

Reply to: Exxon Valdez Oil Spill

111.4D
Date: March 9, 1992

Subject: Eyak Corporation/Sherestone Inc. Moratorium Proposal

To: Trustee Council

At the February 28th Trustee Council meeting, you directed the Restoration Team to review the issues of and the urgency for addressing the Eyak Corporation/Sherestone Inc. timber harvesting moratorium proposal. The Habitat Protection/Lands Working Group has been in contact with the principal parties to obtain additional information regarding the proposal.

The only sequential steps presently developed for identifying and protecting habitats important to injured resources and services are found in the Federal Register Notice published on March 1 (enclosed). The Restoration Team feels that these provide the basis for protecting habitats but need to be expanded upon. As a result, The Restoration Team is developing draft objectives for habitat protection, evaluation criteria, short- and long-term processes for habitat protection, and a definition of imminent threat. The resulting draft information will be presented to you at the April Trustee Council Meeting.

The Restoration Team recommends that the Eyak Corporation/Sherestone Inc. proposal be considered after an overall habitat protection framework has been established by the Trustee Council.

Dave R. Gibbons, Ph.D.
Interim Administrative Director

10

Federal Forest Resistant

Friday
March 1, 1991

Part VII

Environmental Protection Agency

Prince William Sound and Gulf of Alaska;
Draft 1991 Restoration Work Plan; Notice

B. 1991 Restoration Implementation Activities

Where the nature of the resource injury is reasonably clear, it may be desirable to begin restoration prior to receipt of funds from the parties responsible for the oil spill. There are several reasons why this may be so.

Failure to undertake timely restoration may allow damages initiated by the spill to continue or accelerate, as in the case of the loss of stabilizing vegetation on beaches. In other cases, protection of strategic habitats, subject to land-use changes, can reduce cumulative stresses on injured resources and maintain, in the near term, a full range of restoration options. Finally, the importance of a resource for subsistence, commercial, or recreational purposes may justify prompt restoration action.

The restoration activities being considered by the Trustees for implementation in 1991 are described below. Before making final decisions for the 1991 program, the Trustees are prepared to conduct public meetings in some of the oil spill communities, if requested to do so. Moreover, the Trustees expect to provide further opportunity for public comment on the 1991 restoration projects after detailed descriptions for each project are available. The projects now under consideration for the initial phase of the restoration process are:

1. Restoration of the Beach Wildrye Community

Lead Agencies: Alaska Department of Environmental Conservation, U.S. Forest Service

Need and Objectives:

The high intertidal-supratidal beach wildrye grasses (*Elymus arenarius* and *E. mollis*) communities show signs of localized injury as a result of the Exxon Valdez oil spill and the associated cleanup activities. Injury appears to have resulted from oiling and the stress of mechanical abrasion resulting from oil removal operations carried out by cleanup workers and equipment. Beach wildrye grasses are major contributors to natural beach stability. Injury to this important plant community may result in accelerated erosion of the beaches and adjacent upland plant communities. Also at risk from increased erosion are several nearshore archaeological sites.

Once the beach wildrye root masses are disturbed, natural recovery may be slow, taking several years. Wildrye recolonizes primarily by spreading outward from undamaged plants, and this process can be stopped altogether if the rate of erosion is too great. This may result in a significant loss of intertidal

and supratidal area. Restoration intervention may often stabilize a beach in one growing season.

The objective of this project is to stabilize injured sites where natural or cultural resources are at risk. Specific sites for restoration will be chosen following the 1991 Spring Shoreline Assessment. The Department of Environmental Conservation and the Forest Service are also exploring whether this project may more appropriately be carried out under the State/Federal response program.

Methods:

Replanting beach wildrye for stabilization is a proven technology. Nearby healthy stocks of beach wildrye grass will be used as a source of donor material. After replanting, fertilizer will be applied (20-20-10 fertilizer up to 800 pounds per acre) to help the transplanted beach wildrye grass recolonize. At some locations fertilizer alone may be sufficient to encourage existing injured plant communities to recover without transplanting new stock.

Estimated 1991 Cost: \$180,000

2. Public Information and Education for Recovery and Protection of Alaska's Marine and Coastal Resources

Lead Agencies: U.S. Fish and Wildlife Service, U.S. National Park Service, Alaska, Department of Environmental Conservation

Need and Objectives:

The Exxon Valdez oil spill caused direct and indirect injury to the marine birds and mammals of southcentral Alaska. The purpose of this project is to make users of the area aware of the changes to the ecosystem resulting from the oil spill and to lessen the potential for additional harmful human disturbances.

Methods:

The project's sponsors will publish and distribute information explaining the potential adverse impacts of human activities, and the importance of increased conservation and protection of marine birds and mammals in key habitats in the oil spill area. Print media such as posters, brochures, and possibly books and video tapes will be produced. Consideration will also be given to production of material for school curricula.

Print media will be distributed through traditional outlets including but not limited to refuge, park, and tourist information and visitor centers. Additional distribution will occur at airports, boat harbors, commercial tour operators, and to public agency and private industry training staffs.

Some species identification information will be included but the primary content of the media will emphasize strategies to allow public use and enjoyment of marine birds and mammals while preventing harmful disturbances to these species. Estimated 1991 Cost: \$100,000

3. Salmonid Stocks and Habitat Restoration

Lead Agencies: Alaska Department of Fish and Game, U.S. Forest Service

Need and Objectives:

Spawning and nursery areas of wild stocks of pink and chum salmon which were impacted by the Exxon Valdez oil spill occur throughout Prince William Sound, lower Cook Inlet, and the Gulf of Alaska. Pink and chum salmon are major components of the ecosystem, serving as important food sources for other fish, birds, terrestrial and marine mammals. Pink and chum salmon are also harvested by men in subsistence, commercial, and sport fisheries. Since salmon return to the individual streams in which they were born, with little straying to other streams, genetically unique wild salmon stocks will be restored through site specific rehabilitation of salmon spawning and rearing habitats.

