

City Manager
Tom Moran

Port Director
Joy Baker

Harbormaster
Lucas Stotts



Nome Port Commission
Jim West, Jr., Chairman
Charlie Lean, Vice Chairman
Derek McLarty
Shane Smithhisler
Scot Henderson
Russell Rowe
Gay Sheffield

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**NOME PORT COMMISSION
REGULAR MEETING AGENDA
THURSDAY, MAY 17, 2018 @ 5:30 PM
COUNCIL CHAMBERS IN CITY HALL**

- I. ROLL CALL**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES**
 - 18-04-19 Regular Meeting
- IV. CITIZEN'S COMMENTS**
- V. COMMUNICATIONS**
 - 18-04-23 Nome City Council R-18-04-03 Supporting HJR-33 USCG FOL
 - IARC Report on 2018 Bering Strait Ice Conditions
 - 18-05-07 USCG Icebreaker Program EIS Public Scoping Comments
 - USCG -2018-0193 Notice of Intent on Polar Icebreaking Program EIS
 - 18-05-03 ADHS/EM Letter to CM Moran re: Cape PW17 Time Extension
 - 18-05-09 Outgoing USCG Commandant says Arctic has become priority
- VI. CITY MANAGER REPORT**
 - 18-05-11 Manager Report
- VII. HARBORMASTER REPORT**
 - Update on Operations Planning & Repair/Maintenance
- VIII. PORT DIRECTOR REPORT/PROJECTS UPDATE**
 - 18-05-14 Port Director/Projects Status Report
 - Input from Alaska Ports on Receiving General Funds
- IX. OLD BUSINESS**
 - USCG Commercial Vessel Regulations – Nome Offshore Mining Fleet
- X. NEW BUSINESS**
 -
- XI. CITIZEN'S COMMENTS**
- XII. COMMISSIONER COMMENTS**
- XIII. NEXT REGULAR MEETING**
 - June 21, 2018 - 5:30 pm
- XIV. ADJOURNMENT**

**MINUTES
NOME PORT COMMISSION
REGULAR MEETING
April 19th, 2018**

The Regular Meeting of the Nome Port Commission was called to order at 7:05 pm by Vice-Chairman Lean in Council Chambers at City Hall, located at 102 Division Street.

ADMINISTRATION OF OATH OF OFFICE

Commission Seat "F" Gay Sheffield was sworn in by Harbormaster Stotts.

ROLL CALL

Members Present: C. Smithhisler, C. Lean, C. Henderson; C. Sheffield; C. McLarty;

Absent: C. West, C. Rowe

Also Present: Tom Moran, City Manager; Lucas Stotts, Harbormaster; Joy Baker, Port Director (telephonically);

In the audience: Zoe Grueskin, KNOM; Sandra Medearis, Arctic News;

APPROVAL OF AGENDA

Vice-Chairman Lean asked for a motion to approve the agenda:

A motion was made by Smithhisler and seconded by Henderson.

At the Roll Call:

Ayes: Lean, Henderson, Sheffield, McLarty, Smithhisler

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

March 8, 2018 Regular Meeting

Vice-Chairman Lean asked for a motion to approve the minutes:

A motion was made by Sheffield, seconded by McLarty to approve the minutes.

At the Roll Call:

Ayes: Henderson, Sheffield, McLarty, Smithhisler, Lean

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

None

COMMUNICATIONS

- 18-03-13 Alaska DOT letter to Mayor re: Port Rd Reconstruction
- 18-04-02 USCG Nome Front Range Light Land Lease Renewal
- 18-04-06 Alaska DHS letter to Manager re: Cape Nome PW17(4) Amendment
- 2018 Port of Nome Ship Schedule

Discussion:

PD Baker explained the renewal on the USCG Front Range Light was an annual event, that also takes place for the rear light near the cemetery.

CITY MANAGER'S REPORT (18-04-16 Report)

CM Moran touched on the port-related items in his report, namely; the City Admin's meeting with USCG Admiral McAllister and Admiral Bell regarding their upcoming Change of Command, and the Mayor's and Port Director's scheduled attendance at the Arctic Encounter Symposium on 19-20 April 2018. He relayed a few important facts regarding the ongoing F19 budget process currently underway with the Council, with specific attention to the Nome Public Schools request, and how that impacts the City's budget. As an FYI, he advised the group to let all port users they encounter, that they should be reviewing their assessed tax notices and if any appeal is needed, they MUST be filed by early next week 23-24 April 2018.

Discussion:

Sheffield inquired as to why the USCG leadership didn't visit in summer; put simply, their command changes over in springtime, but their leadership has been in Nome during summer months.

HARBORMASTER'S REPORT (Verbal)

HM Stotts started back full-time on 1 April and began performing various maintenance tasks in preparation for the 2018 season. Seasonal staff hiring has been initiated, with Caitlin LeClair hired as Office Manager. This leaves just the Dock Watch position to be filled as Chris Schuneman is returning from Public Works in the role of Assistant Harbormaster. Vessels continue to schedule on the calendar for dock space at the Port, and work is ongoing with collections, office cleaning/organizing, 2018 documents prep, etc. There are frequent requests for snow removal in and around the storage areas, with the significant amount of snowfall – these are being responded to in a timely fashion as weather permits.

Discussion:

Lean inquired about the vessel on Belmont Beach that is slowly being uncovered with the snow melt. Henderson inquired whether dock reservations were in line with previous years – haven't received any for fuel/cargo barges, but it's really too early to tell. Further, Henderson asked about homeported numbers in 2011-2017 vessel tracking stats, and how they've dropped significantly. HM Stotts replied that the number of dredges has declined, but the size of the vessels has increased so utilization of harbor space is higher. Henderson requested whether we could isolate annual revenue by user group; PD Baker replied that the data is in the system, but it will take staff time to extract it correctly – we can look into it. Baker added that the sailboats are NOT included in the homeported stats, and there are frequently many in the harbor. These are considered transient vessels and accounted for as such. Henderson also inquired as to what percentage of the sales tax revenue received into the general fund is port-generated or port-related. CM Moran replied that while we can isolate what companies report what each month, it's difficult to determine how much of those dollars are a result of port activity. There are records that reflect what the port charges for taxable services, but that's all we could clearly identify. Henderson reiterated that basing fiscal decisions on the operating revenue and expenses, without having the data on what sales tax is generated by the port, is not a clear picture. Lean added that there is also the fishery processing that generates revenue outside of tariff fees, but is specifically port-related. CM Moran indicated that as an

enterprise fund, the port is supposed to sustain itself, and whether that allows a subsidy from the general fund, would have to be investigated. Sheffield mentioned this year's lack of ice and how that has allowed the research vessel activity to occur in the region – the NOAA vessel *Oscar Dyson* is operating off of Emmonak, which is extremely unusual this time of year.

PORT DIRECTOR REPORT (Projects Update)_(18-04-16 Report)

PD Baker touched on the AOOS buoy mentioned in the report that has been loaded onto the NOAA Ship *Fairweather* for transit to Nome. An AOOS technician will travel to Nome in July and assist Port staff in activating and launching the buoy (with the Port's vessel *Guardian*). This will provide real-time current and wave data.

Q Trucking has completed the dredging excavation in the Snake River – we await the bathymetric survey to be done in June, when the surveyor is in town for the federal dredging contract. Dredge spoils have all been hauled the project site (near the old state trailers).

The USAF has reversed their position on the City paying for a 2nd EBS survey – and AF staff will now be sending someone up in early June to perform the survey. Once complete, the report will be submitted for approval with a request for immediate property conveyance to the City.

Cameras are all installed and operational – I will be working with the finance office to submit the final grant closeout reports.

Discussion:

None

OLD BUSINESS There was none

NEW BUSINESS

Draft Port & Harbor F19 Budget

Discussion:

Lean opened the discussion on the draft budget – suggesting maybe more ratcheting could be done to reduce expenses further? PD Baker replied that had already been done through two previous iterations, and the next option would likely affect staff and annual maintenance. Henderson asked for a mile high view of the general changes from the previous year. CM Moran deferred to PD Baker, who indicated the revenue is typically comparable to previous years unless there is a specific source anticipated that will significantly increase a revenue stream (not currently foreseen in F19). Expenses are done in a similar fashion, but have many more components that drive forecasting, such as capital improvements, repairs, and maintenance, along with operating expenses that typically see annual increases, like, fuel, insurance, labor and materials. Hence, the deficit forecasted for F19 as several of the deferred maintenance projects are now coming due.

