. To take appropriate measures consistent with current authority and to develop, where appropriate, additional measures to prevent or mitigate significant damage, disturbance, deterioration, or misuse of waterfowl, fish, or other wildlife and their habitat on the lands administered by the State within the Area through the Prince William Sound area planning process.
4. To assist the ADF&G in monitoring land use activities within the Copper River Delta Critical Habitat Area and report any unauthorized land uses promptly to the ADF&G.
5. To assist the ADF&G during the development of a management plan for the Copper River Delta Critical Habitat Area.

D. THE BUREAU OF LAND MANAGEMENT AGREES:

1. To coordinate with all parties to this agreement in the conduct of wildlife and fish research and in the management and protection of the breeding, resting, and feeding habitat of waterfowl, bald eagles, fish, and other wildlife of the area on lands administered by BLM.
2. To cooperate with all parties to this MOU in fish and wildlife habitat work necessary to maintain or enhance fish, waterfowl, and other wildlife populations of the Area.
3. Upon request, to assist all parties to this MOU in their fish and wildlife management activities to the extent possible.

E. THE FOREST SERVICE AGREES:

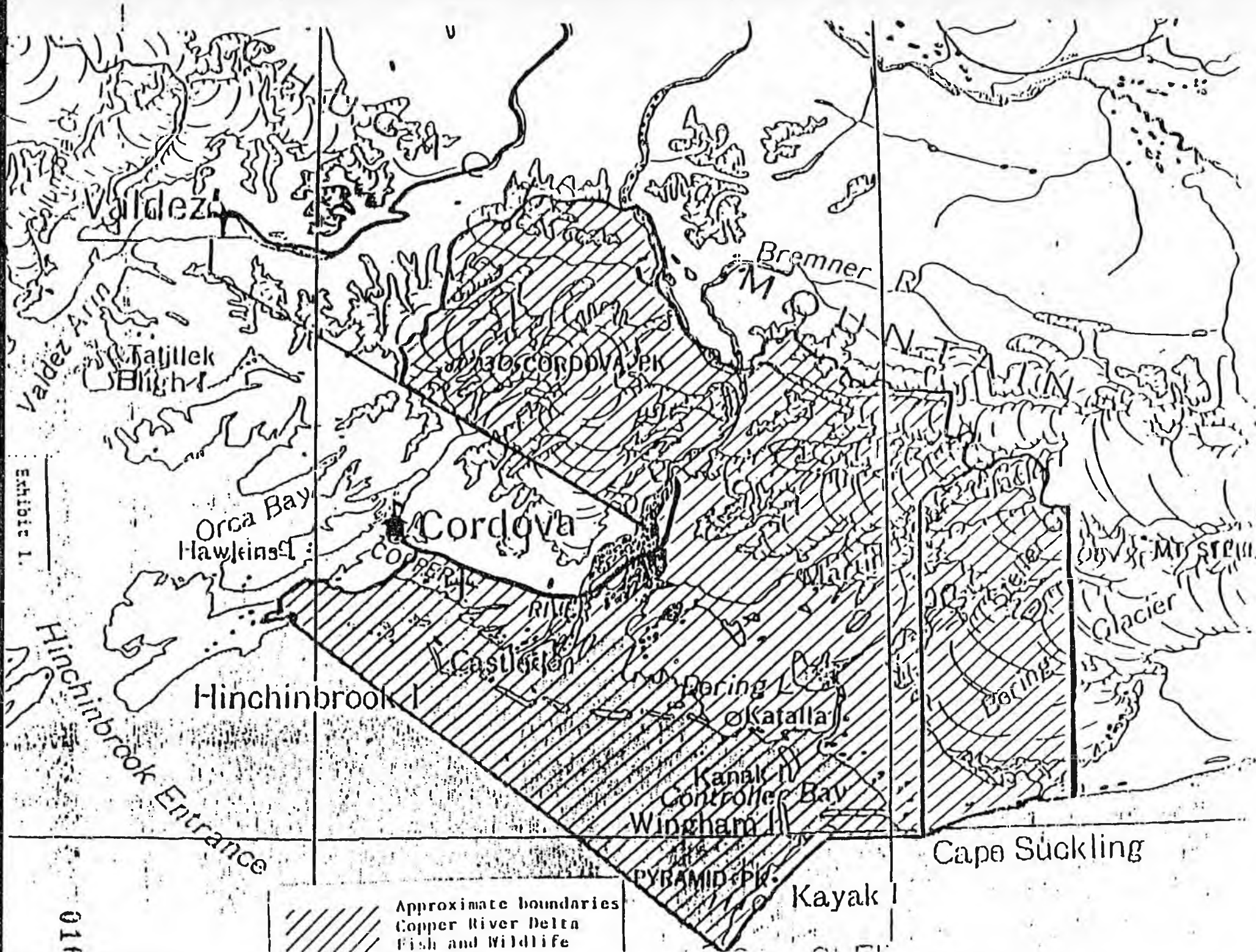
1. To manage and protect the breeding habitat, resting and feeding grounds of waterfowl, bald eagles, fish and other wildlife of this Area.
2. To provide leadership in the management of fish and wildlife habitat to maintain or enhance fish and wildlife carrying capacity on lands administered by the FS within the Copper River Delta Fish and Wildlife Management Area.
3. Upon request to assist all parties to this MOU in their wildlife management activities to the extent possible.
4. To coordinate and cooperate with all parties to this MOU where possible in all fish and wildlife research and habitat management activities.
5. To undertake an area analysis of the Copper/Rude River addition and the Copper River-Bering River area to plan multiple-use management activities consistent with the conservation of fish and wildlife and their habitat, and
6. To involve all parties to this MOU in the formulation of draft regulations, Forest plans, management area analyses, and management plans for the Copper River Delta.

