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**UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA**

STATE OF ALASKA,)	
)	
Plaintiff,)	No. 3:91-CV-0083 (HRH)
)	
v.)	
)	SEVENTIETH
)	JOINT NOTICE OF
EXXON CORPORATION, and EXXON)	EXPENDITURES FROM
SHIPPING COMPANY,)	THE INVESTMENT
)	FUND
Defendants.)	
_____)	

The United States and the State of Alaska (“the Governments”) jointly provide this notice (“Notice”) of their expenditure of \$4,900,000 from the Exxon Valdez Oil Spill Investment Fund (“Investment Fund”). This expenditure is entirely from the Habitat Sub-Account of the Investment Fund. The Governments’ natural resource trustee agencies will use these funds for purposes consistent with the Memorandum of Agreement and Consent Decree entered by this Court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska), on August 28, 1991 (“MOA”).

On September 25, 1991, the United States and the State of Alaska settled their claims against the Exxon Corporation, Exxon Shipping Company, Exxon Pipeline Company, and the T/V *Exxon Valdez* arising from the Exxon Valdez Oil Spill (“EVOS”). All funds resulting from these settlements were subsequently ordered by this Court to be placed in an interest-bearing account in the Court Registry Investment System (“CRIS”) administered through the United States District Court for the Southern District of Texas.

On June 7, 2000, this Court entered its Third Amended Order for Deposit and Transfer of Settlement Proceeds (“Third Amended Order”). The Third Amended Order allows the Governments the option of investing the money in an account outside the United States Treasury. On September 29, 2000, upon application by the Governments, the Court entered an Order Re: Transfer of Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing transfer of settlement proceeds to an account within the State. On October 5, 2000, all funds and securities were transferred from the CRIS to the Investment Fund. The Third Amended Order further allows the Governments to establish separate sub-accounts within the primary account “as the Trustee Council determines appropriate.” On October 1, 2002, three sub-accounts were created in the Investment Fund: the Research Investment Sub-Account, the Habitat Investment Sub-Account, and the Koniag Investment Sub-Account. These sub-accounts were established to carry out the Trustee Council’s decision in its Resolution of March 1, 1999 to manage separately the remaining assets of the Joint Trust Funds for the specific purposes of funding a long term research and monitoring program, the acquisition of lands along the Karluk River, and the establishment of a fund to purchase small parcels of land that may become available in the

future.¹

Paragraph 27 of the Third Amended Order provides that “funds in an Investment Fund shall remain on deposit in that Fund until such time as the EVOS Trustees unanimously resolve to expend all or part of the funds.” The funds may then be expended, for purposes consistent with the MOA, upon the joint notification of the Governments to the Investment Fund and the Court. The notification is to inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments’ practice when the funds were in the registry of the Court.²

The Governments provide Notice of this seventieth expenditure in the amount of \$4,900,000 from the Habitat Sub-Account, authorizing funding for purchase of a conservation easement on Long Island, located off the northeastern end of Kodiak Island in the Gulf of Alaska.³ The entire amount that is the subject of this notice will be provided to the State of Alaska.

The Trustee Council has not met since the Governments’ filing on May 29, 2018 of their Sixty-Ninth Joint Notice of Expenditures. The Governments will submit the meeting notes for

¹ The Koniag Sub-Account has been terminated. The funds previously held in that sub-account were transferred to the Habitat Sub-Account on March 14, 2014. See Fifty-Fifth Joint Notice of Expenditures from the Investment Fund. Dkt. No. 349.

² A copy of the notices provided to the Investment Fund pursuant to paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement Proceeds are appended to this Notice as Attachment A, pp. 1-4.

³ The Trustee Council unanimously authorized this expenditure at its November 12, 2015 meeting in Resolution 15-03. United States’ Sixtieth Joint Notice of Expenditures from the Investment Fund, Attachment B. Dkt. No. 468-2. A description of the Long Island conservation easement project is appended to this Notice as Attachment A, pp. 3-9.

the Trustee Council's last meeting on April 9, 2018, once they have been approved by the Trustee Council.

