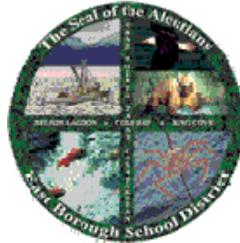
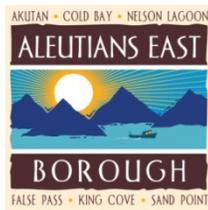


In the Loop



Bringing the Aleutians East Borough, the AEB School District and Eastern Aleutian Tribes together by sharing common goals.

AEB Gears up for NAPE Expo in Houston, Texas

The Aleutians East Borough is gearing up for the NAPE Expo at the GRB Convention Center in Houston, Texas Feb. 7 – 8, 2008. NAPE® (formerly North American Prospect Expo) was founded in 1993 to provide a marketplace for the buying, selling and trading of oil and gas prospects and producing



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properties.

NAPE brings state-of-the-art prospects and properties from around the world, advanced technology and energy capital formation together in one location. This will be the fourth year in a row that the Borough has participated in the NAPE Expo.

The AEB has been busy with a variety of other gas & oil planning activities lately. The

Borough met with the Minerals Management Service (MMS) several times in recent months to draft a Memorandum of Agreement (MOA) on cooperating agency status. The goal is for the AEB to be a partner during the development of EIS (Environmental Impact Statement) documents. Last month, the AEB held two community workshops (one in Sand Point and the other in Cold Bay) to discuss gas & oil planning and development in the North Aleutian Basin with residents.

- The next State of Alaska (onshore) lease sale will be held on February 27, 2007.
- The Environmental Impact Statement (EIS) for offshore seismic activities is underway.
- The Environmental Impact Statement for the offshore lease sales will get underway soon.
- The first offshore lease sale is scheduled for 2011.

Funding for Sand Point's School Loop Road Upgrade Project Gets Tentative Approval

The City of Sand Point has been successful in its request for monies to begin the School Loop Road upgrade project. The \$850,000 requested from the Denali Commission to start the design work was tentatively approved at its December meeting. Sand Point can now get the road project underway and use this funding to leverage the state, the Aleutians East Borough and others to help. Funds not used on the design of the road project will be used for 'Construction Administration'.

Next Construction Phase of Sand Point's New Harbor Gets Underway

The next phase of Sand Point's new boat harbor construction project is in full swing. Using state monies and a \$1.5 million grant from the Economic Development Administration (EDA), the Borough is accepting bids to build a wharf (dock) at the head of the harbor. The Aleutians East Borough anticipates hiring a construction firm so work can commence early this summer. Completion is scheduled for October 2008. Future plans call for the installation of floats and utilities (power and potable water) when funding is available.

Drum Cleanup Project at Sand Point's Old Quarry Moves Forward



Work continues on cleaning up the old quarry and removing the 55-gallon drums stockpiled in the area. Most of the drums contained used oil. This product was transferred into large holding tanks. The used oil will eventually be burned in the city-owned waste oil furnace. Emptied drums were

cleaned, crushed and hauled to the landfill. Several drums contained unknown material. These drums have been placed in protective over-packs and await further analysis and proper disposal. The site is in much better shape than it was just six months ago, thanks to a huge joint effort by the City, the State Department of Environmental Conservation, the Environmental Protection Agency and local tribal governments.

Holiday Storm Roars Through King Cove

The holidays were anything but peaceful in King Cove the day after Christmas as a storm tore through the community, leaving several buildings damaged. Gale-force winds peeled away rooftops belonging to the Goulds' store and the bus barn. At least one home



lost half of the tin on the roof. Strong winds, clocked at 80 – 100 miles an hour, also caused damage to the boat harbor warehouse where van containers were strategically placed next to buildings for protection. King Cove Mayor Ernest Weiss reports the storm also blew down his furnace smokestack.

Wind Storm Shatters Cold Bay's Flight Service Station Window; Forces Evacuation

Strong winds in excess of 60 miles per hour whipped through Cold Bay on Dec. 27, 2007, shattering a window in the flight service station. No one was injured, but the damage forced the evacuation of the office. Employees report the wall supporting that window is now unstable. Flight service operations are temporarily being operated out of an office in Kenai.