F. THE FISH AND WILDLIFE SERVICE, THE BUREAU OF LAND MANAGEMENT, THE ALASKA DEPARTMENT OF FISH AND GAME, THE ALASKA DEPARTMENT OF NATURAL RESOURCES, AND THE FOREST SERVICE MUTUALLY AGREE:

1. That the area identified on the attached map shall be designated as the Copper River Delta Fish and Wildlife Management Area.
2. That Federal lands in the Copper River Delta Fish and Wildlife Management Area and State lands within the Copper River Delta Critical Habitat Area will be managed primarily for the conservation of fish and wildlife and their habitat.

3. That the primary uses, management intent, and management guidelines for State lands outside the Copper River Delta Critical Habitat Area will be determined through the Prince William Sound Area Plan.
4. To acknowledge that multiple use activities shall be permitted on lands administered by the FS on the Copper River Delta Fish and Wildlife Management Area in a manner consistent with the conservation of fish and wildlife and their habitat as set forth in special regulations adopted by the Secretary of Agriculture.
5. To meet annually to discuss the specific management programs each agency plans to implement in the forthcoming 12 months.
6. That all parties to this MOU will cooperate in the development, execution, maintenance, and periodic revision of management plans that incorporate lands, waters, fish and wildlife of the Copper River Delta Fish and Wildlife Management Area.
7. To the extent consistent with and allowed by each party's applicable laws, regulations, and policies, to recognize and support the planning, enforcement, and permit authority of each other party with respect to the lands, waters, fish, and wildlife of the Copper River Delta Fish and Wildlife Management Area.
8. To make no changes or departures from the approved management plans without consultation with the parties to this MOU.
9. To consult with each other when developing policy, regulations or legislation that affects the Copper River Delta Fish and Wildlife Management Area.
10. To develop such cooperative interagency agreements or memoranda of understanding between the parties as may be required to implement the provisions contained herein or as needed to address other operational matters.
11. That each and every provision of this MOU is subject to the laws of the State of Alaska and the laws of the United States.
12. That the parties to this MOU will consult with each other before the issuance of leases for oil or permits for mineral explorations, or other resource development activities consistent with regulations in place at the time of the action.
13. That nothing in this MOU shall be construed as obligating the State of Alaska or the Federal Government in the expenditure of funds or for future payment of money in excess of appropriations authorized by law.
14. That nothing in this MOU shall be construed to enlarge or diminish the authority of the State of Alaska, the Secretary of the Interior, or the Secretary of Agriculture over the management of any lands, waters, interests therein, or management of fish and wildlife and their habitats.

15. That amendments to this MCU may be proposed by any party to this agreement and shall become effective upon written approval by the authorized representative of each party.
16. No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.
17. This MCU shall continue in force until terminated by any party upon thirty (30) days notice in writing to the others of their intention to terminate and a date indicated.