Henderson asked if it was correct to assume if revenue was covering operating expenses; PD Baker said in general terms and most years, yes. However, capital expenses and maintenance projects frequently put us in a deficit. Henderson stated he was still confused, as there was a surplus at the end of the F17 fiscal year, so where did that go? PD Baker reiterated points from the tariff discussions that the F17 surplus was used to reduce the existing balance owed to the City's General Fund on previous debt. Henderson reiterated, in his opinion, the general fund sales tax monies and significant surplus the City is sitting on is better used to cover Port capital costs and deferred maintenance when needed, instead of raising tariff rates. CM Moran

acknowledged the point, but reiterated that as an enterprise fund, it will need to be determined if there are restrictions as to how long the City can or will fund the Port, open-ended. It's possible we can run diagnostics to speculate on how much sales reported are generated at the port but there's no way to determine accuracy unless the information is reported in such a manner.

Lean added to the conversation that he did not agree with that approach, as the City has a number of demands on it for services, such as education, to name a big one. The City is making quality of life decisions in Nome about other services as well, and he doesn't think it's reasonable for the Port to achieve all of its goals as desired. And it's up to the Port Commission to provide a sustainable maintenance schedule and give sound recommendations and advice to the Council on budgetary issues, but to say that sales tax wouldn't happen without the port, I'm not ready to go that far. I think we do contribute more than the average person sees it, but I think we're right in there wrestling for the City's general fund with other competing interests, so I voted to raise the tariff and that is why. Sheffield asked for verification if the sales tax was not included in the revenue used at the Port. PD Baker clarified that all revenue generated through tariff fees is received into a separate bank account under the Port of Nome, but all expenses are paid by the general fund, and then reimbursed by the Port on a revolving basis as funds arrive. All of the sales tax generated at the Port goes directly into the general fund as City revenue, and is never counted as Port. CM Moran stated that the crux of the matter is isolating what tax revenue is generated by the port across all services is a difficult task, but the sales tax generated by taxable port services might be a discussion item as that is a clear number that is reported and paid monthly to the City.

McLarty asked if the amount of sales tax generated by the Port can be determined, then couldn't there be some type of donation made by the City to the Port? Anything down that road would require investigation and discussion with Council.

After additional back and forth on the draft budget before the group, the conclusion was reached to remove the cost-share match for the Garco project;

Motion:

The following motion was moved by Henderson and seconded by McLarty:

Recommend the Nome Common Council adopt the draft F19 Port of Nome Operating & Capital Budgets with removal of the \$180,000 cost-share match for the Garco Building Renovation Project (as the federal grant application was not awarded).

At the Roll Call:

Ayes: Henderson, Sheffield, McLarty, Smithhisler, Lean

Nays:

Abstain:

The motion **CARRIED**.

USCG Commercial Vessel Regulations – Nome Offshore Mining Fleet

Discussion:

McLarty asked if a consensus was reached to put a request on City letterhead to the USCG to support some type of action. Lean stated he doesn't think a conclusion was reached but he has a few ideas; 1/no action or support, 2/petition Congress to relocate the boundary line, 3/request a review for a special ruling for a hybrid regulation for what was required on those vessels, specific to this unique fleet at Nome. Lean said in

the USCG work session, there appeared to be some reception to a potential review for considering the uniqueness of this fleet. McLarty added that both options 2 and 3 would take some time to achieve, but he is in hopes that an effort can be made to address the issue without compromising safety or adding liability.

Lean understood there to be an incredible long shot to get the boundary line moved, as Congress will give significant credibility to the USCG's position on that issue. So the question is, how much time and political capital should we devote for this, and it is certainly not without risk. However, it is less than it is in Cook Inlet where the line has been moved. Sheffield asked if there was an element of decreased safety for vessels not meeting the load line requirement. Possibly, but it hasn't been enforced until now.

Henderson made comments about the amount of money the miners indicated they were spending in Nome, while we are agonizing over the economic challenges, this could be part of the answer. PD Baker commented that putting the Port/City weight behind a boundary change may likely be a wasted effort, but there does seem to be room for discussion for this unique fleet to be given a review for some type of modified regulation specific to their location and operation. Therefore, a suggestion would be to have staff approach Alaska Delegation staff on an informal basis – to vet the potential path of modified regulations.

Lean stated he believes the best option to pursue would be to request consideration be given to adopting some alternative compliance for this fleet. McLarty stated he felt we have an obligation to try and help the users of the Port as they spend a lot of money to use the facility and even if there isn't a likely positive outcome, that we should show our support by taking this action. McLarty further inquired as to whether Arctic Sea Mining actually contributed the Port of Nome some money to show their support in future investments at the facility? PD Baker replied, negative, but they did sign a partnership contribution agreement as a private sector match to the Tiger grant for the development of the Snake River. However, in return, they would have reaped the benefit of piling infrastructure adjacent to their river property. As the federal grant was not awarded, the arrangement became null and void.

After a little further discussion, it was agreed that PD Baker would make an informal inquiry to the delegation staff, and report back to the Commission.

CITIZENS' COMMENTS

Mark Johnson, speaking as a private citizen, echoed McLarty statement regarding the insurance requirement for the large mining vessels; for insurance companies to insure them, they spend \$300-500K to get into compliance in order to qualify for coverage. In his opinion, these insurance companies aren't going to cover these vessels if unsafe.

Mark's additional comments were budget related – he feels the earlier discussion were more conceptual related in talking about economic conditions. Realistically the overall health of the Port, although cyclical, is showing periods of significant cost savings and good management of expenses – good job to Port staff.

COMMISSIONERS' COMMENTS

C. McLarty – thought work session and meeting were informative and welcome to Gay.

C. Henderson – welcome to Gay. Your experience will make the team that much better. I think the work session was very productive and the meeting, although long and my apologies, was very beneficial. I think pursuit of the incinerator and funding options are great ideas and shows creativity is on the table down the road. I think it's great that we're getting to know our customers and make our products more attractive with long term solutions to our fiscal challenges.

C. Smithhisler – welcome to Gay, I don't weigh in very much, especially when we do have differing opinions, as it makes me think a little bit more.

C. Sheffield – thanks for having me and being patient while I stumble around and figure out the issues you guys have been working with – thank you.

C. Lean – I think this was an excellent meeting, and very happy that Gay is here. I've talked too much tonight, so that's my comment.

SCHEDULE OF NEXT MEETING

The next meeting is RESCHEDULED to May 17, 2018

ADJOURNMENT

Motion was made by Smithhisler for adjournment – meeting adjourned at 8:55 PM.

APPROVED and **SIGNED** this 17th day of May 2018.

Charlie Lean, Vice-Chairman

ATTEST:

Joy Baker, Port Director

Presented By:
Councilman Andersen

Action Taken:
Yes 6
No 0
Abstain 0

CITY OF NOME, ALASKA

RESOLUTION NO. R-18-04-03

A RESOLUTION SUPPORTING HOUSE JOINT RESOLUTION 33 (HJR 33) AND URGING THE UNITED STATES COAST GUARD (USCG) TO ESTABLISH A SEASONAL FORWARD OPERATING LOCATION (FOL) IN NOME

WHEREAS, the Bering Strait has seen an increase in ocean vessel traffic due to the opening of the Arctic with economic development, resource development, scientific research, military proliferation, and tourism; and

WHEREAS, accordingly, the Port of Nome has seen an increase in ocean vessel traffic with recorded docking data in 1990 at 34 calls and in 2017 at 723 calls; and

WHEREAS, Alaska House Joint Resolution 33 (HJR 33) urges the Federal Delegation to pursue the establishment of an Arctic naval station, support an increase in defensive capabilities in the Arctic region, and encourage the development of critical Arctic infrastructure; and

WHEREAS, the United States as a nation is far behind the rest of the world, including both Arctic and non-Arctic nations alike, in:

- 1) Exploring mineral resources in the Arctic;
- 2) Conducting essential scientific research in the Arctic;
- 3) Providing for environmental protection in the Arctic; and
- 4) Propagating national security in the Arctic.

