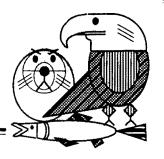
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May 1994

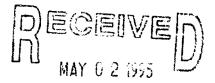
Restoration Office 645 G Street, Suite 402, Anchorage, Alaska 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



May 31, 1994

Craig S. Harrison Vice Chair for Conservation Pacific Seabird Group 4001 North 9th Street #1801 Arlington, Virginia 22203

Dear Mr. Harrison,



EXXON VALUEZ OIL SPILL TRUSTEE COUNCIL ADMINISTRATIVE RECORD

Knowing of your interest in restoration activities as they relate to seabirds, I want to take this opportunity to provide you with an update on some of the Trustee Council's restoration activities that you might find of interest.

In keeping with your recommendation regarding introduced predator removal, the Trustee Council approved funding (Project #94041) for an effort during the current field season that will provide for predator removal from two islands along the Alaska Peninsula (i.e., Simeonof and Chernabura). Even though these islands are outside of the spill impact area proper, the Trustee Council recognized that exotic predator removal can be one of the most effective means of helping to restore healthy populations of injured seabirds.

In your prior correspondence, you also noted that the Pacific Seabird Group supports the purchase of certain seabird colonies as part of the Trustee Council's Habitat Protection/Acquisition effort. I want to make sure you are aware of the opportunity presently available to private landowners with holdings in the spill area to nominate small parcels of land (i.e., less than 1,000 acres) for purchase or protection by the Trustee Council. Threshold criteria for the small parcel program include (1) a willing seller; (2) that the parcel is linked to the restoration of one or more injured resources and/or services; (3) that the seller acknowledges that the government can purchase the parcel or property rights only at fair market value; (4) that any acquired property or rights can reasonably be incorporated into public land management systems in a manner that will facilitate restoration; and (5) that the parcel is located within the spill area.

Although some of the islands that you have noted as being of particular concern are located outside of the spill area, a substantial number of the

colonies are within the spill area. You may wish to contact the land owners of these islands regarding their interest in selling their land or property rights. A small parcel nomination packet is enclosed for your reference. This packet includes a map of the spill area together with more information concerning the process for evaluation of nominated small parcels. Please note that the nomination period extends through <u>July 15, 1994</u>.

I appreciate the efforts being made by the Pacific Seabird Group to contribute to the restoration process. For your reference, I have also enclosed a copy of the *Invitation to Submit Restoration Projects for FY 1995*, a document that describes the on-going process to formulate a research, monitoring and general restoration work plan for next year that will complement the Habitat Acquisition and Protection program effort.

If I can provide additional information regarding the Trustee Council's restoration efforts, please let me know.

Sincerely,

Molly M Cammon, Director of Operations

enclosures

— small parcel nomination packet

— Invitation to Submit Restoration Projects for FY 1995

cc: Sandy Rabinowitch/DOI (w/o attachments)
Tony DeGange/USFWS (w/o attachments)

Restoration Office 645 G Street, Suite 402, Anchorage, Alaska 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

James R. Ayers, Executive Director

FROM:

Molly McCammon, Director of Operations

DATE:

May 31, 1994

SUBJ:

Recommendations Regarding Process for Adaptive Management

The purpose of this memorandum is to:

- 1) review the adaptive management process that was used to revise Project #94320/PWS System Investigation in order to investigate disease impacts on the PWS Herring population as approved by the Trustee Council at the April 27, 1994 meeting; and
- 2) make recommendations regarding adaptive management procedures in order to ensure that all projects are properly implemented consistent with Trustee Council authorizations and NEPA approvals.

Background on VHS Herring Data Collection Effort

At the April 11, 1994 Trustee Council meeting, final authorization was given to proceed with Project #94320/PWS System Investigation (the Sound Ecosystem Assessment or SEA). As indicated in the Detailed Project Description provided to the Trustee Council, the "implementation phase of the Sound Ecosystem Assessment ... is designed to describe the functional mechanisms that establish levels of adult production of salmon and herring in Prince William Sound." With specific regard to herring, a significant focus of the SEA effort is directed at obtaining a better understanding of herring survival as influenced by density dependent losses resulting from physical factors as well as predation, disease and genetic aberration. (1)

As part of the action taken April 11, 1994, specific consideration was given to the Executive Director's recommendations concerning Project #94320

contained in the memorandum dated April 7, 1994 to the Trustee Council. One of these recommendations, discussed at that meeting and endorsed by the Trustee Council, was that the principle of adaptive management should be applied to Project #94320 implementation: "Implementation of this field season will necessitate flexibility and a willingness on the part of investigators to scale the work effort to the biological realities that are available."

Shortly after the April 11, 1994 Trustee Council meeting, it became apparent that the 1994 Pacific herring run in PWS was returning depleted, weakened and extensively diseased. Consistent with the principle of adaptive management endorsed by the Trustee Council, the Executive Director convened a small working group that included the Chief Scientist, representatives from the two Trustee Council agencies with primary responsibility for fisheries management (i.e., ADF&G and NOAA) and other biologists to (1) review what was known to that point about the apparent collapse of the 1994 herring run, and (2) determine whether additional emphasis within Project #94320 should be given to address the herring collapse. In particular, attention was given to the question of utilizing the unique opportunity presented by the 1994 herring run to collect timesensitive field data regarding the prevalence of viral hemorrhagic septicemia (VHS) in PWS herring in order to determine whether VHS 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 PWS herring prior to 1993).

As a result of the working group's discussions, it was determined that documenting the prevalence of VHS in the PWS Pacific herring run, in order to better assess the significance of this pathogen as a factor limiting recovery, was a valuable and unique research opportunity consistent with the essential objectives of Project #94320. With the guidance of the Chief Scientist and others, a data collection effort was designed with an estimated budget of \$95,000. Prior to fielding this project, NOAA environmental counsel Kathleen Chorostecki was contacted to ensure that herring VHS research was consistent with prior NOAA guidance regarding NEPA compliance for Project #94320 (i.e., that all of the research components of Project #94320 qualified for a Categorical Exclusion with the exception of the hatchery related portions, for which an Environmental Assessment was prepared).

In order to support the cost of the VHS data collection effort, ADF&G (as lead agency for Project #94320) undertook a review of the various components of the project to determine whether funds (1) were potentially available from within Project #94320 or other FY 94 projects, and (2) if so, whether these funds could be reallocated to support the VHS data collection effort fully consistent with the Trustee Council's financial operating procedures. The financial operating procedures expressly recognize that "a certain amount of funding flexibility is necessary when projects are being carried out" and that

limited funding transfers between projects are permissible. Under these financial operating procedures agencies are authorized to transfer funds between projects up to the cumulative amount of \$25,000 or up to 10% of the annual spending level for each affected project, whichever less, provided that such transfers will not alter the underlying objectives of the affected projects.

Agencies are also authorized, under these procedures, to transfer funds within a single project. Project managers may transfer, within a single project, budgeted funds between object classes (such as personnel, travel and contractual costs), and may change detailed items of expenditure, including specific personnel, to accommodate circumstances encountered during budget implementation. It was determined that the needed funds were available to support the PWS herring VHS data collection consistent with the Trustee Council's authorizations and the financial operating procedures. A new subproject was established (94320-S). A \$72,000 savings realized due to lower than anticipated competitive bids for boat charter services in sub-project 94320-E was transferred to the new sub-project. Additionally, \$25,000 was available for transfer from Project #94139/Salmon Instream Habitat and Stock Restoration (because the Port Dick component of the project had been withdrawn due to a low cost-benefit ratio).

In short, it was determined that the needed funds were available to support the PWS VHS herring data collection consistent with the Trustee Council's authorizations and financial operating procedures. In accordance with the financial operating procedures that require the recording of budget transfers and modifications for future verification and audit, the PWS herring VHS data collection effort was provided with its own separate sub-project identification (i.e., 94320-S/Disease Impacts on Prince William Sound Herring Populations).

As you know, on April 27, 1994 the Trustee Council was briefed on the herring VHS data collection effort and took formal action to ratify staff action regarding the effort, including the transfer of funds within and between the FY 94 projects as described above.

Recommendations Regarding Adaptive Management

On the basis of recent experience with Project #94320 and the herring VHS data collection effort, the following recommendations are offered to clarify the procedures that should be used in those instances where a need arises for "in-season" adaptive management changes to project work efforts. As a general matter, it is understood that the need for any such changes will be limited.

1. <u>Project modifications that require budget changes</u>. As noted above, the existing financial operating procedures of the Trustee Council provide

guidance regarding modification of project budgets. These procedures were used to provide funding for the herring VHS research effort.

Recommendation: No changes are recommended to these financial operating procedures at this time.

2. Project modifications that require further NEPA analysis. The impact of a proposed project modification on the NEPA compliance determination must be explicitly addressed. Responsibility for determining whether the project modification will affect the NEPA compliance determination should rest with the Lead Agency for the project. 'In the case where a state agency is the project lead, a specific federal agency representative should be identified for consultation and NEPA compliance determination.

Recommendation: Anticipating that a project revision may need an expedited NEPA compliance determination in order to proceed in a timely manner, a single individual responsible for a federal NEPA compliance determination should be identified in advance. If possible, a specific time-frame for the federal NEPA review should also be agreed to in advance. A working sub-group of the Restoration Work Force should more fully explore this matter.

^{1.} See "An Integrated EVOS-Sponsored Ecosystem Approach to Marine Fish, Bird and Mammal Issues in Prince William Sound: Sound Ecosystem Assessment (SEA) and Related Studies" (Project 94320 Summary)

April 28, 1994

Jim Ayers, Executive Director EVOS Trustee Council Restoration Team 645 G Street, Fourth Floor Anchorage AK 99501

Dear Mr. Ayers,

We thank the Trustees for funding the SEA program through the PWS Science Center recently, but we are still concerned about the lack of an agreement with the Eyak Corporation over buying back the timber rights of the lands they have offered.

If ITT Rayonier is allowed to start clearcutting as proposed, Cordova is doomed as a tourist attraction, our anadranomous streams will be contaminated with slash and debris, thereby ruining the fishing industry, and the short-term economic gains will not be staying in the community as these loggers are not local people but have come from other states where sustainable harvesting was not practiced.

Please distribute this letter to the Trustees so that they can see that we, residents of Cordova, do not want to be exposed to this type of environmental disaster.

Thank you,

Larry and Judy Lietzau

PO Box 2195

Cordova AK 99574

424-7273

Copy to The EVOS Trustees, please.

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



May 3, 1994

Larry and Judy Lietzau P.O. Box 2195 Cordova, AK 99574

Dear Mr. & Mrs. Lietzau:

Thank you for your letter regarding Eyak lands. We are in discussions with Eyak and hope to work out an arrangement that would protect habitat areas within the Eyak lands. Your comments and others of the public are taken very seriously by the Council and appreciated.

Sincerely,

James R. Ayers ' Executive Director

JRA/mir

cc: Trustee Council Members:

Michael A. Barton, USFS

Bruce Botelho/Craig Tillery, Department of Law

Paul Gates/George T. Frampton, Jr., Department of the Interior

Steve Pennayer, NOAA

Carl L. Rosier, Department of Fish & Game

John A. Sandor, Department of Environmental Conservation

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



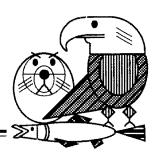
TO: Rebecca Williams	FROM: Mary Rivera
OFFICE: Anchorage	OFFICE: Executive Director's Office
FAX NUMBER: 276-7178	FAX NUMBER: 586-7589
PHONE NUMBER: 265-9326	PHONE NUMBER: 586-7238

COMMENTS:	Jim has already responded to Larry and Judy Lietzau (copy of letter
attached).	Did I sent you a copy in the mail for your reading file or did I forget to?

П								
۱	DATE.	May 24,	1994	1	TOTAL	PAGES:	3	
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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



AGENDA EXXON VALDEZ OIL SPILL SETTLEMENT TRUSTEE COUNCIL CONTINUATION OF APRIL 28, 1994 MEETING **TELECONFERENCE** MAY 31, 1994 @ 1:00 P.M.

5/27/94 7:32 am DRAFT

Trustee Council Members:

JAMES A. WOLFE/Trustee Representative Director, Engineering & Aviation Management U.S. Department of Agriculture-Forest Service

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

GEORGE T. FRAMPTON, JR./DEBORAH WILLIAMS STEVEN PENNOYER Assistant Secretary/Trustee Representative U.S. Department of the Interior

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

Steven Pennoyer, Chair Juneau location - U.S. Forest Service Conference Room 541A Anchorage location - 645 G Street Fourth Floor

- 1. Approval of Agenda
 - Order of the Day
 - Approval of Meeting Notes from April 11 & 28, May 2 & 3
- 2. Executive Director's Report (Jim Ayers)
 - Financial Report (June Sinclair)
 - Project Status (Eric Myers)
 - Restoration Plan EIS (Rod Kuhn)
 - Institute of Marine Science (Kim Sundberg)
 - Public Information and Communication (Molly McCammon)
 - FY95 Work Plan Process (Molly McCammon)
 - Habitat Protection and Acquisition Status (Dave Gibbons)

- 3. New Business
 - * Authorization for Ranking and Negotiations:
 - 1) Tatitlek
 - 2) Chugach
 - 3) Other
 - * Transfer of \$20,000 from Project 94165 (Prince William Sound Herring Genetic Stock Identification) to Project 94427 (Harlequin Duck Boat Surveys & Methodology Testing)¹.
- 4. 2:30 p.m. Executive Session on Habitat Protection and Acquisition Strategies Trustee Council and Appropriate Staff Only.

Tentative Meeting Schedule:

- 1) Between August 24 & 31 (May require 2 days)
- 2) Last week of September
- 3) October 31

Adjourn

* Action Items

¹ The \$20K in Project 94165 is available because poor herring returns this spring did not allow for a full-scale testing of the hypothesis of several spawning stocks in Prince William Sound. A full-scale project will be considered again for FY95.

MEMORANDUM

State of Alaska

DEPARTMENT OF FISH AND GAME

TO: Jim Ayers

Executive Director

Trustee Council

DATE: May 26, 1994

FILE NO .: 94427/9416

TELEPHONE NO.: 465-6160

SUBJECT: Request to Transfer

Funds for Supplemental Harlequin Duck Brood Surveys

FROM: Jerome Montague

Chief, Restoration

Habitat & Restoration

In FY94, ADF&G is producing reports on all previous EVOS harlequin duck projects and re-evaluating designs of population and productivity surveys. An improved survey program will be proposed for FY95 to initiate long-term monitoring, consistent with revised restoration plan (funding to prepare this has been approved by the Truste Council). Nevertheless, there is also a critical need to conduct a small brood survey this year for the reasons described below, and I am requesting authority to transfer funding from another project to 94427 (Harlequin Duck Boat Survey) in order to do this.

During this year's hiatus in extensive surveys, we are focusing on two aspects of investigating harlequin population dynamics that relate to problems in western PWS: (1) techniques to assess numbers of adult breeding birds (experimental survey in-progress) and (2) ways to accurately detect and measure annual production of young. Our survey results, indicating only two to four broods annually in interest to the public and resource scientists. Production of broods in the spill area is now viewed as perhaps the most critical parameter to monitor for signs of ultimate recovery or evidence of persistent population damage. This consideration lead the Bird Working Group to recommend brood surveys for the next five years (1995-1998) to establish reliable estimates of productivity and annual variation.

While we work with your office to develop a sound long-term monitoring program. We believe there is substantial value in conducting a limited brood survey effort in key areas of the western Sound during late July and August of this year. Our objectives would be to: (1) maintain continuity of brood data at three to five sites where broods have been documented in the spill area since 1991 (perhaps nodes of re-colonization), and (2) investigate unsubstantiated sightings of numerous broods near Green and Naked Islands, reported by Exxon contractors in 1993. We propose to briefly and economically deploy a team with an inflatable boat by float plane during the optimal time to detect broods in coastal waters and distinguish young from molting birds. A short, careful survey with photo documentation of broods and complete coverage of these key areas will strengthen site histories

on the few productive locales, as well as confirm or refute questionable reports of significant numbers of young in the unlikely areas cited by Exxon studies.

To initiate this work, I request approval to transfer \$20.0K from the FY94 Herring Genetic Stock Identification in Prince William Sound project (94165) to the existing FY94 Harlequin Duck Boat Survey project (94427). Due to poor herring returns this spring, we were unable to obtain samples from the variety of usual herring spawning locations needed to test the hypothesis of several spawning stocks in PWS. Thus, the \$20K required for the duck brood survey would be available from the herring project. Herring genetics is, however, a valuable project which should be conducted in 1995 if herring do return to those locations where spawning has been observed in previous years.

Harlequin brood survey results should be available in the same time frame as those for the spring survey (October-November 94). If you or your staff have any technical questions about the nature of the proposed work or merits of the supplemental data, please contact Tom Rothe at 267-2206.

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



To: Restoration Work Force	Number:
From: Melly MCCamin	107 Date: 5-38-94
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Bartels, Leslie Berg, Catherine Brodersen, Mark Bruce, David Fries, Carol Gibbons, Dave	coeffler, Bob Montague, Jerome Morris, Byron Rabinowitch, Sandy Spies, Bob Sullivan, Joe Thompson, Ray Vright, Bruce
Document Sent By:	

All Documents Faxed to the Trustee Council Must Be Followed Up With Phone Calls To Ensure Arrival and Delivery

Lorinda This Confirmation Sheet MUST be Attached to the Faxed Document. ~ MS. Williams 19 msg@ 12:59 5/27 Mr. Barton (Renee) Mr. Frampton (Cathy) 586-8863 Date & Time: 5/27 12. 202-208-4416 Date & Time: Mr. Pennoyer (Linda) Mr. Rosier (Carla) 586-7221 Date & Time: 52712.44p 465-4100 Date & Time: 527 Mr. Sandor (Martha) Charlle Mr. Tillery (Vicki) 269-5274 Date & Time: 5/27 465-5050 Date & Time: 5/27 Description of Document: 5 Pop; fax cover pg, 2 pg druft agenda, two pg memo from J. Montague Comments: Your Initials: 100

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[18] 5223148

[19] 7863636

[20] 7863350

[35] 5103737834

J. AYERS

D.GIBBONS

M.BRODERSEN

J.MONTAGUE

MORRIS-WRIGHT

S.RABINOWITCH

C.FRIES

R. THOMPSON

 ${\tt J.SULLIVAN}$

L.BARTELS

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EV Restoration

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J. SANDOR

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[36] 2787022

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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



To: Trustee Council Number:
From: Molly McCammon Date: 5-27-94 11:300.
Comments: Total Pages:
Please forward this document to
the Trustee Council member in your
office. This document includes an updated
TC agenda and a memo from Jerome
Montague regarding the transfer of funds
from 94165 to 94427. Thank you.
Document Sent By: Rebecco

Restoration Office 645 "G" Street, Anchorage, AK 99501

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



May 27, 1994

Ms. Regina R. Belt Acting Assistant Attorney General Environment & Natural Resource Division Suite 504 801 B Street Anchorage, AK 99501-3657

Dear Gina,

I have received a copy of your letter, dated May 18, 1994, to George T. Frampton, Jr., Steven Pennoyer, and James Wolfe. I am extremely disheartened and frustrated that the court request continues to be delayed. This is causing extreme problems in the Trustee Council discharging its duties. Please advise, as soon as possible.