Methods:

This project consists of several proven fisheries enhancement techniques that may be applied immediately at specific sites. In addition to those sites and streams at which potential rehabilitation activities already have been identified, a survey of affected salmon spawning habitat within the oil spill area will be conducted in 1991 to determine additional restoration measures. The proposed techniques include fish passage through stream channelization or fish ladders to overcome physical and hydrological barriers and construction of spawning channels. All of these measures provide oil-free spawning areas to replace oil-impacted spawning areas. Additional wild salmon stock restoration measures include remote egg-taking and incubation at existing hatcheries for ultimate fry release in oil-impacted streams. Other measures may include optimal fry release programs that will enhance marine survival of juvenile salmonids.

Estimated 1991 Cost: \$1,300,000

4. Protection of Strategic Fish and Wildlife Habitats and Recreation Sites

Lead Agencies: Alaska Department of Fish and Game, Alaska Department of Natural Resources, U.S. Department of the Interior, U.S. Department of Agriculture

Need and Objectives:

The marine and intertidal habitats where most oil spill injuries occurred are ecologically linked to adjacent uplands. The water quality in streams and estuaries where salmon spawn depends on the adjacent uplands. Eagles nest and roost in large trees along the coasts and streams, and marbled murrelets nest in association with forested uplands. Harlequin ducks nest in riparian habitats and feed in the streams as well as in nearby intertidal and estuarine areas. Common and thick-billed murre and other seabirds nest on off-shore islands.

Tourism and recreation activities, such as sport fishing and camping, also depend on the quality and accessibility of shorelines and uplands. The diversity, productivity, and uses of intertidal and estuarine habitats, and of freshwater streams along the coast depend on the ecological integrity of the adjacent uplands. Continued productivity in the undamaged parts of the regional ecosystem, including strategic marine, intertidal, and estuarine habitats and adjacent uplands, may be necessary for the recovery of biological communities that were injured.

During the public scoping process the governments received many restoration suggestions that involved the protection and prime fish and wildlife habitats, recreation sites, and adjacent uplands. Suggested approaches to this protection included land acquisition and changes in management practices.

Land-use activities may occur in the oil spill area in 1991 or 1992. These activities may impact important habitats and recreation sites or slow the recovery of spill-injured resources.

The objective of this project is to identify and protect strategic wildlife and fisheries habitats and recreation sites and to prevent further potential environmental damages to resources injured by the Exxon Valdez oil spill. This project will be preceded by a technical support project to identify and evaluate potential properties which if publicly owned will contribute to this objective. Where acquisition of property

rights is determined to be appropriate, they will be acquired on a willing buyer/willing seller basis. Primary considerations in deciding which properties should be acquired during this project will include (1) the nature and immediacy of changes in use that may further affect resources injured by the oil spill and (2) the prospect that failure to act will foreclose restoration opportunities.

The Trustees have developed the following preliminary sequence of steps for use in identifying and protecting strategic fish and wildlife habitats and recreation sites:

1. Identification of key upland habitats that are linked to the recovery of injured resources or services by scientific data or other relevant information.

2. Characterization and evaluation of potential impacts from changed land use in relation to their effects on recovery of the ecosystem and its components; comparative evaluation of recovery strategies not involving acquisition of property rights (e.g., redesignation of land use classification), including an assessment of protection afforded by existing law, regulations, and other alternatives.

3. Evaluation of cost-effective strategies to achieve restoration objectives for key upland habitats, identified through steps one and two above. This would include evaluation of other restoration alternatives for these resource injuries.

4. Willing seller/buyer negotiations with private landowners for property rights.

5. Incorporation of acquired property rights into public management.

Habitat and recreation site acquisition proposals that meet the appropriate evaluation factors for restoration (see section 2) will be identified and assigned by priority for implementation in accordance with this preliminary five-step process and applicable State and Federal laws and regulations.

The geographic scope of the 1991 project will be the oil spill area. Subsequent to this initial effort, the

Trustees will continue to survey potential acquisitions, including acquisitions outside the spill area. Estimated Cost: To be determined

C. Funding for the 1991 Restoration Work Plan

Although it is expected that the responsible parties will pay for the costs of the damage assessment and restoration program, there is no certainty about the final amount and when such funds will be forthcoming. It is possible, therefore, that funds to carry out the 1991 Restoration Work Plan, including the proposed planning and implementation activities, will have to be advanced by the State and Federal governments. To date, those funds have not been committed or secured by either government.

D. References

The documents listed below provide additional information on damage assessment and restoration. They are available from the Oil Spill Public Information Center, The Simpson Building, 645 G Street, Anchorage, Alaska, 99501.

1. "The 1990 State/Federal Natural Resource Damage Assessment and Restoration Plan for the Exxon Valdez Oil Spill, Volume I Assessment and Restoration Plan Appendices A, B, C."

2. "State/Federal Natural Resource Damage Assessment Plan for the Exxon Valdez Oil Spill," August 1989.

3. "Restoration Planning following the Exxon Valdez Oil Spill: August 1990 Progress Report."

4. "Restoration following the Exxon Valdez Oil Spill: Proceedings of the Public Symposium," July 1990.

Dated: February 26, 1991.

LeJuana S. Wilcher,
Assistant Administrator, Office of Water, U.S.
Environmental Protection Agency.

Dated: February 25, 1991.

