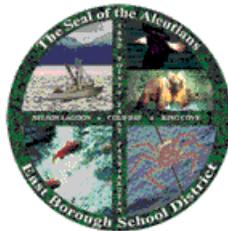
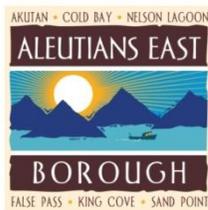


In the Loop



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

Exxon Mobil Ordered to Pay \$500 Million in Interest for Spill Punitive Damages

The Ninth U.S. Circuit Court of Appeals ordered Exxon Mobil Corporation to pay approximately \$500 million in interest on punitive damages for the Exxon Valdez oil spill. The ruling came down June 15, 2009, nearly doubling the payout to Alaska Natives, fishermen, business owners and others devastated by the 1989 disaster.

A year ago, the U.S. Supreme Court set punitive damages at \$507.5 million. But a couple of months later, the high court would



In 1989, the Exxon Valdez dumped 11-million gallons of crude oil into Prince William Sound, causing damage to 1,200 miles of coastline.

not decide whether Exxon Mobil should pay interest on the punitive damages awarded. The U.S. Supreme Court sent it back to the appeals court.

“We’re just happy that we’ve cleared another hurdle, and hopefully, we can get the case tidied up as soon as possible,” said Stanford University law professor Jeffrey Fisher, an attorney for the plaintiffs. “What we want more than anything now is just to bring this case to a close.”

[Read more: Link to Anchorage Daily News story](#)

June 2009 NPFMC Meeting Wrap Up

By Sam Cotten, NPFMC Member and AEB Fisheries Consultant



Council Member Gerry Merrigan (bottom row, right side on the end) participated in his last meeting at the June 2009 NPFMC meeting.

The June 2009 North Pacific Fishery Management Council (NPFMC) meeting was the last meeting for Council Member Gerry Merrigan. A new member will be sworn in at the October meeting in Anchorage. The expected choice for the seat is Dan Hull, a Cordova halibut and salmon fisherman.

Aleutians East Borough residents and Western Gulf fishermen attending the meeting included Paul Gronholdt, Ernie Weiss and Mike Alfari.

Issues at the June Meeting:

Crab: The big news was the possible major reduction of the Opilio crab total allowable catch. Due to a rebuilding plan requirement, the allowable harvest may be reduced to less than 20 million pounds. Summer trawl surveys will be conducted this summer. That information will be presented to the crab plan team in September and reviewed by the Council in October. New information, if it's positive, could bring these numbers up.



Opilio crab

Right of First Refusal (ROFR): The Council advanced some improvements to the community protection elements of the crab rationalization program. Testimony from Mayor Weiss was very helpful in getting support for these improvements. (See next story.)

Cod: Initial review of the Pacific cod sector split is scheduled for the October meeting. Options



Pacific cod

regarding the parallel waters will be included in that review. The State of Alaska controls waters from 0 - 3 miles. The state may restrict vessel size, gear type or exclusive registration, but may not allocate to sectors. This poses a challenge to the ability of the federal government to be successful with a sector split. Options before the Council include requiring any vessel fishing inside 3 miles to have the appropriate LLP (License Limitation Program) for the area and gear type or risk losing all federal fishing permits. In addition, the state

could increase the amount of cod in the state waters fishery from the current 25% to a higher number and then choose to close state waters when that number is reached. The Council and the Alaska Board of Fisheries (BOF) will confer on these options at a meeting of the joint protocol committee or a joint Council-BOF meeting.

Vessel Capacity Limits: There is still some interest, mostly from Kodiak, in requiring boats with a large capacity to obtain an LLP for larger vessels. The 58' boats with large capacity are sometimes referred to as "super 8s" and have a wider beam than most 58' vessels.

Two of these large-capacity boats are in King Cove. One is new construction and one is a modified vessel. The proposal would "grandfather" in these boats and require conversions or new construction after a certain date to be subject to the new regulations. There is no consensus on how to measure boats for these requirements. However, some are calling for a length-to-width ratio or a hold-capacity limit. Some testimony suggested a trip limit may be a better solution to

the problem. Testimony from others suggested there is no problem and the Council should just drop the whole idea. I don't expect this issue to advance quickly, if at all.