RESPECTFULLY SUBMITTED this 9th day of October, 2018 at Anchorage, Alaska.

FOR THE STATE OF ALASKA

JAHNA LINDEMUTH
ATTORNEY GENERAL

By: /s/ JENNIFER L. SCHORR
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FOR THE UNITED STATES

/s/ Erika M. Wells (consent)
Trial Attorney, Oregon No. 055004
Environmental Enforcement Section
Environment & Natural Resources
Division
United States Department of Justice
c/o NOAA/Damage Assessment
7600 Sand Point Way, NE
Seattle, Washington 98115
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Facsimile: (907) 526-6665
Email: erika.wells@usdoj.gov

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of October, 2018, a copy of the foregoing, SEVENTIETH JOINT NOTICE OF EXPENDITURES FROM THE INVESTMENT FUND, was served by the Court's CM/ECF system upon all persons registered to receive filings in this matter.

s/ Jennifer L. Schorr



U.S. Department of Justice

Environment and Natural Resources Division

*Environmental Enforcement Section
7600 Sand Point Way NE
Seattle, Washington 98115*

Erika M. Wells
*Direct (206) 526-6608
erika.wells@usdoj.gov*

September 28, 2018

Mr. Bob Mitchell
State Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: *Exxon Valdez* Oil Spill Investment Fund

Dear Mr. Mitchell:

The *Exxon Valdez* Trustee Council has unanimously determined to expend \$4,900,000 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska). This expenditure is entirely from the Habitat sub-account.

Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the *Exxon Valdez* Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$4,900,000 from the Habitat Sub-Account

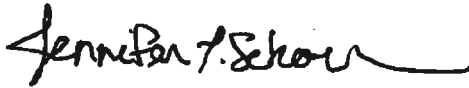
Beneficiary: State of Alaska
Account: ADF&G IRIS Fund 3291
Name: Exxon Valdez Settlement Account

This transfer should take place when most financially advantageous, preferably on or before October 10, 2018. If you have any questions, please email Elise Hsieh at elise.hsieh@alaska.gov.

Mr. Bob Mitchell
Treasury Division, Department of Revenue

Page 2 of 2
September 28, 2018

Sincerely,



Jennifer L. Schorr
Assistant Attorney General
Environmental Section
State of Alaska
Department of Law



Erika M. Wells
Trial Attorney
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

cc: Jennifer Chapman, Alaska Department of Fish and Game, *via email*
Michelle Kaelke, Alaska Department of Fish and Game, *via email*
Carol Petraborg, Alaska Department of Fish and Game, *via email*
Bronze Ickes, Alaska Department of Revenue, *via email*
Bruce Nessler, Department of the Interior, *via email*
Cherri Womac, Exxon Valdez Oil Spill Trustee Council Restoration Office, *via email*
Linda Kilbourne, Exxon Valdez Oil Spill Trustee Council Restoration Office, *via email*

Sept. 10, 2015

**Long Island Parcel Benefits Statement
KAP3004**

Property Name:	Long Island
Owner:	Leisnoi, Incorporated
Agency Sponsor:	Kodiak Island Borough
Appraised Value:	\$4,869,000
Funding Request	\$4,900,000, including due diligence and closing costs

Overview

The Great Land Trust seeks up to \$4,900,000, but in no case above fair market value as determined by an appraisal currently being completed, to fund purchase of a conservation easement on approximately 1,334 acres of Long Island. This island is owned by Leisnoi, Incorporated, and is located off on the northeastern end of Kodiak Island, and situated in the Gulf of Alaska.

MacSwain and Associates is in the process of completing an appraisal report on this property. The report is expected to be completed by November 1, 2015. The appraisal will be completed consistent with EVOSTC, USPAP, and UASFLA appraisal standards. The timber appraisal was completed by Forest & Land Management, Inc. The appraisal will be reviewed by Johnson Appraisal Company. The fair market value of the conservation easement will depend on the final terms of the conservation easement. If the appraisal is completed by the November 12, 2015 Council meeting, Great Land Trust will seek funding of an amount not above fair market value plus due diligence and closing costs, to fund the purchase of a conservation easement on approximately 1,334 acres on Long Island. Long Island is in the Gulf of Alaska, located approximately 6 air miles from the northeastern coast of Kodiak Island. It is contained within the Kodiak Island Borough.

