

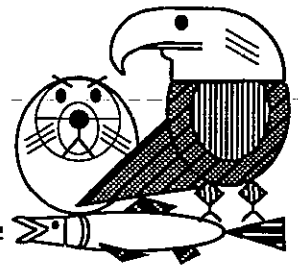
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Exxon Valdez Oil Spill Trustee Council

Restoration Office

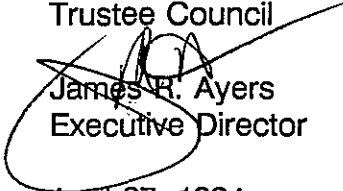
645 G Street, Suite 401, Anchorage, Alaska 99501-3451

Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To: Trustee Council

From:  James R. Ayers
Executive Director

Date: April 27, 1994

Subj: April 28, 1994 Trustee Council Meeting

Attached is an agenda for our meeting tomorrow April 28, with accompanying documents respectively. The first item is a resolution regarding the Prince William Sound herring problem that requires action to deal with the emergency surrounding the herring decline and viral infections, "Disease Impacts on Prince William Sound Populations." This item can be handled by motion.

This subproject was assembled immediately after the Pacific herring began returning to Prince William Sound in reduced numbers, in a weakened and diseased state. Subproject 94320-S will be a component of the "Prince William Sound System Investigation" (project 94320).

The second item includes a copy of Eyak and Sherstone's letter to Mike Barton with a draft response letter from the Trustees to Eyak. The draft response needs resolution so as to provide Eyak opportunity to take action during their annual board meeting on Friday April 29.

Trustee Agencies

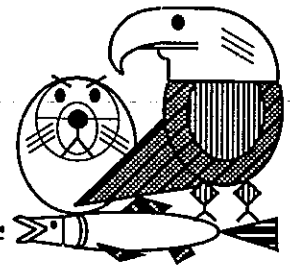
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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AGENDA EXXON VALDEZ OIL SPILL SETTLEMENT TRUSTEE COUNCIL APRIL 28, 1994 MEETING TELECONFERENCE

DRAFT

APRIL 28, 1994 @ 10:00 a.m.

Trustee Council Members:

MICHAEL A. BARTON
Regional Forester, Alaska Region
U.S. Department of Agriculture-Forest Service

BRUCE M. BOTELHO/CRAIG TILLERY
Attorney General/Trustee
State of Alaska/Representative

GEORGE T. FRAMPTON, JR.
Assistant Secretary for Fish, Wildlife & Parks
U.S. Department of the Interior

STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

CARL L. ROSIER
Commissioner
Alaska Department of Fish & Game

JOHN A. SANDOR
Commissioner
Alaska Department of Environmental
Conservation

Steve Pennoyer - Chair
Juneau Location - Forest Service Conference Room 541A

1. Approval of Agenda
Order of the Day
2. Pacific Herring - Prince William Sound
3. Executive Session
(To Discuss Habitat Protection Acquisition Strategies)

Attachments:

- Resolution Regarding Herring in Prince William Sound
- Draft letter to Eyak and Sherstone
- Copy of Original Letter From Eyak to Mike Barton

Adjourn

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

DRAFT

April 27, 1994

Subproject 94320-S Funding Resolution

Background - On April 11, 1994, the Trustee Council formally authorized projects to proceed as part of the 1994 Work Plan. These included Project 94320 with its numerous components designed to study the Prince William Sound ecosystem, particularly as it relates to fisheries. Shortly after the meeting, the 1994 Pacific herring run began to return to Prince William Sound in a severely depleted, weakened and diseased state. Consequently, the Executive Director and staff from the Department of Fish and Game met with other scientists, including Dr. Spies, and designed an additional research component entitled "Disease Impacts on Prince William Sound Herring Populations" (94320-S) to investigate the failing herring run. This component is intended to determine if viral hemorrhagic septicemia (VHS) is present in the herring population and to ascertain if the disease is the cause of the weakened run or merely an opportunistic pathogen in a population already weakened from other causes. There was no record of VHS in Sound herring prior to 1993. Field sampling of this data has already begun because the herring run is short-lived.

No additional allocation of funds is being sought from the Trustee Council. Funds are available to transfer from other, already approved projects. Funding this Project 94320 component involves transferring \$72,000 from 94320-E, which represents money saved on that project from ADF&G's competitive bid vessel charter process, and transferring \$25,000 from Project 94139, which became available after the Port Dick component of this project was withdrawn. The Executive Director and the Chief Scientist highly recommend this project action be approved.

DRAFT

Resolution - Be it resolved that "Disease Impacts on Prince William Sound Herring Populations," Subproject 94320-S, will be incorporated into the Prince William Sound System Investigation, Project 94320, to investigate the disease impacts on the 1994 Pacific herring run in Prince William Sound, that the project will be funded with funds previously authorized in Projects 94320-E and 94139, and that total Trustee Council costs for this project will not exceed the \$95,000 identified above.