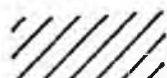

 Approximate boundaries
 Copper River Delta
 Fish and Wildlife

Exhibit 1

COPPER RIVER DELTA FISH AND WILDLIFE MANAGEMENT AREA
BOUNDARY DESCRIPTION

All public land, tideland, submerged land, and water contained in the following description: Beginning at a point on the south edge of the Copper River Highway right-of-way 200 feet west of its intersection with the Eyak Trail trailhead; thence southwesterly 200 feet west of the Eyak Trail and parallel to it approximately 4 miles to the mean high tide line; thence southwesterly along the mean high tide line to Point Whitsned; thence northwesterly along the mean high tide line to a point of intersection at the west edge of Section 21, T16S, R4W, C.R.M. and the mean high tide line at the mouth of Orca Inlet; thence westerly a distance of approximately 3 miles to the northeast tip of Little Mummy Island; thence southwesterly a distance of approximately 4 miles to the intersection of the south edge of Section 33, T16S, R5W, C.R.M. and the mean high tide line; thence along the mean high tide line on the east portion of Hinchinbrook Island, including Boswell Bay to Point Bentinck; thence approximately south 129 degrees east approximately 66 miles more or less to a point approximately 1/2 mile southeast of Pinnacle Rock adjacent Cape Saint Elias, Kayak Island; thence following the Chugach National Forest boundary to Cape Suckling; thence continuing northwesterly along the mean high tide line approximately 19 miles to a point due south of the west edge of Middimber Lake; thence north to the boundary of Wrangell-Saint Elias National Park; thence following the Park boundary northwesterly to the left bank of the Copper River at its junction with the Wernicke River; thence following the boundary between the Chugach National Forest and Wrangell-Saint Elias National Park to the confluence of Cleave Creek with the Copper River; thence westerly following the Chugach National Forest boundary and continuing southwesterly to an angled point southeasterly approximately 122 degrees along the former Chugach National Forest boundary approximately 36 miles to a point on the east boundary of the Copper River Highway right-of-way identified as the 39th mile post of the Copper River and Northwestern Railway, established by U.S. Survey 3600 as Lat. 60 degrees, 32 minutes, 02.02 seconds North; Long. 144 degrees, 47 minutes, 20.08 seconds West; thence southwesterly along the south edge of the Copper River Highway right-of-way excluding all areas within the Cordova Airport boundaries, to the point of beginning.

Exhibit 2.

G. In witness whereof, the parties hereto have executed this agreement as of the latest date written below.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

Ernest C. Winnicke 10/21/81
ERNEST C. WINNICKE Date
Commissioner

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Don W. Collinsworth 10.23.81
DON W. COLLINSWORTH Date
Commissioner

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Michael A. Barton 10/1/81
MICHAEL A. BARTON Date
Regional Forester, Alaska Region

U.S. DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

Robert E. Gilmore
ROBERT E. GILMORE Date
Regional Director, Alaska Region

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Michael J. Penfold 11-10-81
MICHAEL J. PENFOLD Date
State Director, Alaska

KODIAK REGIONAL AQUACULTURE ASSOCIATION

BOX 3407 KODIAK, ALASKA 99615

(907) 488-8553



March 5, 1992

Representative Cliff Davidson
Alaska State Legislature, House Dist. 27
Box v
Juneau, AK 99811

Dear Cliff:

In reference to the legislation you have introduced this session which deals with appropriations for restoration projects relating to the Exxon Valdez Oil Spill, namely HB 411, the Kodiak Regional Aquaculture Association (KRAA) strongly supports the provisions of that bill.

Our association has often expressed support of habitat protection efforts, especially for those where both natural and artificial salmon populations are critically associated with that habitat. Of special appeal to KRAA is that portion of HB 411 which would provide an appropriation for the acquisition of portions of Afognak Island from 'willing sellers of land surrounding the Paul's Lake and Malina Lake systems.' Since the mission of our association is to help stabilize salmon production in the Kodiak area for the benefit of all user groups, we are very cognizant of how extremely important the retention of pristine habitat is for successful and sustainable fish production. The provisions of HB 411 which would provide for such habitat preservation through acquisition represent a tangible legacy which will benefit all users of Kodiak salmon resources. These provisions also represent a very positive initiative towards ameliorating the adverse impacts to salmon habitat associated with the 1989 Exxon Valdez oil spill.

Our association has recognized that the Paul's and Malina Lake systems are major salmon producers on Afognak Island. Each system supports significant sockeye and coho populations and Malina has a very productive pink salmon population. Each system experiences heavy use by all of our area's fisheries groups, namely subsistence, commercial, recreational sport and commercial sportfish operators. This level of use is further magnified by the heavy use of hunters, photographers, kayakers, etc.

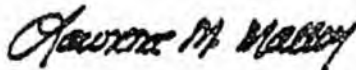
Recently, concern has been developing regarding the currently diminished stock status of sockeye salmon populations in each of these systems. Consequently, KRAA, in conjunction with the Department of Fish and Game, has targeted sockeye rehabilitation efforts on these two systems whereby 1992 represents the fourth year of at least a nine year rebuilding program for these two sockeye stocks. KRAA's funding of these efforts reflects the recognition and importance that Kodiak's commercial salmon fishermen attach to these two systems. HB 411 compliments that recognition by identifying habitat which we feel is necessary for achieving maximum salmon production from these systems. Again, KRAA strongly supports the proposed appropriations for habitat acquisition identified in this bill.