As described in the Proposed Management section, the conservation easement on Long Island would be held by either by the State of Alaska or the Kodiak Island Borough with additional enforcement rights held by the Bureau of Land Management (BLM). The conservation easement would allow public access in either scenario. As the fee owner, Leisnoi, Incorporated would retain certain rights on the entire 1,334 acres, such as the ability to install appropriate signage, maintain certain rights to archaeological sites and artifacts, engage in subsistence activities, and maintain ownership of any potential carbon credit value. Additionally on approximately 141 acres on the northwestern point of Long Island, Leisnoi, Incorporated will retain additional rights such as the ability to build structures and limit public access. Other uses such as subdivision and timber harvest will still be restricted.

Koniag, Inc. owns the subsurface estate below this property. Negotiations with Koniag regarding acquisition of the subsurface estate are ongoing. The protection of this large, ecologically-rich island in the Kodiak Archipelago would contribute to EVOSTC area-wide goals of species recovery and habitat protection. Injured Species in the Kodiak Archipelago

Sept. 10, 2015

are dependent on the coastal, wetland, and upland habitats provided by the Long Island parcel. Long Island provides habitat for large populations of sea birds, as well as shore birds and terrestrial and marine mammal species, including those affected by EVOS.

Property Description and Habitat

Long Island is located in the Gulf of Alaska off the northeastern coast of Kodiak Island. The island is approximately 6 air miles from the city of Kodiak and is adjacent to Woody Island. Long Island is approximately 0.75 miles wide by 4 miles long and contains approximately 15.2 miles of coastline. The coastline is characterized by steep, rocky cliffs and outcrops. Sitka spruce and grasses, among other native plant species, sit atop the uplands. There are a number of freshwater ponds and lakes of varying size on the island. There are two known harbor seal haulout areas on Long Island: Vera Bay and a site on the southeast point of the Island. Long Island serves other coastal wildlife communities such as sea otters and birds identified by the EVOSTC as Injured Species.

Long Island is within the Audubon Society-recognized Chiniak Bay Important Bird Area (IBA), which is a highly productive marine area of global importance. A few species of significance within the IBA are the Black Oystercatcher, Emperor Goose, Steller's Eider, Pigeon Guillemot, and Harlequin Duck. The Chiniak Bay IBA supports a minimum of 23 seabird colonies during the summer, and includes wintering habitat for numerous marine and land based avian species, including the Steller's Eider, Emperor Goose, and bald eagle.

Long Island provides coastal forage areas, colony and nesting habitat for several species of sea and shore birds, including: Pelagic Cormorants, Red-faced Cormorants, Glaucous-winged Gulls, Black-legged Kittiwakes, Black Oystercatcher, ducks, and bald eagles. Fish and Wildlife Service's National Wetlands Inventory map approximates 192.8 acres of wetland habitat within the parcel, described as freshwater forested/shrub wetlands, freshwater emergent wetlands, estuarine and marine wetlands, estuarine and marine deepwater, and a number of freshwater lakes and ponds.