Sincerely,

James R. Ayers
Executive Director

cc: Bill Brighton
Bruce M. Bothelo
George T. Frampton, Jr.
Phil Janik
Steven Pennoyer
Carl Rosier
John A. Sandor

******** *** ACTIVITY REPORT *** ********

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



TO: John Sandor	FROM: James R. Ayers	
OFFICE: DEC	OFFICE: Executive Director's Office	
FAX NUMBER: 465-5070	FAX NUMBER: 586-7589	
PHONE NUMBER: 465-5050	PHONE NUMBER: 586-7238	

COMMENTS: Letter to Regina Belt	
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CARL ROSIER

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

то: Carl Rosier	FROM: James R. Ayers	
OFFICE: Department of Fish & Game	OFFICE: Executive Director's Office	
FAX NUMBER: 465-2332	FAX NUMBER: 586-7589	
PHONE NUMBER: 465-4100	PHONE NUMBER: 586-7238	

COMMENTS:	Letter to Regina Belt

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DATE: May 27, 1994

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



TO: Bruce Botelho	FROM: James R. Ayers	
OFFICE: Department of Law	OFFICE: Executive Director's Office	
FAX NUMBER: 465-2075	FAX NUMBER: 586-7589	
PHONE NUMBER: 465-3600	PHONE NUMBER: 586-7238	

COMMENTS: Letter to Regina Belt	

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



TO: Steve Pennoyer	FROM: James R. Ayers
OFFICE: NOAA	OFFICE: Executive Director's Office
FAX NUMBER: 586-7249	FAX NUMBER: 586-7589
PHONE NUMBER: 586-7221	PHONE NUMBER: 586-7238

COMMENTS: Letter to Regina Belt	New Comments

DATE: May 27, 1994	TOTAL PAGES: 2

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



то: George T. Frampton, Jr.	FROM: James R. Ayers
OFFICE: Department of Interior	OFFICE: Executive Director's Office
FAX NUMBER: 202-208-4684	FAX NUMBER: 586-7589
PHONE NUMBER: 202-208-4416	PHONE NUMBER: 586-7238

COMMENTS: Letter to Regina Belt	

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



то: Deborah Williams	FROM: James R. Ayers
OFFICE: Department of Interior	OFFICE: Executive Director's Office
FAX NUMBER: 271-4102	FAX NUMBER: 586-7589
PHONE NUMBER: 271-5485	PHONE NUMBER: 586-7238

COMMENTS: Letter to Regina Belt	
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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

то: Phil Janik	FROM: James R. Ayers
OFFICE: USDA Forest Service	OFFICE: Executive Director's Office
FAX NUMBER: 586-7840	FAX NUMBER: 586-7589
PHONE NUMBER: 586-8863	PHONE NUMBER: 586-7238

COMMENTS:	Letter to Regina Belt

TOTAL PAGES: 2

DATE: May 27, 1994

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************** *** ACTIVITY REPORT *** ********

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Exxon Valdez Oil Spill Trustee Council

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

TO: Regina Belt	FROM: James R. Ayers
OFFICE: Environment & Natural Pesource	OFFICE: Director's Office
FAX NUMBER: 271-5827	FAX NUMBER: 586-7589
PHONE NUMBER: 271-3456	PHONE NUMBER: 586-7238
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Exxon Valdez Oil Spill Trustee Council

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

то: Bill Brighton	FROM: James R. Ayers
OFFICE: Department of Justice	OFFICE: Director's Office
FAX NUMBER: 202-514-4180	FAX NUMBER: 586-7589
PHONE NUMBER: 202-514-2244	PHONE NUMBER: 586-7238

COMMENTS: Letter to Regina Belt		
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DATE: May 31, 1994

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Washington, D.C. 20530

May 18, 1994

George T. Frampton, Jr.
Assistant Secretary for
Fish, Wildlife & Parks
United States Department of the Interior
1849 C Street, N.W. M/S 3156
Washington, D.C. 20240

Steven Pennoyer
Director, Alaska Region
National Marine Fisheries Service
National Oceanic & Atmospheric Administration
United States Department of Commerce
709 West Ninth Street Room 453
Juneau, Alaska 99802

James Wolfe
Trustee Representative
United States Forest Service
Department of Agriculture
709 West Ninth Street Room 831 D
Juneau, Alaska 99802

Re: United States v. Exxon Corp., Civil No. A91-082 (D. Alaska)

Gentlemen:

We have reviewed the proposed request to the Court for the sixth disbursement of funds from the Exxon Valdez Oil Spill Settlement Account. We have some concerns about the Prince William Sound System Investigation (project # 320), in particular the expenditure of \$1.75 million associated with the purchase of fry from the Prince William Sound Aquaculture Corporation.

Bill Brighton recently discussed these concerns with Jim Ayers and understands that this particular expenditure is subject to certain conditions. Accordingly, we are prepared to sign the Joint Application for Sixth Disbursement from Settlement Account with the understanding that our joining in this application to the Court is contingent on the application of these conditions to this project. A letter detailing our concerns about this project and the conditions imposed on its implementation identified by Jim Ayers will follow shortly.

RECEIVED

MAY 26 1994

EVOS TRUSTEE COUNCIL Sincerely,

Acting Assistant Attorney General Environment & Natural Resources Division

Dira R. Belt

Bv:

Regina R. Belt

Environmental Enforcement Section

copies to:

James Ayers Bill Brighton Maria Lisowski Craig O'Connor Steve Novick Barry Roth

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:

Cathy @ G. Frampton's Office

Linda @ S. Pennoyer's Office Carla @ C. Rosier's Office Martha @ J. Sandor's Office Vicki @ C. Tillery's Office Pat @ J. Wolfe's Office

From:

Rebecca Williams &

Exxon Valdez Restoration Office

Date:

May 26, 1994

Subj:

August 1994 Trustee Council Meeting

Mr. Ayers would like to schedule two, one-day Trustee Council (TC) meetings, one in late August and the other in late September. We hope the TC members will be available between Wednesday, August 24th and Wednesday the 31st, and again the last week of September. Please check your TC members schedule and get back to me ASAP. We would like to confirm these meetings today or tomorrow if possible. If you have any questions, please call me at 265-9326 or at the number listed above.

Please remember to schedule the TC meeting on Monday, October 31. It's my understanding that this meeting has been discussed and folks are aware of it. However it may not have been scheduled and we'd like to take care of that.

*** MULTI TRANSACTION REPORT *** *************

TX/RX NO.

9904

INCOMPLETE TX/RX

TRANSACTION OK [09] 5867589

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[25] 5867840

[26] 4652075

[27] 2022084684

[28] 5867249

[29] 4652332

[31] 4655070

[36] 2787022

J.AYERS

M.BARTON

B.BOTELHO

 ${\tt G.FRAMPTON}$

S. PENNOYER

C.ROSIER

J. SANDOR

ALEX-CRAIG

ERROR

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:

Jim Ayers, Executive Director

Restoration Work Force Simpson Building Staff Bob Spies, Chief Scientist

FROM:

Molly McCammon

Director of Opertions

DATE:

May 26, 1994

RE:

Update on activities and assignments

1. Clarification of budget information

Detailed Budget Instructions will be sent to you next week. However, the following is clarification of the types of projects and budgets we are starting to identify for Trustee action during either the later August meeting or the October 31 meeting.

Category 1 FY94 closeout projects. No further funding needed after 9/30/94.

Category 2 FY95 funding needed for data analysis & report writing for FY94

projects. Include total amount needed.

Category 3 FY95 funding needed to continue FY94 projects into FY95.

Include first quarter (10/1/94 - 12/31/94) costs only. This category should only be for projects that early funding is

absolutely essential. These requests will be reviewed on a case

by case basis.

Category 4 Administration and OSPIC budgets. A draft is being developed by

June Sinclair and Molly McCammon and will be available for review next week. Agencies do not need to submit any requests

for this.

Category 5

FY94 projects that will be requested to continue into FY95 - no

early funding is needed.

Category 6

New FY95 projects.

 State agencies should note that we do not intend to go back to Legislative Budget & Audit Committee until November.

• State agencies should identify any potential authorization problems.

PLEASE TELL YOUR PIS THAT WE ARE REQUIRED TO DO AN INTERIM BUDGET THIS YEAR BECAUSE THE EIS FOR THE RESTORATION PLAN WILL NOT BE FINAL UNTIL OCTOBER 31, AND THE TRUSTEES CANNOT TAKE ACTION ON THE FINAL WORK PLAN UNTIL THAT TIME. WE REALIZE THIS IS NOT THE BEST WAY TO DO GOOD SCIENCE. HOWEVER, AS INDICATED BY THE DRAFT FY96 WORK PLAN TIMELINE, IT IS OUR INTENT THAT THIS WILL NOT BE THE CASE NEXT YEAR.

- 2. OSPIC now has an Internet address: ospic@muskox.alaska.edu
- 3. May 26: Kodiak museum ground-breaking and signing of Afognak State Park legislation.

4. Trustee meeting schedule:

May 31

Last week of August Late September October 31

PAG meeting:

June 28-29

5. Attached are a revised FY95 Work Plan timeline and FY96 draft timeline



FY95 Work Plan Timeline

Period	Task	
05/16 - 06/15	Invitation to submit FY95 Restoration Projects. (Deadline for main process is 6/15; deadline for two experimental procurements is 6/30.) Trustee Council briefed on May 31.	
05/27	Identify interim funding needs for first quarter FFY95.	
06/02	Finalize and distribute FY95 budget instructions to agencies.	
06/02 - 06/10	Review and finalize list of interim funding needs.	
06/16 - 06/25	Staff review and organization of project proposals.	
06/24	All budgets for FY95 due.	
06/28	Public Advisory Group briefing and review.	
06/27 - 07/10	Chief scientist and technical review.	
07/11 - 07/12	Chief scientist and Interim Science Review Board finalize recommendations for Draft FY95 Work Plan.	
07/13 - 07/15	Restoration Work Force and Executive Director review proposals and budgets for inclusion in Draft Work Plan.	
07/16 - 07/31	Revisions, combinations, and addition of projects if needed.	
08/01 - 08/11	Prepare Draft Work Plan and Draft Budget.	
08/12 - 08/31	Print and mail Draft Work Plan.	
8/24	Trustee Council meeting to take action on FY95 budgets for administration, carry-forward projects, and 94 reports.	
09/01 - 09/30	Review of the Draft Work Plan by the Public Advisory Group, the Science Review Board and the general public.	
10/01 - 10/14	Compile comments received.	
10/15 - 10/20	Executive Director prepares recommendations.	
10/31	Trustee Council approves Work Plan.	
11/01 - 12/1	Agencies prepare detailed project descriptions, prepare requests for proposals (RFPs).	
12/1 - 01/31	Scientific or peer review of detailed project descriptions.	
1/15 - 1/20	Principle Investigator Workshop to review results of 1994 field season, modify FY95 projects if needed, and develop FY96 priorities.	
02/01 - 02/28	Approve detailed project descriptions (revise if needed) and negotiate contracts.	



FY96 Work Plan Timeline

Period	Task
01/15 - 01/20/95	Principle Investigator Workshop to review results of 1994 field season, modify FY95 projects if needed, and develop FY96 priorities.
03/01-04/15	Invitation to submit FY96 Restoration Projects.
04/15 - 04/20	Staff review and organization of proposals.
05/02	Public Advisory Group briefing and review.
04/20 - 05/07	Science Review Board review.
05/08 - 05/09	Science Review Board finalizes recommendations for Draft FY96 Work Plan.
05/10 - 05/12	Restoration Work Force and Executive Director review proposals for inclusion in Draft Work Plan.
05/13 - 06/1	Prepare Draft Work Plan. (Revisions, combinations, and addition of projects if needed.)
06/01 - 06/15	Print and mail Draft Work Plan.
06/15 - 07/31	Review of the Draft Work Plan by the Public Advisory Group, the Science Review Board and the general public.
08/01 - 08/14	Compile comments received.
08/15 - 08/20	Executive Director prepares recommendations.
08/31	Trustee Council approves Work Plan.
09/01 - 10/1	Agencies prepare detailed project descriptions, prepare requests for proposals (RFPs).
10/1 - 11/31	Scientific or peer review of detailed project descriptions.
12/01 - 12/31	Approve detailed project descriptions (revise if needed) and negotiate contracts.

TX/RX NO.

9917

INCOMPLETE TX/RX

13:58

TRANSACTION OK

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[18] 5223148

[19] 7863636

[20] 7863350

[35] 5103737834

J. AYERS

D.GIBBONS

M. BRODERSEN

J. MONTAGUE

MORRIS-WRIGHT

S. RABINOWITCH

C. FRIES

R. THOMPSON

J. SULLIVAN

L.BARTELS

C.BERG

B.SPIES

ERROR

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



FAX COVER SHEET

To: Restoration Work Force	Number:
From: Molly	Date: 5-26-94 121p.
Comments:	Total Pages: 5
Please deliner t	his decument to
the RWF member	in your ofc. Thank you!
	Thank You!
RESTORATION WORK FORCE M	EMBERS INCLUDE:
Berg, Catherine Morris Brodersen, Mark Rabino Bruce, David Spies, Fries, Carol Sulliva Gibbons, Dave Thomp	gue, Jerome , Byron owitch, Sandy Bob
Document Sent By: Relicio	

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:

Molly McCammon \(\)
Director of Operations

Date:

May 26, 1994

Subj:

Public Comments on Eyak

We are continuing to receive a number of letters regarding the Trustee Council's agreement with Eyak. I'm attaching copies of the comments for your review.

Cordova, Alaska 99574

(907) 424-5160

May 20, 1994

Jim Ayers, Executive Director EVOS Trustees Council 645 G Street Anchorage, AK 99501 DECEIVED MAY 2 3 1994

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Good Afternoon,

I would like to take this opportunity to express my relief that the EVOS Trustees council finally was able to purchase a parcel of Eyak lands on Hawkins Island. This is a positive step towards healing the residents of Cordova, whom still feel greatly impacted by the 1989 oil spill.

It is my hope that you will continue negotiations in order to buyback parcels in the Eyak Lake and River areas, Power Creek, Simpson Bay and on into Prince William Sound. Cordova's goals for the future include tourism development. These areas need to remain intact if they are to be aesthetically pleasing to tourists, and we locals want to be proud to show off our home and favorite recreational sites. A comprehensive buyback plan is essential, a piecemeal approach, although somewhat encouraging, will not allow us to accomplish our long term goals.

Thanks for your patience and persistence with this matter, please continue the positive ps you have made.

Sincerely,

Kay Adams

Kay adains

P.S. Please make a copy of this letter for all of the trustees.

Eyak Traditional Elders Council P.O. Box 460, Cordova, Alaska 99574

John A. Sandor, Commissioner Alaska Dept. of Environmental Conservation 410 Willoughby Ave. Suite 105 Juneau, AK 99801-1795

May 19, 1994 DELIVERY VIA FAX: 465-5070

Re: Rainforest Habitat Protection Negotiations

Dear Commissioner Sandor:

The purpose of this letter is to help clarify the Eyak people's position and concerns regarding Rainforest habitat protection in the Prince William Sound region.

First, the Eyak people wish to thank the Exxon Valdez Oil Spill Trustee Council (Trustees) for their continued efforts and most recent actions to protect our Rainforests from further environmental destruction.

Within the last month I spoke with Mead Treadwell about some of the key issues that should be considered when negotiating our future with Eyak Corporation. It is our hope that the Eyak people can help facilitate a possible solution to permanently end the vicious circle of "imminent threat decision-making practices" that the Eyak Corporation utilizes at critical times. This tactic threatens the continued existence of our coastal Rainforests and is of course of grave concern to the Eyak people.

The Eyak people want the entire Eyak Rainforest including all of Prince William Sound's Rainforests protected. The wildlife, the salmon, the people and the entire ecosystem will not fully recover from the effects of the "oil spill" if our Rainforests are destroyed also.

What follows in this letter is an outline of our concerns. Please note that these issues are not listed in any order of importance because all of these issues are critical to the Eyak people.

1. Timber Rights or Conservation Easement Purchases -

All of the timber rights must be purchased or the Eyak Corporation may be in a position to use this money to subsidize future clearcutting operations on other currently unprotected lands.

2. Perpetual Investment Plan -

Negotiations should include a perpetual investment plan which invests a mutually agreed upon percentage of the monies into an account for future shareholders. For example, this plan could be a revolving fund earning income to guarantee that future Eyak Corporation shareholders will have financial assets and a Rainforest still intact to complement the perpetual conservation easements.

3. Fee Simple Title -

The Eyak people are opposed to the sale of our ancestral lands. The land is sacred. We believe that we do not have the right to sell the land away from our children. We also believe that the Eyak Corporation does not have the right to sell these lands either.

- 4. Eastern Prince William Sound Rainforest Salmon Protection This region is one of the most important wild chum salmon habitats in the world.
 A wild stock restoration program must be implemented soon, in conjunction with protecting the entire region's Rainforest.
- 5. Eyak Rainforest Appraisal Values The Eyak people wish to make it clear that the Trustees should conduct the
 Rainforest Protection negotiations using the U.S. Forest Service appraisal values
 to be determined once an agreement is reached with the Eyak Corporation.
 This is a very sensitive issue. As shareholders of a Native corporation, there are
 laws that should protect us. It is up to the shareholders to exercise our rights to
 protect our assets, our land and our future. These internal issues are being actively
 addressed by shareholders. Such issues can and will be resolved and, when needed,
 corrected with time by the shareholders with the assistance of their legal
 counsel.
- 6. How the Trustees Can Help the Eyak People - The Trustees can create a means to protect the Rainforests and halt the clearcutting practices in Prince William Sound. Cultural restoration cannot be separated from environmental restoration. True healing may begin only with our Rainforests intact and preserved.

Last but not least, the Eyak people have supported the negotiations and have stood by the Trustees hoping that your efforts would help solve the turmoil in the Eyak Rainforest. We would like to point out, however, that literally thousands of acres of our Rainforest have been sacrificed since the negotiations started. Government has allowed "emergency conveyances" to the Eyak Corporation to clearcut parts of the Rainforest: these areas are now beyond recognition.

We strongly hope our ancestral lands of the Alaganik region near the Copper River Highway was our last sacrifice. That particular clearcut conveyance will scar our hearts for generations to come.

The Trustees have a chance to amend history right now. Your efforts will not go unnoticed. By protecting our Rainforest you protect our people. Without our Rainforests we too will cease to exist.

In spirit and friendship,

Jan E, "Dunc" Gankan G.
Dune Lankard

Eyak Tribal Spokesperson

cc: Trustee Council Members
Eyak Corporation Board of Directors
Sherstone Board of Directors
Mead Treadwell

Fax Transmittal Form

Fireweed Graphics P.O. Box 1478 Cordova, Alaska 99574 (907) 424-7490 Fax: (907) 424-7491

Date:	
TO: EXXON VALDEZ OU SPILL TRUSTEE COUNCIL OFFICE	Fax # 907.276.7178
"JIM AYERS" Ex. director	
From: Dune Lankard: Eyak Trac	Intional Elders Council
Cordova, Nr. 99674	
There are pages not including this cover this transmission, please call us at (907) 424-2	
Thank you.	
RE Rainforest Habitat Protect	tion Negotiations with EVGK COYD
NOTE: Please forward to all	
10-10-71000 10-70010 10-011	

May 11, 1994

Jim Ayers, Executive Director EVOS Trustee Council Restoration Team 645 G Street, Fourth Floor Anchorage AK 99501

Dear Mr. Ayers,

We thank the Trustees for funding the 2,000 acre purchase of Eyak Corporation lands in Orca Inlet. This is a good step toward healing the hearts and souls of those who were impacted by the oil spill in the Cordova area.

We would like to urge you to continue the deliberations to work out additional buybacks for the Eyak Lake and River and Power Creek parcels as well as the remainder of the parcels in Simpson Bay and into the Sound. To keep this area intact so that we may develop future tourism activities is important.

Again, thank you for all the work that you and the Trustees have done so far toward this end.

Sincerely,

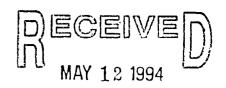
Larry and Judy Lietzau

PO Box 2195

Cordova AK 99574

424-7273

Copy to The EVOS Trustees, please.



EXXON VALUEZ OIL SPILL TRUSTEE COUNCIL

Susan M. Means 11940 Circle Drive Anchorage, AK 99516 (907) 276-4408 (day) May 11, 1994

Jim Ayers, Executive Director EVOS Trustee Council 645 "G" Street, 4th Floor Anchorage, AK 99501

Dear Mr. Ayers:

I want to thank you for the role you have played in the tentative agreement worked out with the Eyak Corporation to have the Exxon Valdez oil spill Trustee Council buy part of the Orca Narrows timber. I do want to ask, however, that efforts continue to ensure that all of Eyak's timber rights are purchased--especially the timber rights in critical areas like Rude River, Simpson Bay, Sheep Bay, and Port Gravina. Please make sure that ADEC Commissioner John Sandor understands that Cordovans and many other Alaskans want a comprehensive deal that will allow tourism development and commercial fishing for the long-term. Commissioner Sandor's current approach would leave much of this land open for clear-cut logging, fragmenting this valuable ecosystem and damaging its long-term potential for sustained tourism and recreation use as well as other resource-dependent purposes. That would be a terrible mistake.

Again, I appreciate the vision you have shown in working towards a viable agreement on this, and thank you for the hard work that's gone into it.

Sincerely,

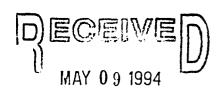
Susan M. Means

F/V Belen-C Joe and Belen Cook, Jr.