Rep. Cliff Davidson

Page 2

Another portion of HB 411 which appeals to KRAA, and hopefully to all fisheries resource users who appreciate the importance and significance of environmental and resource monitoring in developing base line data, is Section 5 of the bill which would appropriate funding to the Department of Fish and Game for such activities. Our recommendations center on ADF&G's proposed acquisition in the Kodiak area of relatively small parcels of land associated with existing fish weir and research sites and the hatchery site on Afognak Island. All of these facilities represent the key to preserving the health of our areas heavily sought after salmon resources. These facilities function perfectly and critically as environmental monitoring and research sites. Currently many of these sites have annual leasing arrangement from private land owners. As state budgets trend downward and annual leasing fees increase, several of these sites will be in jeopardy. This would be a quantum leap backward in caretaking these heavily used resources. Since the Kodiak area appears to not have fared that well with the Trustee Council appropriations to proposed restoration and mitigation projects, we would recommend that a significant portion of the funding associated with Section 5 of HB 411 be considered for ADF&G's small parcel land acquisition proposal.

Sincerely,



Lawrence M. Malloy
Executive Director

cc: Senator Fred Zharoff



CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

Position Paper

HB 411

Cordova District Fishermen United supports the intent of HB 411. CDFU also urges the legislature to give primary consideration to using the criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams as opposed to funding blanket timber buy-backs. We also support the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

Resource restoration and enhancement issues should be more fully addressed in HB 411. CDFU supports the funding of specific restoration and enhancement projects such as rehabilitating the Coghill Lake sockeye run, continuing existing pink salmon tagging programs or completing the cleanup of garbage on Prince William Sound beaches left over from the Exxon Valdez oil spill.

Good afternoon Ladies and Gentlemen of The House Resource Committee. My Name is Chuck Totemoff. I am President and C.E.O. of the Chenega Corporation. I will be speaking about some changes we believe are necessary to your proposed legislation.

First, we note that lands we own in Prince William Sound are the subject of Section 4 of HB 411. I have previously testified that Chenega is not interested in selling lands, but we would consider negotiating sales of development rights.

Section 4 uses the word "and" between "land" and "development rights". We believe that the word "or" should be used. See, for example Section 8 of HB 411, regarding Rocky River Timber rights, Section 4, as it reads now, creates an impasse, if you want to seriously pursue purchase of replacement resources in our area.

Second, we are relieved that the latest draft contains language concerning restoration of subsistence resources. However, we propose a new Section 4a, which specifically identifies areas the residents of Chenega Bay rely upon for subsistence resources. We also propose an appropriation of \$ 3 Million from unappropriated funds and from other Sections. The appropriation will be used for restoration of subsistence services by oil removal in areas where oil is still mobile and heavy. We are also requesting an appropriation for cultural stewardship, the ability to protect cultural and archeological sites from looters and pot hunters.

We believe that restoration of subsistence services and amelioration of harm to our sites is mandated by the terms of the restitution payment the State received.

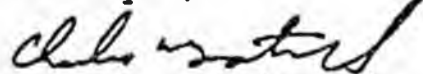
We support the satellite reception appropriation for Chenega Bay. We only request that you use the correct name of our village, Chenega Bay. To us, Chenega is our old village and Chenega Bay is where we now live.

We are concerned about Section 20 of the Bill. Without adequate safeguards, cultural and archeological sites will be exposed to plunder, looting and vandalism. Federal and State laws both recognize the importance of confidentiality with regard to such sites. We are opposed to mapping of sites. We also bring to your attention that, under the settlement agreement we have with the Federal and State Governments our archeological and cultural sites on our lands are private. Assessment and restoration of those sites require our consent. Under Federal and State laws, permits are required before persons can study archeological and cultural sites. We have suggested language to make this clear.

In conclusion, although House Bill 411 recognizes the need to restore subsistence services, it does not address how. We support Chenega Bay I.R.A. Council's inclusion, and the appropriation of funds to restore, at a few sites, subsistence services. We also support an appropriation to protect archeological and cultural sites.

We do not believe sale of land is something we can support. We urge the Legislation to authorize a purchase of development rights.

Thank you,



Charles W. Totemoff



CHENEGA CORPORATION

Please deliver A.S.A.P.

POST OFFICE BOX 8060
CHENEGA BAY, ALASKA 99574-9999
TELEPHONE (907) 573-5118 TELECOPIER (907) 573-5135

Thank you

FACSIMILE COVER PAGE

TO: REP. Cliff Davidson DATE: 3-17-92
House Resource Committee TIME: 1:45
telecopier 465-2864
FROM: Charles W. TOTEMOFF
RE: TESTIMONY

We are transmitting (4) pages (including this cover page) with a SHARP FO-033, if you do not receive all pages, please contact _____ at (907) 573-5118 immediately.