Charles E. Cole,
Attorney General, State of Alaska.
[FR Doc. 91-5014 Filed 2-28-91; 8:45 am]

BILLING CODE 5990-50-M

Public LETTERS CONCERNING PROPOSAL

Box 144
Cordova, Alaska 99501
February 18, 1992

Dave Gibbons
Interior Administrative Director
709 W. Ninth St. Room 225
Juneau, Alaska 99802-1628

Dear Mr. Gibbons,

I am a logger living & working in the Cordova Area of Prince William Sound. I have recently learned there may be a 3 year moratorium on logging & a possible buyout of timber rights using monies awarded the state due to the Exxon Valdez oil spill settlement. Using these funds in this manner is the state buying my job. I accepted employment with Whitestone understanding I'd have 12 yrs employment in the area. The loss of the opportunity to work would be disastrous to me.

I ask that if a decision is made to buy back timber rights you take into consideration compensation to loggers for loss of work, relocation and

(16)

retraining.

Thank you for your consideration
in this matter and I hope to go
back to work soon.

Thank you.

Sincerely,
Curtis L. Buckale

EAM-Dave Gibbons

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PRINCE WILLIAM SOUND LOGGERS UNITED

P.O. Box 789
Cordova, AK 99574-0789
February 2, 1992

FEB 10 1992

FOREST SERVICE
R-10, E&AM, RO

RECEIVED

FEB 02 1992

REGIONAL FORESTER
FOREST SERVICE
JUNEAU, ALASKA

Mr. Mike Burton
Regional Forester, USDA
Forest Service
P.O. Box 21826
Juneau, AK 99802

RECEIVED

FEB 7 1992

Office of the
General Counsel
JUNEAU, ALASKA

Dear Mr. Burton.

I am a logger working and living in the Cordova area of Prince William Sound. I have recently learned that there may be a three year moratorium on logging and a possible buy back of timber rights from Shearstone Corporation, a logging company. Funding for this buy-back, I understand, would come from the EXXON VALDEZ SETTLEMENT, which was awarded to the State of Alaska to be used for restoration projects, within the State of Alaska, relating to the "Exxon Valdez" oil spill.

I support myself, and family, as a logger. The State of Alaska using funds to buy back timber is, in my opinion, the State of Alaska buying my job. I accepted a job with Whitestone Logging with the understanding that I would have twelve years of logging in this area. That would mean for the remaining nine years I would be logging in the Cordova area. A loss of the opportunity to work those nine years would cause economic disaster for my family and I.

The timber companies, Shearstone and Whitestone, in my opinion would come out of a buy back in good financial order.

I ask that if you make a decision to buy back timber in this area, that you not only consider the financial welfare of the timber companies, but that you also take into extreme consideration the financial welfare of the people who would be hardest hit by a timber buy back: the logger and his family.

I think that if you decide to buy back timber rights, that you should not only appropriate monies to the timber companies, but that you should include a guarantee that a fair amount of these monies should be set aside for the logging companies.

WORKING COPY

(18)

employees and their families. Consideration should be given for the loss of wages we will incur over the nine year period left, and the possibility that some families may need to relocate, and retraining.

I was born and raised in Cordova, living here now for 27 years. My family has lived in Cordova for over 50 years (my father came to Cordova in 1936). I worked in the fishing industry until 1990. I quit fishing because of being able to be in logging in the Cordova area for the next ten years. I have a wife and two year old son to support. I just don't understand the reason of using the Exxon settlement to buy out my job and not giving us loggers anything to live on.

Sincerely yours,



Patrick W. Sherman



Sea Grant Marine Advisory Program

University of
Alaska Fairbanks
School of Fisheries and
Ocean Sciences

Program Offices

Cannon Trust Building, #110
2221 E. Northern Lights Blvd.
Anchorage, Alaska 99508-4140
(907) 274-8669
FAX (907) 277-5242

P.O. Box 830
Cordova, Alaska 99574
(907) 424-3446
FAX (907) 424-5246

P.O. Box 1549
Dillingham, Alaska 99576
(907) 842-1265

4014 Lake Street
Suite #210 B
Homer, Alaska 99603
(907) 235-5643

800 Tidest Way
Kodiak, Alaska 99615
(907) 486-1514
FAX (907) 486-1540

P.O. Box 207
Kotzebue, Alaska 99752
(907) 442-3063

P.O. Box 1329
Petersburg, Alaska 99833
(907) 772-3381
FAX (907) 772-4431

1297 Seward Avenue
Sitka, Alaska 99835
(907) 747-9988

MAR 04 '92 13:24 424-5246 MARINE ADVISORY PROGRAM

RF/DRF
cc: Wally
Sjibbons

Post-it™ bra (transmittal memo) 1 of pages 5	
To: Mike Barton	From: Rick Steiner
Co. USFS	Co. UAF - MAP
Dept.	Phone # 424-3446
Fax # 586-7840	Fax # 424-5246

March 4, 1992

TO: EVOS TRUSTEES COUNCIL

FR: Rick Steiner, Marine Advisory Program, Cordova RS 19

RE: Interim Protection Issue

First of all, I wanted to thank all of you for agreeing to discuss the Eyak/Sherstone proposal this coming Monday. This indicates a recognition of the urgency of the interim protection issue. Thank you.

A few thoughts. For the past two years, a broad public constituency in the impacted region has advocated the implementation of interim protection measures, primarily with regard to coastal forests, while the Trustees take the time necessary to systematically develop and implement a long-term restoration program.

In response, ADF&G drafted a budget request in 1990 that included \$40 million for the acquisition and protection of strategic wildlife and fisheries habitats and recreation sites. In that request, they stated that because there would probably be major changes in land use in 1991 and 1992, such an acquisition project would "ensure that there is no further degradation of the environment or loss of recreational opportunities at selected, high-value sites." For a host of quite understandable reasons, however, no such acquisitions have occurred.