Observers: A new observer committee was appointed, co-chaired by Commissioner Denby Lloyd and Washington State Council Member Bill Tweit. The committee will meet sometime before the October Council meeting and review a plan that will be presented by the National Marine Fisheries Service (NMFS). The Council will take up the plan at its October meeting. Generally, the idea will be for the entire fleet in the Gulf to pay observer fees and be assigned an observer (even for vessels less than 60') as determined by NMFS. One expected result of the new program is more reliable data.

Kodiak Rockfish Pilot Program: The Kodiak rockfish pilot program is due to expire after the 2010 season. Programs advocates are asking the Council to continue it. One of the features of the



Kodiak rockfish

program is a requirement for fishermen to deliver their catch to a particular processor. This requirement may not be legal and the council has requested a formal opinion from NOAA general counsel. This question is important for other possible rationalization programs as well. Can we have processor quota shares? Can fishermen be restricted regarding to whom they can deliver fish? Can

the Council create a closed class of processors? All of these are important questions to which we hope to get straightforward answers.

Please feel free to contact Sam Cotten ((907-242-1197) or Beth Stewart (907-586-586-6655) with any questions.

For more information on the June Council meeting, visit the link below:

[Link: NPFMC June 2009 Newsletter](#)

Staying Involved in the Process Can Make a Difference

By Ernest Weiss, King Cove Mayor

I decided to attend the June NPFMC meetings in Anchorage after hearing talk about impending cuts to the crab quota. That would mean decreased revenues to both the AEB and the City of King Cove. It is certainly true that the groups which don't stay involved are left out of the process. Sometimes direct involvement or testimony at the meetings has a notable effect on the actions of the council, and then real people can have a perceptible influence on the drafting of policy.



The NPFMC considers listens to testimony about the crab quota issue and the Right of First Refusal. Photo by King Cove Mayor Ernest Weiss.

There was a direct link between my testimony at this meeting and council actions. The topic was Right of First Refusal (ROFR). The council was considering passing a motion that moved the Advisory Panel (A.P.) motion.

However, the A.P. motion did not address one issue and a possible remedy of the discussion paper -- that a community's right of first refusal shouldn't force that community to purchase assets in another community if a company or processor is selling them as part of a deal that would end up with the processor quota leaving the community.

I testified that our community support for having ROFR's only apply to the PQS (Processor



Council Member Sam Cotten amended a motion on the crab quota Right of First Refusal. Photo by King Cove Mayor Ernest Weiss.

Quota Shares) and assets in that community. Mine was the only testimony on this issue, and it opened the door for Council Member Sam Cotten to amend the motion and direct staff to consider this change. This topic garnered at least 30 minutes of discussion. The amended motion passed by an 8-2 vote of the council.

This change in the motion was technical, but could prove crucial to the protection of our communities in the future. Involvement in the process isn't always exciting, but it is always crucial. It's also gratifying when you see the positive effects of your involvement.

NOAA Recommends Major Cuts to Bering Sea Snow Crab Harvest



Bering Sea snow crab

Staff members from the Alaska Fisheries Science Center in Seattle have recommended a drastic reduction in the Bering Sea snow crab harvest for the coming season. The branch of NOAA's (National Oceanic Administration Association's) National Marine Fisheries Service is advocating that harvest limits

for the coming season be set at 16 million pounds, down from 58.5 million pounds last year. The recommendation was announced at a mid-May meeting of the North Pacific Fishery Management Council's crab plan team. According to regulations set out by the Magnuson-Stevens Fishery Conservation and Management Act, the Secretary of Commerce is mandated to take measures to rebuild snow crab stocks within ten years of when the rebuilding plan was put into place (in 2000).

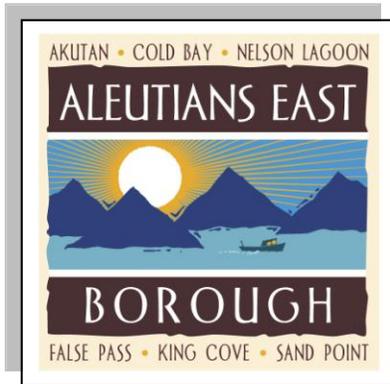
Wayne Donaldson, regional management biologist at Kodiak for the Alaska Department of Fish and Game, said snow crab stocks in the Bering Sea went through a rapid decline in 1999 – from 290 million pounds in 1998 to 24 million pounds in 1999.