--Originals will follow this transaission via Reg. Mail
--Originals will not follow this transmission unless requested.

***** MESSAGE *****

Gail E.

CHENEGA CORPORATION

Post Office Box 8060
Chenega Bay, Alaska 99574-8060
(907) 573-5118

March 13, 1992

Representative Cliff Davidson
House Resource Committee
P.O. Box V, Room 108
Juneau, Alaska 99811

RE: House Bill 411

Dear Representative Davidson:

I am attaching another copy of my testimony given on March 6, 1992 to the House Resource Committee members pertaining to House Bill 411.

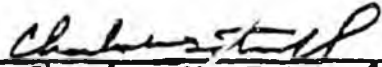
I am also attaching proposed language changes to House Bill 411.

I would like to further discuss this matter with you.

Thank you for the opportunity to give testimony.

Very truly yours,

CHENEGA CORPORATION

By: 
Charles W. Totemoff
President

CWT:cb@ (2:bill411.doc)
Attachments:

cc: Representative Eugene Kubina w/encl.
Alaska State House of Representatives
Senator Curt Menard w/encl.
Alaska State Senate
Senator Jay Kerttula w/encl.
Alaska State Senate
Ernest Piper
Alaska Dept. of Environmental of Conservation

CHENEGA CORPORATION

Post Office Box 8069
Chenega Bay, Alaska 99574-8069
(907) 573-5118

M E M O R A N D U M

TO: State of Alaska, House Resource Committee Members

FROM: Charles W. Totemoff

DATE: March 6, 1992

RE: House Bill 411

Thank you Mr. Chairman, my name is Chuck Totemoff, the President and C.E.O. of the Chenega Corporation, which is the local ANCSA Corporation for the Village of Chenega Bay. Chenega Corporation believes that a portion of the criminal fine money from Exxon should be used for restoration of subsistence services. Subsistence activities are diminished at oiled sites. Chenega Corporation's lands continue to be oiled. Chenega residents' subsistence activities continue to be reduced. Representative Davidson's bill should include an appropriation for restoration of subsistence activities at sites used by residents of Chenega Bay.

Such restoration activities would include removal of oil from the sites selected, and removal of oily waste to toxic waste sites or other storage areas. It is our estimate that such restoration of subsistence resources would amount to approximately \$ 1.5 million.

The criminal fine should also be used, in part, for cultural site stewardship, including protection of the sites from pot hunters.

Other proposed uses of the criminal fine money have included the purchase of private timber rights. Chenega is extremely wary of such proposals, which could involve the purchase of private fee simple lands. We have waited a long time for title to our lands and resources. Our policy is no sale of land.

We believe that the restoration of resources injured by the spill and the protection of such sites also harmed by the spill are meaningful ways to utilize the criminal fine money. Although we are not interested in selling our land we are not foreclosed to the idea of nondevelopment easements in certain areas. If we get subsistence resources restored we also want to make sure our resources would continue to be available. Thank you Mr. Chairman.

ATTACHMENT 2

PROPOSED AMENDMENTS HOUSE BILL 411

1. At Section 4 by changing the word "and" at Section 4, line 13, to "or"; and
2. By adding a new section 4(a) to the Bill to read as follows:

In order to restore, replace, and enhance subsistence resource services in southwestern Prince William Sound, particularly areas in and about Chenega Bay Alaska, including but not limited to Eshamy Bay, Granite Bay, Chenega Island, Evans Island, Elington Island, Bainbridge Island, Latouche Island and Knight Island effected the Exxon Valdez oil spill upon which the people of Chenega Bay are dependant, to acquire resources and services equivalent to those affected and/or lost by the Exxon Valdez oil spill, and to conduct long term restoration of such services, the sum of \$3 million is appropriated to the Chenega IRA Council and the Chenega Bay Local Response Program from the remedial and compensatory payments received by the State under the plea agreement in the United States of America v. Exxon Corporation and Exxon Shipping Company, United States District Court, District of Alaska, Case No. A90-015 Cr., for restoration of subsistence services, including but not limited to removal of oiled sediment, oil, oil debris, stunted stock, ravagation of destroyed rye grass, and amelioration of the Exxon Valdez oil spill, and for cultural stewardship, including monitoring assessment and inventory of cultural sites within and along the islands and shorelines aforesaid.

3. At Section 19, line 27, by correcting the name of our village by adding the word "Bay" after "Chenega".
4. At Section 20, line 31, strike the period and add:

Subject, however, to the requirements of federal and state laws, statutes and regulations, including but not limited to the Archaeological Resources Protection Act of 1979, 16 U.S.C. 470aa, et seq., The State Historical Preservation Act, A.S. 41.35 010 et seq. and the terms and conditions continued within the Consent Decree entered by US Federal Court. Judge Holland in Native Village of Chenega Bay v. United States and State of Alaska, A91-454 Civ. on January 16, 1992.