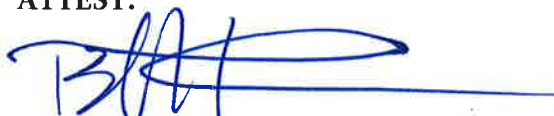
NOW, THEREFORE, BE IT RESOLVED that the City of Nome fully supports House Joint Resolution 33 and asks that Alaska's Federal Delegation follow suit; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that City of Nome urges the United States Coast Guard to establish a permanent seasonal Forward Operating Location in Nome.

APPROVED and SIGNED this 23rd day of April, 2018.


RICHARD BENEVILLE, Mayor

ATTEST:


BRYANT HAMMOND, Clerk

**FOR IMMEDIATE RELEASE****April 20, 2018****Alaska Legislature Urges Development of Critical Arctic Infrastructure*****HJR 33 Calls for Development of an Arctic Port to Increase the Military and Emergency Response Capabilities in the Arctic***

Juneau – Today, the Alaska Legislature unanimously approved a resolution calling for the federal government to help develop critical infrastructure and emergency response capabilities in the Arctic region, including the development of a deep-water port on the northern coast of Alaska. [House Joint Resolution 33](#) passed the Alaska State Senate today after being passed earlier this month by the Alaska House of Representatives.

“The Arctic is changing. The loss of sea ice has opened new sea routes with the potential to transform international trade and oil companies are competing to explore the vast untapped potential in the Arctic,” said HJR 33 sponsor [Rep. Chris Tuck](#) (D-Anchorage). “The time has come for the federal government to fully embrace our position as an Arctic nation and start investing in the future of the region. Passing this resolution with overwhelming bipartisan support puts the Alaska Legislature on record supporting the creation of a deep-water port that will improve the emergency response capabilities in the region and give the military a critical piece of infrastructure to protect the security of our country.”

In recent years, military and economic interest in the Arctic by many countries has been growing. China, which does not border the Arctic region, has put forward its own Arctic policy and the Russian Federation has established the Arctic Joint Strategic Command to assert its military strategy in the region. Additionally, the Russian Federation has constructed 40 icebreakers and located 14 airfields and 16 deep-water ports in the region. In contrast, the U.S. military only has two vessels capable of icebreaking and both are stationed outside of Alaska.

With the passage of [HJR 33](#), the Alaska Legislature recognizes the vast potential for economic development in the Arctic region and the urgency for building key infrastructure, including a U.S. Coast Guard port capable of supporting naval contingency operations in the Arctic.

[House Joint Resolution 33](#) passed the Alaska House of Representatives earlier this month by a vote of 40-0. Today, the Alaska State Senate passed the resolution by a vote of 19-0. HJR 33 will now be sent to Alaska Governor Bill Walker for his signature.

For more information, contact Michael Lowe in Rep. Tuck’s office at (907) 465-2095.

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Bering Strait

Little Diomedé
Wales
Shishmaref
Gambell
Savoonga

An overview of winter 2018 sea ice conditions

Who are we?

This summary was made by the International Arctic Research Center (IARC) in collaboration with NOAA. IARC is one of several research facilities at the University of Alaska Fairbanks. One of our goals is to help Alaskans understand, prepare for and adapt to climate change impacts in the Arctic.

Additional contributors

- National Snow and Ice Data Center
- University of California, Irvine

Questions or comments?

Send questions or comments about this publication to Heather McFarland, hmcfarland@alaska.edu or call 907-474-6286.



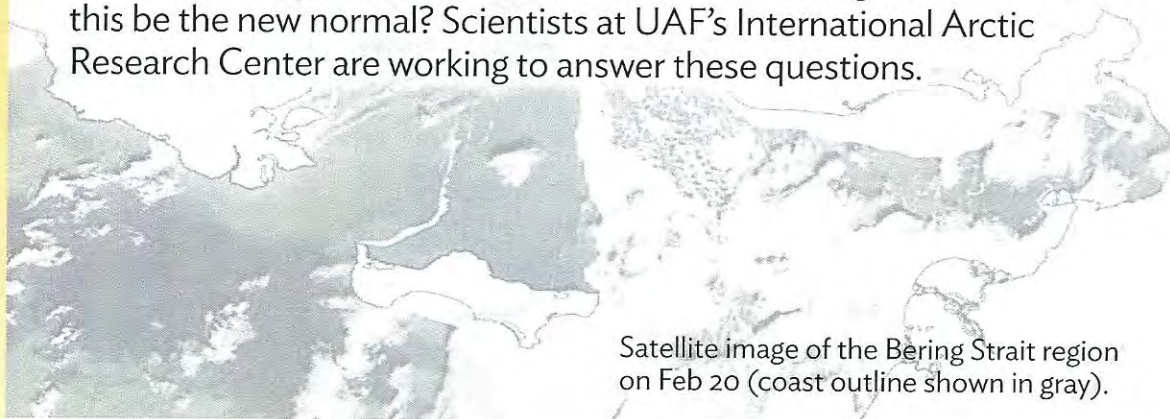
International Arctic
Research Center
University of Alaska Fairbanks

A winter unlike the rest

Typically, sea ice forms in protected waters of the southern Chukchi and northern Bering seas during October. Freeze-up in 2017/18 was exceptionally late, and in the Bering Strait, ice moved in and out of the region repeatedly. Communities were significantly impacted.

Travel between communities via boat or snowmachine was difficult and limited due to thin unstable sea ice. At times there was not enough ice to harvest marine mammals, fish, or crabs. As a result of increased open water, storm surf flooded homes and pushed ice rubble onto shore. Jumbled ice covered beaches, essential infrastructure (ex. helipad at Diomedé Island), and driftwood.

As the list of impacts continues to grow, people are asking questions. Why didn't more sea ice form? What do these changes mean? Will this be the new normal? Scientists at UAF's International Arctic Research Center are working to answer these questions.



Satellite image of the Bering Strait region on Feb 20 (coast outline shown in gray).

International Arctic Research Center
University of Alaska Fairbanks
PO Box 757340
2160 Koyukuk Drive
Fairbanks, Alaska 99775-7340



Community observations winter 2018

What did communities experience?

Throughout the Bering Strait there was a lack of, or late development of, shorefast ice. With little to no sea ice, communities had limited protection from the ocean. Flooding, loss of power, damage to infrastructure, and build-up of ice on shore occurred during storms.

Little Diomedede... A large late February storm caused considerable damage on Little Diomedede Island. As a result of the storm, the community lost power and ice rubble covered beaches, the helipad, and damaged the water treatment plant.



Shishmaref... Freeze-up was unusually late in Shishmaref. Even when the surrounding area appeared to have ice, there was a stretch of open water around the community into mid-January. After the ice finally formed, it repeatedly broke up during storms allowing surf to push large ice chunks onto beaches.



Gambell... Near Gambell, vast stretches of open water extended all the way to Russia until mid-March. During this time, local experts and [Sea Ice for Walrus Outlook](#) contributors reported a lack of walrus in the area.



Savoonga... After February's lack of ice, winds shifted abruptly on March 9 bringing sea ice back to Savoonga. Even as ice returned, local resident Aqef Waghiyi reported that "it is all broken up... no flat pieces and it is real rough. There are patches of open water... biggest open patch in front of town is maybe as big as a football field."



Making sense of low sea ice

Why was there so little sea ice?

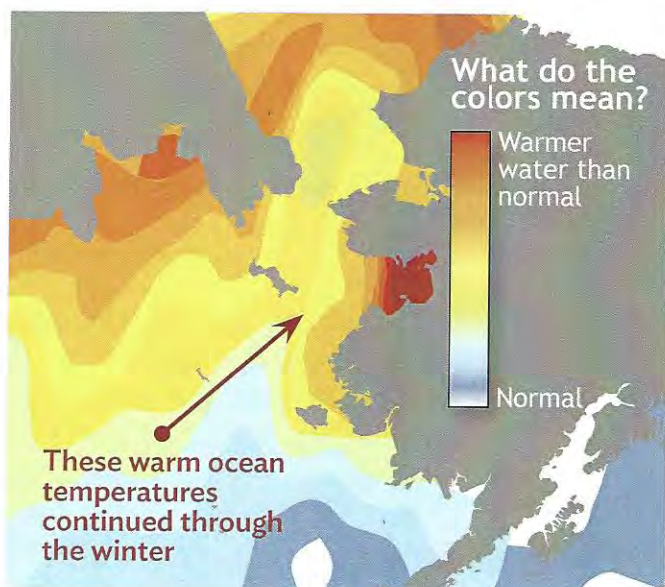
There are two main reasons why so little ice formed in the Bering Sea this winter. First, the ocean was warmer than usual. Second, there were frequent storms throughout the winter.