P. O. Box 215 Cordova, Alaska 99574 Phone (907) 424-3507

EVOS TrusTEE Council

AS A EYAK STOCK HOLDER AND Comm Fisherman, Who was RAISED AND FISH ED IN CORDOUA, AZL OF MY LIFE, I WOULD LIKE TO SEE EYAK LANDS PrOTECTED TFrom LOGGING. IF YOU CAN MAKE A DEAL ON THE TIMBER RIGHTS. I Think IT WILL HELP A LOT MORE PEOPLE THEN IT WILL HUT. BUT MORE IMPORTANT, I Think IS THE FISH AND ANIAML HABITAT. IT WILL SAVE. BECAUSE IT SEEMS, ONCE THAT IS GONE IT DOES NOT COME BACK THANK YOU



EXXON VALUE OIL SPILL TRUSTEE COUNCIL



Fax for Jim Ayers trom Linden O'Toole

Linden O'Toole P.C bex 1875 Cordova, 17k 99574

Mary 5,1994

I would like to thank you sincerely for all your efforts to buy timberights in Prince William Sound. I am a strong believer that the long-term economic future for the area lies in the development of a tourism industry.

Please Continue your efforts to purchase all of the Eyak Corporation's timber rights in the Sound, particularly in highly visible areas, and the areas near Cordova. Someday you may look back on your career and recognize this as one of your most meaningful accomplishments.

Sincerely,

Hunder O' Toole

Paul Swartzbart Box 233 Cordova, Alaska 99574

JIM AYERS AND MEMBIERS OF EVOS TRUSTEZ COUNCIL

CONG-RATULATIONS AND THANK YOU VIERY MUCH FOR YOUR ISISIORTS CONCIERNING THIS EYAK LAND OFBL.

I AM SURIE YOU REALIZE THAT
A PHECEMIENT APPROACH TO HABITAT
PROTISCITION WILL NISHATE THE
VALUE OF THIS FIRST STIEP. IF
THERE WAS EVER A SITUATION TO
APPLY THE ECOSYSTIEM APPROACH,
THIS IS IT. PLEASIE USE THE
OIL SPILL MONIEY TO APPLIED
ALL THE REMAINING FYAK LANDS.

ALL OF US IN THE TOURIST INDUSTRY, COMMIRCIAL FISHING, AND THE RECREATION AND SCHENTIFIC COMMUNITIES FRIEL VERY STRONGLY ABOUT THIS. WIE NEED A COMPREHINSIVE DIEAL.

ONCZ AGAIN, THANK YOU VERY MUCH. HAVING ATTENDED SIEVERAL OF YOUR MIEIETINGS I RIEALIZIE WHAT A DIFFICULT JOB YOU HAVIS.

SINCIERELY

FUEDSZ COPY AND DISTRIBUTE



Cordova District Fishermen United

P.O. Box 93 Cordova, Alaska 9957 (907) 424-3447 FAX (907) 424-343

May 4, 1994

Jim Ayers, Executive Director EVOS Trustee Council 645 G Street, 4th Floor Anchorage, AK 99501

Dear Mr. Ayers:

On behalf of the commercial fishermen and fisherwomen who comprise Cordova District Fishermen United, thank you for facilitating the recent agreement with the Eyak Corporation for the purchase of Orca Narrows and the moratorium.

CDFU supports these negotiations between the Trustees and Eyak Corporation. We hope that, through these efforts, additional critical habitat areas (such as Rude River, Simpson Bay, Sheep Bay and Port Gravina) may also be protected into perpetuity. Our mission is to preserve, promote and perpetuate commercial fishing in Prince William Sound and on the Copper River Flats. Your actions on this important initiative will help us achieve our mission and safeguard our members' ability to make a living.

Please pass a copy of this letter to all of the Trustees and thank you again for your hard work.

Sincerely,

CORDOVA DISTRICT FISHERMEN UNITED

Dorne Hawshurst Executive Director



P.O. Box 1353 Valdez, AK 99686 Phone: 907-835-4300 Fax: 907.835.5679

Jim Ayers EVOS Trustee Council 645 "G: Street, 4th Fl. Anchorage, AK 99501 May 4, 1994

Dear Mr. Ayers:

On behalf of the Alaska Wilderness Recreation and Tourism Association, I would like to thank you for your efforts in working with the Eyak Corporation to reach a mutually acceptable arrangement for purchasing part of Orca Narrows and establishing a moratorium to enable the Trustees and Eyak to continue negotiations.

Throughout the oil spill, the tourism industry has been the invisible industry. Because of poor baseline information on recreation and tourism uses in the Sound and for other reasons, inadequate damage assessment studies were done for recreation and tourism. This does not mean that tourism businesses did not suffer losses. Quite the contrary. A significant portion of the public still seems to think that the Sound is oiled, its beauty and wildlife destroyed. Some businesses have already gone out of business. Others have suffered significant financial losses. Unfortunately, tourism businesses have not been able to recover any of their economic losses that resulted from the spill (Robbins Drydock rule). Judge Holland has said that our losses will be compensated through the Restoration process. Timber buybacks have become the only type of compensation available to the natural resource dependent tourism industry.

It is very important to our members that all the timber rights be purchased in the following areas: Orca Narrows, Rude River, Simpson Bay, Sheep Bay, and Port Gravina. As you know from your own experience in the Sound, scattered clearcuts would destroy the visual quality of these areas and reduce wildlife watching opportunities.

Thank you again for your own efforts and those of the Trustees to help the Sound and the business community dependent upon its resources to recover.

Sincerely,

Thomas A. Lethcoe

April 29, 1994

Jim Ayers - Director - Evos,

As a concerned Cordovan resident, I am hopeful that you can reach a workable agreement with Eyale Native Corporation for timber rights on Eyak lands. I applaud your efforts so fair but strongly request you make it of paramount in partance to succeed most everyone in Carclova has their fingers crossed. It is truly a major fork in this town's future - we appreciate, and want others to enjoy a pristine, intact ecosystem, a growing varity these days but of much, much greater value to us now & especially a treasure saved by your diligence for our future inheritors, Let, not give them a clear-

MR. Jin Ayers - TRUSTEES.

As a concerned Cordovan resident, I am hopeful that you can reach a workable agreement with Eyak Native Corporation for timber rights on Eyak lands. I applaud your efforts so far but strongly regrest you make it of paramount in portunce to succeed most everyone in Corclova has their fingers crossed. It is truly a major fork in this town's future - we appreciate, and want others to enjoy a pristine, intact ecosystem, a growing varity these days but of much, much greater value to us now & especially a treasure saved by your diligence for our future inhoritors. Let not give them a clearcut! Sincerey D. P. Mitch alomidai 99574
Cut! Sincerey D. Poby 2222 Cordon Uk 04/30/1994 11:21 9074243660 APril 30, 1994

Mr. Jim AVERS EXECUTIVE Director EVOS Trustee Council RESTORATION TEAM

Time is getting short ON Making A Dear With EYAK Corporation ON A Timber Buy Back AS ITT-Rayonier is ready to STALT Sawing DOWN AND Hauling Away The trees. Once

The Tree's ARE CUT And Fell Across The

The LANd will to LATE. ITT-RAYONIER is

Note For Making a Mess And Leavingit-

Thier Dirty of cleaning up. Your Action on A EyAk timber BuyBack would Have a

Lot of Public Support in The P.W.S. AND

Perticulary in The Cordova AREA. The Citizans would Be Enterally Grate Fol.

WANT To Thank you For your Help Jim And Hope you CAN Forward A Copy of This Letter to the Rest of the Trustees

SINCEVIY Ed & Bilderback Cordova, Alaska 9957¢

April 29, 1994

DECEIVED MAY 1 3 1994

Jim Ayers. Director

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

As a concerned Cordovan resident, I am hopeful that you can reach a workable agreement with Eyale Native Corporation for timber rights on Eyak lands. I applaud your efforts so fair but strongly request you make it of paramount in partunce to succeed most everyone in Carclova has their fingers crosscol. It is truly a major fork in this town's future - we appreciate, and want others to enjoy a pristine, intact ecosystem, a growing varity these days but of much. much greater value to us now the especially much greater value to us now diligence for our a treasure soved by your diligence for our future inheritors. Let, not give them a clear future sincerely





EXXON VALDEZ OIL SPILL

P.O. Box 1185 Cordova, Alaska 99574 Telephone (907) 424-7466 U.S.A. TRUSTEE COUNCIL

April 29, 1994

Governor Walter Mickel State of Alaska Veneau, Alaska

Dear Governor Hickel,

I want to reiterate my thanks to you for writing to Exxon on behalf of Prince William Sound fishermen. I also appreciate your efforts to enact togistation on oil company bay issuer which will protect the state's and Citizens interests.

My main purpose in writing today is to

ask for your continued support for the purchase of

conservation easements on lands owned by the type Cerp.

I understand discussions between the Trustee Cornel and
the corporation are onesing. If there is anything you can
do to ensure a successful conclusion to these negotiations,
it will containly be a man value on land the

April 28, 1994

Jim Ayers EVOS Trustee Council 645 G Street, 4th Floor Anchorage, AK 99501

Dear Mr. Ayers:

As a long time Cordova resident, I would like to support any attempts to preserve our old growth forests. I hope the trustees will try and work out a deal to protect Eyak lands from logging. It is about time that some of the settlement money be used for what it is intended, the protection of the sound.

Any kind of a deal that leaves the forest standing would be preferable to having a company such as ITT Rayonier destroying the eco-system of the sound. The damage to our fisheries by the oil spill is evident, and we do not need to add to it by letting ITT Rayonier continue to destroy salmon streams in the sound as they have done elsewhere. Please consider the dismal record of this company, and understand how urgent it is to work out a deal.

Please ditribute this letter to the other members of the trustee council. Thank you for your work in protecting our sound.

Sincerely,

David Rosenthal

P. O. Box 635

Cordova, Alaska 99574

CC. Govenor Hickel

Gavernor Wally Hickel,
My name is Anita Snyke. My husband, I you
daughter - I are residents of Cardova, AK. I
have lived + worked here since 1986. I love the
place + have had a difficult time dealing with the
logging that is taking place on the native lands
in this area
It is like watching a good friend die of concer.
The cancer comes into the body + slowly takes
away the life of that person. After that person
dies, they are gone forever + the concer is no longer
there. I will still be here, but my friend is gone
That's how I feel about the Grests. The logger
come + go like the cancer. The trees are
gone + the forests will never be the same in mine
de my daughters lifetime. It hurts + makes
me angry. I don't know how to deal with
that anger. Many people in Cordova feel the
some way.
The logging that has taken place of Eyak lands
has been very poorly done with no thought of
sustainable logging. Manay many trees have been left
on the ground. In a town that is trying to
promote tourism + relies heavily on salmon, logging
in this manner makes no sense. These lands need
to be protected.
I strongly support seeing a deal worked out
to spect Eyak lands. Please do everything
- in your power to make such a deal occur.
Thank you, anto Smyke
Unita Dryke

April 28, 1994

Jim Ayers, Executive Director EVOS Trustee Council Restoration Team 645 G Street, Fourth Floor Anchorage AK 99501

Dear Mr. Ayers,

We thank the Trustees for funding the SEA program through the PWS Science Center recently, but we are still concerned about the lack of an agreement with the Eyak Corporation over buying back the timber rights of the lands they have offered.

If ITT Rayonier is allowed to start clearcutting as proposed, Cordova is doomed as a tourist attraction, our anadranomous streams will be contaminated with slash and debris, thereby ruining the fishing industry, and the short-term economic gains will not be staying in the community as these loggers are not local people but have come from other states where sustainable harvesting was not practiced.

Please distribute this letter to the Trustees so that they can see that we, residents of Cordova, do not want to be exposed to this type of environmental disaster.

Thank you,

Larry and Judy Lietzau

PO Box 2195

Cordova AK 99574

424-7273

Copy to The EVOS Trustees, please.

Winter King Charters

Ralph E. Lohse, Captain



Fish for Winter Kings Halibut Rock Fish

Tackle furnished or bring your own

Box 14 Cordova, Alaska 99574 (907) 424-7170

EXXON VALDEZ OIL SPILL TRUSTEE GOUNCIL

4-28-94

EU05 Trustee Council
645 G Street, 4th Floor
Anchorage, Ah 99501
Atten: Vim Ayers

Dear Mr. Lyers, Please do all you can to facilitate a deal to buy Eyak's Timberland. Please do this to protect our already damaged Prince William Sound - the future of our salmon fusheries - and the potentiel of thousands of future tourists to see or area in all its because of not otripped and shorm and buther obegraded. Sincerely, Walph Johnse

· · · · · · · · · · · · · · · · · · ·		Box 23 Cordo	iwartzbart 33 va, Alaska 99574 27/94
Jim AYERS			
EVOS	A 444 - 14 - 15 - 15 - 15 - 15 - 15 - 15		

DIEAR SIR

FAM WRITING TO URGE THE
TRUSTES COUNCIL TO ACT
IMMEDIATLY TO SAVIE EASTERN
PRINCE WILLIAM SOUND FROM
BISING CHEARCUT. THIS WOULD BE
A WORSE DISASTER THAN THE
OIL SPILL ITSIELF. THE SHAREHOLDERS
OF EYAK COAR FAVOR SUCH A DEAL,
AS DO ALL THE PROPULE IN THIS
LOCAL FISHING, TOURISM, AND
SLIENTIFIC COMMUNITIES. PLEASE
DONT HET THIS PRIECIOUS CAPERTUNITY
SLIP AWAY. THANK YOU VERY
MUCH FOR YOUR HISLP.

Faul Swortsbut



Nancy Bird

Writer/Photographer



EXXON VALDEZ OIL SPILL

P.O. Box 1185 Cordova, Alaska 99574 U.S.A. TRUSTEE CO!!NCIL Telephone (907) 424-7466

4/19/94

Dear Trusters,

We understand that the door is still open for negotiation with Eyak Corporation for the acquisition of habitat protections on their land.

We encourage you to do whatever is needed to ensure a positive outcome to the negotiations.

Thank you for your efforts and time. Spent on this issue.

Sincerely,

Karl Bucher Nancy Buid



Dar Governor Hickel,

There is wide spread public support for a timber buy back of public lands in Arince William Sound. If the Sound is claricul as proposed, my plan is to lawe Alaska and pursue other interes in the lower 48. My lifestyle will be damaged beyond repair and I'll return each summer for the ten weeks of peak fishing. By skimming the overing of the fishery, it will signify that I'll no longer be part of the solution, but just quother taker, and part of Alaska's problem. such a buyback would signify the first deal in PWS and I strongly request you do everything in your power to make such a deal occur. Thank you for your efforts in this direction

Sincerely,



Sea Grant Marine Advisory Program

University of Alaska Fairbanks

School of Fisheries and Ocean Sciences

Program Offices

Cariton Trust Building: #110 2221 E. Northern Lights Blvd. Anchorage, Alaska 99508-4140 (907) 274-9691 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

> 900 Trident Way Kodiak, Alaska 99615 (907) 486-1514 FAX (907) 486-1540

P.O. Box 297 Kotzebue, Alaska 99752 (907),442-3063

P.O. Box 1329 Petersburg, Alaska 99833 1(907) 772-3381 FAX (907) 772-4431

> 1297 Seward Avenue Sirka; Alaska 99835 (907) 747-3988

May 26, 1994

Jim Ayers, Executive Director EVOS Trustee Council 645 G Street, 4th Floor Anchorage, AK 99501

Dear Jim:

I just wanted to offer a brief but very genuine bit of appreciation for the recent progress made by the Trustee Council on the Eyak Habitat Acquisition negotiations. I know this has been a complex and difficult endeavor for all involved and the Council is to be commended for their continued resolve to come to closure on a truly comprehensive acquisition protection deal for Eyak lands. People in the spill region can now glimpse the light at the end of the spilled long tunnel.

Once you have closed the Eyak deal and the other deals in your comprehensive acquisition package, and have mapped out a focused monitoring and research program, and when the private litigation is resolved, folks in the region will then and only then be able to return to lives with some semblance of normalcy.

The Council's many years of planning and hard work are about to pay off in a huge way, and rest assured it will not go unnoticed. Thanks. Have an enjoyable Memorial Day weekend.

Sincerely.

Rick Steiner, Associate Professor Marine Advisory Program, Cordova

rs:bhm

Sierra Club

Alaska Field Office 241 E. Fifth Avenue, Suite 205, Anchorage, Alaska 99501 (907) 276-4048 • FAX (907) 258-6807



May 27, 1994

Members of the Exxon Valdez Oil Spill Trustee Council:

James A. Wolfe
Director, Engineering & Aviation
U.S. Forest Service

George T. Frampton, Jr. Assistant Secretary U.S. Department of Interior

Carl L. Rosier Commissioner Alaska Dept. of Fish & Game Bruce M. Botelho/Craig Tillery Attorney General/Trustee Rep. Alaska Dept. of Law

Steven Pennoyer Director, Alaska Region Nat. Marine Fisheries Service

John A. Sandor Commissioner Alaska Dept. of Conservation

Gentlemen:

On behalf of the Sierra Club, and as Environmental Representative on the Public Advisory Group, I would like to extend my sincere thanks for your efforts towards restoration of oil spill injured resources through purchase of commercial timber rights from the Eyak and Sherstone Corporations. We applaud your resolution of May 3 to purchase a general moratorium on commercial logging and related road building until March 1, 1995, along with commercial logging rights in perpetuity on 2,052 acres. We understand that it has been a difficult and time consuming process for all of you, for your staff, and for the representatives of the Eyak and Sherstone Corporations to come to this agreement. We greatly appreciate your dedication.

It is of the utmost importance for restoration of the Prince William Sound ecosystem and for well-being of the community of Cordova that the Trustee Council and the Eyak and Sherstone Corporations reach an agreement for perpetual and comprehensive protection of Eyak and Sherstone's forest. A comprehensive protection package must include all of Sheep Bay, Simpson Bay, Nelson Bay, the Rude River drainage, and any parcels which might be selected but not yet conveyed in this area. This forest is prime wildlife habitat for many species and is vital to the overall ecosystem health. It would be a tragic error to acquire only small parcels in a piecemeal fashion, when comprehensive protection of the Eyak area is possible.

Sincerely,

Pamela Brodie

Associate Alaska Representative

Printed on Recycled Paper_____

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



May 25, 1994

Mr. D. H. Cuddy Chairman, First National Bank 646 West 4th Avenue P. O. Box 100720 Anchorage, AK 99510-0720

Dear Mr. Cuddy:

Per your correspondence with Craig Tillery, I am enclosing copies of the latest Exxon Valdez Oil Spill Trustee Council financial statements and the most recent accounting report received from the court. If you have any questions regarding these statements you may reach me at 586-7152.

Sincerely,

June M. Arkoulis - Sunclair

June M. Arkoulis-Sinclair

Administrative Officer

Enclosures

cc: James R. Ayers, Executive Director

Craig J. Tillery, Assistant Attorney General

Statement 1

DRAFT

Statement of Exxon Settlement Funds As of April 30, 1994

Beginning Balance of Settlement	900,000,000
Receipts:	
Interest Earned on Exxon Escrow Account	831,233
Net Interest Earned on Joint Trust Fund (See Note 1)	4,038,655
Interest Earned on United States and State of Alaska Accounts	536,999
Total Interest	5,406,887
Disbursements:	
Reimbursements to United States and State of Alaska	139,111,287
Exxon clean up cost deduction	39,913,688
Joint Trust Fund deposits	161,806,258
Total Disbursements	340,831,233
Funds Available	
Exxon future payments	560,000,000
Balance in Joint Trust Fund (See Statement 2)	90,636,294
Seal Bay acquisition payments due (See Note 3)	(9,975,000)
Other (See Note 2)	TBD
Total Estimated Funds Available	640,661,294

Note 1: Gross interest earned less District Court registry fees.

Note 2: Previously funded projects may have unobligated balances which will be available.

Note 3: Annual payments due in November 1994, 1995 and 1996.

Footnotes: April 1994 court request to be submitted in the amount of \$13,618,982.

May 1994 court request to be submitted in the amount of \$2,300,300.



Cash Flow Statement Exxon Valdez Oil Spill Settlement United States and State of Alaska Joint Trust Fund As of April 30, 1994

Recei	pts:
-------	------

Exxon payments

Deposit December 1991	36,837,111	
Deposit December 1992	56,586,312	
Deposit September 1993	68,382,835	
Total Deposits	161,806,258	161,806,258
Total Doposito	.01/000/200	101,000,200
Interest Earned	4,481,971	
Total Interest	4,481,971	4,481,971
Total Receipts		166,288,229
Disbursements:		
Court requests		
Withdrawal June 1992	12,879,700	
Withdrawal December 1992	6,567,254	
Withdrawal June 1993	21,067,740	
Withdrawal November 1993	29,950,000	
Withdrawal November 1993	4,743,925	
Total Requests	75,208,619	75,208,619
District Court Fees	443,316	443,316
Total Disbursements		75,651,935
Balance in Joint Trust Fund		90,636,294

Footnote: April 1994 court request to be submitted in the amount of \$13,618,982.