CHENEGA CORPORATION

Post Office Box 8060
Chenega Bay, Alaska 99574-8060
(907) 573-5118

M E M O R A N D U M

TO: State of Alaska, House Resource Committee Members

FROM: Charles W. Totemoff

DATE: March 6, 1992

RE: House Bill 411

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Such restoration activities would include removal of oil from the sites selected, and removal of oily waste to toxic waste sites or other storage areas. It is our estimate that such restoration of subsistence resources would amount to approximately \$ 1.5 million.

The criminal fine should also be used, in part, for cultural site stewardship, including protection of the sites from pot hunters.

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We believe that the restoration of resources injured by the spill and the protection of such sites also harmed by the spill are meaningful ways to utilize the criminal fine money. Although we are not interested in selling our land we are not foreclosed to the idea of nondevelopment easements in certain areas. If we get subsistence resources restored we also want to make sure our resources would continue to be available. Thank you Mr. Chairman.



CORDOVA DISTRICT FISHERMEN UNITED

P.O. Box 939

Cordova, Alaska 99574

Phone (907) 424-3447 Fax (907) 424-3430

Position Paper

HB 411

Cordova District Fishermen United supports the intent of HB 411. CDFU also urges the legislature to give primary consideration to using the criminal settlement monies for preserving critical habitat areas such as the Cape Suckling tract and easements along anadromous fish streams as opposed to funding blanket timber buy-backs. We also support the proposal to purchase timber development rights for the areas around Eyak Lake and Nelson, Sheep and Simpson Bays in Prince William Sound. This proposal would establish a three-year moratorium on timber harvesting activities in these areas which would allow time to identify, evaluate and prioritize critical habitat areas for later timber buy-backs.

Resource restoration and enhancement issues should be more fully addressed in HB 411. CDFU supports the funding of specific restoration and enhancement projects such as rehabilitating the Coghill Lake sockeye run, continuing existing pink salmon tagging programs or completing the cleanup of garbage on Prince William Sound beaches left over from the Exxon Valdez oil spill.

To: Jay Nelson

From: John French (789-4441)

SEC. 21 In order to achieve the purposes of the remedial and compensatory payments, the sum of \$100,000 is appropriated from the remedial and compensatory payments to the University of Alaska to develop a conceptual plan and design for expanded multi-agency fishery technology and research facilities on Near Island, Kodiak, Alaska. The next phase of this facility is to include a gravity fed seawater system, wet and dry marine laboratories and associated systems.

During the *Exxon Valdez* oil spill many fisheries were closed due to the presence of oil in the water and on the beaches. Although major lethal effects on fish were not documented, chronic and sub-lethal effects are difficult to measure. The planning and design funds for the next phase of the multi-agency fishery technology and research would enable the user agencies to (1) initiate research projects on the efficacy of restoration practices, (2) the enhancement of fishery resources in the effected areas, such as king crab, sea urchins, and molluscan shellfish, (3) the enhanced utilization of equivalent fishery resources to those in spill area, such as arrowtooth flounder, and (4) to initiate long term research programs to better understand and ameliorate the effects of oil spills on the fisheries of the western Gulf of Alaska. Seven federal and two State agencies, the University of Alaska, School of Fisheries and Ocean Sciences, Kodiak Island Borough, and the City of Kodiak have all participated in the planning for the multi-agency facility.

The seawater system and associated facilities will be designed to enhance research on fish behavior, physiology and perception, marine biology, and aquatic toxicology of normal and stressed fisheries. Stressed conditions could include other human activities, including fish harvesting, in addition to spilled crude oil. In addition the completed multi-agency fishery technology and research facility will provide a variety of analytical testing and monitoring capabilities within Kodiak Island Borough. These capabilities were severely lacking during the oil spill when all samples had to be sent off-island for analysis.

The first Phase of the University of Alaska, School of Fisheries and Ocean Sciences, Fishery Industrial Technology Center (FITC) has been completed. It is the first building of the proposed multi-agency fishery technology and research facilities. The FITC Owen Building is being used by the University of Alaska and National Marine fisheries Service Utilization Research Division personnel. Co-location of these two groups has resulted in efficient use of facilities and encouraged pooling of expertise to pursue efficient use fishery resources to produce diverse, high quality products, and eliminate waste.

Currently the other agencies interested in co-locating are isolated from each other, the public and the fishing community, and occupy out dated and inadequate facilities. The importance of the fisheries in the western Gulf of Alaska to the State and nation are expanding, and the oil spill emphasized the need for more specific information on these fisheries. Many of the fisheries activities in Kodiak are expanding to meet these needs. The multi-agency fishery technology and research facilities will be necessary to meet the agencies needs and the public's need for better access to information and training in a timely manner.