Temperatures... Air and water temperatures in the Bering Sea were warmer than usual this winter, which has also been the case for the past four years. These conditions have contributed to the Arctic experiencing, during those four winters, the lowest winter sea ice extents ever recorded.

Why is the Bering Sea warmer? Open water absorbs heat more than ice-covered water. Less sea ice means warmer ocean water, and warmer ocean water generally means less and thinner sea ice. Also, warmer water recently traveled into the Bering Sea from the South, driven by wind patterns that cause North Pacific waters to heat up strongly.

Warmer sea water than normal

This map shows how much warmer than usual the surface sea water was during summer and fall 2017. Red and orange colors mean above normal temperatures.

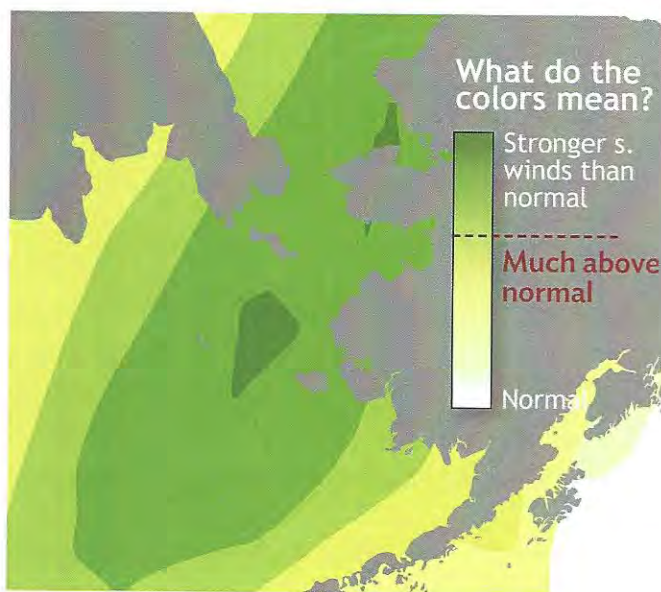


Storminess... In addition to higher ocean temperatures, there were frequent storms. From December to February strong south winds were recorded at both the sea surface and mid-level in the atmosphere. In the Bering Sea, south winds are an indicator of storminess. Although the number of storms this winter did not hit a record, they occurred more often than normal.

Because of these consistent storms, when ice formed it was quickly broken up and jumbled. This was particularly true in areas where thick sea ice was never able to develop.

More south wind than normal

This map shows where south winds were stronger than usual from December 2017 to February 2018. Green colors mean stronger south winds than normal.



How are marine mammals impacted?

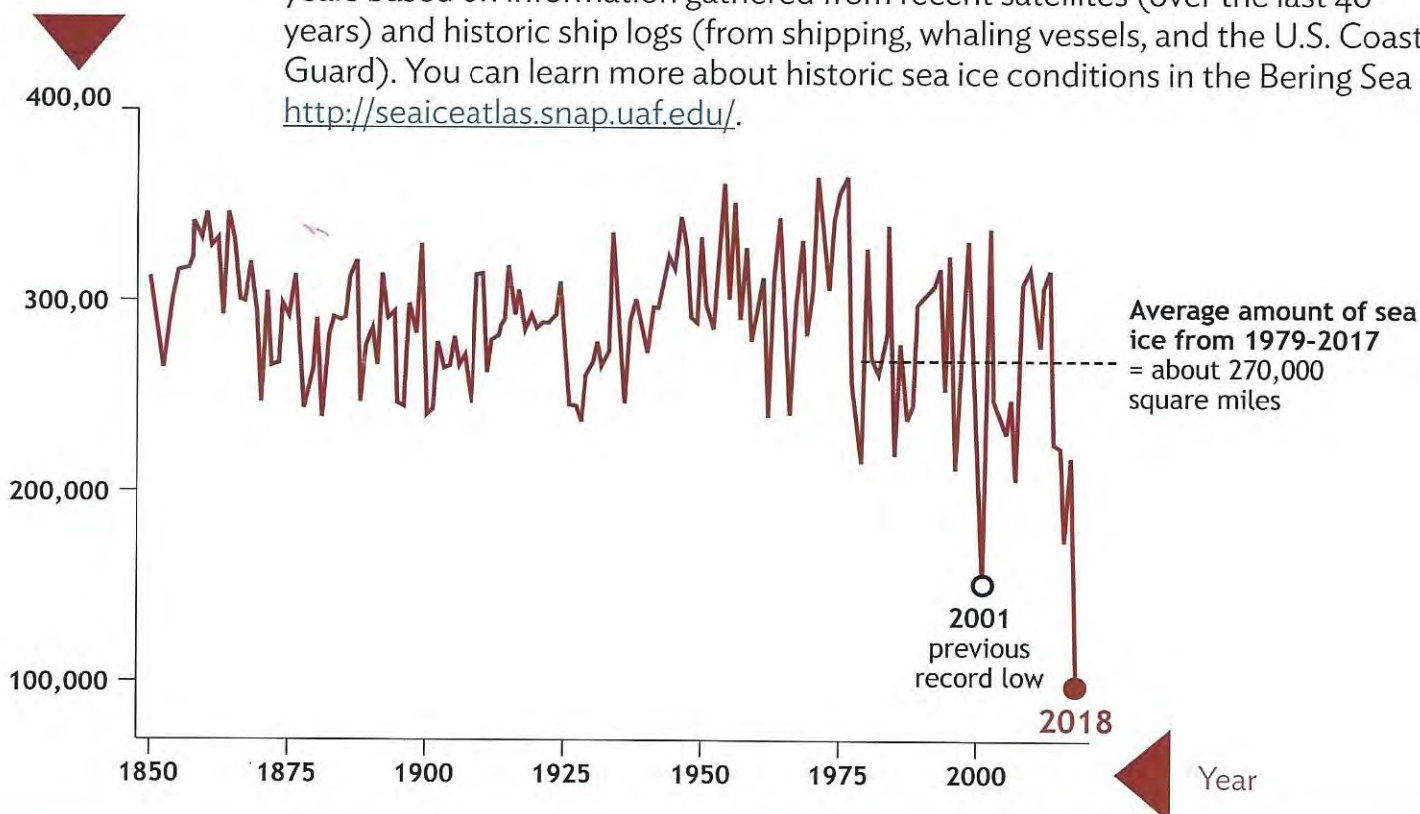
The impacts of this winter's low sea ice on marine mammal movements and timing are not yet understood. Coastal communities with active maritime subsistence activities will understand the impacts of low sea ice on marine mammals first. Marine mammals carrying satellite tags will provide additional movement and timing information – especially offshore where lack of, or reduced, sea ice can allow whales to linger further north than usual.

Past and future

How did this winter compare to the past?

The amount of sea ice in the Bering Sea was less this winter than any year since written records of the commercial whalers started in 1850. This February there was 51,390 square miles less ice (that's over twice the size of the Seward Peninsula) than 2001, the previous record low.

Square miles
of sea ice



What's next?

There are several marine and coastal monitoring instruments in the Bering Sea (to see a map of their locations visit <https://portal.aooos.org/research-assets.php>). These instruments continue to collect data and will help us better understand why this winter broke records for the lack of sea ice. Bering Strait sea ice conditions will continue to change. Further reductions in sea ice will impact travel, subsistence uses, and safety. Planning and adapting to these changes is essential.

2018

The rest of this winter... The expansion of sea ice across the Bering Sea in early March was reversed on March 21 with the return of stormy conditions from the south. As a result, sea ice will continue to be broken or thin for the rest of April. The combination of thin ice and large areas of ice with little snow insulation will cause an early sea ice break-up and very rapid ice retreat.



Winters to come... Communities need to prepare for more winters with low sea ice and stormy conditions. Although not every winter will be like this one, there will likely be similar winters in the future. Ice formation will likely remain low if warm water temperatures in the Bering Sea continue.