Date _____
MICHAEL A. BARTON
Regional Forester
Alaska Region
USDA Forest Service

Date _____
BRUCE M. BOTELHO
Attorney General
State of Alaska

Date _____
GEORGE T. FRAMPTON
Assistant Secretary for Fish,
Wildlife, & Parks

Date _____
STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

Date _____
CARL L. ROSIER
Commissioner
Alaska Department of Fish
and Game

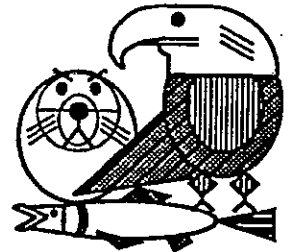
Date _____
JOHN A. SANDOR
Commissioner
Alaska Department of
Environmental Conservation

Exxon Valdez Oil Spill Trustee Council

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April 27, 1994

DRAFT

Thank you for your letter of April 11, 1994. Your letter states that Sherstone anticipates resumption of timber harvest operations this summer on some of Eyak Corporation's lands. We assume that Sherstone's harvesting activities will be conducted with the protection of fisheries, wildlife, and scenic values in mind. The timber which was harvested in the Cordova area early this century has regenerated and supports outstanding fisheries and wildlife values. Thus, the more modern forest practices available now, including those covered in the Forest Practices Act, should enable Sherstone, Inc. to provide significant protection for these values under normal circumstances.

However, because of the *Exxon Valdez* oil spill and the resultant stresses placed on resources and services injured by the spill, the Trustee Council continues to be interested in providing additional protection for those injured resources and services through acquisition and protection of habitat on Eyak Corporation lands. The areas of prime interest are: 1) the "core lands" around Power Creek, Eyak Lake, and Eyak River, 2) "Areas of Special Biological Importance" which includes Sheep Bay, Windy Bay/Deep Bay, and Port Gravina, and 3) "Areas of Scenic and Recreational Importance" which includes Orca Narrows.

1) "Core lands"-The Council is interested in acquiring fee title to the core lands. The Trustee Council recognizes Eyak Corporation's interest in development of hydroelectric potential in the Power Creek area and is willing to discuss proposals from Eyak Corporation to retain ownership and development rights to the Power Creek hydroelectric site. The Trustee Council also recognizes that Eyak Corporation may wish to retain a portion of the core lands for the Eyak Shareholder Land Use Program.

2) "Areas of Special Biological Importance"-The Trustee Council also wants to discuss additional protection measures for Sheep Bay, Windy Bay/Deep Bay, and Port Gravina. These areas have been identified by Trustee Council staff as being of particular value for

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

restoration purposes. The Council would prefer to acquire fee title to these areas, but is willing to consider alternative proposals to protect injured resources and services while at the same time providing for Eyak Corporation's needs for economic development and the Eyak Shareholder Land Use Program.

3) "Areas of Scenic and Recreational Importance"-Orca Narrows is an area of importance both for recreation and tourism. It is in the best interests of the Eyak Corporation, the Trustee Council and the community of Cordova to protect the scenic viewshed in that area. Accordingly, the Council is willing to discuss proposals to do so.

The Council requests that the Eyak Corporation grant public access to all lands on which less than fee title interests are acquired by the Council. Such grant of public access would apply only to lands which are "unimproved" as that term is defined in AS 09.45.795, and would apply only so long as AS 09.45.795, or a substantially similar statute, continues in force. The Council would be willing to discuss Eyak Corporation's needs to reasonably regulate uses on those lands.

The price the Trustee Council would be willing to pay for lands and interests is fair market value as determined by an appraisal. The fair market value would be determined, and the appraisal conducted, pursuant to standardized appraisal instructions approved by the Council and the Eyak Corporation.

The Trustee Council shares your belief that this or any other proposal must be subject to approval by the shareholders.

To facilitate discussions, any lands or interests in lands, including commercial timber interests, not owned by Eyak Corporation or its wholly owned subsidiaries need to be identified at the outset of any negotiations.

We believe your Board is aware of the public negotiations which surrounded the purchase of the Seal Bay lands on Afognak Island by the Trustee Council, and the Council is hopeful Eyak Corporation will follow a similar public process during negotiations. The Trustees look forward to working with you and are willing to consider whatever proposals you want to discuss.

Sincerely,

DRAFT

Jim Ayers
Executive Director



The Eyak Corporation

P.O. Box 840 Cordova, Alaska 99574
(907) 424-7161 Fax (907) 424-5161

April 11, 1994

Mike Barton
Regional Forester
U.S. Forestry Service
P.O. Box 21628
Juneau, Alaska 99802-1628

VIA FACSIMILE - 636-7840

Mike,

The Eyak Corporation, Sherstone, Inc. and The Exxon Valdez Oil Spill Trustee Council have expended vast amounts of time and money attempting to achieve something desired by all of us and by the local residents of the Cordova area. That is the very emotional issue and balancing act of habitat preservation in the Eastern Prince William Sound.

We at Sherstone have proceeded as previously stated, and project to begin timber harvest operations this summer. These operations encompass Orca Narrows, East Simpson Bay and the Rude River. As noted in previous discussions with the Council these areas are low on their priority list. The Eyak Corporation and Sherstone control vast amounts of additional land and timber which are higher on the priority list of the Council.

Mike, past discussions have resulted in strong feelings and statements on both sides, since we said at our last meeting, that our door is always open, we suggest that those attitudes be put aside and that informal discussions be scheduled to explore any possibilities or options that may be available.

To that end we at Sherstone and Eyak invite you, the Executive Director, and members of the Council to meet with us at a mutually convenient time in the near future.

Sincerely,

Luke Borer, President
Sherstone, Inc.

Donna Nadell, President
The Eyak Corporation

TOTAL P.01

TOTAL P.01

PHONE COMMENT LOG

Name	Affiliation	Phone	Address
Jim Johnson		561-0160	2201 West 56 th Ave APT 1 Anc Ak 99507

Date of call: 10.28.94 Talked to: Cheri Womac

Subject of comments: Elognak parcels

Comments:

Mr. Johnson was ^{recently} on Elognak Island and noticed a fair amount of logging in central Elognak.

We wanted to remind the Trustees of the 2 parcels on North Elognak Island

Comment taken: Cheri Womac