The City of Kodiak has donated the land for fisheries research facilities on Near Island. The City of Kodiak has committed to using its revenue bonding power to fund construction of portions of these facilities to the extent that lease monies are committed by user groups and agencies, if other funding sources are not available. As one of the users of the expanded facilities the National Marine Fisheries Service has been authorized by congress to lease space on Near Island at an annual lease not to exceed \$1,000,000 per year. Use of remedial and compensatory payments to assure planning and design of the oil spill restoration-related portions of the multi-agency facilities will assure that these critical activities and research needs are accounted for in the next phase and will help assure that construction funds will be secured from other sources.

MAR 05 10 13:00 CORDOVA CITY HALL

CITY OF CORDOVA



March 5, 1992

Representative Cliff Davidson
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99801

Dear Representative Davidson:

The Cordova City Council has recently voiced its support, in concept, of House Bill 411.

On March 4th, in response to a request, the Council voted to include the City's name as a sponsor of the reception on HB 411 scheduled for March 23rd.

I called your office today and informed your staff of Council's action. The City would appreciate being kept informed of the Bill's status as it moves along.

Thank you in advance for your assistance.

Sincerely,

Lynda Plant
City Clerk

cc: Rick Urion



UCIDA

UNITED COOK INLET DRIFT ASSOCIATION
P.O. Box 389 • Kenai, Alaska 99611 - 0389
(907) 283-3600 • FAX (907) 283-3306

March 6, 1992

Sent by telefax-hard copy to follow

Rep. Cliff Davidson
Chair, House Resources Committee
State Capitol
Juneau, AK 99801-1182

Subject: HB 411

Dear Rep. Davidson,

United Cook Inlet Drift Association (UCIDA) represents the 585 salmon drift permit holders in Upper Cook Inlet. Some 350 permit holders are current members of our association. UCIDA is also active at the state and federal levels as a member of the Executive Committee of United Fishermen of Alaska (UFA).

I would like to outline UCIDA's concerns and recommendations regarding the state "criminal" dollars available for restoration relating to the damages caused by the Exxon Valdez oil spill. I would be happy to discuss these issues in more detail with you or your staff at anytime. ..

1) We agree with the concept that the funds should be spent in the three oil impacted areas - Prince William Sound, Kodiak, and Cook Inlet.

2) "Cook Inlet" must be defined to include both Upper and Lower Cook Inlet.

3) The Kenai sockeye run could arguably be the fishery resource most impacted by the Exxon Valdez oil spill due to the large overescapement which resulted from the total closure of the drift fishery.

- ADF&G has just recently released test results which would indicated minimal returns to the Kenai in 1994. The parent year for the 1994 return is 1989 - the year of the Exxon Valdez oil spill.

- The Kenai sockeye run is the "backbone" of Upper Cook Inlet commercial fishery upon which fishermen, processors, cannery workers, transporters and local businesses are very dependent.

4) Land acquisitions of "statewide interest" should not be counted, so

to speak, against an oil spill area's "piece of the pie".

For example, there appears to be great interest in the dedication of \$11 million towards the purchase of Kachemak State Park timber rights. However, the commercial fishermen of Cook Inlet see little benefit to this purchase as an "area" specific interest which would preclude other funds for Cook Inlet.

5) UCIDA feels that the various interests within PWS, Kodiak and Cook Inlet should decide how to spend the funds dedicated to their areas.

6) For this reason we suggest the simple but useful idea of dividing the available funds first between the areas so that each area can set its priorities within a known range of expenditures. UCIDA feels that the dollars earmarked for Cook Inlet - not including funds for Kachemak timber - should be on a par with the Kodiak area.

7) We DO NOT agree that the only use for these funds should be land acquisition and the purchase of timber rights - although it is certainly within the prerogative of an area to choose such a course - e.g. Kodiak and the purchase of Afognak lands. To the fullest extent possible affected resources and users should be "restored". For the short term this would include minimizing the impacts of current activities on a recovering resource.

8) UCIDA feels that for Upper Cook Inlet it is imperative for the short term that:

a) We protect the impacted resource - Kenai river sockeye.

b) WE protect the livelihood of impacted citizens as much as possible without retarding the recovery of the resource.

9) To accomplish these goals we have identified three projects:

1) Continued study of the Kenai system to identify problems and possible remedial efforts.

2) Development of better scientific techniques to identify Kenai sockeye - genetic stock I.D. techniques and better monitoring equipment.

3) Intensive management in 1993 and 1994 to allow for as much commercial harvest as possible without overfishing Kenai sockeye.

10) UCIDA and the state EVOS trustees have succeeded - but only with great difficulty - in acquiring EVOS federal "civil" funds to accomplish the first two goals. Similarly needed research projects for PWS were unfortunately not fully funded.