May 1994 court request to be submitted in the amount of \$2,300,300.

3:91-CV-000082 CV A	Prior	Current	Ending	U.S.A. VS. EXXON CORPORATION
*******		*******		
Principal	161,806,257.78	0.00	161,806,257.78	
Principal Disbursed	(75,208,618.28)	` 0.00	(75,208,618.28)	Minor: N Orig Dep: 12/19/91
Net Principal	86,597,639.50	0.00	86,597,639.50	Fee? : Y Fee Rate: 10.00%
Earnings Deposits	48,807.38	0.00	48,807.38	Current Fee: 5,324.53
Earnings Allocated	4,038,199.51	47,920.68	4,086,120.19	QTD Fee: 31,528.65
Earnings Disbursed	0.00	0.00	0.00	YTD Fee: 97,354.71
Net Earnings	4,087,006.89	47,920.68	4,134,927.57	QTD Earnings: 283,757.61
Balance	90,684,646.39	47,920.68	90,732,567.07	YTD Earnings: 876,191.92

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

George T. Frampton, Jr.

Department of Interior

FROM:

James R. Ayers Executive Director

DATE: May 25, 1994

RE:

Evak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

cc: Deborah Williams, DOI

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Bruce Botelho

Attorney General Department of Law

FROM:

James R. Ayers

Executive Director

DATE: May 25, 1994

RE:

Eyak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

cc: Craig Tillery, DOL

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

John A. Sandor

Commissioner

Department of Environmental Conservation

FROM:

James A. Ayers

Executive Director

DATE: May 25, 1994

RE:

Eyak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

We have hand believed one to make for you as well.

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Carl L. Rosier

Commissioner

Department of Fish & Game

FROM:

James R. Ayers

Executive Director

DATE: May 25, 1994

RE:

Eyak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Steve Pennoyer

Regional Director

National Marine Fisheries Service

FROM:

James P. Ayers

Executive Director

DATE: May 25, 1994

RE:

Eyak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Jim Wolfe

Acting Regional Forester USDA Forest Service

FROM:

James R. Ayers

Executive Director

DATE: May 25, 1994

RE:

Eyak Comprehensive Proposal

Attached you will find the comprehensive proposal package submitted by Eyak and Sherstone Corporations. This document has been approved by their respective boards and signed by the Presidents.

This will be included in the presentation and discussion during the May 31 meeting.

Please call if you wish to discuss prior to meeting.

JRA/mir

Attachment

Restoration Office

645 G Street, Suite 402, Anchorage, Alaska 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Agency Liaisons

Date:

May 25, 1994

From:

Molly McCammon, Director of Operations

Subj:

Repository for Trustee Council Original Documents

Schedule for Field Work

Trustee Council Documents

On two recent occasions we have needed to reprint Trustee Council documents and could not locate the negatives or camera-ready originals. These occurrences have made apparent the need to initiate a system for storing original documents so they can be retrieved if necessary.

Regardless of which agency handled the original printing contract, please send all camera-ready originals and negatives or color separations for documents printed by the Trustee Council to L.J. Evans, EVOS Public Information Specialist, 645 G St., 4th floor. She will store these items so they are easy to locate in the event a document must be reprinted. This will save hundreds of dollars in printing preparation costs and considerable time now lost in searching for the originals.

Schedule for Field Work

In order to have a better understanding of the extent of the Trustee Council's research activities, it would be useful to know roughly when and who is going to be in the field, what they will be doing and approximately where they will be during that time. As part of this effort, I would appreciate your sending me by June 2 a very rough sketch of your agency's field schedule for Trustee Council projects.

If you have any questions on either of these requests, don't hesitate to contact me. Thank you.

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

To: Agency Liaisons	Number:	
From: Molly	Date:_	5-25.94 4.18p.
Comments:	Total P	ages:
Please forward in your office.	to the	A.L. number
in your office.	· Thank	You
0		
AGENCY LIAISON MEMBE	RS INCLUDE:	
Brodersen, Mark Gibbons, Dave	Montague, Jero Morris, Byron Rabinowitch, S Spies, Bob	
Document Sent By:	cca	

Ø 001

TX/RX NO.

9889

INCOMPLETE TX/RX

TRANSACTION OK

[09] 5867589

[10] 5867555

[11] 4655375

[12] 4654759

[13] 7896608

[14] 2572510

[15] 5624871

ERROR

J. AYERS

D.GIBBONS

M. BRODERSEN

J.MONTAGUE

MORRIS-WRIGHT

S. RABINOWITCH

C.FRIES

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Restoration Work Force

From:

Molly McCammon

Director of Operations

Date:

May 24, 1994

Subj:

May 25 RWF Meeting

The Restoration Work Force Meeting tomorrow will be held in NOAA's Protective Resources Management Division (PRMD) conference room in the Federal Building, Juneau. Proceed through door number 461 which is a corridor and leads to a conference room. Please note tomorrow's meeting begins at **8:30 a.m.** instead of 9:00 a.m. Items to be discussed include interim budgets for an August Trustee Council meeting.

Directly following the RWF meeting there will be a negotiator's meeting to prepare for the Trustee Council meeting on May 31. TX/RX NO.

16:25

9852

INCOMPLETE TX/RX [15] 5624871 C.FRIES TRANSACTION OK [09] 5867589 J. AYERS D. GIBBONS [10] 5867555 [11] 4655375 M. BRODERSEN [12] 4654759 J. MONTAGUE [13] 7896608 MORRIS-WRIGHT [14] 2572510 S. RABINOWITCH [17] 2713992 R. THOMPSON [18] 5223148 J. SULLIVAN [19] 7863636 L.BARTELS [20] 7863350 C.BERG [35] 5103737834 **B. SPIES**

ERROR

TRANSMISSION OK

TX/RX NO.

9853

CONNECTION TEL

5624871

CONNECTION ID

C.FRIES

START TIME

05/24 16:27

USAGE TIME

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PAGES

1

RESULT

OK

05/24/94

*** ERROR TX REPORT ***********

TX FUNCTION WAS NOT COMPLETED

TX/RX NO.

9852

CONNECTION TEL

5624871

CONNECTION ID

C.FRIES

START TIME

05/24 16:25

USAGE TIME

00'00

PAGES

NG

RESULT

#018

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



FAX COVER SHEET

To: Restoration Work Force	Number:
From: Molly	Date: 5-24-94
Comments:	Total Pages:
PIS deliver	to the RWF member
in your ofc.	Thank you
DESTORATION WORK FORCE	MEMPERS INCLUDE:

Ayers, Jim

Loeffler, Bob

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

To: Restoration Work Force	Number:
From: Molly	Date: 5-24-94
Comments:	Total Pages:
PIS deliver	to the RWF member
in your of	c. Thank you
RESTORATION WORK FOR	RCE MEMBERS INCLUDE:
Ayers, Jim Bartels, Leslie Berg, Catherine	Loeffler, Bob Montague, Jerome Morris, Byron
Brodersen, Mark Bruce, David	Rabinowitch, Sandy Spies, Bob
Fries, Carol Gibbons, Dave	Sullivan, Joe Thompson, Ray
Gilbert, Veronica	Wright, Bruce
Document Sent By: Rebe	cca

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Carl L. Rosier

Commissioner

Department of Fish & Game

FROM:

ames R. Ayers

Executive Director

DATE: May 24, 1994

RE:

Trip Report

I travelled to Seattle, Washington, on April 20 and April 25, 1994, for the purposes of meeting with the Forest Service and Eyak Corporation.

These meetings involved negotiations of Eyak lands for the purposes of habitat protection related to restoration of natural resources. These trips were productive and have led to Eyak developing a proposal for the Trustee Council of habitat protection on their land.

JRA/mir

TAMMI YOCKEY

DAVID BRUCE

465 5375

distributed to PAG on 5/20.

Service of States of State



WALTER J. HICKEL, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER 410 WILLOUGHBY AVENUE, SUITE 105 JUNEAU, AK 99801-1795

Phone: (907) 465-5050 Fax: (907) 465-5070

May 18, 1994

MEMORANDUM

TO:

Harry Noah

Commissioner

Dept. of Natural Resources USDA - Forest Service

400 Willougby Avenue Juneau, AK 99801-1724

Robert Williams

Acting Regional Forester

PO Box 21628

Juneau, AK 99802-1628

FROM:

Leider Sohn A. Sandor, Commissioner

SUBJECT:

1994 Aerial Survey Requests; 1993 Forest Health

Management Report and map publication

I want to compliment Robert Wolfe and Roger Burnside of your staffs for the detailed Alaska forest insect and disease conditions report jointly produced by your agencies. The discussion of the role of the spruce beetle in forest ecosystems is of special interest, particularly to those agencies and people interested in protection and restoration of forest ecosystems. The fact that over 700,000 acres of on-going and new infestations were surveyed, confirms the increasing destruction of critical habitat for species dependent on large diameter spruce stands.

This information will be particularly valuable for the Exxon Valdez Oil Spill (EVOS) Trustee Council, the Public Advisory Group and other working groups dealing with the protection and restoration of critical habitat for species injured by the spill. The Federal/State "partnership" to establish a Cooperative Watershed Restoration Program for restoring coastal watersheds should also benefit by this information.

I would urge sufficient copies of the complete report be transmitted to Jim Ayers, Executive Director for the Trustee Council, for distribution to the EVOS Trustees, the Public Advisory Group and the Habitat and Restoration working groups.

Thank you for the excellent report.

cc: EVOS Trustees; Jim Ayers and Staff; Public Advisory Group Cooperative Watershed Restoration Program Staff

(Enclosure with cc's - Title page and pages 1-7)

FILE:BEETLE93

05/20/94

FOREST INSECT AND DISEASE CONDITIONS IN ALASKA - 1993

General Technical Report R10-TP-40

February 1994

Prepared by:

Paul Hennon, Pathologist Roy Mask, Entomologist Ed Holsten, Entomologist

> Forest Health Management State and Private Forestry Alaska Region USDA Forest Service 3301 "C" Street, Suite 522 Anchorage, AK 99503

10:16

FOREST INSECT AND DISEASE CONDITIONS IN ALASKA - 1993

CONDITIONS IN BRIEF

Forest insect and disease populations and related damage increased throughout Alaskan forests in 1993. All of Alaska experienced an early and record warm spring and summer; the driest summer in almost 75 years. As a consequence, insect populations responded with population increases and shortened life cycles. Spruce bark beetle activity increased for the fifth consecutive year. New and ongoing bark beetle infestations, as determined by 1993 aerial surveys, now affect approximately 700,000 acres. While spruce beetle populations have increased dramatically in the Kenai Peninsula and Copper River Basin areas, they have been offset by a decrease in beetle activity along the Yukon River and on the west side of Cook Inlet. Spruce beetle populations in Sitka spruce along Turnagain Arm have remained static, although an increase along the Sixmile River and Hope Road, primarily near Walker Creek, was noted. Spruce beetle populations have also increased in the Kachemak Bay area where more than 14,000 acres of Sitka spruce are infested on the south side of the bay.

Hardwood defoliator activity has decreased from 150,000 acres in 1992 to 41,000 acres in 1993. A significant decline in the amount of defoliated willow accounts for much of this reduction. Spruce budworm defoliation in interior Alaska also declined in 1993 by more than 133,000 acres. However, almost 4,000 acres of new budworm defoliation was detected near Lake Clark this year. Black-headed budworm populations have continued to decline in the Prince William Sound and in the Turnagain Pass/Portage areas.

In southeast Alaska, coastal spruce-hemlock forests are experiencing the largest black-headed budworm epidemic in the past 40 years. For the third consecutive year, vast areas were impacted by budworm defoliation. Over 258,000 acres of black-headed budworm defoliation was noted in 1993. Budworm activity was concentrated primarily north of Frederick Sound. Increases in defoliated acreage are expected again in 1994, as the outbreak continues. Hemlock sawfly populations in southeast Alaska also increased, impacting approximately 19,000 acres, a threefold increase over 1992. The most spectacular defoliation observed in the spruce-hemlock forests of southeast Alaska in 1993 was apparent on approximately 12,000 acres, where black-headed budworm and hemlock sawfly caused simultaneous impact. Spruce beetle activity in 1993 continued at two locations in southeast Alaska. The outbreak near Haines continued to expand and activity was noted on approximately 20,000 acres. Salvage operations are ongoing on portions of the Haines State Forest. Spruce beetle activity in Glacier Bay National Park declined and now totals approximately 2800 acres. Spruce beetles remain a concern in the Park, however, as the area of current activity includes the visitor's center and related developments. After causing substantial damage to southeast Alaska Sitka spruce in 1992, spruce needle aphid populations collapsed during extended periods of sub-freezing temperatures in January and February, 1993. Defoliation of Sitka alder (by several insect species) was prevalent throughout most of southeast Alaska in 1993.

2005

₹907 465 5375

Yellow-cedar decline, wood decay of live trees, and hemlock dwarf mistletoe were the most significant diseases of Alaskan forests. All three have both economic impact and alter ecological conditions including forest structure, composition, and succession. Wildlife habitat is provided directly by heart rot and dwarf mistletoe through the formation of tree cavities and witches brooms, respectively. More than 526,000 acres of cedar decline occur in Southeast Alaska in a broad band from western Chichagof Island through the Ketchikan area. Heartrot and buttrot fungi caused significant cull in all tree species in Alaska. Hemlock dwarf mistletoe continued to cause growth loss and mortality in old-growth forests of Southeast Alaska; its impact in young-growth stands appears to depend on the presence of large infected residuals left after harvesting of the previous stands. An outbreak of hemlock canker, apparently caused by a fungus and possibly aggravated by dust, killed small hemlocks and the lower branches of large hemlock trees along unpaved roads on Prince of Wales Island, near Rowan Bay on Kuiu Island, Corner Bay on Chichagof Island, and Caroll Inlet on Revillagigedo Island. The disease was found for the first time away from roads in natural openings in forests and along streams. Spruce needle rust was present at high levels throughout Alaska, particularly around Petersburg, but most other foliar pathogens occurred at low to moderate levels in 1993. Rhizosphaera pini needle cast was found causing considerable damage to the lower crowns of Sitka spruce for the first time in southeast Alaska. Porcupines continued to damage spruce and hemlock in valuable young-growth stands in southeast Alaska. Decay, canker, and foliar fungi caused a large, but unmeasured damage to hardwood species in interior Alaska.

Table 1 summarizes insect and disease activity by land ownership.

Table 1. 1993 Forest insect and disease infestation in Alaska by land ownership and agent.

Pest	National Forest	Other Federal	Native	State & Private
	Acres			
Spruce beetle	26,240	191,300	150,810	356,400
Engravers	er man h	1,990	1,970	330
Spruce budworm		6,860	g wa.s.	26,700
Black-headed budworm	199,300		21,800	3 7,95 0
Hemlock sawfly	12,100	- Andrews	780	6,090
Spruce needle aphid	620		- MW-	****
Large aspen tortrix		14,000	24,050	25,380
Alder defoliation	430	120	310	100
Birch defoliation		dentage de	as spread all	150
Cottonwood defoliation	1,550	930	10	410
Willow defoliation	****	36,380	1,900	2,360
Larch Sawfly	#####	1,780	500	9,940
Black Moth	Triples/Sta	5	***	5,450
Yellow-cedar decline ^b	541,350	georgeologic etc. etc.	17,670	10,430
Totals	781,590	253,365	219,800	481,690

Grand Total = 1,736,445 acres

Table entries do not include many of the most destructive diseases (e.g., wood decays and dwarf mistletoe) because these losses are not detectable in serial surveys.

Value of yellow-cedar decline is not restricted to the acreage with a high concentration of dying trees for this year, it represents stands that generally have long-dead trees, recently-dead trees, dying trees, and some healthy trees. See discussion of yellow-cedar decline for a detailed listing of acreage affected by island and Ranger District

STATUS OF INSECTS

ROLE OF SPRUCE BEETLE IN FOREST ECOSYSTEMS

There are a variety of impacts associated with spruce beetle infestations to forest resources, both timber and non-timber. These impacts can be viewed positively or negatively depending on the forest resources in question. Some of the impacts associated with spruce beetle infestations include, but are not limited to: (1) Loss of merchantable value of killed trees: The value of a spruce as sawtimber is reduced within three years of attack in south-central Alaska as weather checking and increased sap-rots occur. The value of a beetle killed tree as houselogs, chips, or firewood continues for some time; (2) Long term stand conversion: To optimally regenerate both spruce and birch, a site disturbance (i.e. fire, windthrow, flooding, etc.) is required which results in a seed bed comprised of bare mineral soil with some organic material. If there is adequate seed source, such site disturbances provide excellent sites for regeneration. However, what is occurring on many sites in southcentral Alaska after spruce beetles have "opened up" the canopy is that there is a paucity of regeneration coming in as there has been minimal site disturbance. Under such conditions, grass and other competing vegetation quickly invade the site and prevent future colonization by tree species; (3) Impacts to wildlife habitat: Those wildlife species that are dependent on large diameter spruce stands are negatively impacted. Those species that benefit from early successional stage vegetation will

benefit from spruce beetle infestations as stand composition changes; (4) Impact to scenic quality: Recent studies have demonstrated that there is a significant decline in scenic quality of spruce beetle impacted stands and that scenic beauty is an important forest resource. Along scenic corridors, maintaining or enhancing scenic quality necessitates minimizing impacts from spruce beetle infestations; (5) Fire hazard: There is concern that fire hazard of spruce beetle impacted stands will increase over time as dead trees fall, dry grass accumulates, thus increasing fuel loading; and (6) Impact to fisheries: If salmon spawning streams are bordered by large diameter spruce and if these trees are subsequently killed by spruce beetles, there is a concern as to the long term availability of large woody debris in the streams. A continual supply of large woody debris in spawning streams is a necessary component for spawning habitat integrity.

ADEC RESTORATION →→→ EV Restoration

There are a variety of techniques that can be used to prevent, mitigate, or reduce impacts associated with spruce beetle infestations. However, before pest management prescriptions can be developed, the resource objective(s) for a particular stand, watershed, landscape, etc. must be determined. The forest manager must evaluate the resource values and economics of management actions for each stand in light of management objectives. The beetle population level must also be considered because population levels will determine the priority of management actions and the type of strategy to be invoked.

SPRUCE BEETLE Dendroctonus rufipennis Kirby

Spruce beetle continue to impact vast areas in Alaska (Fig. 1). Areas of active infestation have increased by almost 100,000 acres in 1993. This large increase was offset somewhat by the continued decline of outbreaks along the Yukon River and on the west side of Cook Inlet. An exceptionally warm spring and summer for the fifth consecutive year may have lent impetus to the expanding spruce beetle populations in the Copper River Basin and throughout the Kenai Peninsula.

Spruce mortality on the Chugach National Forest remained nearly static (28,658 acres in 1992 vs. 26,224 acres in 1993). The areas of major activity on the Forest are: Russian, Kenai, and Cooper Lakes--18,449 acres; Summit Lake to Broadview Guard Station-3,503 acres; Ingram Creek to Hope and Palmer Creek--905 acres; and the Moose Pass area including Trail and Grant Lakes and the Placer River--4,593 acres.

From Pt. Possession at the northern tip of the Kenai Peninsula to Kachemak Bay in the south, spruce beetle caused mortality has increased by almost 100,000 acres. The 1993 total is 397,771 acres (300,000 acres in 1992). From Skilak Lake south to Ninilchik and Homer and east to Caribou Hills, almost 57,000 acres of mortality was noted. East of the Caribou Hills, in the Fox River drainage, approximately 30,000 acres of spruce beetle activity was aerially detected in 1993.

In the Kachemak Bay area, acres impacted by spruce beetles have more than tripled this year, from 12,454 acres in 1992 to 40,401 acres in 1993. The most intense areas of activity are along the north side of the bay and in the Fox River Valley. Much of the affected acreage is located on lands in private ownership along East End Road. On the south shore of the bay, spruce beetle activity is as follows: Humpy Creek to Bradley Lake--9,808 acres; Halibut Cove-2,180 acres; China Poot lake--934 acres; Sadie Cove--234 acres; Tutka Bay--311 acres; and Seldovia--545 acres.

On the west side of Cook Inlet, from Beluga Lake to Skwentna River, spruce beetle activity decreased by half from 2,958 acres in 1992 to 1,570 acres in 1993. The most significant area of spruce beetle activity occurs north of the Skwentna River, about 6 miles northwest of Porcupine Butte and covers 6,000 acres between Finger Lake and Shirley Lake. The infestation detected in 1992 along the McArthur River remains unchanged (1,168 acres in 1992 vs. 1,036 acres in 1993).

