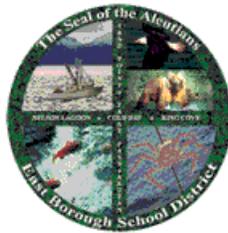
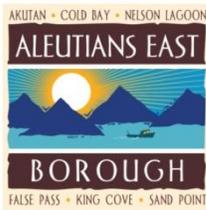


In the Loop



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

Today's Court Ruling --

What Does it Mean for Proposed OCS Lease Sale 214 in the North Aleutian Basin?

By Susan Harvey, AEB Oil & Gas Consultant

A report in the Anchorage Daily News today says a federal appeals court has cancelled a program to expand oil and gas drilling off Alaska's coastline. Many readers were confused by the ruling and were trying to figure out what it means. Aleutians East Borough residents are trying to determine how this ruling will affect the proposed Outer Continental Shelf (OCS) Lease Sale 214 for the North Aleutian Basin. This summary provides the Aleutians East Borough's current understanding of the situation. We will provide updated information as we learn more.

The Department of Interior (DOI), Minerals Management Service (MMS) approved a 5-Year Plan for leasing Outer Continental Shelf (OCS) oil and gas leases back in 2007. The plan covered leasing in the United States OCS for the period 2007-2012. In Alaska, several lease sales have already been held, and leases have been sold under this 5-Year plan. Lease Sale 214 (North Aleutian Basin) was slated for 2011.

Today, the 2007-2012 OCS leasing plan was successfully appealed by the Center for Biological Diversity, the Native Village of Point Hope and the Ocean Conservancy, on the basis that the Leasing Program violated the OCS Lands Act (OCSLA) because it relied on an insufficient study assessing the environmental sensitivity of the OCS planning area.

The court found that the Minerals Management Service's environmental sensitivity analysis was flawed because it only ranked OCS areas according to the sensitivity of a shoreline area to being affected by spilled oil. OCS's sole reliance on whether spilled oil would affect a shoreline was determined to be "irrational" by the court. The court remanded (sent back) the 2007-2012 plan to the Minerals Management Service to remedy the environmental sensitivity analysis. The court is requiring MMS to evaluate other environmental sensitivities beyond just the shoreline and to determine whether this new analysis would warrant exclusion of any proposed area from the Leasing Program. MMS is also required to reassess the timing and location of the leasing Program.

The Aleutians East Borough (AEB) is hopeful that MMS can remedy the 2007-2012 Five-Year Plan in time to hold Lease Sale 214 in 2011. Meanwhile, AEB continues to work as a cooperating agency with MMS to prepare for the 2011 lease sale. MMS



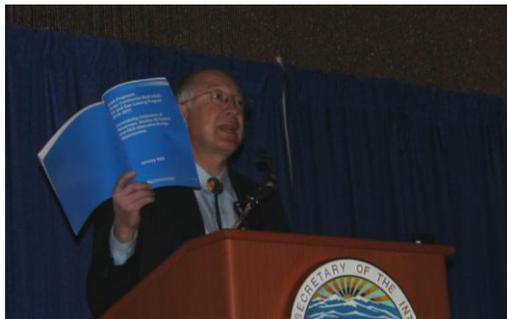
has also proposed a new, updated 5-Year plan for the time period 2010-2015. A North Aleutian

Basin lease sale is also proposed for year 2011 in that plan. MMS is accepting comments on the proposed 2010-2015 plan until September 21, 2009. The Aleutians East Borough continues to support a 2011 lease sale under either 5-year plan, provided maximum protection and priority are given to fishery resources; exploration and development is conducted in an environmentally safe manner; and lease stipulations are included requiring oil and gas companies to provide employment, training, and business opportunities to the residents of the region, including Bristol Bay.

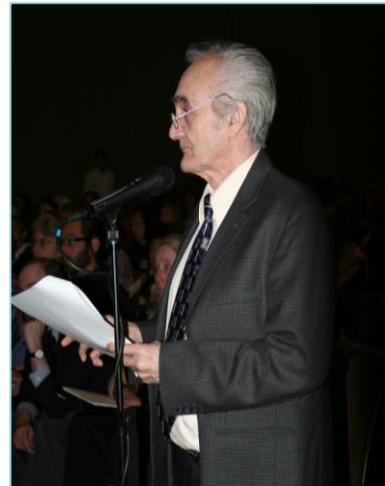
[Link to Anchorage Daily News story](#)

Aleutians East Borough Mayor and Administrator Present Testimony Supporting Responsible Oil and Gas Development to Interior Secretary Salazar

Anchorage, AK – April 14, 2009 – Aleutians East Borough (AEB) Mayor Stanley Mack and Administrator Sharon Boyette presented testimony supporting responsible offshore oil and gas development in federal waters during a meeting this week (April 14, 2009) in Anchorage, hosted by U.S. Interior Secretary Ken Salazar. Mack, a life-long commercial and subsistence fisherman from Sand Point, said the AEB is looking for economic diversification because the Borough’s fishermen are struggling to make ends meet.