As a result, several publicly supported restoration options have been foreclosed in Prince William Sound, on the southern tip of the Kenai Peninsula, and on Afognak Island. I've attached an October, 1991 Anchorage Daily News article concerning the ensuing conflict in Cordova that could have been avoided, or at least postponed and diminished, by such an interim protection program. This is just the tip of the iceberg. Without going into it here, suffice it to say that events of the past few years have pulled the rug from beneath this town. And, while the oil spill was certainly not the only cause for all the turmoil and anxiety in this community, it is perceived to be the most significant.

Pre-spill Prince William Sound comprised an important aspect of local residents' sense of identity, place, and purpose. That this sort of "service" provided by the pre-spill environment was seriously injured cannot be doubted. Studies have clearly documented that the spill caused widespread uncertainty about the future, deteriorating family relations, Post-Traumatic Stress

Disorder, and ultimately the disintegration of social cohesiveness within the community.

The logging issue, superimposed upon that of the dysfunction caused by the spill, evolved into sort of a "salt-in-the-wound" issue. Had an interim protection program been implemented early on in this process, it almost certainly would have helped mitigate spill injury and aided the recovery of this community.

At any rate, it is important to understand that while most people seem to appreciate the need for a long-range, comprehensive strategy for acquisition, they feel strongly that some sort of interim protection program be implemented to allow the more deliberate, unpressured formulation of such a long-range plan.

That this is supported by the local timber owner, Native Village Corporation, City, fishing industry, environmentalists, recreation, and tourism interests should speak for itself.

I might add that local folks seem to acknowledge that the interim protection question is probably the most difficult, intractable one you will face in this entire process. Perhaps out of this might evolve a policy with which others might handle this issue in future such disasters.

Again, thanks for addressing this issue.



Large sections of hillsides near Sheridan Glacier have been clear-cut as the Eyak Corp. logs its land. PAUL BOURGERS / Anchorage Daily News

Logging sparks a bitter battle

By HAL BERTON
Daily News business reporter

CORDOVA — The homes along the east side of the Eyak River are claimed by Cordova's upper crust, highliners from the fishing fleet, a processing plant executive and a local building contractor.

Here, one finds big cedar-sided houses, a porch-top hot

CHALLENGE: Logger tub and picnics state for trees left to ture-window protect salmon streams. F-1 views of a salmon-rich river frequent-

ed by great blue herons, trumpeter swans and sportsmen in air boats. On the far side of the river, a deep green mountain climbs into the mists of the Cordova fall.

"One of the things that keeps me here in Cordova is that when I wake up in the morning, I can see the trees out across the river," said Ken Roemhildt, a superintendent of North Pacific Processors and a riverfront homeowner for the past 16 years.

But those trees could fall. They are on Native land targeted for cutting as part of a new wave of logging operations that are turning patches of Prince William Sound forest into logs to feed the mills of Asia.



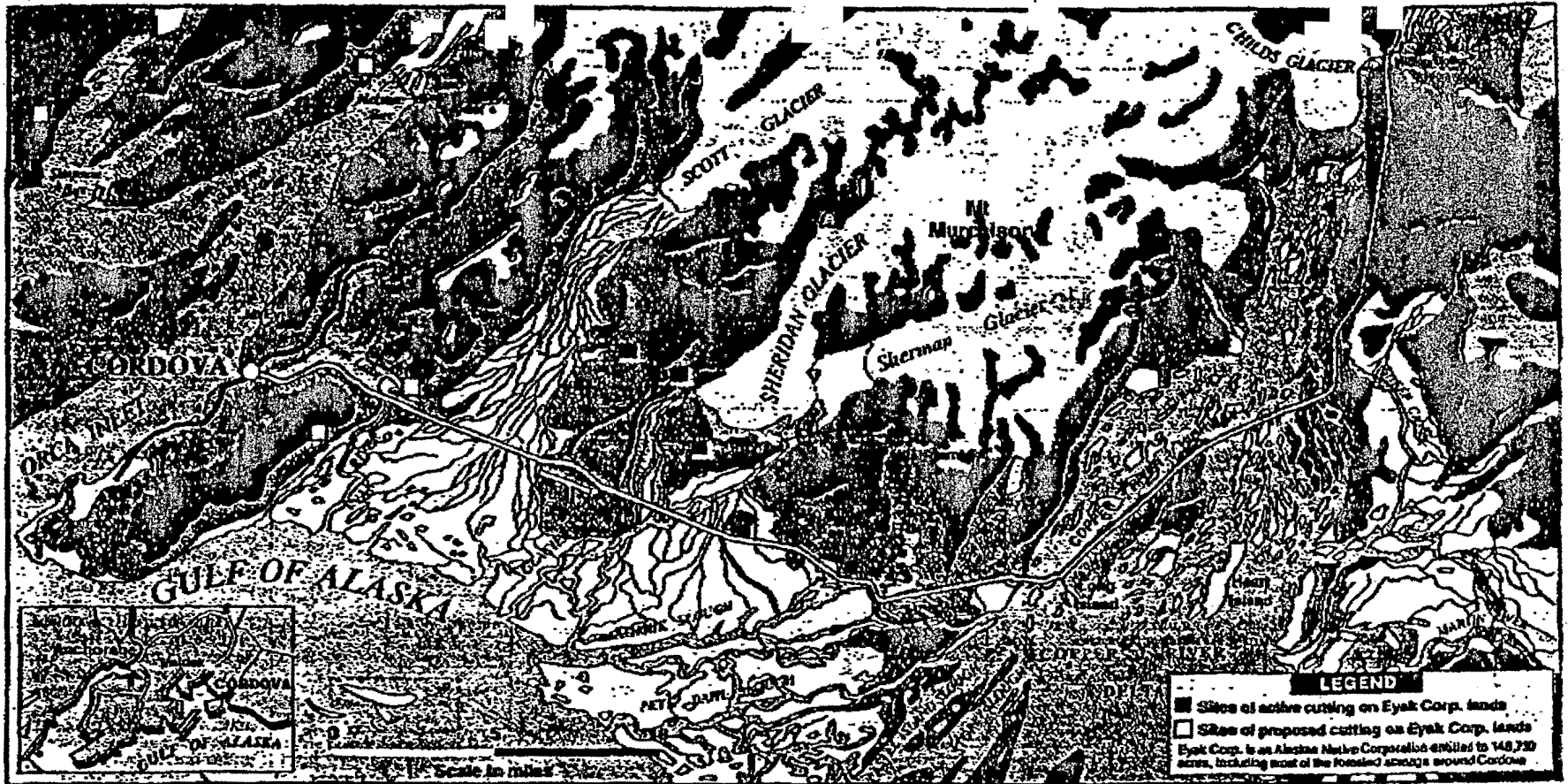
Log trucks drive through Cordova as many as 30 times a day. PAUL BOURGERS / Anchorage Daily News