In mid-November 2007, Shell Oil invited several representatives from the Bristol Bay region, including Aleutians East Borough Assembly Member Justine Gundersen, to visit Sakhalin, Russia. The goal was to allow Alaska representatives to see how commercial fishing and the gas & oil industries co-exist. Justine shares her experience in the following story.

My Visit to the Sakhalin Energy Site

By Justine Gundersen

Sakhalin, Russia: My traveling companions were: Tiel Smith, Russell Nelson, Tom Tilden, and Paul Boskoffsky, all from Bristol Bay. We were hosted by Gregg Nady of Shell Oil. I'm not sure if the preparation that goes into visiting other parts of Russia is as rigorous as this particular trip was. It wasn't as simple as just using our existing passports. First, we had to be invited by the Russian Government. Next, we had to send an application with our entire history and that of our parents, any visits that we took outside the United States in the last ten years, a passport picture and our existing passport to the Russian Consulate in Seattle. Still, there was no guarantee that any of us would get permission to visit Sakhalin. Literally, at the eleventh hour, we all received permission, plus a Russian passport (which was attached to our existing passport). On November 10th,

we departed from Anchorage to Seoul, stayed the night and departed for the city of Yuznho the next day.

As I descended from the plane, I instantly spotted the military and a very old stone building. We were escorted to the building in order to go through customs. As I surveyed the scene, it was as if we were seeing pictures in the early 1930s and 40s in black and white. Actually, that was most of my impression throughout my journey. I was



reminded very much of Brassai photos.

We stayed at the very new Mega Palace Hotel. It was almost completely occupied by the oil industry. There are about four new hotels in the city. The city itself is not very developed. However, it's apparent the economy and the city's physical appearance are changing because of the oil industry. As an aside, we saw one statue of Lenin, apparently one of the last in Russia.

The island reminded me so much of our region. It has the same climate. The difference is the mountains were filled with trees. The wood from these trees could be used for log cabins. The churches, mostly Russian Orthodox, are new and are absolutely beautiful. (These structures were the only colors I remember.)

Since the collapse of the Soviet Union in the early 90s, there has been little development until just recently. The economy has consisted mostly of timber and commercial fishing. Fishing and the development of oil and gas is what brought our group to this part of the world. We wanted to find out if both industries could co-exist.

Our schedule included meeting with the government and non-government leaders, fishermen, and indigenous people. The highlight was meeting with the indigenous people and the fishing industry. We had good discussions. I felt no one was pressured to say anything that might be uncomfortable.

We toured the LNG plant, which must have been designed by a mad scientist. It was an incredible undertaking! (No pictures were allowed). Shell had taken great care in protecting the environment and had more than 100 environmentalists involved in the project. We saw spawning streams where the pipeline has been built. Seeing this and the planning that has gone into protecting the environment was impressive.

On the way to a nursery enhancement project, we stopped at a seaside restaurant. We were immediately served Borsch, homemade brown bread and caviar. It was incredible, and I ate way too much. I left for a moment, thinking we were finished, only to return to the table to find a huge plate of meat and potatoes. I was very embarrassed because I couldn't eat anything else after stuffing myself with soup and bread! When we arrived at the nursery, we were invited into a small trailer only to find a very long table full of food -- fish, potatoes and more bread. The hospitality was wonderful and the food was great!

We had a very heavy schedule. All the meetings produced good information and a lot of discussion. Again, no one seemed pressured to offer only positive comments or to hold back from making negative remarks.

The last night was eventful. We had dinner with a fisherman/processor and his son. He told us that last year; the total fishing catch was bigger than ever before. Maybe it's because of the oil industry. Who knows? But anything is possible!

It was significant to see this operation. It would have been important to also see the northern part of the island so we could tour the pipeline and the offshore platforms and meet with people from that region. However, that is a journey unto itself.

It is important to point out that Shell Exploration and Sakhalin Energy made the effort to have us see Sakhalin for ourselves. They provided us with the opportunity to explore the possibility of co-existence between the gas/oil industry and commercial/subsistence fishing. If we are diligent and constant, I believe success in both industries is possible in our region.