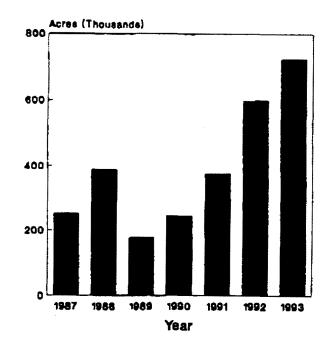


Figure 1. Acres of ongoing and new spruce beetle infestations in Alaska, 1987-1993.

Spruce beetle activity decreased in 1993 in stands of Sitka spruce along Turnagain Arm; 585 acres in 1992. vs. 155 acres in 1993. Activity did increase, however, along the Hope Road and Sixmile Creek to 475 acres with about 300 of those acres located at the mouth of Walker Creek. Along Resurrection Creek Road and Palmer Creek Road, mortality attributed to spruce beetles amounted to 420 acres.

Spruce beetle activity increased by more than 1,000 acres over 1992 levels in the Anchorage Bowl area. The outbreak in south Anchorage remained static with 1,125 acres of infested spruce reported again this year. Fire Island spruce beetle activity rose sharply from 415 acres to 925 acres in 1993 with heavy activity noted in several areas of spruce. The Pt. Campbell Military Reservation sustained 190 acres of spruce mortality with another 45 acres on lands immediately adjacent.

Just north of Anchorage, the spruce beetle continues to be quite active; 1,435 acres of infested spruce in the lower Eagle River Valley were reported while an additional 120 acres were detected at the head of the valley. This compares to 1,070 acres reported in 1992. In the Eklutna River Valley, 1,314 acres of spruce beetle activity were detected. Activity in the Knik River/Palmer/Bodenburg Butte area accounted for 4,599 acres. The most intense area of activity in the Matanuska Valley occurs along the Glenn Highway from Chickaloon to Gunsight Mountain where 15,880 acres of infested spruce were detected in 1993. This represents an increase of 9,886 acres over levels noted in 1992.

Southwest of Anchorage, in the Iliamna-Lake Clark area, spruce beetle activity is on the increase. Throughout the east end of Lake Iliamna, from Kakhonak Lake to Pile Bay, spruce beetle caused mortality was detected over 24,063 acres; an increase of 13,362 acres over 1992 levels. In the Lake Clark area, from the northeast end of the lake to the pass, an increase of 1,265 acres over levels infested in 1992 was noted.

The Copper River Basin represents the most rapidly expanding area of spruce beetle activity in the state. All infested areas noted in 1992 have increased in size and new areas have been detected. From Gulkana in the north to Chitina in the south, and east to McCarthy, acres infested by spruce beetles have increased from 77,426 to 170,045 acres; an increase of 92,619 acres. New areas of activity include: Klutina Lake-33,706 acres: from Chitina south along the Copper River to Spirit Mountain-20,473 acres; and along the Chitina River from the mouth of Tebay River east to McCarthy-19,694 acres. Areas of continuing and expanding activity include: 83,214 acres from Copper River to the Tiekel River, west of the Copper River--+ 23,508 acres over 1992 levels: 20,084 acres along the east side of the Copper River from Copper Center to Chitina within the Wrangell-St. Elias National Park, and 7,400 acres in the Glennallen/Gulkana area which represents an increase of 2,057 acres over 1992 levels.

Spruce beetle activity decreased by 41,267 acres along the Yukon River since 1992; 11,047 acres remain infested in 1993. The largest area of activity (8,096 acres across the Yukon River from Kaltag) was found to have less than one infested tree per acre in 1993. The Nulato River area, where 11,365 acres of spruce beetle activity was detected in 1992, was not flown in 1993; but will be re-surveyed in 1994.

The Kuskokwim River Drainage experienced a slight decline in spruce beetle activity. Although spruce beetle activity between Sleetmute and Deacon's Landing remained high (10,406 acres), a 7,000 acre block of spruce beetle activity detected in 1992, 15 miles east of Aniak declined to 20 acres in 1993. Likewise, the infested areas along the Kuskokwim River from McGrath downriver to Deacon's Landing decreased from 4,500 acres in 1992 to 3,000 acres in 1993.

In Southeast Alaska, the spruce beetle outbreak near Haines continued to expand, while the outbreak in Glacier Bay National Park declined. The two outbreaks combined impact approximately 24,000 acres.

During the last 15 years in Glacier Bay National Park, approximately 29,000 acres of mature Sitka spruce have been impacted by spruce beetle. Areas of heavy mortality, located among the Beardsley Islands, are now being regenerated primarily by western hemlock.

In 1993, spruce beetle activity was noted on approximately 2800 acres, located primarily within the Beardsley Islands and on the mainland between the park's visitor center and Point Gustavus. Although spruce beetle activity in the Park has declined in three of the last four years, concern is high since the area of current infestation includes the visitor's center and associated developments. The Park has recently implemented a hazard tree management program to address beetlekilled trees in developed areas. In the absence of catastrophic windthrow events, spruce beetle activity within Glacier Bay National Park should continue to decline during the next few years.

The spruce beetle outbreak on state and adjoining lands near Haines continued to expand in 1993. Current activity totals almost 21,000 acres on state, private and federal (BLM, USDI) lands. Beetle activity occurs in the Klehini, Chilkat, Kelsall and Tsirku River drainages. Scattered windthrow events at various times during 1992 and 1993 will contribute to the outbreak's duration.

Salvage and sanitation harvests within spruce beetle-impacted and wind damaged areas are ongoing (or planned) on state lands in the Klehini and Kelsall River drainages.

In 1993, spruce beetle infestations throughout Alaska by ownership are as follows; National Forest land --26,240 acres; State and Private--356,400 acres, Native land--150,810 acres and other Federal lands (e.g. Kenai National Wildlife Refuge, National Parks, etc.)--191,300 acres.

ENGRAVERS Ips perturbatus Eichh.

1993 aerial detection surveys noted an increase of 2,352 acres of engraver infested white spruce over levels detected in 1992. All but about 400 acres were located throughout the Yukon Flats area along the Yukon, Porcupine, Chandalar, and Christian Rivers. The remainder is divided more or less evenly in small pockets along the Kuskokwim, Koyukuk, and Tanana Rivers.

Restoration Office 645 G Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Bob Spies/Chief Scientist

FROM:

Molly McCammon, Director of Operations

DATE:

May 20, 1994

SUBJ:

Project #94255/Kenai River Sockeye Restoration

As you are aware, the Alaska Department of Fish and Game is extremely anxious to proceed immediately with implementation of Project #94255/Kenai River Sockeye Restoration.

Based on the information available to date through the peer review process, are there any substantial issues that have been identified that would warrant substantial modifications to the project scope or design? It is my understanding that there is yet one additional peer review in progress at the present time. Would it be possible to verbally consult with that peer reviewer in order to make an initial determination so that the project could proceed?

Please let me know.

cc: Joe Sullivan
Andy Gunther

Restoration Office 645 G Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Mark Brodersen/DEC

Byron Morris/NOAA

FROM:

Molly McCammon, Director of Operations

DATE:

May 19, 1994

SUBJ:

Public Understanding of Project #94090/Mussel Bed Restoration

and Project #94266/Shoreline Assessment and Oil Removal

The purpose of this memorandum is to make sure that the public is fully aware of planned activities under Project #94090/Mussel Bed Restoration and Project #94266/Shoreline Assessment and Oil Removal, especially those activities that will result in the "re-oiling" of waters as a result of oiled sediment dispersal.

At this point, it is my understanding that some 14 mussel beds have been located for restoration this summer although I am not familiar with their precise location. It is also my understanding that an Environmental Assessment has been prepared and that a FONSI has been secured from NOAA. Even though these projects will be in full compliance with applicable environmental law, there is still a need to ensure that the general public understands and accepts the projects. It is expected that the dispersal of oiled sediments on adjacent beach areas just below mean high tide may result in significant sheening (I also recognize that sheening occurs on these beds at the present time anyway).

I would appreciate your thoughts on how we can best avoid any possible adverse public reaction. Some of the more obvious user groups that should be well informed about this project include fishermen and fishing organizations (UFA, CDFU), PWS-based recreation groups (Whittier-based sport fishing/cruise operators, Alaska Wilderness Tourism and Recreation Association, NOLS, etc.) and subsistence users, in addition to PWS communities and related organizations. Some sort of affirmative public

education effort would seem warranted (PSA's? news release?). There are also in-house newsletters (the Subsistence project newsletter, Restoration Update). L.J. Evans may be able to help get the word out. It may also be possible to use the field presence of the SEA project or other Trustee Council sponsored projects to "broadcast" some information over the marine radio system.

These projects are close to being put in the field (actual restoration activity and sediment dispersal is scheduled for mid-June). Please let me know as soon as possible what efforts can be made — or perhaps already have been made — to inform the public of this project in order to avoid possible misunderstanding and conflicts. With an appropriate public education effort, there should be a great deal of support for this effort and it will reflect well on the Trustee Council. Without such an effort we may instead end up with some irate phone calls.

As you know, a memorandum was recently distributed to the Agency Liasons regarding the expansion of efforts to involve spill area communities in Trustee Council restoration activities. A copy of that memorandum, together with the list of spill area community contacts, is enclosed for your reference.

attachment

cc: Jim Ayers
Ron Bruyere
Malin Babcock
Bruce Wright
Jeep Rice
Bob Spies
L.J. Evans

Restoration Office 645 G Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



TO:

Restoration Work Force

FROM:

Molly McCammon, Director of Operations

DATE:

May 19, 1994

SUBJ:

Brief Project Descriptions & Project Budgets for FY 95 Work Plan

The purpose of this memorandum is to provide you with:

- the enclosed material for distribution and use by your respective agencies for preparation of FY 95 Brief Project Descriptions (BPDs), including needed budget information for the BPDs; and
- information regarding preparation of detailed budgets for other FY 95 Work Plan projects as discussed at the recent May 18 weekly Restoration Work Force meeting.

FY 95 Brief Project Descriptions

In order to minimize the editing that will be needed to prepare Brief Project Descriptions for publication as part of the Draft 95 Work Plan, agency personnel should use the guidance and format contained in the *Invitation to Submit Restoration Project Descriptions for Fiscal Year 1995* (copy enclosed). A disk with the outline of information required for Brief Project Descriptions is also enclosed (WordPerfect 5.1). Please have your respective agency Project Leaders provide three (3) paper copies as well as an electronic version of each Brief Project Description to the Anchorage Restoration Office (645 G Street, Anchorage, AK 99501) by <u>June 15</u> in order to initiate technical review.

Agencies submitting Brief Project Descriptions should provide detailed budget information on standard budget forms (i.e., Forms 2A, 2B, 3A and 3B) along with the project narrative on June 15, if at all possible. At a minimum, summary budget information must be included in the BPD at this time. In order to ensure timely review of proposed FY 95 projects by the Restoration Work Force and the Executive Director, detailed budget forms will be needed no later than Friday, June 24. (Additional instructions regarding the preparation of detailed budget forms will be provided by June Arkoulis-Sinclair/Director of Finance under separate cover.)

Other FY 95 Project Budget Information

At the May 18 weekly Restoration Work Force meeting, it was agreed that preparation of detailed project budgets for the FY 95 Work Plan could be completed for certain categories of projects and submitted to the Trustee Council for approval at an August meeting.

Three categories of projects were identified:

- 1) Public Information and Administration;
- 2) FY 94 projects carried forward to FY 95 for report writing and closeout; and
- 3) known FY 95 projects for which interim funding is needed.

The first two categories will have budgets prepared for the entire fiscal year (10/1/94 - 9/30/95), the third category will have a budget prepared for the first quarter (10/1/94 - 12/31/94). As an initial step in this process, please provide June Arkoulis-Sinclair/Director of Finance with a list of your category 2 and 3 projects, along with a brief summary budget no later than the close of business Wednesday May 25th. June will develop a timeline, detailed budget preparation instructions, reformat budget forms, etc. and provide that information to you.

enclosures

- Invitation to Submit Restoration Project Descriptions for Fiscal Year 1995
- WordPerfect 5.1 "shell" disk with FY 95 Brief Project Description outline

cc: Jim Ayers June Arkoulis-Sinclair Bob Spies

Outline of Information to Provide in FY 95 BRIEF PROJECT DESCRIPTIONS

A. Cover Page

- 1. Project Title
- 2. Name of Project Leader or Principle Investigator
- 3. Lead Agency, University or Organization (if known)
- 4. Cost of Project (for FY 95/future years, including reports, if known)
- 5. Project Start-up/Completion Dates (month/year)
- 6. Project Duration (number of years)
- 7. Geographic Area (locations where field work will be conducted)
- 8. Contact Person (name, address, phone)
- B. Introduction What You Propose as a Project
- C. Need for the Project Why the Project will Help Restoration
- D. Project Design Objectives, Methods, Schedule and Location
 - 1. Objectives
 - 2. Methods
 - 3. Schedule
 - 4. Technical Support
 - 5. Location
- E. Project Implementation Who Should Implement the Project
- F. Coordination of Integrated Research Effort
- G. Public Process
- H. Personnel Qualifications
- I. Budget
 - 1. personnel
 - 2. travel
 - 3. contractual services
 - 4. commodities
 - 5. equipment
 - 6. capital outlay
 - 7 general administration

Note: Specific guidance regarding the information that should be included in FY 95 Brief Project Descriptions is provided in the *Invitation to Submit Restoration Project Descriptions for Fiscal Year* 1995.

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



May 19, 1994

Dear Workshop Participant:

Please accept this long-delayed thank you for participating in the April 13-15, 1994 workshop concerning "Research Priorities for Restoration." We have been using the results of your work as preliminary guidance for the 1995 restoration program.

The enclosed *Invitation to Submit Restoration Projects* asks your further help in developing the restoration program for federal fiscal year 1995 (October 1, 1994 through September 30, 1995). You can help the Trustee Council develop the restoration program for 1995 by:

- reviewing these recommendations and letting us know your priorities for 1995; and
- submitting your own project description for the 1995 restoration program.

The Trustee Council needs to receive your comments and project description by **June 15, 1994** if they are to be used in developing the Draft 1995 Work Plan.

Chapter 3 of the *Invitation to Submit Restoration Projects* synthesizes the workshop results to help guide the research and monitoring portion of the 1995 restoration program. Appendix A provides detail for each resource and service.

You will probably notice that there are some differences between the workshop results and the information in the enclosure. Some participants suggested changes in the Recovery Status and Recovery Objective for a resource or service. (These are outlined in Appendix A of the *Invitation*.) These had previously been subjected to independent peer review. Most of the recommended changes clarified these objectives, and thus are included in the appendix. Those that substantively changed previous scientific conclusions are not included in this document but are being deferred pending further peer review. In some cases, you will receive a call asking for further information about your recommendation. This review process will be accomplished during the next several months.

During the summer, we will be evaluating the project descriptions we receive. A Draft 1995 Work Plan will be published for public review during August 1994, and funding decisions are expected to be made in late October. If you have any questions, please do not hesitate to contact Bob Loeffler, Veronica Gilbert, or Eric Myers from our office at the address on the letterhead. You may also call them toll free at 1-800-478-7745 (within Alaska) or 1-800-283-7745 (outside Alaska). Thank you for your interest.

Sincerely,

Molly McCammon Director of Operations

Molly M'Camm

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



May 19, 1994

Dear Interested Citizen:

The Exxon Valdez Oil Spill Trustee Council requests your help in preparing the restoration program for federal fiscal year 1995 (October 1, 1994 through September 30, 1995). Because of your interest in the program or scientific knowledge about the injuries caused by the spill, we have enclosed a copy of the Invitation to Submit Restoration Projects for Fiscal Year 1995. This document includes information about the types of restoration projects that the Trustee Council can fund under the terms of the court-approved settlement, and also identifies preliminary recommendations for 1995 research and monitoring priorities.

You can help the Trustee Council develop the restoration program for 1995 by:

- reviewing these recommendations and letting us know your priorities for 1995; and
- submitting your own project descriptions for the 1995 restoration program.

The Trustee Council needs to receive your comments and project descriptions by <u>June 15, 1994</u> if they are to be used in developing the Draft 1995 Work Plan.

During the summer, we will be evaluating the project descriptions we receive. A Draft 1995 Work Plan will be published for public review during August 1994, and funding decisions are expected to be made in late October. If you have any questions, please do not hesitate to contact Bob Loeffler, Veronica Gilbert, or Eric Myers from our office at the address on the letterhead. You may also call them toll free at 1-800-478-7745 (within Alaska) or 1-800-283-7745 (outside Alaska). Thank you for your interest.

Sincerely,

Molly McCammon
Director of Operations

Enclosure

Restoration Office

645 G Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Exxon Valdez Oil Spill Trustee Council

FROM:

Molly McCammon, Director of Operations

DATE:

May 19, 1994

SUBJ:

Invitation to Submit Restoration Projects for Fiscal Year 1995

Please find attached a copy of the *Invitation to Submit Restoration Projects for Fiscal Year 1995*. The *Invitation* includes information about the types of restoration projects that the Trustee Council can fund under the terms of the civil settlement and also identifies some preliminary recommendations to help guide 1995 research, monitoring and general restoration project priorities. As you are aware, these preliminary recommendations were developed through a workshop process that included the Restoration Work Force, the Chief Scientist, federal and state agency biologists and resource managers, independent peer review scientists, user group representatives, members of the Public Advisory Group and spill area community residents.

This document has been widely distributed as an initial means of gathering brief project descriptions from state and federal agencies, university researchers, and private sector consultants as well as the general public for use in development of the Draft 1995 Work Plan. The brief project descriptions that are generated as a result of this solicitation will be reviewed by the Public Advisory Group and used to help formulate the Draft 1995 Work Plan in mid-August. The Draft 1995 Work Plan will then be subject to additional public review and comment.

Additional information will be provided regarding the 1995 Work Plan process at the May 31 Trustee Council meeting. In the meantime, if you would like additional copies of the *Invitation to Submit Restoration Projects for Fiscal Year 1995*, please let me know.

enclosure

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO: Jim Ayers, Executive Director

Restoration Work Force Simpson Building Staff Bob Spies, Chief Scientist

FROM: Molly McCammon WWW

Director of Opertions

DATE: May 19, 1994

RE: Update on activities and assignments

FY95 Work Plan

The FY95 Invitation to Submit Restoration Projects is now available. Copies have been sent to all workshop participants. A newsletter highlighting its availability has gone to the entire mailing list. In addition, advertisements have been placed in the Alaska Journal of Commerce and the Anchorage Daily News. Agency liaisons should make note that all agency Brief Project Descriptions are also subject to the June 15 deadline. Detailed budget instructions will be shortly forthcoming. Attached is a Revised FY95 Work Plan Timeline.

2. Project evaluation criteria

Comments on the technical evaluation criteria are due to Byron Morris by noon Thursday. Keep in mind their applicability to both the BAA process and the general solicitation process.

3. FY95 administration budget

June Sinclair and Molly McCammon will prepare a draft budget and then circulate it for review and comment. It is anticipated that the Trustee Council will take action on this

during a late August meeting. June and Molly will also work with agency liaisons to identify report writing expenses and any carry-forward projects that need early funding.

4. Kodiak Alutiiq Museum

The groundbreaking ceremony is scheduled in Kodiak for 1 p.m., May 26. Please advise if your Trustee is able to attend.

5. Marbled murrelet collecting

A meeting was held May 18 to discuss USFWS request to collect marbled murrelets as part of project #94102. Recommendations from Jim Ayers and Bob Spies are being prepared and will be transmitted to the Trustees on Monday, May 23.



FY 95 Work Plan Timeline

Period	Task
05/16 - 06/15	Invitation to submit FY 95 Restoration Projects. (Deadline for main process is 6/15; deadline for two experimental procurements is 6/30.) Trustee Council briefed on May 31.
06/16 - 06/25	Staff review and organization of proposals.
06/28	Public Advisory Group briefing and review.
06/27 - 07/10	Chief scientist and technical review.
07/11 - 07/12	Chief scientist and technical review committee finalize recommendations for Draft FY 95 Work Plan.
07/13 - 07/15	Restoration Work Force and Executive Director review proposals for inclusion in Draft Work Plan.
07/16 - 07/31	Revisions, combinations, and addition of projects if needed.
08/01 - 08/11	Prepare Draft Work Plan.
08/12 - 08/31	Print and mail Draft Work Plan.
09/01 - 09/30	Review of the Draft Work Plan by the Public Advisory Group, the Science Review Board and the general public.
10/01 - 10/14	Compile comments received.
10/15 - 10/20	Executive Director prepares recommendations.
10/31	Trustee Council approves Work Plan.
11/01 - 12/1	Agencies prepare detailed project descriptions, prepare requests for proposals (RFPs).
12/1 - 01/31	Scientific or peer review of detailed project descriptions.
1/15 - 1/20	Principle Investigator Workshop to review results of 1994 field season.
02/01 - 02/28	Approve detailed project descriptions (revise if needed) and negotiate contracts.