Long Island is currently uninhabited and has no residential or commercial facilities, but it has been inhabited in the past. The U.S. War Department acquired Long Island from the BLM in 1941. Fort Tidball, a World War II coastal defense installation, was constructed between 1942 and 1943, and gun batteries were established on the island's eastern coast at Deer Point and Castle Bluff. The other operational areas were the Headquarter Complex, Burt Point, the Garage Area, Point Head and North Cape. The fort was decommissioned in 1945 and abandoned in 1947. Long Island was returned to BLM jurisdiction in 1956 and eventually reserved for Native selection under the Alaska Native Claims Settlement Act (ANCSA). In 1971, Long Island was transferred under ANCSA to Leisnoi, Incorporated. Remnants of the defense installation are still present and visible on the Island. These historic sites are similar to those at Fort Abercrombie State Historic Park on Kodiak Island and would provide opportunities for recreation and tourism. In addition to the historic sites, abandoned roads provide access for hiking on Long Island. The U.S. Army Corps of Engineers conducted site inspections and restoration activities on Long Island between 1986 and 2003. A clean up decision document was finalized in 2005 and states that the US Army Corps of Engineers selected a remedy that includes "no further remedial action planned" and "no defense action indicated" status recommendations, as well as recorded deed notices.

Restoration Benefits

Sept. 10, 2015

A number of species affected by EVOS would benefit from acquisition of the Long Island parcel, including sea otters, harbor seals, Red-faced and Pelagic Cormorants, Kittlitz's Murrelets, Black Oystercatchers, Pigeon Guillemots, Harlequin Ducks, and bald eagles. Acquisition of the Long Island parcel would provide permanent habitat protection for these species and assist the EVOSTC in reaching and maintaining its recovery objectives in the Kodiak Archipelago.

The Long Island parcel also contains important wetlands, including Fish and Wildlife Service-identified nationally declining freshwater forest/shrub, freshwater emergent, estuarine and marine wetlands. Estuarine wetlands provide habitat for Intertidal Communities and other Injured Species. Marine wetlands provide habitat for Subtidal Communities. Acquisition of this parcel would assure high function of these wetlands, which would benefit Injured Species.

Kelp beds occur along the perimeter of Long Island, which provide a productive and dynamic marine ecosystem. This continuous kelp provides important juvenile fish habitat that could bolster injured commercial, sport and subsistence fisheries, particularly salmon fisheries.

Long Island is a mere 6 air miles from the city of Kodiak, which is the third largest fishing port in the United States. The natural abundance and wild setting of the Island and surrounding waters provide recreational and subsistence opportunity for visitors and residents. This parcel would add another 1,193 acres to lands open to the public in the Kodiak area and contribute to recreation and tourism, which were identified by the EVOSTC as an Injured Service. The purchase of this parcel would also continue to contribute to the perpetual health of the local native peoples and benefit subsistence harvest levels, which is also identified as an Injured Human Service.

Potential Threats

Long Island provides essential habitat and migratory grounds for numerous species of fish, birds, and mammals. Conservation of this parcel would eliminate the threat of future habitat fragmentation or loss from road timber harvest, construction, subdivision, and development of Long Island.

Conserving the large intact island and coastal habitat reduces the risk of habitat loss or fragmentation and thus removes barriers to species mobility and access to resources. Species ability to freely move across landscapes ensures a greater rate of reproductive success, greater access to food, and more opportunity to establish territory in higher-quality habitat. When populations experience barriers to reproduction, they are at greater risk of experiencing a decline in genetic diversity, and a decrease in genetic diversity decreases a population's ability to adapt to a changing environment and can increase the effect of deleterious alleles on the population. Ample access to resources reduces species stress and makes them less susceptible to disease and starvation.