The council will use information from the Alaska Fisheries Science Center, recommendations from its scientific and statistical committee and a summer trawl survey of current stocks to make its decision this fall on the total allowable catch for the season.

[Read more: Link to Alaska Journal of Commerce story](#)

[Read more: Anchorage Daily News story](#)

Borough Requests Your Support for Offshore Oil and Gas Development in the North Aleutian Basin



The Aleutians East Borough is requesting your support for offshore oil and gas development in the North Aleutian Basin. A new five-year plan for the years 2010 – 2015 has been distributed, and the Department of Interior's Minerals Management Service (MMS) is taking public comments. The new plan includes potential offshore oil and gas leases in 2011 and 2014 in the North Aleutian Basin. Some cities, tribes and corporations supported the existing five-year (2007-2012) plan with letters and resolutions. We are asking for your resolution or letter of support (see sample below). We believe that resource

development in the North Aleutian Basin can be done safely, can provide jobs for Alaskans and will expand energy resources for our country.

The facts are:

1. In the future, not all young rural Alaskans will be able to make a comfortable living in the commercial fishery industry.
2. The target resource in the North Aleutian Basin is natural gas, which is environmentally safer than oil in production and shipping.
3. 1,000-5,000 jobs in construction, 250-400 jobs during production and up to 3,500 support jobs could be created.
4. Up to 5.85 trillion cubic feet of gas could be produced.
5. If the new five-year plan is approved, it will allow Environmental Impact Statements to be completed. The five-year plan does not, by itself, authorize lease sales.



The Borough has drafted the following pattern for a letter of support, to help get you started.

**DRAFT Letter For
AEB Resident
- All Communities-**

Comment Deadline is September 21, 2009

_____, 2009

Ms. Renee Orr

Chief, Leasing Division

Department of Interior

Minerals Management Service, MS-4010

381 Elden Street

Herndon, VA 20170

Mr. James F. Bennett

Chief, Branch of Environmental Assessment

Department of Interior

Minerals Management Service, MS-4042

381 Elden Street

Herndon, VA 20170

Re: Comments on 2010-2015 Oil and Gas Leasing Program for the Outer Continental Shelf (OCS) and Intent To Prepare an Environmental Impact Statement (EIS) for the proposed 5-Year Program.

Dear Ms. Orr and Mr. Bennett:

Introductory paragraph option for any AEB resident- use only one introductory paragraph and delete the others

I am a resident of the Aleutians East Borough (AEB). I support the Mineral Management Service's (MMS's) Proposed 2010-2015 OCS Oil and Gas Leasing Program Option No. 1 for the North Aleutian Basin, which offers for leasing consideration only that area offered in the 1998 Lease Sale 92 (now called Lease Sale 214) in years 2011 and 2014, subject to the mitigation measures proposed by the Aleutians East Borough (AEB).

Introductory paragraph option for any Cold Bay resident- use only one introductory paragraph and delete the others

I am a resident of the Aleutians East Borough (AEB). I live in the community of Cold Bay. The community of Cold Bay has long served as an important transportation hub for the Aleutians East Borough. We have an airport that can service large aircraft and a port that can harbor large vessels. We anticipate Cold Bay will be critical to serving the transportation needs for oil and gas development in the proposed North Aleutian Basin lease sale area. Since I live and work in this community, I believe my comments on the Proposed 5 –Year Program should be given great weight by the Mineral Management Service (MMS). I support MMS’s Proposed 2010-2015 OCS Oil and Gas Leasing Program Option No. 1 for the North Aleutian Basin, which offers for leasing consideration only that area offered in the 1998 Lease Sale 92 (now called Lease Sale 214) in years 2011 and 2014, subject to the mitigation measures proposed by the Aleutians East Borough (AEB).