Interior Secretary Ken Salazar listened to a variety of perspectives on offshore oil and gas development.



AEB Mayor Stanley Mack says the Borough has lost many of its long-term residents because of the lack of economic opportunities.

“We are almost entirely dependent on commercial fishing,” Mayor Mack said.

“Our fisheries are healthy from a sustainability standpoint, but economically, it’s a different situation. In the late 1980s and early 90s, prices for sockeye salmon were well over \$2.00 per pound. They are now 60 – 70 cents per pound as a result of increased competition from subsidized farmed fish from overseas. Fuel prices now are nearly five times what they were then. Our fishermen are barely hanging on. These changing economic

circumstances have forced the Borough to examine other economic opportunities and to be creative in seeking them out," he added.

The Aleutians East Borough is the local Alaskan government nearest to Lease Sale 214, located in the North Aleutian Basin. One of the Borough's communities, Nelson Lagoon, is approximately 30 miles away from the proposed lease sale.

"We are ground zero for possible oil and gas development in the North Aleutian Basin," said AEB Administrator Sharon Boyette.



The OCS hearing in Anchorage drew a large crowd to the Dena'ina Civic & Convention Center.

The Aleutians East Borough has been investigating the impacts of oil and gas development on fishing communities since the 1980s. Two decades ago, Borough officials traveled to the Shetland Islands to discuss the impacts of Outer Continental Shelf (OCS) development on the residents there. In March of 2008, the Borough convened a symposium which included fishermen, the energy

industry, local governments from the North Slope and environmentalists. Last month, Mayor Mack visited Norway to learn first-hand the experience the Norwegians have had in developing their offshore resources in a manner that protects fishermen and fishing communities.

"The Norwegians appear to have been successful in allowing the oil and gas industry to co-exist with coastal residents dependent on fishing industries, both commercial and subsistence," said Mack. "In Norway, fishermen continue to make a living. Local economies have improved."

The Borough's mitigation measures have evolved over a 25-year period. The measures protect fisheries and the environment, and encourage local hire. The AEB hopes to have these measures become part of the lease sale. The Aleutians East Borough has Cooperating Agency Status for purposes of the Environmental Impact Statement (EIS) process.

"The Borough is also the third most productive fishing area in Alaska," Boyette added. "Borough residents want sustainable, thriving fisheries and oil and gas industry jobs. We support responsible oil and gas development. We're working at the table with the Minerals Management Service to see that protections for fisheries the and environment are put in place."



AEB Administrator Sharon Boyette tells Interior Secretary Ken Salazar that Borough residents want responsible oil and gas development and protections for commercial and subsistence fisheries.

"Our Borough will continue to be aggressive during the EIS process because we have a lot at stake," said Mayor Mack.

"Even though the fishing industry is struggling, commercial fishing is a critical renewable resource."

[Read more](#)

Snopac Provides Update on Proposed Sand Point Plant

By Nancy Blakey, Snopac Products Owner

The community of Sand Point continues to express a strong desire to enter the Area M market with a processing plant owned and managed by fishers and the community. Snopac Products helped facilitate a community meeting March 9 – 10, 2009 to explore the ways a seafood processing plant would benefit the Sand Point community and how that could be done. In addition, a timeline was developed and a



hiring committee for a Start-Up Director was selected.

Resumes and applications are currently being accepted for this position. Interested parties should submit their application to The City of Sand Point, P.O. Box 249, Sand Point, AK 99661, or e-mail it to sptcity@arctic.net.

It was also determined during the meetings in March that there is a strong need for more storage facilities for fishers. To address this issue, Snopac hopes to complete a large storage facility near the proposed plant by September of this year. Paul Schwitters drew up plans which include a staged second floor with access by road.

Snopac's Processing Plans for the 2009 Season

By Nancy Blakey, Snopac Products Owner



The P/V Snopac Innovator will arrive in the AEB on June 7, 2009, for the False Pass fishery.

The P/V Snopac Innovator will arrive in False Pass on June 7, 2009 for the False Pass fishery. Snopac has had multiple inquiries to buy sockeye salmon in Sand Point during the same time frame. The company is considering tendering fish from the Sand Point fishery to the P/V Snopac

Innovator for the early part of June. Afterwards, the ship will be stationed in Bristol Bay for the

sockeye run. The P/V Snopac Innovator will move to Southeast to process pinks following the Bristol Bay run. Snopac will not be buying pinks in Sand Point in late July and August as they did last year. However, the company will continue to move forward with plans to build a seafood plant in Sand Point.