Polar Icebreaker Information Session and Public Scoping Meetings

May 2018 in Anchorage, Utqiagvik (Barrow), Nome, and Kotzebue

Exact dates and times will be announced in local newspapers, on social media, and on the radio



Project Website: <http://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Acquisitions-CG-9/Programs/Surface-Programs/Polar-Icebreaker/>

SCOPING COMMENTS

Your comments submitted on the Draft EIS will become part of the public record, and will be addressed in the Final EIS.

How to submit comments:

Public input is essential to ensure the most informed decision is made.

- Review and comment on the Draft EIS
- Sign up for the mailing list
- Check the project website for updates on the EIS and Record of Decision

- In written or oral form at the public meeting
- Via the docket :
<https://www.federalregister.gov/d/2018-08795>

**Comment must be postmarked or received online by
June 29, 2018**

PROJECT INFORMATION



The USCG needs 6 new polar icebreakers to meet its statutory obligations in the Polar regions

- The USCG current icebreaker fleet has exceeded or is nearing the end of its designed 30 year service life.
- The new polar icebreakers would provide a variety of support to USCG operations and responsibilities in the Arctic and Antarctic Proposed Action areas (shore/sea/air operations, training exercises, tribal/local engagement).
- The first new icebreaker is expected to be delivered in 2023.

USCG Missions in the Area

Ice Operations
Defense Readiness
Aids to Navigation
Living Marine Resources
Marine Safety
Research Support
Marine Environmental Protection
Other Law Enforcement
Ports, Waterways, and Coastal Security
Search and Rescue

Photo: G. DeVuyst, USCG

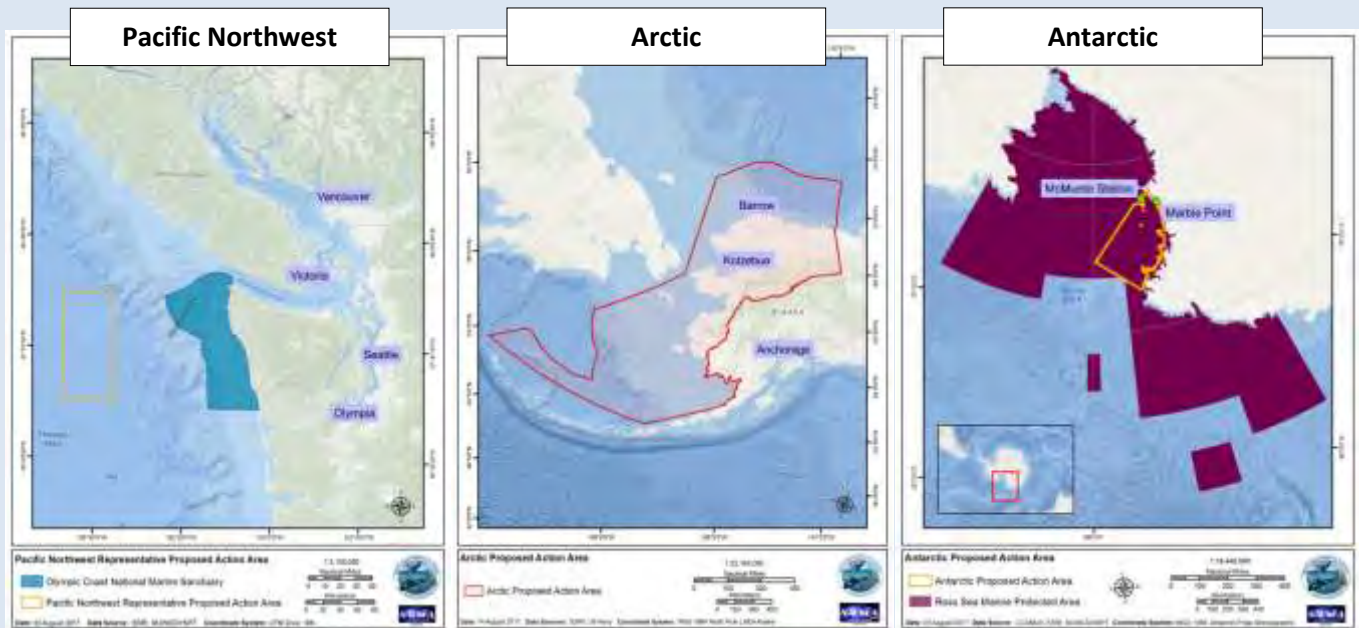


Photo: C. Yaw, USCG



Proposed Action Areas

Proposed action areas would include the Arctic, Antarctic, and the Pacific Northwest. The fleet would also transit between the proposed action areas and resupply at U.S. and international ports.



Ship operational testing post-drydock (Propulsion, navigational sonar, maneuverability, and gunnery training near anticipated homeport of Seattle, WA)

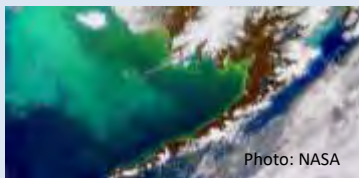
Icebreaking, navigational sonar, support vessels, and aircraft

Icebreaking for vessel access to research facility at McMurdo Station, navigational sonar, support vessels, and aircraft

Potential Environmental Impacts

Based on preliminary analyses using the best available science, the Coast Guard evaluated the following resources for potential impacts: marine vegetation, invertebrates, fish, seabirds and shorebirds, sea turtles, and marine mammals.

No significant impact to biological resources is expected



Suggestions?

What can the Coast Guard do to ensure that the proposed polar icebreakers would not interfere with Tribal community activities?

Please let us know!

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket Number USCG-2018-0193]

Polar Icebreaker Program; Preparation of Environmental Impact Statement

AGENCY: Coast Guard, DHS.

ACTION: Notice of intent to prepare an Environmental Impact Statement (EIS); notice of public meeting; and request for comments.

SUMMARY: The U.S. Coast Guard, as lead agency, is providing notice of their intent to prepare an environmental impact statement (EIS) in accordance with the National Environmental Policy Act (NEPA) for the Polar Icebreaker Program's design and build of up to six polar icebreakers (PIB). Notice is hereby given that the public scoping process has begun for the preparation of an EIS that will address the impacts and alternatives of the Proposed Action. The purpose of the scoping process is to solicit public comments regarding the range of issues, including potential environmental impacts and alternatives that should be addressed in the EIS. This notice also notifies the public that the U. S. Coast Guard intends to hold public meetings to discuss potential issues, concerns and reasonable alternatives that should be considered in the EIS. Following the scoping meetings and comment period, a Draft EIS will be prepared and ultimately circulated for public comment.

DATES: Comments and related material must be received by the U. S. Coast Guard on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The public meetings will be held in May 2018 in Anchorage, Utqiagvik

(Barrow), Nome, and Kotzebue. The exact days and times of the public meetings will be announced through notice in the local papers (The Arctic Sounder, The Anchorage Daily News, and The Nome Nugget) and online at <http://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Acquisitions-CG-9/Programs/Surface-Programs/Polar-Icebreaker/>.

ADDRESSES: You may submit comments identified by docket number USCG-2018-0193 using the Federal portal at <http://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the SUPPLEMENTARY INFORMATION section for further instructions on submitting comments. Written comments and related material may also be submitted to U. S. Coast Guard personnel specified at the public meetings.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of intent, email Mr. Ahmed Majumder, Deputy Program Manager, Polar Icebreaker Program, U.S. Coast Guard; email PIBEnvironment@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR	Code of Federal Regulations
CGC	Coast Guard Cutter
EIS	Environmental Impact Statement
FR	Federal Register
NEPA	National Environmental Policy Act
PIBs	Polar Icebreakers
U.S.C.	United States Code

II. Background and Purpose

The U. S. Coast Guard’s current fleet of PIBs consists of two heavy icebreakers, Coast Guard Cutter (CGC) POLAR STAR and CGC POLAR SEA, and one medium icebreaker, CGC HEALY. The U. S. Coast Guard’s heavy icebreakers have both exceeded their designed 30 year service life. CGC POLAR STAR was commissioned in 1976 and CGC POLAR SEA in 1978.