The prospects of their cutting has helped spark a bitter, at times ugly, backlash in Cordova against Native leaders sanctioning the clear-cuts and the loggers who wield the saws. It also has given new momentum to a Cordova-led effort to secure a big chunk of the \$1

billion Exxon Valdez settlement to thousands of acres of Sound timber land to prevent their logging in the decade.

"I was appalled when I first heard

Please see Page A-9, CORD



CORDOVA: Native corporation's logging divides the community

Continued from Page A-1

news," said Pua Wiese, who lives in one of the riverside homes. "I just couldn't believe it might happen."

Most of the forested land around Cordova is owned by the village corporation of Eyak. Earlier this year, Eyak Corp. officials met with Gov. Wally Hickel and Attorney General Charlie Cole to discuss a possible timber buyout.

"We've always been in support of the idea," said Kathryn Andersen, the corporation's president. "We prefer to sell the trees standing."

But only if the price is right. Eyak wants more than \$100 million for its timber, more than 100 times the stumpage price of a 1988 Eyak timber sale.

In the meantime, Eyak Corp. has stepped up the pace and visibility of its logging efforts in this town of fishermen and environmentalists that recently elected the state's first Green Party mayor.

The scene above last Tuesday marks where there



"Personally, I feel almost like this city has been under assault for the past three years. First, there was the oil spill . . . then a disastrous (salmon) season and now the logging. People are just all stressed out."

— Cordova resident Becky Chapet

thought it was the right thing to do," Albert said.

Eyak leaders say they have opened their

30 trips through town, carrying loads of spruce and hemlock to a floating storage area where they are bundled to await shipment to Asia.

"Personally, I feel almost like this city has been under assault for the past three years," said Becky Chapek, a Cordova who works at the local fishermen's union. "First, there was the oil spill ... then a disastrous (salmon) season and now the logging. People are just all stressed out."

"It's a very, very difficult issue," Andersen said. "We would rather be mining diamonds in Africa. But we didn't get diamonds in Africa. We got trees in a national forest."

Since the harvest started in the mid '80s, loggers have clear-cut more than 1,200 acres of the 148,730 acres to which Eyak is entitled under terms of the 1971 Alaska Native Claims Settlement Act.

The cutting began about 20 miles east of Cordova on second-growth timber of the coastal flats in front of the Sheridan Glacier. The loggers took sawmill-quality timber but left the ground littered with pulp-grade logs that had no markets.

Then this year, Sherstone Inc. — a joint venture timber company operated by Eyak and Whitestone Logging — began moving into the mountains around the glacier. There, loggers have cut huge old-growth Sitka spruce and hemlock; some of the finest timber in this northern edge of the coastal rain forest.

The new mountainside logging is much more visible than the flat-land logging. The cut areas are in the same areas as some of Cordova's most popular Forest Service hiking trails, which traverse Eyak land on narrow public easements.

Loggers have clear-cut the trees near sections of one hiking trail and punched a road alongside a popular Forest Service picnic area near a glacier viewpoint.

"It's their land, and there's not much we can do about it," said Bruce Van Zee, Forest Service supervisor.

Early last month, Eyak officials disclosed new plans to move logging operations about seven miles outside of Cordova. As early as next winter, they propose to cut the trees above Eyak River and also log timber near the lake that supplies the town's drinking water.

Some of the lake timber was at least partly cut at the turn of the century, when Cordovans supplied the wood to build the tracks, trestles and bridges for the Copper River Railroad.

Bad Stewart, the logger who heads up Sherstone's 30-person harvest operations, points to second-growth timber around the lake as proof that the forest can rebound. He thinks the logging can be done without muddying the lake, or harming the prime recreation fishing grounds of the Eyak River.

He's frustrated by Cordova's unwillingness to embrace the logging industry even in the face of a price collapse in the salmon industry. "We put about \$25 million a year into this town," Stewart said. "That's a sizable chunk of income for a lot of businesses."

But many Cordovans are furious at Stew-



Kathryn Anderson is president of the Eyak Corporation, a Native village corporation that has increased commercial logging on its lands near Cordova.

It's a very, very difficult issue. We would rather be mining diamonds in Africa. But we didn't get diamonds in Africa. We got trees in a national forest.

— Kathryn Anderson
Eyak Corp. president

art's recent logging near Forest Service trails, and want no part of any clear-cutting around the lake or river. The city has proposed creating a special watershed district to protect the area. In a series of September city council meetings, Cordovans massed to vent their rage at the logging.

"It looked like an atomic bomb hit up around the glacier," said Doug Lape, a former city councilman at a September public meeting. "I don't want to see that happen around the lake. I don't want to see that happen anywhere."