2001

J. AYERS

TX/RX NO.

9722

INCOMPLETE TX/RX

TRANSACTION OK [09] 5867589

[10] 5867555 D.GIBBONS

[11] 4655375 M.BRODERSEN

[12] 4654759 J.MONTAGUE

[13] 7896608 MORRIS-WRIGHT

[14] 2572510 S.RABINOWITCH

[15] 5624871 C.FRIES

[17] 2713992 R.THOMPSON

[18] 5223148 J.SULLIVAN

[19] 7863636 L.BARTELS [20] 7863350 C.BERG

[35] 5103737834 B.SPIES

ERROR

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

To: Restoration Wo	rk Force	Number:	MAN
From: Molly		Date:5-	19-94
Comments:		Total Pages:	
Pls Call	if you	n have trou	ble
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RESTORATION WO	RK FORCE	MEMBERS INCL	UDE:
Dave Gibbons	Bruce Wr	•	
Ray Thompson	_	abinowitch	
Mark Brodersen David Bruce	Catherine	Berg lland-Bartels	
Bob Loeffler	Veronica		
Jerome Montague	Carol Frie		
Joe Sullivan	Bob Spie	· -	
Byron Morris	Jim Avers		

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO: Rublic Advisory Group Members

FROM: James R. Ayers
Executive Director

DATE: / May 19, 1994

RE: Update on Trustee Council and staff actions

As part of our continuing effort to provide you with information relating to Trustee Council and staff activities, I am enclosing a number of informational items that have been developed since the March 22 Forum. I hope you have been receiving all the materials we've sent you in the past few months, especially those relating to development of the research and monitoring strategies and priorities. If you have not, be sure to give me call in Juneau at 586-7238 or Molly McCammon in Anchorage at 278-8012.

Included in this packet are:

- A copy of the May newsletter
- The draft agenda for the May 31 Trustee Council meeting
- Briefing materials for the May 31 meeting
- Draft FY95 Work Plan timeline
- A packet of information on the Eyak acquisition

The May 31 meeting will be held in Juneau and teleconferenced to Anchorage and any other Legislative teleconference site upon request. Please contact Rebecca Williams in the Anchorage office (278-8012) if you would like to listen to the meeting.

Several PAG members were able to participate in the March and April workshops in Anchorage as part of an effort to develop research and monitoring goals, objectives, and priorities. Much of that effort has gone into development of an Invitation to Submit Restoration Projects for 1995, the FY95 Work Plan Solicitation document, a copy of which you will be receiving under separate cover. Because many PAG members asked for the opportunity to review project proposals before the Draft Work Plan is developed, a PAG meeting has been tentatively scheduled for June 28-29. In addition to briefings on Habitat Acquisition and Protection efforts, the Draft Environmental Impact Statement for the Draft Restoration Plan, the Institute of Marine Science Improvements - Seward, and other Trustee Council efforts, the major agenda item will be a review of proposed projects for the Draft 1995 Work Plan. I hope you will be able to attend.

In the meantime, if there is anything you would like to discuss or would like some clarification on, don't hesitate to call me in Juneau at 586-7238 or Molly McCammon in the Anchorage office at 278-8012. I look forward to seeing you in June.



The Eyak Corporation P.O. Box 540 Cordova, Alaska 99574 (907) 484-7161 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 - 586-7840

.Mike.

The Eyek Corporation, Sherstone, Inc. and The Exxon Valdez Oli 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 schedule to explore any possibilities or options that may be evailable.

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

THE EASK COLDSISTION

11:30

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



April 28, 1994

Donna Nadell, President Eyak Corporation PO Box 340 Cordova, AK 99574

Luke Borer, President Sherstone, Inc. PO Box 340 Cordova. AK 99574

Dear Ms. Nadell and Mr. Borer,

Thank you for your letter of April 11, 1994. We appreciate your sincere efforts to work with us. Your letter states that Sherstone, Inc. anticipates resumption of timber harvest operations this summer on some of the Eyak Corporation's lands. We recognize that Sherstone's harvesting activities will be conducted with the protection of fisheries, wildlife, and scenic values in mind. 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 the 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 Contributing to Restoration" which includes Orea Narrows.

- 1) "Core lands"-The Council is interested in acquiring fee title to the core lands. The Trustee Council recognizes the 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 the 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

Nadell & Borer - April 28, 1994

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 the Eyak Corporation's needs for economic development and the Eyak Shareholder Land Use Program.

3) "Areas Contributing to Restoration"-Orca Narrows is an area of importance both for recreation and tourism. It is the desire of the Trustee Council and the community of Cordova to protect the scenic viewshed in that area. Accordingly, if Eyak Corporation agrees, the Council wants 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 United States. To the extent permitted by law, 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 acknowledges the Eyak Corporation's needs to reasonably regulate uses on those lands.

The price the Trustee Council is willing to pay for lands and Interests is fair market value as determined by an appraisal. The fair market value will be determined, and the appraisal conducted, pursuant to standardized appraisal specifications being used by the state and federal trustee agencies.

The Trustee Council shares your belief that this or any other acquisition 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 the Eyak Corporation or its wholly owned subsidiaries need to be identified at the outset of any negotiations.

We are requesting a detailed proposal from your Boards of Directors that accommodates your interests while meeting the terms of protection outlined in this letter. Upon reaching mutual agreement regarding the proposal, we will proceed with an appraisal.

As an interim measure, the Trustee Council is interested in acquiring protection for those Corporation lands on which timber harvesting is scheduled prior to April 1, 1995. It is the Trustee Council's understanding that these lands comprise a sub-parcel of the Orca Narrows parcel from which Sherstone, Inc. plans to harvest an estimated 8MMBF of timber between now and April 1, 1995.

Should the Boards of Directors of the Eyak and Sherstone Corporations wish to offer to the Trustee Council sale of the commercial timber rights to this sub-parcel, the offer should recognize that the sale would be at fair market value as determined by an appraisal. Further, the offer should include a properly executed action of the respective Boards of Directors of the Eyak and Sherstone Corporations which certifies that, as a condition of the sale of the commercial timber rights to the Orca Narrows sub-parcel, that no other commercial timber harvesting will occur on Corporation lands subject to this letter prior to April 1, 1995, notwithstanding subsequent actions, if any, prior to April 1 1995 by the

2

Nadell & Borer - April 28, 1994

3

Trustee Council, the Boards of Directors of the Eyak and Sherstone Corporations or the shareholders thereof with respect to a more comprehensive protection package.

Upon receipt of an offer and properly executed Corporate action regarding Orca Narrows as outlined above, the Trustee Council is prepared to act expeditiously on such offer, and if such action is favorable, to immediately execute a purchase agreement and order the necessary appraisal for the Orca Narrows sub-parcel on a priority basis.

We stand ready to meet with you at your earliest convenience to discuss a detailed proposal. Thank you again for your patience and work with the Trustee Council.

Sincerely,

Jim Ayers

Executive Director

cc: Trustee Council

Restoration Office 645 "G" Street, Anchorage, AK 99501

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



FAX COVER SHEET

TO: Rebecca	FROM: James R. Ayers
OFFICE: Anchorage	OFFICE: Executive Director's Office
FAX NUMBER: 276-7178	FAX NUMBER: 586-7589
PHONE NUMBER: 278-8012	PHONE NUMBER: 586-7238

COMMENTS: Deborah Williams called and asked me to fax a copy of the
Eyak letter to her. She said she called the Anchorage Office and they
didn't know about the letter. So, I am sending it to you too (I sent a fax to
her just now).

DATE: April 29, 1994	TOTAL PAGES: 4	

THE EYAR CORPORATION P.O. BOX 340 CORDOVA, ALASKA 99574

SHERSTONS, INC. P.O. BOX 340 CORDOVA, ALASKA 99574

May 2, 1994

VIA FACSIMILE - 586-7589

Jim Ayers Executive Director Example Trustee Council P.O. Box 20122 Juneau, Alaska 99802

Dear Jim:

Thank you for your letter of April 28, 1994 empressing the interest of the Boson Valder Trustee Council in acquiring timber, land and interests in land from Sheretone, Inc. and The Byak Corporation. In response to your letter the Boards of Directors of the two corporations met on friday and agreed that such an agreement is worth pursuing. Accordingly, as requested in your letter, the Boards of Directors of these corporations are preparing a detailed proposal that we believe hopefully will meet the terms of protection in your letter while accommodating the interests of the corporations and their shareholders.

In the meantime, as proposed in your letter, we have prepared an offer to meet your expressed interest in interim protection of those corporation lands on which timber harvesting is scheduled prior to March 1, 1995. That offer is as follows:

The Sherstone Corporation, working with the Rayonier Corporation, plans to cut and market timber this year and in early 1995 in the Orca Narrows area. As proposed in your letter, we will sell you on a perpetual basis, at the greater of \$200 per thousand board feet or 'fair market value' to be determined by an appraisal the approximately 10 million board feet of commercial timber (saw logs and pulp logs) proposed to be cut by March 1, 1995 in the outting area generally described as follows:

Approximately 2052 acres, consisting of all lands in sections 29, 30 and 31 of township 145, range 3W and all lands in sections 25, 26, 34, 35 and 36 of township 148, range 4W.

Any shortfall in the appraisal from \$200/mbf will be allocated to purchase of a cutting moratorium until March 1, 1995, the terms of which are as follows: if this proposal is accepted unconditionally, then the Boards of Directors of both the Sherstone, Inc. and the Eyak Corporation agree that no other commercial timber harvesting will occur prior to March 1, 1995 on either corporation's lands or timber which was identified in your letter of April 28, 1994. This will allow the Trustee Council, the Boards of Directors of the Byak and Sherstone corporations

and the shareholders of Myak to evaluate the more comprehensive protection peckage you are proposing.

The appraisal will be dated today, and will rely upon and use the Rayonier market and cost information prepared for its 1994 operations at this site. The final and binding agreement will be signed within fifteen (15) days from today and payment in full will be made ninety (90) days from today. You are aware of the events of last fall when a moratorium on cutting this area was demanded by members of the Council from Sherstone, and you are further sware of the fact that Sherstone and/or Byak will be significantly harmed if this transaction, once approved by the Council today, is not closed and funds are not paid. Therefore, if the Council accepts our terms today, it must also agree to fully indemnify Byak and Sherstone from all damages and costs if for any reason the transaction thereafter does not close and the funds are not paid to Sherstone and Byak.

We must receive legally binding acceptance by the Trustee Council by 5 p.m. today to these terms. If the Trustee Council is unable unconditionally to guarantee the \$200 per mbs minimum, and accept the other terms stated herein, by 5 p.m. today, there can be no agreement on the Orca Marrows timber planned to be harvested before April 1, 1995.

However, even if the Council does not accept this proposal and cutting at Orca Narrows occurs in 1994, we remain very interested in pursuing the protection of all other Sherstone and Byak lands on acceptable terms. We wish you to know how much we appreciate your continued interest in this process.

EYAK CORPORATION

SHERSTONE, INC.

John Johnson Chairman

Lucas Borer

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However, even if the Council does not accept this proposal and cutting at Orce Narrows occurs in 1994, we remain very interested in pursuing the protection of all other Sherstone and Byak lands on acceptable terms. We wish you to know how much we appreciate your continued interest in this process.

EYAK CORPORATION

SHERSTONE, INC.

John Johnson Chairman

Luces Borer

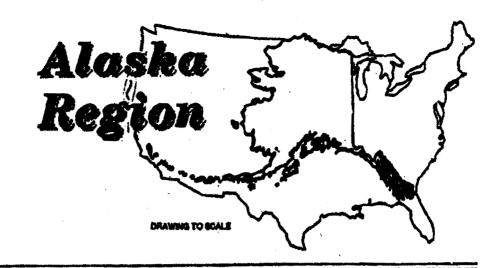
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United States Department of Agriculture

Forest Service

Alaska Region





USDA Forest Service, Regional Office, P.O. Box 21628, Juneau, AK 99802

	Cover Page		
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AGREEMENT

by and among

THE EYAK CORPORATION

SHERSTONE, INC.

and

UNITED STATES OF AMERICA, acting by and through the Forest Service within the Department of Agriculture

May 6, 1994

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AGREEMENT

THIS AGREEMENT ("Agreement") is entered into this 6th day of May, 1994, by and among THE EYAK CORPORATION, an Alaska Native village corporation the address of which is P. O. Box 340, Cordova, Alaska 99574, SHERSTONE, INC., an Alaska corporation the address of which is P.O. Box 340, Cordova, Alaska 99574, and the UNITED STATES OF AMERICA, acting by and through the Forest Service within the Department of Agriculture, the address of which is P.O. Box 21628, Juneau, Alaska 99802.

FOR AND IN CONSIDERATION OF the mutual promises set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions

For purposes of this Agreement, the following terms shall have the following meanings:

- (a) "ANCSA" means the Alaska Native Claims Settlement Act as heretofore amended and supplemented (43 U.S.C. § 1601 et seq.).
- (b) "Commercial Timber Harvesting" means (1) cutting and removing Merchantable Timber for sale and (2) constructing roads and other related infrastructure in support thereof.
- (c) "Commercial Timber Rights" means (1) the right to conduct Commercial Timber Harvesting, (2) the right to receive any revenue in excess of removal costs resulting from the sale of Merchantable Timber cut and removed by any party incident to the exercise of its lawful rights, (3) all rights and remedies available against persons who cut or remove Merchantable Timber with no lawful right to do so, (4) in cooperation with Eyak, the right, but not the obligation, to reforest in the event then-existing Merchantable Timber is destroyed by fire, wind, insects, disease, or other similar manmade or natural occurrence (excluding manmade occurrences resulting from the exercise by Eyak of its lawful rights), and (5) in cooperation with Eyak, the right to enter upon the lands in which the rights described herein have been granted to administer said rights (e.g., to establish and maintain survey corners delineating said lands or to determine if reforestation should occur).
 - (d) "Council" means the Exxon Valdez Oil Spill Trustee Council.
 - (e) "Eyak" means The Eyak Corporation.
- (f) "Eyak Bill of Sale" means that certain Bill of Sale for Forest Products dated December 11, 1986, by and between Eyak and Sherstone (then known as Steinway, Inc.). (A copy of the Eyak Bill of Sale is attached to that certain Deed of Trust given by Eyak for the benefit of Steinway, Inc. recorded on November 24, 1987, at Book 59, Page 459 (the Eyak Bill of Sale begins at Page 461), Cordova Recording District.
- (g) "Merchantable Timber" means timber that can be harvested and marketed at a profit by a prudent operator.
- (h) "Orca Narrows Sub-Parcel" means the surface estate in and to the real property described in Exhibit A attached hereto.

- (i) "Other Property" means the surface estate in and to the real property generally referenced in that certain Letter of April 28, 1994, from the Council to Eyak and Sherstone, a copy of which is attached hereto as Exhibit C.
 - (j) "Rayonier" means Rayonier Inc., a North Carolina corporation.
- (j) "Rayonier Agreement" means that certain Timber Harvest and Marketing Agreement dated April 14, 1994, by and between Sherstone and Rayonier, as heretofore or hereafter amended, entered into for the purpose of harvesting and marketing certain timber located on both the Orca Narrows Sub-Parcel and certain Other Property.
- (k) "Sherstone" means Sherstone, Inc. Sherstone was formerly known as Steinway, Inc.
 - (1) "United States" means the United States of America.

2. Recitals

- (a) On November 2, 1978, the United States conveyed both the Orca Narrows Sub-Parcel and the Other Property to Eyak pursuant to ANCSA. See Interim Conveyance No. 127.
- (b) On December 11, 1986, Eyak executed and delivered to Sherstone the Eyak Bill of Sale, by which instrument Eyak granted to Sherstone certain Commercial Timber Rights in and to both the Orca Narrows Sub-Parcel and the Other Property for a term commencing on December 11, 1986, and ending no later than December 31, 2011. Upon the expiration or termination of the Eyak Bill of Sale, all Commercial Timber Rights held by Sherstone revert to Eyak.
- (c) On April 14, 1994, Sherstone and Rayonier entered into the Rayonier Agreement. As part of the Rayonier Agreement, Sherstone and Rayonier intend to harvest immediately during 1994 and early 1995 approximately 10,000,000 board feet of timber located on the Orca Narrows Sub-Parcel.
- (d) On April 28, 1994, the Council sent a letter to Eyak and Sherstone (a copy of said letter is attached hereto as Exhibit C) proposing to protect certain property owned by Eyak and Sherstone. Said letter also invited Eyak and Sherstone to make a proposal for immediate protection of the Orca Narrows Sub-Parcel.
- (e) On May 2, 1994, Eyak and Sherstone sent a letter to the Council containing a proposal for immediate protection of the Orca Narrows Sub-Parcel.
- (f) On May 3, 1994, the Council adopted a resolution (a copy of said resolution is attached hereto as Exhibit D) authorizing both (1) the purchase of an agreement suspending Commercial Timber Harvesting until March 1, 1995, on both the Orca Narrows Sub-Parcel and the Other Property and (2) the purchase of the Commercial Timber Rights in and to the Orca Narrows Sub-Parcel.
- (g) The Orca Narrows Sub-Parcel and the Other Property are within the area affected by the Exxon Valdez oil spill.

3. Agreement To Sell and To Purchase Commercial Timber Rights on Orca Narrows Sub-Parcel

Eyak and Sherstone hereby agree to sell to the United States, and the United States hereby agrees to purchase from Eyak and Sherstone, the Commercial Timber Rights in and to the Orca Narrows Sub-Parcel on the terms and subject to the conditions set forth below.

4. Conveyance of Commercial Timber Rights on Orca Narrows Sub-Parcel

At closing, Eyak and Sherstone shall execute, acknowledge, and deliver to the United States a conveyance in the form attached hereto as Exhibit B conveying to the United States the Commercial Timber Rights in and to the Orca Narrows Sub-Parcel and containing the restrictive covenant set forth in Exhibit B. At closing, the United States shall execute and acknowledge such conveyance in order to give effect to the restrictive covenant contained therein.

5. Purchase Price for Commercial Timber Rights on Orca Narrows Sub-Parcel

After the execution of this Agreement by all parties and prior to closing, the United States at its sole cost shall determine, by timber cruise and by residual value appraisal conducted on a priority basis in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions (1992) and the Uniform Standards of Professional Appraisal Practice,

- (a) the amount (in thousands of board feet) of all Merchantable Timber situated on the Orca Narrows Sub-Parcel,
- (b) the average fair market value (in dollars per thousand board feet) as of May 1, 1994, of all Merchantable Timber situated on the Orca Narrows Sub-Parcel, and
- (c) the total fair market value (in dollars) as of May 1, 1994, of all Merchantable Timber situated on the Orca Narrows Sub-Parcel.

In making the determinations set forth above, the cost and market information developed by Rayonier in connection with its proposed 1994 operations on the Orca Narrows Sub-Parcel shall be considered, to the extent allowed by law.

The purchase price for the conveyance to be delivered pursuant to Paragraph 4 above shall be 100% of the total fair market value (in dollars) of all Merchantable Timber situated on the Orca Narrows Sub-Parcel, without deduction for the restrictive covenant contained in Exhibit B. Said purchase price shall be divided and paid separately to the order of Eyak and Sherstone, in accordance with the following percentages, at closing or as soon thereafter as the United States Attorney General or the Office of the General Counsel of the United States Department of Agriculture confirms that title has vested in the United States:

Eyak 0.50% Sherstone 99.50%.

6. Agreement To Suspend Commercial Timber Harvesting Until March 1, 1995

Eyak and Sherstone hereby agree to suspend, until March 1, 1995, all Commercial Timber Harvesting on both the Orca Narrows Sub-Parcel and the Other Property.