CGC POLAR STAR began reactivation in 2010 and completed a service life extension in 2013 to allow CGC POLAR STAR to operate for an additional seven to ten years. CGC POLAR SEA has remained out of service since 2010 and is not expected to be reactivated. The current PIB program acquisition strategy is approved to construct up to three heavy PIBs and may (at a future date) potentially expand to include up to three medium icebreakers, with planned service design lives of 30 years each. The first of these new PIBs is expected to be delivered in 2023. Because the first new PIB would not be operational in the Polar Regions until at least 2023, new information may become available after the completion of this EIS. In that case, supplemental NEPA documentation may, as appropriate, be prepared in support of individual proposed actions. Examples of new information may include, but are not limited to, changes to a species listing status or any other applicable laws and directives, and information regarding mission, training, homeporting, maintenance, and eventual decommissioning of the new PIBs.

A new PIB would be designed to carry out the U. S. Coast Guard's primary missions supported by the current polar icebreaker fleet. Expected missions include Ice Operations, Defense Readiness, Aids to Navigation, Living Marine Resources, Marine Safety, Marine Environmental Protection, Other Law Enforcement, Ports, Waterways, and Coastal Security, and Search and Rescue.

In executing its various missions, the U.S. Coast Guard protects the public, the environment, and U.S. economic and security interests in any maritime region, including international waters and the Nation's coasts, ports, and inland waterways, as required to support national security. Legislation and Executive orders assign the U. S. Coast Guard a wide range of responsibilities applicable to Polar regions. The U. S. Coast Guard derives its authority for the use of icebreaking from several statutes governing execution of its missions. These include 14

U.S.C. 81 (Coast Guard establishment, maintenance, and operation of aids to navigation), 14 U.S.C. 88 (Coast Guard saving of life and property), 14 U.S.C. 89 (Coast Guard law enforcement), 14 U.S.C. 90 (Arctic maritime transportation), 14 U.S.C. 91 (controlling anchorage and movement of vessels), 14 U.S.C. 94 (conduct oceanographic research), and 14 U.S.C. 141 (cooperation with agencies, States, territories, and others). In addition, Executive Order 7521 (Use of Vessels for Icebreaking in Channels and Harbors), 1 FR 2184, Dec. 24, 1936, directs the U. S. Coast Guard to assist in keeping channels and harbors open to navigation by means of icebreaking operations.

The U. S. Coast Guard proposes to conduct polar icebreaker operations and training exercises to meet Coast Guard mission responsibilities in the U.S. Arctic and Antarctic regions of operation, in addition to vessel performance testing post-dry dock in the Pacific Northwest near the probable polar icebreaker homeport of Seattle, Washington (the exact location for homeporting has not been determined, but the current fleet of polar icebreakers is homeported in Seattle, Washington).

Polar regions are becoming increasingly important to U.S. national interests. The changing environment in these regions could lead to a rise in human activity and increased commercial ship, cruise ship, and naval surface ship operations, as well as increased exploration for oil and other resources, particularly in the Arctic. One of the U. S. Coast Guard's highest priorities is safety of life at sea. This entails the arctic responsibilities described above as well as assisting with McMurdo Station; Antarctica Logistics. Long term-projected increases in U. S. Coast Guard mission demand in the Polar Regions would require additional support from PIBs. A lack of infrastructure, polar environmental conditions, distance between operating areas and

support bases, all influence the U. S. Coast Guard's ability to provide comparable service and presence provided in other non-polar areas of operation with existing Coast Guard assets.

Although the total number of new PIBs is subject to change, no more than six are proposed or anticipated, and therefore, the EIS will analyze the potential impacts of the range of up to six new PIBs, as this will be the highest number projected to be operational in the Polar Regions. Fewer than six new PIBs is also possible, but the analysis will cover impacts of fewer vessels and it is expected that fewer icebreakers will result in either similar impacts or some combination that should result in fewer impacts than what will be discussed and evaluated in the EIS. Potential environmental stressors include acoustic (underwater acoustic transmissions, vessel noise, icebreaking noise, aircraft noise, and gunnery noise), and physical (vessel movement, aircraft or in-air device movement, in-water device movement, icebreaking, and marine expended materials).

III. Scoping Process

The U. S. Coast Guard intends to follow the Council on Environmental Quality (CEQ) regulations implementing the NEPA (40 CFR 1500 et. seq.) by scoping through public comment and public meetings. Scoping, which is integral to the process for implementing NEPA, provides a process to ensure that (1) issues are identified early and properly studied; (2) issues of little significance do not consume substantial time and effort; (3) the draft EIS is thorough and balanced; and (4) delays caused by an inadequate EIS are avoided.

Public scoping is a process for determining the scope of issues to be addressed in this EIS and for identifying the issues related to the proposed action that may have a significant effect on the project environment. The scoping process begins with publication of this notice and ends after the U. S. Coast Guard has:

■ Invited the participation of Federal, State, and local agencies, any affected Indian tribe, and other interested persons;

■ Consulted with affected Federally Recognized Tribes on a government-to-government basis, and with affected Alaska Native corporations, in accordance with Executive Order 13175 and other policies. Native concerns, including impacts on Indian trust assets and potential impacts to cultural resources, will be given appropriate consideration;

■ Requested the Environmental Protection Agency, the United States Fish and Wildlife Service, the National Marine Fisheries Service, and the United States Army Corps of Engineers to serve as cooperating agencies in the preparation of this EIS. With this Notice of Intent, we are asking Federal, State, and local agencies with jurisdiction or special expertise with respect to environmental issues in the project area, in addition to those we have already contacted, to formally cooperate with us in the preparation of this EIS;

■ Determined the scope and the issues to be analyzed in depth in the EIS;

■ Allocated responsibility for preparing the EIS components;

■ Indicated any related environmental assessments or environmental impact statements that are not part of this EIS;

■ Identified other relevant environmental review and consultation requirements, such as Coastal Zone Management Act consistency determinations, and threatened and endangered species and habitat impacts;

■ Indicated the relationship between timing of the environmental review and other aspects of the application process; and

■ Exercised our option under 40 CFR 1501.7(b) to hold the public scoping meeting announced in this notice.

Once the scoping process is complete, the U. S. Coast Guard will prepare a draft EIS, and will publish a Federal Register notice announcing its public availability. We will provide the public with an opportunity to review and comment on the draft EIS. Comments received during the draft EIS review period will be available in the public docket and made available in the final EIS. After the U. S. Coast Guard considers those comments, we will prepare the final EIS and similarly announce its availability and solicit public review and comment.

IV. Information Requested

We are seeking comments on the potential environmental impacts that may result from the development, building, testing, and operation of up to three heavy polar icebreakers and potentially three medium icebreakers to help in the development of an EIS. NEPA requires Federal agencies to consider environmental impacts that may result from a proposed action, to inform the public of potential impacts and alternatives, and to facilitate public involvement in the assessment process. An EIS would include, among other matters, discussions of the purpose and need for the proposed action, a description of alternatives, a description of the affected environment, and an evaluation of the environmental impacts of the proposed action and alternatives.

As required by the NEPA, the U. S. Coast Guard also will analyze the No Action Alternative as a baseline for comparing the impacts of the proposed action. For the purposes of this proposed action, the No Action Alternative is defined as not approving the design and build of new polar icebreakers. The U. S. Coast Guard encourages public participation in the EIS process. The scoping period will begin upon publication of this notice in the FEDERAL REGISTER and continue for a period of sixty (60) days. As part of the scoping process, and as authorized by 40 CFR 1508.22(b)(4), the U. S. Coast Guard will hold a public scoping meeting

and informational open house in Anchorage, Utqiagvik (Barrow), Nome, and Kotzebue, Alaska in May 2018. Public comments will be accepted at those meetings and can also be submitted to the docket, as previously described under ADDRESSES.

V. Public Participation and Request for Comments

Pursuant to the CEQ regulations, the U. S. Coast Guard invites public participation in the NEPA process. This notice requests public participation in the scoping process, establishes a public comment period, and provides information on how to participate.

We encourage you to submit comments through the Federal portal at <http://www.regulations.gov>. If your material cannot be submitted using <http://www.regulations.gov>, contact the person in the FOR FURTHER INFORMATION CONTACT section of this document for alternate instructions. In your submission, please include the docket number for this notice of intent and provide a reason for each suggestion or recommendation.

We accept anonymous comments. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. For more about privacy and the docket, visit <http://www.regulations.gov/privacyNotice>.