Introductory paragraph option for any Nelson Lagoon resident- use only one introductory paragraph and delete the others

I am a resident of the Aleutians East Borough (AEB). I live in the Village of Nelson Lagoon, which is the closest community to the proposed North Aleutian Basin lease sale area. Since I live and work in this community, my neighbors and I will be the most impacted residents in the United States relative to the proposed North Aleutian Basin lease sale. I believe my comments on the Proposed 5 –Year Program should be given great weight by the Mineral Management Service (MMS). I support MMS’s Proposed 2010-2015 OCS Oil and Gas Leasing Program Option No. 1 for the North Aleutian Basin which offers for leasing consideration only that area offered in the 1998 Lease Sale 92 (now called Lease Sale 214) in years 2011 and 2014, subject to the mitigation measures proposed by the Aleutians East Borough (AEB).

Introductory paragraph option for any Sand Point resident- use only one introductory paragraph and delete the others

I am a resident of the Aleutians East Borough (AEB). I live in the City of Sand Point, which will be the closest community to any export terminal required to export oil and/or gas from the proposed North Aleutian Basin lease sale area. Since I live and work in this community, I will be impacted by the proposed North Aleutian Basin lease sale. I believe my comments on the Proposed 5 –Year Program should be given great weight by the Mineral Management Service (MMS). I support MMS’s Proposed 2010-2015 OCS Oil and Gas Leasing Program Option No. 1 for the North Aleutian Basin which offers for leasing consideration only that area offered in the 1998 Lease Sale 92 (now called Lease Sale 214) in years 2011 and 2014, subject to the mitigation measures proposed by the Aleutians East Borough (AEB).

(*After opening paragraph, the following information is where the letter should pick up.*)

The Aleutians East Borough (AEB) has been working with MMS as a Cooperating Agency and has developed detailed mitigation measures to protect our fisheries, economy, environment and human health. The AEB has also recommended baseline study work that must be completed for this region. I reserve my right to withdraw support for oil and gas leasing in the North Aleutian Basin if MMS does not include AEB's mitigation measures and if the federal government does not invest in baseline study work.

The North Aleutian Basin Leasing Program will benefit the local economy, provide good-paying jobs, expand local infrastructure, and contribute to national energy supply needs. Based on the data provided by MMS, this area will provide a source of natural gas. Natural gas is a clean energy source, and does not present an oil spill concern or catastrophic risk to our commercial fisheries.

Please contact me at (907) [redacted] if you have any questions regarding my comments. I would appreciate being added to MMS's distribution list for all notifications related to the 5-Year Program and corresponding EIS, so that I may remain informed on this issue.

Sincerely,

[name]

[address]

Cc: Hon. Sarah Palin, Governor

State of Alaska

Box 11001

Juneau, AK 99811

John Goll (MMS Regional Director for Alaska)

Mineral Management Service

Alaska Regional Director

3801 Center Point Drive, Suite 500

Anchorage, AK 99503-5823

Mayor Stanley Mack, Aleutians East Borough

P.O. Box 349

Sand Point, AK 99661

(Comments sent to Mayor Mack will be compiled and sent to the Alaska Delegation and Secretary of Interior.)

To download this draft letter, visit this link below and scroll to the bottom of the page for the Word or PDF version.

[Link to Draft Letter of Support for 2010-2015 OCS Plan](#)

For more information please go to www.aleutianseast.org and click on Oil and Gas. Click on [Mitigation Measures](#) to see which protections the Aleutians East Borough is working on for inclusion in the Draft Environmental Impact Statement.

AEB Mayor Appoints Seven Residents to Borough's Planning Commission

AEB Mayor Stanley Mack appointed seven residents to the resurrected Borough Planning Commission last month. The commission members are Karen Johansen and William Cumberlidge of Sand Point, Dave Bash and Harlen Newman of King Cove, William Shellikoff, Jr. of False Pass, Justine Gundersen of Nelson Lagoon and Antone Shellikoff of Akutan. The Borough is reactivating the Commission because of potential oil & gas development.