7. Consideration for Agreement To Suspend Commercial Timber Harvesting Until March 1, 1995

Upon the execution by the parties of this Agreement, the United States shall become obligated to pay to the order of Sherstone at closing an amount in dollars determined as follows:

If the average fair market value (in dollars per thousand board feet) of all Merchantable Timber currently situated on the Orca Narrows Sub-Parcel, as determined pursuant to Paragraph 5 above, is less than or equal to \$160.00 per thousand board feet:

\$400,000

If the average fair market value (in dollars per thousand board feet) of all Merchantable Timber currently situated on the Orca Narrows Sub-Parcel, as determined pursuant to Paragraph 5 above, is greater than \$160.00 per thousand board feet but less than or equal to \$200.00 per thousand board feet:

\$400,000 less the product of \$10,000 times the difference between the average fair market value (in dollars per thousand board feet) of all Merchantable Timber currently situated on the Orca Narrows Sub-Parcel, as determined pursuant to Paragraph 5 above, and \$160.00 per thousand board feet

If the average fair market value (in dollars per thousand board feet) of all Merchantable Timber currently situated on the Orca Narrows Sub-Parcel, as determined pursuant to Paragraph 5 above, is greater than \$200.00 per thousand board feet:

\$10

8. Representations and Warranties

8.01 Orca Narrows Sub-Parcel.

Eyak hereby represents and warrants that as of the date hereof it is the sole owner of the Orca Narrows Sub-Parcel as and to the extent conveyed to it pursuant to ANCSA by Interim Conveyance No. 127, free and clear of any defects, liens, encumbrances, or other interests other than the interest of Sherstone under the Eyak Bill of Sale or the interests of Rayonier arising under the Rayonier Agreement or documents executed pursuant thereto or in connection therewith.

Sherstone hereby represents and warrants that as of the date hereof it is the sole owner of the rights granted to it under the Eyak Bill of Sale insofar as such rights extend to the Orca Narrows Sub-Parcel, free and clear of any defects, liens, encumbrances, or other interests other than the interests of Rayonier arising under the Rayonier Agreement or documents executed pursuant thereto or in connection therewith.

8.02 Other Property.

No party makes any representations or warranties respecting title to the Other Property.

8.03 General Representations.

Eyak hereby represents that it is duly incorporated and in good standing in the State of Alaska, that all corporate action necessary to authorize its entry into and performance of this Agreement has been taken, that this Agreement constitutes the legal, valid, and binding agreement of Eyak, and that entering into this Agreement will not result in a breach of any other agreement to which Eyak is a party.

Sherstone hereby represents that it is duly incorporated and in good standing in the State of Alaska, that all corporate action necessary to authorize its entry into and performance of this Agreement has been taken, that this Agreement constitutes the legal, valid, and binding agreement of Sherstone, and that entering into this Agreement will not result in a breach of any other agreement to which Sherstone is a party.

The United States hereby represents that pursuant to 7 U.S.C. § 428a(a), the Secretary of Agriculture is authorized to acquire interests in land by purchase as may be necessary to carry out his authorized work.

8.04 Disclaimer.

All parties hereby agree that no party or representative or agent of any party has made any representations or promises with respect to this Agreement that are not expressly set forth herein.

9. Conditions Precedent To Closing

9.01 Conditions To Be Satisfied By Evak.

The obligations of Sherstone and the United States set forth in Paragraphs 3, 4, and 5 above shall be subject to the fulfillment, at or before closing, of the following conditions, which conditions Eyak hereby agrees to use its best efforts to fulfill or to have fulfilled at or before closing:

- (a) Eyak shall establish to the United States' reasonable satisfaction that at closing it will convey to the United States all Commercial Timber Rights in and to the Orca Narrows Sub-Parcel as and to the extent such rights were conveyed to it by Interim Conveyance No. 127, free and clear of any defects, liens, encumbrances, or other interests other than the interest of Sherstone under the Eyak Bill of Sale;
- (b) Counsel for Eyak shall deliver to the United States an opinion confirming to the United States' reasonable satisfaction that the general representations of Eyak set forth in Paragraph 8.03 above are true as of the date of closing.

9.02 Conditions To Be Satisfied By Sherstone.

The obligations of Eyak and the United States set forth in Paragraphs 3, 4, and 5 above shall be subject to the fulfillment, at or before closing, of the following conditions, which conditions Sherstone hereby agrees to use its best efforts to fulfill or to have fulfilled at or before closing:

- (a) Sherstone shall establish to the United States' reasonable satisfaction that at closing it will convey to the United States all Commercial Timber Rights in and to the Orca Narrows Sub-Parcel as and to the extent such rights were granted to it by the Eyak Bill of Sale, free and clear of any defects, liens, encumbrances, or other interests;
- (b) Counsel for Sherstone shall deliver to the United States an opinion confirming to the United States' reasonable satisfaction that the general representations of Sherstone set forth in Paragraph 8.03 above are true as of the date of closing.

9.03 Additional Conditions of Closing.

The United States may elect not to proceed to closing if it has obtained prior to August 5, 1994, a written report of an inspection of the Orca Narrows Sub-Parcel for hazardous substances that is not reasonably satisfactory to it. In addition, the United States may elect not to proceed to closing if, despite its best efforts, the U.S. District Court for the District of Alaska has not released to the United States the funds held in the court registry necessary to close this transaction prior to September 2, 1994.

9.04 Additional Obligation To Be Fulfilled By the United States.

The United States shall comply with the National Environmental Policy Act in connection with this Agreement.

9.05 Risk of Loss.

The parties agree that (a) any material loss or damage to the Commercial Timber Rights respecting the Orca Narrows Sub-Parcel occurring prior to the vesting of satisfactory title in the United States by reason of the unauthorized cutting or removal of timber, or as a result of fire or acts of God, shall be borne by Eyak and Sherstone, and (b) in the event any such material loss or damage occurs, the United States may refuse, without liability, to proceed to closing or may elect to proceed to closing upon such equitable adjustment of the purchase price as to which the parties may have agreed.

10. Closing

The parties shall use their best efforts to cause closing to occur on or before August 5, 1994. The parties shall agree in writing on a time, date, and place for closing. A third party shall serve as closing agent. The parties shall execute and provide written closing instructions to the closing agent no later than ten days prior to the date of closing, which instructions shall provide, inter alia, that no documents shall be delivered to the parties entitled thereto by the closing agent until the closing agent can disburse payment in immediately collectible funds to the parties entitled thereto.

11. Failure To Close

If closing fails to occur on or before September 2, 1994, through no fault of Eyak or Sherstone (but not otherwise), then Eyak and Sherstone may terminate this Agreement and thereby be relieved of all obligations and liabilities under this Agreement. Such termination shall not extinguish any claims for damages which Eyak or Sherstone may have for breach of this Agreement by the United States.

12. General Provisions

- 12.01 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties and supersedes any and all prior agreements and understandings relating to the subject matter hereof.
- 12.02 <u>Modification of Agreement</u>. This Agreement may be modified or amended only by a document in writing executed by all of the parties hereto.
- 12.03 <u>Waiver</u>. The failure of any party to this Agreement to insist upon the strict performance of any provision of this Agreement or to exercise any right, power, or remedy consequent upon a breach thereof shall not constitute a waiver by said party of any such provision, breach, or subsequent breach of the same or any other provision.
- 12.04 <u>Remedies</u>. Except as otherwise provided in this Agreement, the parties hereto shall be entitled to any and all remedies provided by law.
 - 12.05 <u>Time</u>. Time is of the essence of this Agreement.
- 12.06 <u>United States Currency</u>. Except where expressly provided to the contrary, all references to dollars in this Agreement refer to United States currency, rounded to the nearest whole cent.
- 12.07 No Severability. If any material provision of this Agreement or any application thereof shall be invalid or unenforceable, this Agreement as a whole likewise shall be deemed invalid or unenforceable.
- 12.08 Governing Law. This Agreement shall be interpreted, construed, and enforced in accordance with, and otherwise governed in all respects by, the laws of the State of Alaska and the United States.
- 12.09 <u>Binding Effect</u>. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties.

- 12.10 <u>Further Actions</u>. The parties hereby agree to take any and all actions and to execute, acknowledge, and deliver any and all documents reasonably necessary to effect the purposes of this Agreement.
- 12.11 <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute a single agreement. Execution may occur at separate locations, provided that copies of this Agreement as executed are transmitted by facsimile to the other parties, with executed original counterparts delivered to each party as soon as possible thereafter.
- 12.12 <u>Paragraph Headings</u>. The descriptive paragraph headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be used to expand, modify, or amplify the meaning of this Agreement or to aid in the interpretation or construction of this Agreement.
- 12.13 No Member of Congress. Etc. It is agreed that no Member of or Delegate to Congress, or Resident Commissioner, after his election or appointment, and either before or after he has qualified, and during his continuance in office, shall be admitted to any share of part of this contract or agreement, or to any benefit to arise thereupon. Nothing, however, herein contained shall be construed to extend to any incorporated company, where such contract or agreement is made for the general benefit of such corporation or company (sec. 3741, Rev. Stat., and secs. 114-116, Act of Mar. 4, 1909).
- 12.14 <u>Proposal Respecting Other Property</u>. Eyak and Sherstone shall make a good faith effort to deliver to the Council promptly a comprehensive proposal respecting the protection of the Other Property.
- 12.15 <u>Savings</u>. Nothing herein shall be construed to restrict or prohibit Eyak or Sherstone (a) from undertaking, after March 1, 1995, Commercial Timber Harvesting on the Other Property (excluding any portion of the Orca Narrows Sub-Parcel included therein), (b) from exercising, after March 1, 1995, their right to construct, use, and maintain roads, sort yards, log transfer facilities, camps, and other facilities on the Orca Narrows Sub-Parcel in connection with the conduct of Commercial Timber Harvesting on lands other than the Orca Narrows Sub-Parcel, or (c) from exercising, during the term of this Agreement or thereafter, all rights in and to the Orca Narrows Sub-Parcel other than Commercial Timber Rights.
- 12.16 <u>Land Bank</u>. Neither by entering into this Agreement nor by performing in accordance with this Agreement do the parties intend to effect the loss of any protections that may be afforded to Eyak or Sherstone or their interests by section 907 of the Alaska National Interest Lands Conservation Act, as amended, 43 U.S.C. § 1636.

EXECUTED on the date first set forth above.

D			
By:			
Title:			 -
1100	 	 	

THE EYAK CORPORATION

- 12.10 <u>Further Actions</u>. The parties hereby agree to take any and all actions and to execute, acknowledge, and deliver any and all documents reasonably necessary to effect the purposes of this Agreement.
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- 12.14 <u>Proposal Respecting Other Property</u>. Byak and Sherstone shall make a good faith offort to deliver to the Council promptly a comprehensive proposal respecting the protection of the Other Property.
- 12.15 Savings. Nothing herein shall be construed to restrict or prohibit Eyak or Sherstone (a) from undertaking, after March 1, 1995, Commercial Timber Harvesting on the Other Property (excluding any portion of the Orea Narrows Sub-Parcel included therein), (b) from exercising, after March 1, 1995, their right to construct, use, and maintain roads, sort yards, log transfer facilities, camps, and other facilities on the Orea Narrows Sub-Parcel in connection with the conduct of Commercial Timber Harvesting on lands other than the Orea Narrows Sub-Parcel, or (c) from exercising, during the term of this Agreement or thereafter, all rights in and to the Orea Narrows Sub-Parcel other than Commercial Timber Rights.
- 12.16 Land Bank. Neither by entering into this Agreement nor by performing in accordance with this Agreement do the parties intend to effect the loss of any protections that may be afforded to Byak or Sherstone or their interests by section 907 of the Alaska National Interest Lands Conservation Act, as amended, 43 U.S.C. § 1636.

EXECUTED on the date first set forth above.

THE EYAK CORPORATION

AGREEMENT-Page 8

1014 PCC0C12100

	SHERSTONE, INC.
	By: Sour Title: PRESIDENT
	UNITED STATES OF AMERICA, acting by and through the Forest Service within the Department of Agriculture
	By:Title:
STATE OF ALASKA) ss. THIRD JUDICIAL DISTRICT)	
Alaska, before me personally appeared	day of May, 1994, at of Native village corporation organized and existing known to be the of said that he executed the foregoing Agreement on behalf Board of Directors for the uses and purposes therein
GIVEN UNDER MY HAND and off	ficial seal the day and year last above written.
	Notary Public in and for Alaska My commission expires

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SHERSTO	NE,	INC.
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	By:
	UNITED STATES OF AMERICA, acting by and through the Forest Service within the Department of Agriculture
	By: James A wolfe Title: Acting Regional Forester
STATE OF ALASKA	₹
THIRD JUDICIAL DISTRICT) #B.)
Alaska, before me personally appear THE EYAK CORPORATION, an under the laws of the State of Alaska corporation, and he acknowledged by	on the day of May, 1994, at of of Alaska Native village corporation organized and existing a, to me known to be the of said effore me that he executed the foregoing Agreement on behalf by of its Board of Directors for the uses and purposes therein
GIVEN UNDER MY HAND	and official seal the day and year last above written.
	Notary Public in and for Alaska My commission expires

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.)
Alaska, before me personally appears SHERSTONE, INC., an Alaska co of Alaska, to me known to be the acknowledged before me that he exec	an the day of May, 1994, at of of of reporation organized and existing under the laws of the State of said corporation, and he cuted the foregoing Agreement on behalf of Sherstone, Inc. by the uses and purposes therein mentioned.
GIVEN UNDER MY HAND	and official seal the day and year last above written.
· · ·	Notary Public in and for Alaska
STATE OF ALASKA JUDICIAL DISTRICT) ss.
THIS IS TO CERTIFY that o	on the day of, 1994, at oregoing instrument was acknowledged before me by
the Department of Agriculture of the UNITED STATES OF AMERICA.	of the Alaska Region of the Forest Service within UNITED STATES OF AMERICA, on behalf of the
GIVEN UNDER MY HAND	and official seal the day and year last above written.
	Notary Public in and for Alaska My commission expires
DATA:4590/34/Other/JJP Documents/Agreements/	ent
	and the second s
EXHIBITS:	
Exhibit B: Conveyance (Orca Na Exhibit C: Letter of April 28, 199	ca Narrows Sub-Parcel) errows Sub-Parcel) O4, from the Council to Eyak and Sherstone Valdez Oil Spill Trustee Council of May 3, 1994

5- 6-84 lette | trufEST service of corrule

STATE OF A	LASKA)			
THIRD JUDI	CIAL DISTRICT			
Alaska, before SHERSTON of Alaska, to acknowledged	IS TO CERTIFY that on the eme personally appeared	ion organized and exi of a	sting under the laws of the aid corporation, and he ent on behalf of Sherstone,	of State Inc. by
GIVE	N UNDER MY HAND and o	fficial seal the day and	i year last above written.	
	•	Notary Public in an My commission ex	d for Alaska pires	
STATE OF A First	LASKA JUDICIAL DISTRICT			
nie Debarnie	IS TO CERTIFY that on the Alaska, the foregoint of Agriculture of the UNITES OF AMERICA.	ng instrument was ach Regional for the Alaska Regional TED STATES OF A	nowledged before me by ForeSter on of the Porest Service with MERICA, on behalf of the	it hin e
	N UNDER MY HAND and o	fficial scal the day and	vear last above written.	
	·	·	R. Swallow d for Alaska phres 11/14/96	
DATA:4590/340	the VIP Documents/Agreement	: 		.,
EXHIBITS:		Transport	• •	
Exhibit A: Exhibit B: Exhibit C: Exhibit D:	Land Description (Orca Nan Conveyance (Orca Narrows Letter of April 28, 1994, from Resolution of Exxon Valdez	Sub-Parcel) to the Council to Evak	and Sherstone ncil of May 3, 1994	

EXHIBIT A

Orca Narrows Sub-Parcel

Those lands as contained in:

Township 14 South, Range 3 West, Copper River Meridian

Sec. 29, Lot 1; Sec. 30, Lot 2; Sec. 31

Containing 1, 037.07 acres, as shown on plat of survey officially filed October 24, 1991.

Township 14 South, Range 4 West, Copper River Meridian

Sec. 25, Lots 1, 2; Sec. 26, Lots 8, 9, 10; Sec. 34, Lots 1, 2; Sec. 35, Lots 1, 2; Sec. 36.

Containing 1,015.34 acres, as shown on the plat of survey officially filed June 22, 1987.

Aggregating 2,052.41 acres.

EXHIBIT B

Conveyance of Commercial Timber Rights (With Restrictive Covenant)

RECORD this Instru	ment in the CORDOVA RECORDING DISTRICT
INDEX this Instrum	ent as follows:
Grantors:	The Eyak Corporation Sherstone, Inc. United States of America
Grantee:	United States of America State of Alaska The Eyak Corporation
RETURN this Instru	ament to:
****	*******

CONVEYANCE OF COMMERCIAL TIMBER RIGHTS (WITH RESTRICTIVE COVENANT)

(Orca Narrows Sub-Parcel)

THIS CONVEYANCE OF COMMERCIAL TIMBER RIGHTS (WITH RESTRICTIVE COVENANT) ("this Instrument") is given this _____ day of ______, 1994, by THE EYAK CORPORATION ("Eyak"), an Alaska Native village corporation the address of which is P. O. Box 340, Cordova, Alaska 99574, and SHERSTONE, INC. ("Sherstone"), an Alaska corporation the address of which is P. O. Box 340, Cordova, Alaska 99574, (Sherstone and Eyak are referred to herein as "Grantors") to the UNITED STATES OF AMERICA ("United States"), acting by and through the Forest Service within the Department of Agriculture, the address of which is P. O. Box 21628, Juneau, Alaska 99802.

FOR AND IN CONSIDERATION OF \$10.00 and other good and valuable consideration. the receipt and adequacy of which are hereby acknowledged, the parties hereby grant and covenant as follows:

1. DEFINITIONS

For purposes of this Instrument, the following terms shall have the following meanings:

"ANCSA" means the Alaska Native Claims Settlement Act as heretofore amended and supplemented (43 U.S.C. § 1601 et seq.).

- (b) "Commercial Timber Harvesting" means (1) cutting and removing Merchantable Timber for sale and (2) constructing roads and other related infrastructure in support thereof.
- (c) "Commercial Timber Rights" means (1) the right to conduct Commercial Timber Harvesting, (2) the right to receive any revenue in excess of removal costs resulting from the sale of Merchantable Timber cut and removed by any party incident to the exercise of its lawful rights, (3) all rights and remedies available against persons who cut or remove Merchantable Timber with no lawful right to do so, (4) in cooperation with Eyak, the right, but not the obligation, to reforest in the event then-existing Merchantable Timber is destroyed by fire, wind, insects, disease, or other similar manmade or natural occurrence (excluding manmade occurrences resulting from the exercise by Eyak of its lawful rights), and (5) in cooperation with Eyak, the right to enter upon the lands in which the rights described herein have been granted to administer said rights (e.g., to establish and maintain survey corners delineating said lands or to determine if reforestation should occur).
 - (d) "Eyak" means The Eyak Corporation.
- (e) "Eyak Bill of Sale" means that certain Bill of Sale for Forest Products dated December 11, 1986, by and between Eyak and Sherstone (then known as Steinway, Inc.). (A copy of the Eyak Bill of Sale is attached to that certain Deed of Trust given by Eyak for the benefit of Steinway, Inc. recorded on November 24, 1987, at Book 59, Page 459 (the Eyak Bill of Sale begins at Page 461), Cordova Recording District.
- (f) "Merchantable Timber" means timber that can be harvested and marketed at a profit by a prudent operator.
- (g) "Orca Narrows Sub-Parcel" means the surface estate in and to the real property described in Exhibit A attached hereto.
- (h) "Sherstone" means Sherstone, Inc. Sherstone was formerly known as Steinway, Inc.
 - (i) "United States" means the United States of America.

2. GRANT

Grantors hereby CONVEY and WARRANT, as set forth in Paragraph 3 below but not otherwise, unto the United States the Commercial Timber Rights in and to the Orca Narrows Sub-Parcel, to have and to hold forever.

Eyak hereby RESERVES unto itself, its successors, and assigns, all rights in and to the Orca Narrows Sub-Parcel other than the Commercial Timber Rights, including but not limited to the following:

(a) all rights to undertake all residential, commercial, or industrial development on the Orca Narrows Sub-Parcel other than Commercial Timber Harvesting, including but not limited to the right to construct, use, and maintain roads, sort yards, log transfer facilities, camps, and other facilities in connection with the conduct of Commercial Timber Harvesting on lands other than the Orca Narrows Sub-Parcel (except to the extent that Eyak has agreed in Paragraph 6 of that certain Agreement dated May 6, 1994, by and among Eyak, Sherstone, and the United States to suspend until March 1, 1995, all

Commercial Timber Harvesting on both the Orca Narrows Sub-Parcel and certain other lands);

(b) the right to cut, remove, and sell timber on the Orca Narrows Sub-Parcel incident to the exercise of the foregoing reserved rights, subject to the right granted to the United States to receive all revenues in excess of removal costs resulting from the sale of timber cut and removed incident to the exercise of such rights.

3. WARRANTY OF TITLE

Eyak hereby represents and warrants that as of the date hereof it is the sole owner of the Orca Narrows Sub-Parcel as and to the extent conveyed to it pursuant to ANCSA by Interim Conveyance No. 127, free and clear of any defects, liens, encumbrances, or other interests other than the interest of Sherstone under the Eyak Bill of Sale.