Documents mentioned in this notice of intent as being available in the docket, and all public comments, will be in our online docket at <http://www.regulations.gov> and can be viewed by following that website's instructions.

We plan to hold public meetings in Anchorage, Utqiagvik (Barrow), Nome, and Kotzebue to receive oral comments on this notice of intent. The dates, times, and locations of the public meetings will be announced in the local papers (The Arctic Sounder, The Anchorage Daily News, and The Nome Nugget) and online at <http://www.dcms.uscg.mil/Our->

Organization/Assistant-Commandant-for-Acquisitions-CG-9/Programs/Surface-Programs/Polar-Icebreaker/. If special assistance is required to attend the meetings, such as sign language interpretation or other reasonable accommodations, contact the U.S. Coast Guard as indicated in FOR FURTHER INFORMATION CONTACT.

Dated:

Matthew C. Stanley

CAPTAIN, U. S. Coast Guard

Program Manager, Polar Icebreaker Program



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Military and
Veterans' Affairs**

Division of Homeland Security
and Emergency Management

P.O. Box 5750
JBER, AK 99505-0750
Main: 907.428.7000
Fax: 907.428.7009
www.ready.alaska.gov

COPY

RECEIVED

MAY 09 2018

**CITY OF NOME
CLERKS DEPARTMENT**

May 03, 2018

Thomas C. Moran, City Manager
City of Nome
PO Box 281
Nome, AK 99762

RE: Time Extension Approval/Amended Obligating Award Document
Disaster: DR-4050-AK, 2012 West Coast Storm
Sub-Recipient: City of Nome
PA ID: 180-54920-00
Project Worksheet(s): 0017(4)

Certified Mail: 9171 9690 0935 0145 1863 69

Dear Mr. Moran:

This letter is in response to the City of Nome's December 21, 2017 correspondence requesting a Time Extension for completion of work under DR-4050-AK, 2012 West Coast Storm for Project Worksheet (PW) 0017(4). The completion deadline is extended to December 22, 2018. When the work is completed, you have 90 days from the work completion date to submit your closeout documentation. You are encouraged to complete the required work for this project as soon as possible, but no later than the extension date.

If you are unable to complete the work under this PW by the extended deadline, an additional time extension request must be submitted prior to the extended deadline.

Enclosed is the Amended Obligating Award Document (OAD) for PW 0017(4). The OAD reflects an extension of the Work Performance Period. The remainder of the document is consistent with the previously awarded version.

Two pre-signed OADs are enclosed; one is for your records, the other is for our copy. Please return one set of the original signed forms to our office by May 16, 2018.

Please note the OAD form requires three Sub-Recipient signatures on the front page plus one Sub-Recipient signature on the back page.

No payments will be processed until we receive our copy of the signed forms.

Mr. Thomas C. Moran
Page 2 of 2
May 03, 2018

If you have any questions, please contact Nora Firmin, your assigned Division Representative, at (907) 428-7076, or by email at nora.firmin@alaska.gov.

Sincerely,



William A. Dennis
Alternate Governor's Authorized Representative

Enclosure(s): (2 originals) Obligating Award Document Amendment 5
Copy of FEMA's Time Extension Approval

cc: Joy Baker, Port Director



DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
DIVISION OF HOMELAND SECURITY
AND EMERGENCY MANAGEMENT
Obligating Award Document for
PUBLIC ASSISTANCE GRANT PROGRAM (PAGP)

PAGP Grant No. DR-4050-AK CFDA No. 97.036 Date of Disaster Declaration 12/22/2011

1. Project Worksheet # 0017(4)	2. DUNS # 0781997100	3. Award <input type="checkbox"/> Amendment <input checked="" type="checkbox"/> Amendment Number 5	4. Employer Tax ID # 92-6000084
5. Recipient Name and Address Thomas C. Moran City of Nome PO Box 281 Nome, AK 99762		6. Issuing Office and Address Department of Military and Veterans Affairs Division of Homeland Security and Emergency Management PO Box 5750 JBER, AK 99505-5750 http://www.ready.alaska.gov	
7. PW Obligation Date		Method of Payment: Electronic	
9. Purpose of Award/Amendment: Time Extension of Work Performance Period			
10. Grant Award and Terms and Conditions: (see attached Grant Terms and Conditions)			
Total Approved Amount:		\$ 4,550,300.00	
Total Awarded Amount:		\$ 4,550,300.00	
Federal Share:		\$ 3,412,725.00	
State Share:		\$ 1,137,575.00	
Sub-Grantee Share:		\$ 0.00	
See attached: Time Extension Approval Letter Grant Performance Period: 12/22/2011 through 12/22/2018			
11. Grant Requirements, Assurances and Agreements: (see attached Grant Requirements, Assurances and Agreements) The acceptance of a grant from the United States creates a legal duty on the part of the grantee to use the funds or property made available in accordance with the conditions of the grant. (GAO Accounting Principles and Standards for Federal Agencies, Chapter 2, Section 16.8[c])			
12. Project Award Title: Cape Nome Quarry Dock			
13. Recipient is required to sign and return one (1) copy of this document with the terms and conditions to the issuing address in Block 6, within 30 days from the date in Block 17.			
14. DHS&EM Project Manager Printed Name of SPAO: Nora Firmin		Phone: (907) 428-7076 Fax: (907) 428-7009 Email: nora.firmin@alaska.gov	
15. Signature of Jurisdiction Project Manager Printed Name: Joy Baker		Phone: (907) 304-1905 Fax: (907) 443-5473 Email: jbaker@nomealaska.org	
16. Signature of Jurisdiction Chief Financial Officer Printed Name: Julie Liew		Phone: (907) 443-6620 Fax: (907) 443-5349 Email: jliew@nomealaska.org	
17. Signature of Jurisdiction Signatory Official Printed Name and Title: Thomas C. Moran, City Manager		Date: Phone: (907) 443-6600 Fax: (907) 443-5349 Email: tmoran@nomealaska.org	
18. DHS&EM Signatory Official William A. Dennis Alternate Governor's Authorized Representative		Date: 3 May 18 Phone: (907) 428-7000 Fax: (907) 428-7009 Email: bill.dennis@alaska.gov	

Turn over to complete instruction acknowledgement.

Outgoing commandant says Arctic has become a top priority for US Coast Guard

As he prepares to retire, Adm. Paul Zukunft says the Arctic has grown in importance during his four-year tenure leading the Coast Guard.

By
Melody Schreiber

May 9, 2018



U.S. Coast Guard Adm. Paul Zukunft, Commandant of the Coast Guard in a March 1, 2017 file photo. (Petty Officer 2nd Class Patrick Kelley / U.S. Coast Guard)

When he talks about his accomplishments and regrets during four years as Commandant of the U.S. Coast Guard, Adm. Paul Zukunft downplays the idea of a legacy.

"I do not believe in legacies," he said Tuesday at the Center for Strategic and International Studies, preferring his successors continue momentum forward, rather than looking back. Zukunft has made strides as leader of the U.S. Coast Guard, however. Chief among his accomplishments: his push to strengthen the U.S. fleet of icebreakers.

When Zukunft took over as commandant four years ago, modernizing the Coast Guard's Arctic presence was "aspirational," he said. The nation's smallest branch of the military is also tasked with protecting borders and combating drug trafficking (it's on track to seize a record amount of drugs this year).

Yet Zukunft says the Arctic is now the [highest priority](#) for the Coast Guard. He sees it as an important economic and militarily strategic zone in the near future.

Under Zukunft's command, the Coast Guard has enlisted five shipyards to compete for contracts to build new heavy icebreakers, and he has secured funding for one and a half ships so far. The first of these ships is set to launch in 2023.

"My biggest regret is that I won't be on active duty and have the opportunity to command that ship," Zukunft said, only half-joking. "My biggest regret, but maybe my only one."

Currently, the United States has only two polar-capable icebreakers in operation; the ***Polar Star*** is a heavy icebreaker and the ***Healy*** is a medium icebreaker used predominantly for research. The ***Polar Star*** is more than 40 years old, and in February it broke down on a mission in Antarctica.

"If one gets in trouble, we don't have self-rescue capability," Zukunft said, adding that an icebreaker in distress would probably have to call on another country to save them. He worries that future breakdowns could be more catastrophic for the crew, and leave the U.S. with no Arctic fleet at all.