"There's a lot of tension," said Joan Behrens, a Cordovan who counts friends among both loggers and fishermen. "I don't want to see anything physically happen to some logger as a result of some zealous person."

An arson threat was phoned in to Eyak Corp. headquarters in Cordova this fall, according to Cordova police chief Kevin Clayton. Also recently, there have been two attempts to sabotage logging equipment by stuffing rocks in fuel tanks and dumping radiator coolant in oil vents. Someone also cut loose logs from floating storage rafts.

"The cowardly vandalism takes place in the dark of night, but what they have done is talked about in restaurants and bars where other people meet," wrote Stewart in an angry letter to the editor published in the Cordova Times.

The campaign against the loggers has even spilled over into schools, where the student newspaper published an anti-logging editorial accompanied by a cartoon depicting a logging truck being crushed by falling timber. Meanwhile, loggers' children

complain of harassment from other students.

"A lot of the kids just avoid us. And some of the bigger kids keep picking on my sister," said Mike Miller, a logger's son who is beginning his first year at Cordova High School. "If this keeps up there's going to be trouble."

Cordovans' anger also has been increasingly targeted at Andersen, who has led the Eyak Corp. for much of the past two decades. The 46-year-old Andersen, and her husband, Bob, are salmon fishermen who have long been active in local politics. After the Exxon Valdez spill, Andersen emerged as a high-profile critic of Exxon Corp.'s oil spill cleanup efforts.

She attended an Exxon Corp. annual shareholder meeting this year to speak out about the corporation's failure to deal with the spill's environmental damage and also was a lead speaker at an Earth Day rally at New York City.

Cordova environmentalist Dave Grimes thinks Andersen is hypocritical in attacking the ravages of the Exxon Valdez spill while presiding over the "slow-moving oil spill" of the clear-cutting around the Sound.

Andersen has a disarming smile and is apt to greet visitors with big friendly bear hugs. But she bristles when accused of an environmental double standard.

"We are environmentalists. ... No matter where we are," she said. "Don't ever lose sight of that."

Two weeks ago, she led Eyak board members on a tour of logged areas, she said, and found new beauty in the views opened up by clearcuts.

"It's gorgeous; now you can see all our lands," Andersen said.

To ensure that the logging is done right, Andersen said the Sherstone joint venture keeps a professional forester on its corporate board.

State records indicate Sherstone's logging record is free of any violations of major environmental regulations, according to Steve Albert, a state Department of Fish and Game biologist.

But Albert said the company has sometimes disregarded Fish and Game suggestions to remove more of the downed logs, to leave more travel corridors for wildlife to move across the clearcuts and to provide other wildlife protection measures.

"We didn't really expect them to comply, but I made those recommendations because I

have to sacrifice large swaths of timber to preserve public resources on private land.

"We need to provide meaningful benefits to our shareholders," said Nancy Barnes, Eyak's board chairman.

The logging operations helped Eyak to pay more than \$2,400 in 1991 dividends to its 326 shareholders. But the cash hasn't stifled increasingly vocal dissent from some shareholders.

The shareholder opposition has been led by Glen Lankard, a 32-year-old Eyak board member who has blasted the clear-cutting at city council meetings, in news letters and on radio talk shows.

"We don't want the dividends if this is how we are going to receive them," Lankard said.

Other shareholders are also speaking up. "I really think this (Eyak) board is negligent and is destroying the land," said John Johnson, a Cordova shareholder and salmon fisherman. "Someone should hang for this ... I took my two kids to look at the land, and they were shocked. If this what the settlement act was crafted for, then we should just give the land back."

Eyak has no intention of giving away any land. But it continues to press for some sort of timber buyout that would save the trees and make a lot of money for Eyak.

Five years ago, Eyak sold 22,000 acres of that timber for \$1.65 million to Sherstone, the joint venture in which Eyak is a 50 percent partner. Corporate documents say that sale price was a fair-market value for the depressed timber markets of the mid-'80s. The red ink generated from the sale was sold to other, profitable corporations, which used them to reduce their own tax liabilities.

Since, the average value of Alaska export logs has increased by less than fivefold, according to federal export records. But Eyak officials want any state of federal buyer to pay a hundredfold increase over the 1986 stumpage prices.

"There are a lot of considerations," said Steve Behnberg, Eyak's chief executive officer, in explaining the proposed sales price. "What happens to employees, the guys who bought homes in Cordova expecting 20 to 30 years worth of logging. And if we stop logging, there is a cost to us."

"We're not just selling our timber," said Andersen. "There's an opportunity cost. And there is an intrinsic value."

So far the state has made no commitments to buy any Eyak timber, according to Cole.

Some Cordovans think the corporation's latest proposal to log their cherished Eyak River drainage may be a pressure tactic to up the ante for sale negotiations.

When pressed on that point, Andersen responds, "Who knows?"

Eyak recently agreed to temporarily hold off on its logging of the Eyak River drainage if the city delays a final decision to designate the area a special water district.

However the route for the first logging road is already set, marked by pink and blue ribbons wrapped around the trunks of 150-year-old spruce and hemlock.

Rec'd 2/21/92 (24)

STATEMENT BEFORE TRUSTEE COUNCIL - FEBRUARY 5, 1992

The Prince William Sound Loggers United is an association of individuals who have been employed to perform logging work on timber owned or controlled by Eyak Timber, Eyak Village Corp., and/or Shearstone, a joint enterprise of Whitestone and reside in the Cordova area.