Sherstone hereby represents and warrants that as of the date hereof it is the sole owner of the rights granted to it under the Eyak Bill of Sale insofar as such rights extend to the Orca Narrows Sub-Parcel, free and clear of any defects, liens, encumbrances, or other interests.

Eyak and Sherstone hereby jointly and severally agree to indemnify, defend, and hold harmless the United States from and against any loss or failure of title to the Commercial Timber Rights in and to the Orca Narrows Sub-Parcel arising out of or resulting from the assertion of any claim under section 14(c) of ANCSA, 43 U.S.C. § 1613(c).

4. RESTRICTIVE COVENANT

The United States hereby covenants, in perpetuity for the benefit of the State of Alaska and Eyak, not to conduct or permit to be conducted any Commercial Timber Harvesting at any time on the Orca Narrows Sub-Parcel. The United States hereby agrees that this restrictive covenant may be enforced either (a) by the State of Alaska, individually or in its capacity as owner of tidelands and submerged lands adjoining or otherwise within ten miles of the Orca Narrows Sub-Parcel, or (b) by Eyak, individually or in its capacity as owner of other lands conveyed to Eyak by Interim Conveyance No. 127 within ten miles of the Orca Narrows Sub-Parcel.

Nothing in this restrictive covenant shall prohibit the United States, in connection with its exercise (in cooperation with Eyak) of its right to reforest, from salvaging dead or downed timber in the event of blowdown or other similar manmade or natural occurrence or from receiving any revenue in excess of removal costs resulting from the sale of such salvaged timber.

5. GENERAL PROVISIONS

- 5.01 Binding Effect. This Instrument shall inure to the benefit of and bind the parties hereto and their respective successors and assigns.
- 5.02 Interpretation. This Instrument shall be interpreted, construed, and enforced in accordance with, and otherwise governed in all respects by, the laws of the State of Alaska and the United States.
- 5.03 Statement of Support. Eyak hereby states that it supports and intends to continue to support the United States in its efforts to protect important wildlife habitat and

viewsheds in the area affected by the Exxon Valdez oil spill, but such statement of support and intent shall not limit, diminish, or otherwise affect in any way the exercise by Eyak of the rights reserved by Eyak from the grant made by this Instrument.

IN WITNESS WHEREOF, the parties have executed this Instrument effective as of the date first set forth above.

THE EYAK CORPORATION

By:_ Title	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				-
SHE	CRSTON	E, INC.			
By:_ Title					
and t	TED STA	ATES OF	F AMER	ICA, actin nin the Dep	g by artme

STATE OF ALASKA)		
THIRD JUDICIAL DISTRICT) ss.)		
THIS IS TO CERTIFY that of Alaska, before me personally appears THE EYAK CORPORATION, an under the laws of the State of Alaska corporation, and he acknowledged be of The Eyak Corporation by authority mentioned.	ed	ge corporation organ the cuted the foregoing In	of ized and existing of said strument on behalf
GIVEN UNDER MY HAND	and official seal the	day and year last abo	ove written.
•••	Notary Pub My commis	lic in and for Alaska ssion expires	
STATE OF ALASKA THIRD JUDICIAL DISTRICT)) ss.)		
THIS IS TO CERTIFY that of Alaska, before me personally appears SHERSTONE, INC., an Alaska corof Alaska, to me known to be theacknowledged before me that he execution authority of its Board of Directors for GIVEN UNDER MY HAND	ed rporation organized cuted the foregoing I r the uses and purpor	and existing under the comporation of said corporation on behalf ses therein mentioned	of he laws of the State on, and he of Sherstone, Inc. by l.
		lic in and for Alaska ssion expires	

STATE OF ALASKA) ssJUDICIAL DISTRICT)	
THIS IS TO CERTIFY that on the, Alaska, the foregoing	day of, 1994, at ng instrument was acknowledged before me by
of the Department of Agriculture of the UNITEI UNITED STATES OF AMERICA.	e Alaska Region of the Forest Service within the D STATES OF AMERICA, on behalf of the
GIVEN UNDER MY HAND and of	fficial seal the day and year last above written.
	Notary Public in and for Alaska My commission expires
EXHIBIT A: Orca Narrows Sub-Parcel	
DATA:4590.34\Other\JIP Documents\Conveyance	

Restoration Office

645 "G" Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



April 28, 1994

Donna Nadell, President Eyak Corporation PO Box 340 Cordova, AK 99574

Luke Borer, President Sherstone, Inc. PO Box 340 Cordova, AK 99574

Dear Ms. Nadell and Mr. Borer,

Thank you for your letter of April 11, 1994. We appreciate your sincere efforts to work with us. Your letter states that Sherstone, Inc. anticipates resumption of timber harvest operations this summer on some of the Eyak Corporation's lands. We recognize that Sherstone's harvesting activities will be conducted with the protection of fisheries, wildlife, and scenic values in mind. 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 the 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 Contributing to Restoration" which includes Orca Narrows.

- 1) "Core lands"-The Council is interested in acquiring fee title to the core lands. The Trustee Council recognizes the 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 the 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

Patishit C Page / of 3

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 the Eyak Corporation's needs for economic development and the Eyak Shareholder Land Use Program.

3) "Areas Contributing to Restoration"-Orca Narrows is an area of importance both for recreation and tourism. It is the desire of the Trustee Council and the community of Cordova to protect the scenic viewshed in that area. Accordingly, if Eyak Corporation agrees, the Council wants 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 United States. To the extent permitted by law, 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 acknowledges the Eyak Corporation's needs to reasonably regulate uses on those lands.

The price the Trustee Council is willing to pay for lands and interests is fair market value as determined by an appraisal. The fair market value will be determined, and the appraisal conducted, pursuant to standardized appraisal specifications being used by the state and federal trustee agencies.

The Trustee Council shares your belief that this or any other acquisition 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 the Eyak Corporation or its wholly owned subsidiaries need to be identified at the outset of any negotiations.

We are requesting a detailed proposal from your Boards of Directors that accommodates your interests while meeting the terms of protection outlined in this letter. Upon reaching mutual agreement regarding the proposal, we will proceed with an appraisal.

As an interim measure, the Trustee Council is interested in acquiring protection for those Corporation lands on which timber harvesting is scheduled prior to April 1, 1995. It is the Trustee Council's understanding that these lands comprise a sub-parcel of the Orca Narrows parcel from which Sherstone, Inc. plans to harvest an estimated 8MMBF of timber between now and April 1, 1995.

Should the Boards of Directors of the Eyak and Sherstone Corporations wish to offer to the Trustee Council sale of the commercial timber rights to this sub-parcel, the offer should recognize that the sale would be at fair market value as determined by an appraisal. Further, the offer should include a properly executed action of the respective Boards of Directors of the Eyak and Sherstone Corporations which certifies that, as a condition of the sale of the commercial timber rights to the Orca Narrows sub-parcel, that no other commercial timber harvesting will occur on Corporation lands subject to this letter prior to April 1, 1995, notwithstanding subsequent actions, if any, prior to April 1 1995 by the



Trustee Council, the Boards of Directors of the Eyak and Sherstone Corporations or the shareholders thereof with respect to a more comprehensive protection package.

Upon receipt of an offer and properly executed Corporate action regarding Orca Narrows as outlined above, the Trustee Council is prepared to act expeditiously on such offer, and if such action is favorable, to immediately execute a purchase agreement and order the necessary appraisal for the Orca Narrows sub-parcel on a priority basis.

We stand ready to meet with you at your earliest convenience to discuss a detailed proposal. Thank you again for your patience and work with the Trustee Council.

Sincerely.

Jim Ayers

Executive Director

cc: Trustee Council

Bloom C Page P of P

Restoration Office

645 "G" Street, Suite 401, Anchorage, AK 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

We, the undersigned, duly authorized members of the Exxon Valdez Oil Spill Trustee Council, after extensive review and after consideration of the views of the public, find as follows:

- 1. The Eyak Corporation and Sherstone Corporation ("Sellers") together own the commercial timber rights on lands located west of Orca Narrows near Cordova, Alaska (the "Orca Narrows area"). There is a sub-parcel of these lands ("the Orca Narrows sub-parcel") consisting of approximately 2,052 acres and more particularly described as all lands in sections 29, 30, and 31 of township 14S, range 3W and all lands in sections 25, 26, 34, 35, and 36 of township 14S, range 4W, Copper River Meridian. The Orca Narrows sub-parcel was conveyed to Eyak Corporation pursuant to the Alaska Native Claims Settlement Act.
 - 2. The Orca Narrows sub-parcel is within the oil spill affected area.
 - 3. A substantial portion of the Orca Narrows area (including the Orca Narrows

Trustee Agencies

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

Page / of 7

sub-parcel) is threatened with imminent clearcut logging. Permits have been secured or are pending for commercial logging operations on this land and Sherstone Corporation has entered into a logging contract with the Rayonier Corporation. The majority of the commercial timber in the Orca Narrows area is slated for harvest by clearcut logging over the next few years.

- 4. The Orca Narrows area includes important habitat for several species of wildlife for which significant injury resulting from the oil spill has been documented. There is evidence that the Orca Narrows area is an important marbled murrelet nesting area and there are substantial feeding concentrations of this species in this area. The extent to which marbled murrelets are naturally recovering from the oil spill is unknown. Logging may directly affect these foraging and nesting activities and hence the rehabilitation of this species. There are known concentrations of sea otters in Orca Bay and Orca Inlet. Sea otters were injured by the oil spill. There are ten documented bald eagle nests on the Orca Narrows area with feeding and roosting occurring along the shoreline. The area has a high value for recreation and tourism and is highly visible to the nearby community of Cordova. There is substantial recreational use of Milton Lake and Hole-in-the-Wall. The area has high scenic value. The Orca Narrows area has high subsistence value for the hunting of land mammals. Subsistence usage is a service lost or diminished as a result of injuries to natural resources from the oil spill.
- 5. Existing laws and regulation, including but not limited to the Alaska Forest Practices Act, the Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal

Dr.

Management Act, the Bald Eagle Protection Act, and the Marine Mammals protection Act, are intended, under normal circumstance, to protect resources from serious adverse affects from logging and other developmental activities. However, restoration, replacement, and enhancement of resources injured by the *Excon Valdez* oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect resources, biologists, scientists and other resource specialists agree that, in their best professional judgement, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will likely have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources.

- 6. There has been widespread public support for the protection of the Orca Narrows area.
- 7. Purchase of the commercial timber rights for the Orca Narrows sub-parcel is an appropriate means to restore a portion of the injured resources and the services they provide in the oil spill area. This restoration action will be much more effective if the restoration measures on other portions of Sellers' lands as identified in the 4/28/94 Trustee Council letter to the Sellers are also implemented.

THEREFORE, we resolve to offer to buy from the Sellers the commercial timber from the Orca Narrows sub-parcel, consisting of approximately 2,052 acres and described as all lands in sections 29, 30, and 31 of township 14S, range 3W, and all lands in sections 25, 26, 34, 35, and 36 of township 14S, range 4W, Copper River Meridian, pursuant to the



following conditions:

(a) the commercial timber rights are in perpetuity and include the right to any revenue in excess of removal costs resulting from the sale of timber removed incident to any other activity and the right, but not the obligation, to reforest the parcel should the timber on the parcel be destroyed through events such as insect damage, fire or windstorms;

- (b) the appraised value will be determined by an appraiser to be selected and paid for by the Trustee Council and the appraisal will be undertaken by the Trustee Council as a priority. The appraised value will be determined as of May 1, 1994 and, to the extent allowed by law, will consider the Rayonier market and cost information prepared for its 1994 operations on the sub-parcel;
- (c) a satisfactory title search and hazardous substances survey is completed and Sellers are able to convey title to the commercial timber by general warranty deed;
 - (d) there is satisfactory compliance with the National Environmental Policy Act;
- (e) a final purchase agreement is signed within fifteen days from today and, to the extent practicable, all conditions precedent to closure, transfer of title and payment of the purchase amount will be completed within 90 days from today;



- (f) Sellers will be paid fair market value determined as of May 1, 1994 for the commercial timber rights;
- (g) no commercial timber harvesting or related road development will occur prior to March 1, 1995 on Sellers' lands described in the Trustee Council's letter of April 28, 1994, notwithstanding any subsequent actions by the Council or the Sellers with respect to a more comprehensive protection package. The Council will pay to Sherstone Corporation \$400,000 for this "moratorium", provided that, if the fair market value of the commercial timber per one thousand board feet exceeds \$160, the price the Council pays for the moratorium will be reduced by \$100 for each one cent the fair market value of the commercial timber is above \$160 per thousand board feet. The price of the moratorium will not be less than zero.

Title to the Orca Narrows sub-parcel commercial timber rights shall be . conveyed to the United States subject to the following conditions:

- (h) there shall be no commercial timber harvest on these lands;
- (i) once these commercial timber rights have been conveyed to the United States of America, they may not be conveyed to any other entity for any purpose, and in the event that there is an attempt by the United States to convey the commercial timber rights acquired through this resolution to any entity, in lieu of that conveyance, title to these commercial timber rights shall go to the State of Alaska, subject to the conditions of

subparagraph (h).

The State of Alaska Department of Law and the United States Department of

Justice are requested, upon notification that a purchase agreement has been executed for

the interests described in the resolution, to petition the United States District Court to

release trust funds in the amount of \$2,000,000 for the acquisition of these rights by the

United States.

The Trustee Council views this agreement to purchase the commercial timber

rights on the Orca Narrows sub-parcel as only the first step in acquiring protection for

natural resources injured by the oil spill that are present on Sellers' lands. The Council

appreciates the views presented in the final paragraph of the Sellers' letter of May 2, 1994

in this regard and desires to move quickly to the more comprehensive approach outlined

in our letter of April 28, 1994 including the need to address public access to all lands on

which less than fee title interests are acquired by the United States. The Council

acknowledges the Sellers' needs to reasonably regulate uses on those lands. Accordingly,

this offer presumes receipt of a more detailed offer addressing these concerns in the next

fifteen days.

Trustee Representative

Alaska Region

USDA Forest Service

Dated 5/2

Attorney General

State of Alaska

Dated 5/494

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

U.S. Department of the Interior

STEVEN DENNOVER Dated 5/3/54

Director, Alaska Region
National Marine Fisheries
Service

CARL L. ROSIER Commissioner

Alaska Department of Fish &

Game

SANDOR . SANDOR

Commissioner

Alaska Department of

Environmental Conservation

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Kim Garnero

ADF&G Finance Officer

FROM:

June Arko Mis-Sinclair

Administrative Officer

DATE: May 18, 1994

RE:

AKSAS Reports

I am hereby requesting the following monthly AKSAS reports in addition to those currently being sent to us:

- 1. Expenditures by month starting with October 1993. We need information down to the lowest level account code.
- 2. Vendor audit trail, cumulative starting with October 1993.

We need the reports by ledger code, by account. The following ledger codes are to be reported:

11940024 Executive Director

11940025 Operations

11941300 PAG

11941400 Public Outreach

11944230 Oil Spill Public Information Center

48000026 EDO Staff

48000027 Trustee Meeting Costs

48000028 PAG

48000029 Miscellaneous Costs

48000053 Executive Director

48000054 OSPIC

Please provide two(2) copies of each report. If you have any questions, give me a call at 586-7152. Thank you for your assistance.

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Carol Fries

Jess Grunblatt

FROM:

James R. Ayers

Executive Director

DATE: May 18, 1994

RE:

Information Management System Discussion Paper

I appreciate the work that both of you have put into the draft discussion paper on Information Management. I believe it does an excellent job of describing the approaches that should be taken in order to make the information generated by Trustee Council research more accessible to a wide variety of users.

The next step is to develop this discussion paper into a project proposal, most likely using a phased approach. As you develop this proposal, I would like you to establish and consult with a small advisory group consisting of a computer-literate youth, a librarian, a teacher, and a technician.

Further, I would like you to develop this project in coordination with the Department of the Interior, to ensure that it meets both federal and state needs. This would be a good project for Catherine Berg since she could act as a liaison with the U.S. Fish and Wildlife Service, GIS section.

As you know, the deadline for project descriptions is June 15. Please advise me if this presents a problem or if you have additional questions.

JRA/mir

cc: Molly McCammon, Director of Operations Eric Myers, Anchorage Restoration Office Marty Rutherford, ADNR

Veronica Gilbert, ADNR Sandy Rabinowitch, USDOI Bob Spies, Chief Scientist

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Ray Thompson/USFS

Joe Sullivan/ADF&G

FROM:

Molly McCammon, Director of Operations

DATE:

May 18, 1994

SUBJ:

DPDs for Projects #94043 and #94139 - Instream Restoration

The purpose of this memorandum is to ask for your assistance in making sure that DPDs prepared for instream restoration sub-projects under Project #94043/Cutthroat-Dolly Habitat Restoration and Project #94139/Salmon Instream Habitat-Stock Restoration provide sufficient information to comply with the Trustee Council directive to review the costs and benefits of these projects. As you will recall, when the Trustee Council took action on the FY 94 Work Plan at the January 31, 1994 meeting, Projects #94043 and #94139 were combined and conditionally approved "subject to NEPA compliance... and review of benefit/cost analyses." (See "FY 94 Work Plan Projects as approved by the Trustee Council January 31, 1994")

It is my understanding that DPD's are in various stages of preparation for the sub-projects under #94043 and #94139 as shown in the attached listing. The one instream restoration DPD that has been prepared to date (i.e., Little Waterfall Creek) provides only a brief statement regarding benefits and costs. While the DPD states that "salmon production from this project would generate benefits greater than costs of construction and evaluation," it is not clear whether this analysis included consideration of long-term operations and maintenence costs over the life of the project. The DPD cover page for the Little Waterfall Creek project indicates that the cost of the project "FY 96 and beyond" is \$53.7. Are these annual costs? If so, were they factored into the analysis?

As the DPDs for the #94043 and #94139 sub-projects are prepared, it would be helpful to have a section within each DPD that succinctly describes the assumptions and analysis regarding the costs and benefits of that sub-project. Some of the specific considerations would include the cost of construction; long-term operations and maintenance over the anticipated useful life of the project; the incremental number of fish that would be produced as a result of the project; and an explicit identification of the expected value of the fish as well as any other critical assumptions used in the analysis.

One of the projects proposed as part of Project #94139 (i.e., Port Dick) was withdrawn by ADF&G due to a poor cost-benefit ratio. I would appreciate your assistance in obtaining a better understanding of the benefit/cost analysis for the Port Dick project. In the case of Little Waterfall Creek, it is my understanding that the finding of a positive benefit/cost ratio reflected in the DPD was based on work done by Hartman and Richardson (1993) although I have not yet been able to obtain additional information regarding this work. Some additional clarification regarding whether the USFS and ADF&G use similar or identical methodology when assessing benefits and costs would be helpful in order to ensure consistency of evaluation.

I would appreciate the chance to discuss this with you further. Your assistance with this request is appreciated.

cc: Andy Gunther
Dean Hughes
Dave Gibbons
Jerome Montague
Jim Ayers

#94043 Cutthroat/Dolly Restoration

— Eshamy River (W. PWS)	USFS	DPD under development
- Gumboot Crk (W. PWS)	USFS	DPD under development
- Stream No. 508 (W. PWS)	USFS	DPD under development
- Stream No. 509 (W. PWS)	USFS	DPD under development
— Otter Crk/Lake (Knight I.)	USFS	DPD under development
— Sockeye Crk/Lake (Knight I.)	USFS	DPD under development
— Miners Crk/Lake (N. PWS)	USFS	DPD under development
— Shrode Crk/Lake (W. PWS)	USFS	DPD under development
— Rocky Crk/Bay (Montague)	USFS	DPD under development

#94139 Salmon Instream Restoration

— Lowe River (6.5 Mile)	ADF&G	DPD under development
 Montague Island chum 	USFS	DPD under development
— Otter Creek bypass	USFS	DPD under development
— Shrode Creek bypass	USFS	DPD under development
Waterfall Creek bypass	ADF&G	DPD submitted

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Carol Fries

Jess Grunblatt

FROM:

Jim Ayers

Executive Director

DATE:

May 18, 1994

RE:

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cc: Molly McCammon

Eric Myers

Marty Rutherford, ADNR Veronica Gilbert, ADNR Sandy Rabinowitch, USDOI Bob Spies, Chief Scientist EV Restoration

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J.AYERS

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S. RABINOWITCH

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C.FRIES

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RESULT

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FAX COVER SHEET

To: Marty Rutherford	Number:
From: Jim Ayers	Date: 5-17-94
Comments:	Total Pages:
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listed abone.	Date: 5-17-94 Total Pages: 2 To the individual
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