On September 23, 2009, Nicole Grewe, Development Specialist for the Alaska Department of Community and Regional Affairs (DCRA) will be in Sand Point to conduct a training workshop for the Borough Assembly. Ms. Grewe will discuss the current AEB development environment and anticipated oil and gas leases in conjunction with Planning Commission roles/responsibilities and discretionary powers that would provide the best fit for development. This discussion will provide a basis

for expectations from the Assembly regarding what specific types of development, issues, and permitting would be coming from the Planning Commission for approval.

This Assembly workshop will help to provide the marching orders for the Planning Commission training workshop to be held on Sept. 24, 2009, the following day. Attorney Joe Levesque will also be a presenter at both training workshops. He'll cover several topics, including ethical considerations, conflicts of interest, quasi judiciary, ex parte contract and immunity.

If you have any questions regarding the Assembly and Planning Commission training workshops, contact AEB Clerk/Planner Tina Anderson at (907) 383-2699 or email her at tanderson@aeboro.org.

False Pass Harbor Nears Completion



False Pass's floating dock will be installed during the first week in July.
Photo by Ted Meyer.

The False Pass Harbor will soon be open for business. Lyle Lister, the project manager with Kelly-Ryan (the contractor) said he anticipates having the pre-final inspection this week. The final inspection will follow shortly afterward. Lister says he expects the project to be completed by the end of the month. Pacific Pile & Lash is scheduled to install the floating dock during the first week of July. At that time, the harbor will be open and ready to handle vessel traffic.

Sand Point Seafoods Hires Start-up Director

By Nancy Blakey, Snopac owner

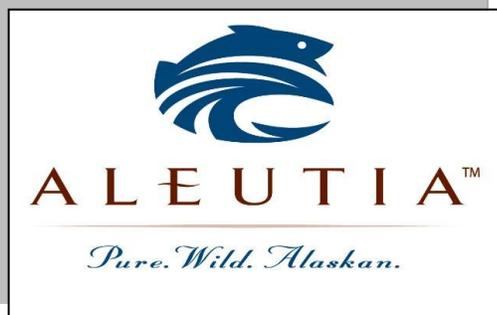
The Sand Point Start-Up Committee has hired a Start-Up Director from a strong field of applicants. Roberta (“Robbie”) Townsend-Vennel was recently hired to move the Sand Point plant proposal forward. Robbie’s resume includes more than 20 years of experience as a CPA, business planner, and fundraiser in Alaska, including leading one of its more successful ANCSA village corporations, Afognak Native Corporation. Most recently she has been working with six Kodiak Archipelago rural villages in the development of their community plans, with a focus on economic development and fisheries.



Roberta Townsend-Vennel was recently hired as Start-Up Director to move Snopac’s plant proposal forward in Sand Point.

Robbie will be in Sand Point from June 24th to July 10th to acquaint herself with the community, various entities, and fishermen, and to scope the site. She will return and stay from mid-August to mid-September. While she is in the community, Robbie will be in the Sand Point Seafoods Office in City Hall with posted office hours. While she is away from Sand Point, Robbie will be developing the plant’s business plan and governance policies. There will be a community meeting during the Salmon Derby Days in September (date and time to be determined). At that time, the business plan will be developed and investors actively sought.

Aleutia Announces Election Results for Board of Directors



Aleutia welcomes new board members Wayne Gundersen and Tina Andersen and returning board member Warren Wilson. Wayne Gundersen of Sand Point is assuming the At Large Aleutia Board seat. Tina Anderson of Sand Point is the Borough designee. Warren Wilson will hold the King Cove Board seat.

To keep up to date on Aleutia news, visit Aleutia's new website at: <http://www.FishAleutia.org>.

King Cove Administrative Manager

Bonnie Folz Becomes a U.S. Citizen



Bonnie Folz (back row, wearing black) takes the oath during the citizenship ceremony. Photo by Jeanie Burtch.

King Cove Administrative Manager Bonnie Folz became a U.S. Citizen on June 15, 2009 during a naturalization ceremony in Anchorage. Bonnie has worked for the City of King Cove for three years. She lived in Alaska for 38 years since before moving from Canada where she was born.

Bonnie applied for citizenship six months ago. Requirements for U.S. citizenship include a long and arduous application process, passing an American Civics exam and clearance with the FBI. She decided to apply for citizenship because after attending a family reunion last July, Canada began to feel like a foreign country. And besides, Bonnie says it was time for her to cancel out her husband's vote!