North Pacific Fishery Management Council Takes Final Action on LLP Recency and Bering Sea Chinook Salmon Bycatch Issues

*By Sam Cotten, AEB Fisheries Consultant and NPFMC Member
Published in Fish News on April 10, 2009*

LLP Recency:

There are 264 Western and 883 Central Gulf of Alaska (GOA) fixed gear licenses currently eligible to fish Pacific cod in federal waters. The North Pacific Fishery Management Council (NPFMC) took action that will award approximately 122 Western and 295 Central GOA Pacific cod endorsements.

Pacific cod endorsements will be required to participate in the federal waters of the Gulf of Alaska. LLP holders must have landed at least 10 metric tons of cod in the period between 2002 and December of 2008 in order to qualify.

Twenty-one communities will be eligible to receive additional LLPs with cod endorsements if they are qualified under Amendment 66 (the CQE program). Sand Point will receive 10 and King Cove will receive 7 LLPs that can only be used by local residents. The CQE organization, Aleutia, may assign the LLPs to residents who have maintained a residence for at least 1 year. Aleutia may not profit from the LLPs.

Fishing with jig gear will no longer require an LLP, but will be limited to 5 jig machines with no more than 30 hooks per line.

Bering Sea Chinook Salmon Bycatch:

The Council placed a hard cap of 60,000 Chinook salmon that will require the Bering Sea Pollock Fleet to stop fishing when that cap is reached. A performance standard of 47,591 was also imposed. The performance standard cannot be exceeded three times in any seven-year period, otherwise the hard cap will be reduced to that standard (47,591).



Bering Sea Chinook Salmon

The pollock industry has designed two incentive programs that should keep bycatch below 47,591, and hopefully in the mid to low 30 thousands, or lower.

The issue of limiting bycatch is not new. There are already limits on halibut and other species, but this is a first for salmon.

Historical catch rates back to 1991 show a broad range. The issue attracted much attention and heat when it went from 34,000 in 2002; 45,000 in 2003; 51,000 in 2004; 67,000 in 2005; 82,000 in 2006 and 122,000 in 2007. The 2008 level was quite low, at just under 20,000.

The debate centered around two national standards that guide council action. The first was the call for optimum yield, which means we should allow for a full harvest of pollock within the limits established, based on conservation. The second standard calls for minimizing bycatch.

The pollock industry and folks from one of the CDQ groups, the Coastal Villages Region Fund, argued that with the incentives, the level of bycatch will come down to acceptable numbers. Other folks are advocating for the Chinook (Yukon River and interior villages and the upper Kuskokwim. Norton Sound felt the number would still be unacceptably high). The U.S. State Department reminded us of our obligations to Canada under the Yukon River Treaty and asked for a lower cap. The U.S. Fish and Wildlife Service (Department of the Interior) also requested a lower cap. The National Marine Fisheries Service (Department of Commerce) preferred the level that was finally approved.

For more information, visit these links:

[Fixed Gear Recency Motion](#)

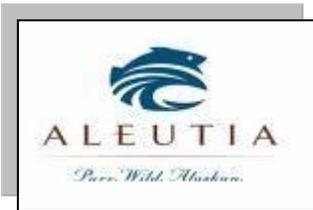
[Salmon Bycatch Motion](#)

[North Pacific Fishery Management Council](#)

[April 2009 NPFMC newsletter](#)

If you have any questions about these issues, contact AEB Fisheries Consultant and NPFMC Member Sam Cotton at (907) 242-1197.

Aleutia Offers Incredible Membership Rates for Area M Fishermen



Aleutia is now offering 2-year memberships at an unbelievable cost of \$50.

For those who have already paid \$100 for their membership, that rate will now carry over for four years. Each member gets a free Aleutia hat.

For more information, contact Tiffany Jackson at (907) 383-5909 or send an email to Aleutia_Tiffany@arctic.net.

TelAlaska Scholarship Application Deadline is May 1, 2009

TelAlaska's Interior Telephone Company and Mukluk Telephone Company are awarding two scholarships to students living in and attending school in their service areas. The deadline for all TelAlaska scholarship applications is 5 p.m., May 1, 2009. TelAlaska will award one \$1,000 scholarship to a graduating high school senior in the Mukluk Telephone Company service area, and one \$1,000 scholarship to a graduating senior in the Interior Telephone Company service

area. Interested and eligible students should download the 2009 scholarship application at www.telalaska.com. Please send applications and all required information to the Anchorage office by 5 p.m., May 1.

TelAlaska Scholarship Program

Attn: Heather Morinitti

201 E. 56th Avenue

Anchorage, AK 99518

907-550-1562 fax



For more information, visit www.telalaska.com.

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

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