News from the Akutan Traditional Council



(1) Annual Elections:

Each year, the Akutan Traditional Council holds its annual election the first Tuesday of October. During this election, there was one new council member elected for a three year term. During the elections for officers, Zenia Borenin was elected as president, Joseph Bereskin Sr. as vice-president and Vera Pelkey as secretary/treasurer. The Akutan Traditional Council is a seven-member council representing the Native Village of Akutan and its tribal members.

(2) Berry Study Project:



On July 2007, the council wrote a letter of support to Eastern Aleutian Tribes (E.A.T.) to conduct a wild berry study (salmonberries, blueberries and moss berries) here jointly with the University of Illinois. This study is being coordinated by Dr. Gary Ferguson, of E.A.T., Professor Mary Ann Lila from the University of Illinois, Courtney G. Flint, assistant professor from the University of Illinois and Ilya Raskin, Professor II from the State University of New Jersey Rutgers. The berry study project will also include volunteers from the community and school students. All in all, this will be a very educational project that will provide us with the nutritional values of the berries.

(3) Indian Reservations Roads Program:

In February 2007, we requested our first draw down for our Indian Reservation Roads (IRR) program. This program has enabled us to hire an IRR Coordinator, travel, conduct training, planning and anything pertaining to the IRR program. To date, we have three modifications to our contract. There was a one-time only road maintenance funding available through this program. In the near future, we will be updating our roads inventory.

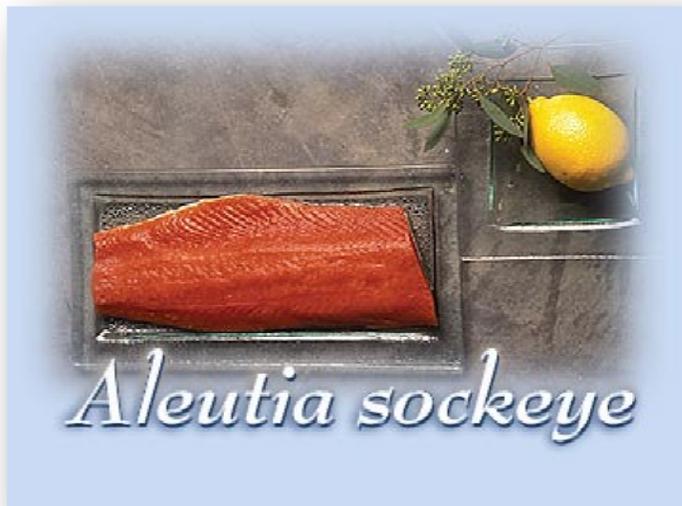
(4) Akutan Holiday:

Every year on September 12th, the community of Akutan celebrates Founders Day. All entities donate for this special occasion. During this special day, we have church to celebrate St. Alexandar of Nevsky, the Saint of our church. Other activities include a carnival at the school, games at the ball field, a raffle drawing, door prizes provided by the City of Akutan and a potluck dinner. All proceeds are donated to the St. Alexandar of Nevsky Orthodox Church.

(5) Tribal Court:

Over the past three to four years, we have been probating tribal members' wills. In June of 1997, we adopted a probate procedures ordinance. Probating wills is an ongoing process. For each probate hearing, we appoint three judges, pro-tem. There is a chief justice and two judges. If the judges are unable to reach a decision, the Traditional Council acts as the Supreme Court to finalize the decision.

It's Not Too Late to Stock up on Aleutia Sockeye Salmon



Craving premium-quality, all-natural Aleutia sockeye salmon? If you're freezer is empty, and your mouth is watering for the full-flavored, rich taste of sockeye salmon, Aleutia still has some fillets left. Get 'em while supplies last. It costs \$141.63 for a 25-pound box.

Call the Aleutia office at (907) 383-5909 or email Tiffany Jackson at Aleutia_Tiffany@arctic.net.



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If you have news you'd like to share, please email ltanis@aeboro.org and ccorbridge@aeboro.org.

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