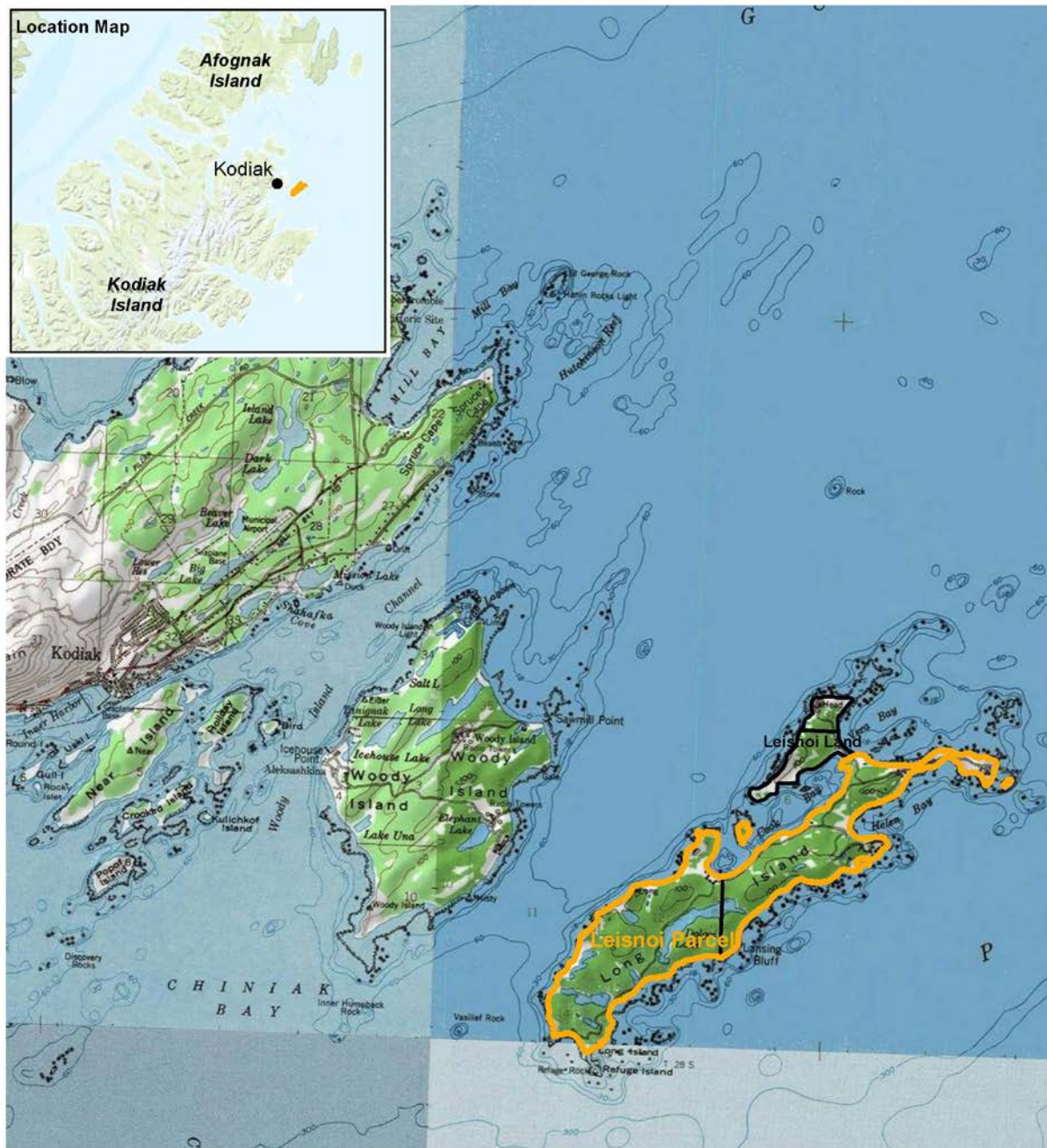
Proposed Management

The conservation easement would be held by the State of Alaska or the Kodiak Island Borough.

Funding Request

Sept. 10, 2015
\$ 4,900,000.

Sept. 10, 2015



Leisnoi Inc. Land - Long Island

March 3, 2015

☐ Leisnoi Inc. Surface Owner, Koniag Corp. Subsurface Owner

Approximate Legal Description & Acreage:

Lots 1 & 2 of Sections 4 and 5, Lot 2 and a portion of Lot 1 of Section 6, and Lot 1 of Sections 7 and 8 of T28S, R18W, Seward Meridian, and Lot 1 of Sections 1, 12, 13, and 14, and Lot 2 of Section 11 of T28S, R19W, S.M., and located in the Kodiak Island Borough, Kodiak Recording District, Alaska, containing 1,193 acres, more or less.



Great Land Trust
EVOS Habitat Prioritization

Sept. 10, 2015



Sept. 10, 2015

Long Island Photos