We are the people whose Alaskan jobs and security will be eliminated by any purchase or inverse condemnation by the Trustee Council of all or most timber rights in the Prince William Sound area. We are the people who were promised approximately ten years of logging employment in the area. Some of us were induced by the expectancy of such job security to relocate to southcentral Alaska from other states and areas. Along with that comes the responsibility of signing rental agreements, the purchase of homes, vehicles to work, enrolling our children in schools, day-care centers, etc. Basically being productive citizens in our community.

While we acknowledge that there may exist public support for the acquisition of land and/or timber in the Prince William Sound area to preserve the standing forest in the public interest, including such purposes as recreation, aesthetics, and fish and wildlife protection, we implore the Council to include the sacrifice of our jobs in any plan for acquisitions which result in the termination of planned logging activity.

The people of Alaska and of this Council should remember that more than the resource owners must be compensated, the rights of the loggers being eliminated in this acquisition must also be compensated. More than the value of the timber will be taken. So also will be taken is our ability to partake in a productive manner in our community.

It is our belief and that of our legal counsel, that the Trustee Council and our employers have not only a legal, but a moral obligation to include us in any transaction which directly or indirectly purchases our jobs, thereby extinguishing them, along with the purchase of trees in the Prince William Sound area. We ask only that our property interest in our employment relationships be given the same respect and legal protection as the property interests of Shearstone, Whitestone, and Eyak in the forests of Prince William Sound.

If the preservation of such forests and the resulting loss of our employment is in the public interest, so be it, but include us in this plan and help us to survive. Make us your allies and not your adversaries in what must be done to benefit the Prince William Sound.

Prince William Sound
Loggers United

John Thompson
John Thompson P.O. Box 2216 Cordova, AK
99574

(25)

Dec 30, 1991

To: Mike Barton, Regional Director
USDA Forrest Service
PO Box 21628
Juneau, AK 99802

From: Larry L. Lietzau
Box 2195
Cordova, AK 99574

CORRESPONDENCE CONTROL NO: 924

RESPONSE MUST BE MAILED BY: 1/16/92

SIGNED BY: ES for RE

CC'S TO: RECONTROL

Re: Clearcutting

Dear Mr. Barton,

I am a four year resident of Cordova. During that time period I have personally witnessed some tragic things happen to Prince William Sound and the surrounding area of Cordova. I am sure that we will never completely recover from the spill but I am sure that we can prevent future devastation caused by clearcutting.

The Eyak Corporation sold timber rights to Sherastone Logging Inc. I am sure that you are aware that this "kitchen table" Corporation sale was conducted between Catherine Anderson (President Eyak Corporation) and Robert "Bob" Anderson (Owner Sherastone Logging), husband and wife. The intent is obvious.

More important to the residents of Prince William Sound is the irresponsible manner in which the timber is being harvested: clearcutting. Two Moons Bay, Fish Bay, Sheridan Glacier and now plans for the land around Eyak Lake (Cordovas watershed), Eyak river near Cordova. In the future, all the timber on the coast between Cordova and Valdez. I invite you to come to Cordova and take a flight seeing trip with me in my airplane. View the rape and devastation personally. I believe that if you saw the complete disregard for the environment, scenic areas, Cordovas watershed and the impact on local Salmon streams and wildlife, you would be inclined to take action.

I propose that you:

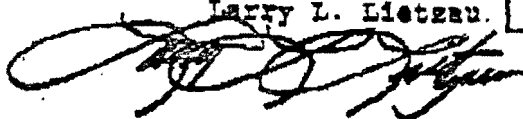
- (1) support the spending of oil spill funds to buy back the timber rights.
 - (2) Support the state proposal to trade timber of equal value in areas that would not be impacted as greatly as the Cordova and Prince William Sound areas.
 - (3) Direct that clearcutting practices be eliminated.
- A reply would be appreciated.

RECEIVED

JAN 02 1992

REGIONAL FORESTER
FOREST SERVICE
JUNEAU, ALASKA

Larry L. Lietzau



RF/DKF
cc: Gibbons
Wale
(26)

Donald C. Kenyon
197 Walter Hays Drive, Palo Alto, CA 94303-2924
415/821-0520

January 22, 1991

The Honorable Charles Cole
Attorney General
State of Alaska
P.O. Box K
Juneau, AK 99811

Re: Restoration of Prince William Sound

Dear Mr. Cole,

I am writing to you as a member of the Trustee Council that will administer the Exxon Valdez settlement monies to restore Prince William Sound.

I urge you and the council to use these monies to buy back the timber rights on large areas of lands in the Sound, on Kodiak Island and the Kenai Peninsula. Acquisition of these timber rights will protect critical habitats for fish and wildlife in the region. I understand that the Native corporations and other corporations are interested in selling and see this proposition as a "win-win".

My brother is a salmon fisherman in Cordova and I have visited Prince William Sound on many occasions, so I feel very close to this area. This area is marvelous natural resource and should be protected as much as possible.

I would appreciate if you would copy this letter to other members of the Trustee Council. Thank you in advance for your careful consideration in this matter.

Sincerely,

[Signature]
Don Kenyon

RECEIVED

Department of Law

AM JAN 29 1992 PM
7:30, 10, 11, 12, 1, 2, 3, 4, 5, 6

RECEIVED

JAN 31 1992

REGIONAL FORESTER
FOREST SERVICE
JUNEAU, ALASKA

cc: Trustee Council member
only 1

CITY OF CORDOVA



Exxon Valdez Oil Spill
Restoration Trustee Council
645 G Street
Anchorage, AK. 99501

February 27, 1992

Dear Sirs:

Recently I met with Mr. John Thompson, Chair of the Prince William Sound Loggers United, to hear his concerns regarding the impacts to logging industry workers that would result from timber acquisitions or logging moratoria in PWS by the Trustees.

I included his concerns in the Cordova City Council agenda packet, and following Mr. Thompson's presentation, Council authorized a letter of support from the Mayor and City Council of Cordova.