For fiscal year 1992 the federal trustees have approved three projects which will help Upper Cook Inlet - FS 27, R53, and R59 - for approximately \$1.5 million. These projects will be needed for 3 years.

11) To accomplish the final goal of the infield application of these new management tools we have identified four needed projects. UCIDA requests \$495,000/year for the 1993 and 1994 salmon seasons to be funded by HB 411. Given the difficulty we experienced with the federal trustees and the need for two more years of federal expenditures at the level of \$1.5 million per year, it is extremely unlikely that any additional federal funds can be realistically expected in the future.

UCIDA is sensitive to concerns that state departments might attempt to "pad" their budgets with "Exxon dollars". The four projects we have identified are not currently in place and have no realistic chance of being added as supplements with state general fund dollars given the current "budget" crisis. The goals of these projects will be to identify the run size and composition as soon as possible and to permit as much harvest as possible consistent with the goal of not over-harvesting Kenai sockeye.

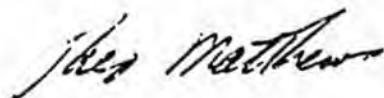
These projects and their annual fiscal notes as currently estimated are:

- Quadrupal test boats on southern boundary of the Central District, \$280,000.
- Apply genetic stock I.D. at southern boundry, \$50,000.
- Analysis of previous year's 4 yr. old component, \$15,000.
- Apply genetic stock I.D. on restricted Eastside fishery, \$150,000.

12) UCIDA proposes that the remaining funds dedicated to Upper Cook Inlet be used to acquire conservation easements, habitat etc. along Kenai river - all users of river will benefit. In order to maximize the benefit to the affected sockeye resource, we would suggest starting at the lake and working "down". Local F&G staff has also identified Quartz and Ptarmigan Creeks has possible sites for the use of these funds.

UCIDA appreciates your efforts on behalf of the oil spill affected areas and damaged resources.

Sincerely,



Theo Matthews
Administrative Assistant



Alaska Center for the Environment

519 West 8th Avenue, Suite 201 • Anchorage, Alaska 99501 • (907) 274-3621

TESTIMONY BEFORE THE HOUSE RESOURCES COMMITTEE REGARDING HB 411

Presented by
Alan Phipps
State Lands Specialist

March 5, 1992

The Alaska Center for the Environment (ACE) wholeheartedly supports HB 411. The involvement of the Alaska legislature in the restoration process through the passage of this legislation is essential to a successful restoration effort under the Exxon Valdez oil spill settlement. The appropriate use of the \$50 million criminal restitution money which this bill addresses is very important to the overall restoration process and therefore to the future of Alaska.

It is unlikely that additional direct human intervention will be able to improve significantly on the natural recovery of the injured populations, species, and habitats of the spill impacted region. Most biologists realistically acknowledge that direct restoration efforts will be virtually impossible, and worse, could even cause further harm if not approached with considerable caution.

Given the limited potential of direct restoration efforts, the most helpful thing that can be done to facilitate recovery of the injured environment is to protect it from further damage.

Therefore, the best way we can invest the settlement money is to acquire threatened coastal forest areas. The most immediate and significant threat to this forest is the present and future clearcutting on several hundred thousand acres of privately owned lands. Several ANCSA corporations, recognizing the value to themselves and their local community of selling land or conservation easements instead of logging, have already come forward and expressed an interest in pursuing a habitat acquisition process.

Acquisition of valuable fish and wildlife habitat and recreation sites on a willing seller basis is very important economically as well. Ecosystems within the spill-impacted region continue to support the economies of local communities. Commercial fishing, sport fishing and hunting, tourism, recreation, and subsistence activities, all rely on intact and pristine coastal forest, freshwater, and marine ecosystems, and have for a long time. These activities can continue to provide the primary economic base for the communities within the region. Acquisition of

coastal forest habitat will protect the biological systems which support these activities now and far into the future, thereby securing a strong and diversified jobs base for the region.

Moreover, it is important to note that the money initially invested in habitat acquisition will be invested and reinvested in local communities, since the major recipient of the funds spent on habitat acquisition will be the shareholders of local ANCSA corporations. Money spent on scientific studies or building construction, on the other hand, would largely go outside the region, if not outside the state entirely.

This bill wisely invests the criminal restitution money in a variety of acquisition projects throughout the spill impacted region, providing protection for areas immediately threatened and setting the stage for a more comprehensive, long term program of acquisition which the Trustee Council is currently establishing in relation to the larger pool of civil settlement monies.

The Alaska Center for the Environment is very supportive of the regional consensus behind habitat acquisition, and therefore supports HB 411. Thank you for the opportunity to comment on this bill.

