

MEMORANDUM

State of Alaska

TO: Richard E. Logan
Director
Sport Fish Division - Juneau

DATE: November 23, 1983

FILE NO: 02-83-13.0

TELEPHONE NO:

FROM: Thomas W. Trent
Aquatic Studies Coordinator
Su Hydro Aquatic Studies - Anchorage

SUBJECT: Su Hydro Coordination

During our telephone conversation of November 16, I suggested you consider an alternative to the Su Hydro coordination which had been proposed by John Clark, Director of the Habitat Division, and yourself on November 8. At that time, both of you indicated that 58.0K would be withdrawn from the ongoing Game Division and Su Hydro Aquatic Studies to fund a coordination position within the Habitat Division. This position would address Alaska Power Authority (APA) and agency coordination needs for the Su Hydro Project.

While you suggested that funds should be available from ongoing projects, I stated that withdrawal of these funds would affect implementation of field study objectives and tasks. These tasks and the funding allocated to execute them have already been agreed upon by the APA as being necessary to support Federal Energy Regulatory Commission (FERC) licensing activities for this fiscal year. I am therefore concerned that this revision in funding which you and John Clark are considering would require us to revise our existing field program objectives or tasks already established in accordance with our June 10, 1983 Reimbursable Service Agreement (RSA) with the APA and the recent budget reiteration completed October 28.

As I noted to you last week the withdrawal of about 40.0K from our budget as part of the 58.0K needed for Habitat Division is one of two unplanned reductions out of our recent budget submission to the APA on October 28. In the two day scurry to revise the budget, the Anadromous Adult Project inadvertently reduced their budget 31.5K too much due to an underestimation of expenditures to date. This problem had been brought to the APA's attention on November 8 and Richard Fleming had indicated that the APA and ADF&G/Su Hydro would try to work that problem out. The result of this error is that the Anadromous Adult Project still would be turning back over 30.0K of unexpended funding as opposed to an incorrect calculation of 61.5K. The unutilized \$30.0K to be refunded resulted from a smaller fish run this past summer season and hence reduced staffing needs. Accordingly, we planned to tighten our belts project wide to try and cover the 30.0K error if we could not arrive at an accommodation with the APA. However, with the added 40.0K reduction, our potential budget reduction has risen to 71.5K. This definitely has consequences for our program and agreed upon objectives, and comes following the efforts of my staff to reincorporate 400.0K into our program budget as directed by the APA.

Earlier, there may have been the option of negotiating the 58.0K for Habitat Division as an inclusion with the FY84 additional program budget submitted by ADF&G Su Hydro. This additional program budget will be considered by the APA Board of Directors on November 30, 1983. The letter from Commissioner Collinsworth to Richard Lyon, Commissioner of the Department of Commerce and

Economic Development and Chairman of the APA Board of Directors on October 12, 1983 made reference to the possibility of obtaining coordination funds, which now may be foregone as an additional item.

The alternative which I proposed to you involved retaining the 58.0K in the field study programs, and reinstating the coordination role of the Su Hydro Aquatic Studies Coordinator. This role was removed from this year's RSA under the direction of an agreement between yourself and Richard Fleming of the APA this past spring.

The most frequent argument for our separation has been the APA's opinion that separation of field data collectors from any regulatory responsibility is necessary to avoid a "conflict of interest". Why this separation avoids a conflict of interest is not clear, as ADF&G and many other agencies often collect and analyze field data for management purpose for which they have major regulatory responsibilities. Another stated reason is that the dilution of the staff into regulatory activities may decrease the quality of the field work and data analysis. This agreement would justify support of additional personnel to handle the regulatory burden but does not appear to be consistent with the insistence of APA to have the Su Hydro study team totally removed from the department's regulatory activities. In my opinion some of the "non-stated" reasons for removal of our former coordination and policy/position recommendation roles in the RSA are as follows:

1. The APA recognized that the impact analysis and mitigation planning conducted by other contractors was inadequate, and that by isolating ADF&G Su Hydro from other ADF&G offices, the technical information and background contributing to commentary on ADF&G position and policy or about technical defects would be greatly diminished. Other Departmental offices expected to do reviews would be pressed by time and lack of sufficient background into preparing less adequate reviews. Unresolved issues would have a greater chance of being missed. The APA is well aware, I believe, of the deficiencies in their environmental program and license application and has been hoping the resource management agencies will fail to recognize them or fail to have a consistent follow-up.
2. The APA recognizes that the ADF&G Su Hydro Aquatic Studies Team has the full capability, knowledge, and expertise to go beyond our field data collection role and the analysis of pre-project conditions to the analysis of impacts, and recommendation of potential mitigation opportunities and alternatives. They know we can do this with minimal effort as a result of our day to day experiences and technical knowledge. Obviously, no one can duplicate our three years of experience and have a handle on the potential impacts as does Su Hydro staff. For the Department to fully and adequately make a factual translation of project impacts and integrate technical facts and information into the more general concerns or issues of the management divisions it must be provided that communication with our group is possible on a routine basis.

The APA was distressed last spring by the input of my staff and myself in the review of the Exhibit E provided to the Habitat Division and staff of the management divisions in Region II. That review would not have been as

substantive without our input nor would our input have been as constructive without the review and input performed and provided by regional staff. The "gag rule" in place now is an effective strategy by the APA to minimize their environmental program and eventual mitigation responsibilities by dividing ADF&G offices and information sources.

3. At the recent coordination meeting between State and Federal Resource agencies on November 3, 1983 you heard Keith Bayha relate how the report by U.S. Fish and Wildlife Service (USFWS) lauded the Terror Lake Hydro project settlement process, but indicated one short fall, that is their record of communications.

The APA has been fully aware of the involvement of myself and other of my staff members in roles directly related to Su Hydro extending back to 1974. I do know our record of communications going back to 1974 has been substantive and consistent in the presentation of issues, policies, and positions. This consistency has occurred through the administrations of three Governors and three Departmental Commissioners. I think the record of the Department's positions has been apolitical and has represented rational resource concerns.

This is a record which I think can be maintained and inconsistency on the ADF&G's part at this time would be unfortunate. Continuing the "gag rule" can also be viewed as a means to produce departmental inconsistency by suppressing formal communication with myself and my staff who have an extensive historical knowledge of the Department and Su Hydro in its many facets.

The current RSA has resulted in a situation where ADF&G effectively has tied one hand behind its back. I do not believe it is a conflict of interest for us to participate in field data collection or for the interpretation of that data to be passed on to ADF&G regional management division offices. If this is truly a state project, not an APA project, our responsibility as a state agency is to bring the impact issues forward not be a party to their concealment.

During a meeting with myself and the Su Hydro project leaders in October, you discussed with us the possibility of the coordination role being returned to Su Hydro, and also the possibility of our potential involvement with other hydro projects. Both of these concepts were advanced in Commissioner Collingsworth's letter of October 12, 1983 to Richard Lyon, Chairman of the APA Board of Directors. In light of the current proposal to fund a Habitat Division position, we are interested in knowing if we have your support in furthering the development of these concepts of ADF&G coordination and direct participation Sport Fish Division and Commercial Fish Division in APA sponsored hydro projects.

cc: S. Pennoyer
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Project Leaders