PWSLU is an association of workers employed to log timber owned or controlled by the Eyak Corporation and/or Sherstone, a joint enterprise of Whitestone and Eyak Corporation. Most are employed directly by Whitestone and reside in the Cordova area.

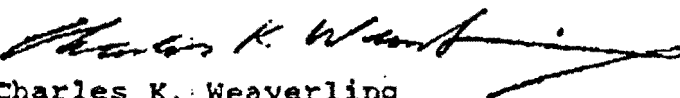
Anticipating approximately 10 years of employment, many of these workers were induced by this security to relocate and participate as productive citizens in our community, assuming the responsibilities of rental agreements, purchase of homes, enrollment of children in school, etc.

We continue to support our resolution for logging moratoria and the purchase of most or all of the timber rights in the PWS area. However, we are very concerned that jobs and security will be eliminated, and feel that appropriate and adequate compensation for this loss should be included in any plan which results in the termination of planned logging activity.

We believe it is an obligation of the Trustees, although not limited to them, to include consideration of these individuals in any transaction that also effectively purchases their jobs. We ask that their employment security interests be given the same level of respect, protection, and compensation as the property and business interests of the resource owners, not only in the Prince William Sound area, but wherever the timber industry and its workers may be affected by trustee decisions.

Thank you for your consideration of this matter.

Sincerely,


Charles K. Weaverling
Mayor

Reply to: Exxon Valdez Oil Spill

Date: March 9, 1992

Subject: Public Advisory Group

To: Trustee Council

For your information prior to the Trustee Council meeting of March 9. This write-up contains proposals that would meet the basic procedural requirements for a Public Advisory Group.

1. CHARTER

After the Trustee Council decide on the basic structure and procedures for the Public Advisory Group, legal staff will redraft a charter based on the approved narrative description and the applicable statutes and regulations. Since compliance with the Federal Advisory Committee Act is likely to take at least a number of weeks, there is no practical benefit to submit a charter before all pieces are assembled and approved by the Trustee Council.

Legal counsel from the federal and state governments have submitted a memorandum reviewing the draft charter for compliance with applicable law. This is enclosed for your information.

2. PUBLIC ADVISORY GROUP

A. Membership

The Public Advisory Group shall contain 15 members.

B. Balance and Representation

The Public Advisory Group must be fairly balanced among at least the following principal interests:

Aquaculture
Commercial Fishing
Commercial Tourism
Environment
Conservation
Forest Products

Local Government
Native Landowners
Recreational Users
⇒ Sport Hunting & Fishing
⇒ Subsistence
Science/Academic

1) Special Provisions for local government

The Trustee Council shall reserve at least one seat for Local Government representing the Exxon Valdez oil spill area.

11) Special Provisions for Native Interests

Native interests other than subsistence shall be represented by at least one traditional or Indian Reorganization Act Village Council and at least one ANCSA corporation.

C. Nomination and Selection

The Trustees will appoint Public Advisory Group members from nominees presented by the public and nominations from recognized professional, service, or public interest groups. The Trustees will use the lists to balance the group appropriately.

D. Powers and Duties

The Public Advisory Group shall deliver advice or comment to the Trustee Council. It shall serve as a sounding board on issues pertinent to the restoration process. The Public Advisory Group shall supplement, rather than substitute, other public comment, advice, and recommendations. The Trustee Council shall fairly acknowledge and consider the advice and comment of the Public Advisory Group. In cases that the Trustee Council rejects or does not follow the majority recommendation of the Public Advisory Group, an explanation shall be given to the Public Advisory Group.

i) Non-Binding Role

The Trustee Council must fairly acknowledge and consider the advice and comment of the Public Advisory Group, but the Public Advisory Group has no binding powers on the Trustee Council or their actions.

ii) Interaction with Trustee Council

The Public Advisory Group may present its views in whatever form it feels most appropriate, including consensus recommendations, votes or majority/minority reports.

The Trustee Council shall set aside time on each Trustee Council agenda for the Public Advisory Group to deliver advice, comment, or reports, and to ask and receive questions.

E. Support for the Public Advisory Group

The Trustee Council, through the Administrative Director and the Restoration Team, will provide support to the Public Advisory Group.

i) Clerical and Administrative

The Administrative Director will include in their budget funds sufficient to support reasonable clerical and administrative support to the Public Advisory Group. These include, but are not limited to, arranging teleconferences, copying and mailing materials, and other logistical support.

The Administrative Director shall make all reasonable efforts to accommodate clerical and administrative requests of the Public Advisory Group.

ii) Technical and Information Staff

The Trustee Council shall approved staff support for the Public Advisory Group from the office of the Administrative Director on an as-needed basis.

F. Budget

The Trustee Council shall approve an overall budget for the Public Advisory Group based upon recommendations from the Public Advisory Group and the Restoration Team.

The budget shall be based upon activities and spending guidelines reviewed and approved by the Trustee Council. The Public Advisory Group shall decide how they will allocate its total budget among the approved activities and spending guidelines.

G. Other Restoration Team Recommendations

1. The Restoration Team notes that public comment consistently recommended that a staff member be supplied to the Public Advisory Group full-time. "The Federal Advisory Committee Act requires that the designated Federal agency shall designate an officer or employee to chair or attend each meeting of the advisory group. 5 U.S.C. App. 2 S10(e); 41 C.F.R. S 101-6.1010. The advisory group cannot conduct any meeting in the absence of that officer or employee." (from Legal counsel letter enclosed).
2. The Restoration Team has revisited the Public Advisory Group Budget and reduced it from a previous total of \$152,000 to \$106,600 (without liaison position).



Dave R. Gibbons, Ph.D.
Interim Administrative Director