Bonnie proudly shows off her certificate of citizenship. Photo by Jeanie Burtch.

Sand Point Youngsters Prove They've "GOT GAME" in Region's First Aleutian Olympics

By Sarah Howell and Ladonna Lindley

With the death rate from diabetes being three times higher for Alaska Natives than for other populations, Sarah Howell, Diabetes Case Manager for Eastern Aleutian Tribes, wanted to come up with a creative way to deliver a prevention message to our communities. She devised and developed a field day, transforming games from her childhood into Aleutian-centric games and activities. Combining elements of a healthy active lifestyle with teamwork, good sportsmanship, and village involvement, the "Aleutian Olympics: Spring Games 2009" in April at the Sand Point School was a tremendous success.

"The day of fun turned into a really meaningful way to help bridge communication between the school, the clinic and the



Jeremiah Johnson of Sand Point launches a "harpoon" in the harpoon hurl game at the Aleutian Olympics in April. Photo by Sarah Howell.

community,” Sarah explained. “Actions speak louder than words,” she reiterated, adding “No matter how much we talk about compassion for the people in this town, no matter how 'available' we are for them at the clinic, no matter how many meetings we have to discuss our relationship with the community, nothing says 'we really do care about you,' quite like going to where they are and spending time.”

The event included games, relays, lunch and an awards ceremony. Youngsters in grades 2-6 were divided into teams, or “tribes,” named the Bison, Sea-Lions, Bald Eagles, Ptarmigan, King Crab, and Halibut. They had about two hours to complete as many events as possible, obtaining points as a tribe for simply completing each event. Junior high and high school students helped to run the games, while the tribes rotated through as a team. They competed against themselves and receiving points based on completion, rather than based on who won.



Two youngsters participate in the Kayak-A-Kid relay. Photo by Sarah Howell.

Games and relays had local flair, with names like “Driftwood Dizzy Derby,” “Buoy Stomp,” “King Crab Sideways Race,” “Grundens Clam Dig,” “Iceberg Jump,” “Purse Seine Toss,” “Stone Sling Bocce,” and the “Berry Stomp”. The event wasn’t all fun and games as information regarding diet, exercise, diabetes prevention, and tobacco avoidance/cessation was also available.

The day couldn’t have been the success it was without community involvement. And there was plenty of that. Juanita Smith, the school cook, prepared a healthy meal. KSDP’s Kells

Hetherington loaned sound equipment, helped to make announcements at the event and publicized the event in advance on the radio. Even the local police department got involved. Police Chief Joseph Shoemaker and Officer Michael Roush brought a grill and barbecued chicken. Jeanne Perkins, principal at the Sand Point School, worked with teachers to get a day off of school to help out at the event. Alaska Commercial donated drinks; Trident donated two shatter packs of frozen cod for prizes. Billy Cumberlidge of Cut 'R Loose donated five single scoops of



ice cream. Aleutia loaned ice bins to contain sand for the "Grundens Clam Dig". APIA loaned tables for the health fair displays. Norma Mason of Oldies But Goodies Thrift Shop donated clothes for the Blizzard Relay. Terry Holthus and Patricia Curtis donated equipment for games (Grundens and Xtratuf Boots). Sand Point residents Terry Holthus, Dawn Kochuten, Melissa Mason-Alford and Lisa Jackson also helped "bring home the gold."

Adapted from the Native tradition of the blanket toss, the Aleutian Olympiads tossed junk food into the air as a reminder to make healthy food choices. Photo by Sarah Howell.

The new pastor in town, Dewayne Teague, and his wife, Frieda, assisted in the effort. Ben Mobeck, Derek Wilson, and David Adams helped haul items. EAT staff members Tami Ryan, Mary Mobeck, Cathy Adams and Mami Roush were also instrumental in making the event a success. Eastern Aleutian Tribes Executive Director Patty Linduska anticipates expanding the Aleutian Olympics in schools throughout the region during the next school year.

Got News?



If you have news you'd like to share, please email ltanis@aeboro.org or call AEB Communications Manager Laura Tanis at (907) 274-7579.

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