Russia, on the other hand, has 41 icebreakers, and plans to launch two corvettes armed with cruise missiles soon. Russia has also militarized islands that were once used only for search and rescue, Zukunft said, and claimed Arctic Ocean seabed territory stretching to the North Pole. China, too, has shown increasing interest in this region; and Canada sees the Northwest Passage as its own.

What happens if these countries begin to clash over control of the extensive natural resources and waterways in the Arctic? Zukunft argues that a U.S. icebreaker fleet will be integral to responding to such conflicts.

Zukunft **also spoke about the changing Arctic environment.** “We may see an ice-free Arctic as early as 2030 in the shoulder season,” he said. “Each year, we’re seeing record receding of sea ice,” and those open areas are quickly filled by “human activity.”

In addition, he worries about the potential for an oil spill in remote, rugged areas. In the Aleutian Islands, a 3,000-gallon oil spill recently cost \$9 million to clean up.

“And this on the Aleutian Island chain,” he said. “What happens if you have an oil spill on the North Slope?”

These factors are key in thinking about the Coast Guard’s expanding role in the region, says Abbie Tingstad, researcher at the RAND Corporation who has analyzed the Coast Guard’s Arctic capabilities.

“Although there’s a need for icebreakers, they may need to focus beyond breaking ice,” she says.

“In 2030, what missions might we be doing?” she asks, highlighting a potential need for more law enforcement, search-and-rescue activities, and patrol of illicit activities in the region. **The Coast Guard’s Arctic fleet will need more functionality than it has had in the past,** Tingstad says, such as improved communications systems, more aerial support from helicopters and drones, and more oil cleanup kits.

Tingstad says aggressive conflict in the Arctic is unlikely; any clashes would likely be small in scale and the result of miscommunication. Russia, for example, is ramping up its Arctic presence mainly for economic and defense reasons, she says — not necessarily out of aggression.

“It has a really long Arctic coastline, and it’s pretty exposed up there,” Tingstad says.

Moving forward, Zukunft believes the United States should become a signatory to the United Nations Convention on the Law of the Sea, which would give the U.S. a seat at international negotiations.

"What do Libya, North Korea, and the United States all have in common?" Zukunft asked. "Three countries that have not ratified the Law of the Sea convention."

The Coast Guard and NOAA have mapped out territory the size of Texas with potential oil and natural gas resources. But that area is still considered global commons, because the U.S. is unable to stake a claim on Arctic waters without signing the treaty.

"China is very interested in this very same area, and they view that as global commons. And why would they not?" Zukunft asked.

Yet maintaining strong relationships with Arctic countries will be key in moving forward, **Zukunft cautioned: "The biggest miscalculation is if we literally freeze our relationships."** Sharing information, charting the waters, and conducting search and rescue missions are all critical ways in which the U.S. works with other Arctic nations.

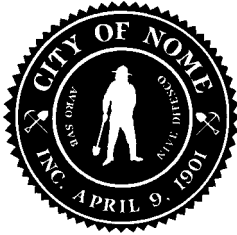
Equally important are the relationships the Coast Guard forges closer to home.

"The support we have seen on the Hill, the support we have had with this administration has been nothing short of phenomenal," Zukunft said.

He pointed out that relationships like these are "not a baton" you can pass over smoothly: **"The challenge will be how we establish those next relationships."** But, he added, his successor Karl Schultz has many good connections with lawmakers and officials.

"This is instinctive for him, so I am very confident we're not going to drop this baton. We're going to keep moving this thing forward."

This story has been updated to make small corrections to several quotes.



CITY OF NOME

City Manager's Office

P.O. Box 281

Nome, Alaska 99762

907.443.6600

tmoran@nomealaska.org

City Manager's Report

From: Tom Moran, City Manager
To: Nome Port Commission
Date: April 24 – May 14, 2018

- The Army Corps of Engineers held its ADDP (Arctic Deep Draft Port) feasibility planning charrette in Nome on Tuesday, April 24th and Wednesday, April 25th. About 60 people were in attendance, half local and half from Anchorage, Juneau, and D.C. The event was a productive one, and very well-received (despite some crummy weather).
- As a FYI, I was in Anchorage for the quarterly meeting of the AMLJIA Board of Trustees on Thursday, April 26th and Friday, April 27th. The good news is that my travel costs were covered by AMLJIA. The bad news is that for FY19, our insurance payments will increase by 6.5% due to the completion of catastrophic payments from 2017 (thanks to Harvey and Irma, specifically).
- Congratulations to our April Employees-of-the-Month: Jack Omelak (Museum), Cordell Murray (Police), and Cheryl Thompson (Administration). Jack held his first (of what we hope will become monthly) evening educational program, Cordell handled a very difficult call without any backup available, and Cheryl almost singlehandedly facilitated the USACE charrette. Keep up the good work, Team Nome!
- By ordinance, the City Council sits as the Board of Equalization (BOE) to adjudicate property valuation appeals on the first Wednesday of every May. This year, the BOE was scheduled to meet at 5:30 on Wednesday, May 2nd, but all appeals were settled beforehand. Thanks to Arne and Bryant for navigating the difficult process without requiring the Council's valuable time.
- A sincere thank you to the City Councilmen and Planning Commissioners who attended a very emotional and difficult conversation about Native Alaskan victims of sexual assault on Monday, May 7th. Going forward, the City of Nome will do whatever it can to ensure the equal treatment of all criminal complaints.
- The Nome LEPC held a field training exercise on Wednesday, May 9th at the (newly purchased) Fire Training Area on Center Creek Road. The Nome Volunteer Ambulance Department, the Nome Volunteer Fire Department, the Nome Police Department, and Norton Sound Regional Hospital were all well-represented at the event. The goal of training isn't to achieve an A+, but rather to identify weaknesses that can be improved upon. To that end, I promise to work closely with our new Emergency Services Chief (a position that was formally posted mere hours before the field training) and our dedicated volunteers to provide the highest level of emergency services possible.

- Please join me in welcoming our new Police Investigator, Joe Dickerson. You may remember that Joe was a NPD Sergeant until he left to take a job with the National Guard. Ever since, we've been courting him to return as a part-time Investigator on nights and weekends. Following last Monday's work session, we officially offered him the position, and he accepted. Joe's first day back will be on Saturday, May 12th, and his focus will be entirely on cold cases.
- Spring Clean-Up will be held from May 27th through June 2nd. Though the event formally kicks off on Sunday, May 27th at the Cemetery (to prepare for the observance of Memorial Day on Monday), City Hall will be closed on Friday, May 25th for filing, organizing, and destroying records per the State of Alaska Records Retention Schedule.
- A very early notification that the City Council's second May meeting falls on Memorial Day (Monday, May 28th), so it will need to be rescheduled for **Tuesday, May 29th**.
- A reminder that the Arctic Resiliency Workshop will be taking place at the Mini from June 12th to 14th. Though this particular event is geared more towards our outlying villages, Nome is the host and our own NVAD/NVFD will be presenting on conducting rural SAR (search and rescue) operations. Mayor Beneville will be giving the convocation address, and Port Director Baker will be discussing amplified environmental risk due to increased vessel traffic in the Bering Strait.
- As always during budget season, Julie's budget calendar is attached. *Attachment 1.*



Memo

To: Tom Moran – City Manager
From: Joy L. Baker – Port Director *JLB*
CC: Mayor & Nome Common Council
Nome Port Commission
Date: 5/14/2018
Re: Port & Harbor Report/Projects Update – May 2018

The following provides a status update on active issues and projects pertaining to the Port & Harbor. *(Notes in italics represents no change in that project since last report.)*

Administrative:

The Port Commission held a work session in April with Bristol Engineering staff to review and discuss updates to the draft Preliminary Engineering Report for the Port Waste Reception Facility. A consensus was reached for phased development of the various waste streams, with initial focus on an incineration facility to allow the Port to accept foreign vessel galley waste regulated under MARPOL V. Bristol has been directed to develop a 35% cost estimate and concept design. The Commission reviewed the proposed F19 Port/Harbor Budget at the April meeting, and with the removal of one capital project cost-share, recommended adoption by the Council.

The F18 Port Budget at 27 April shows 97.5 % revenue – with 62.1% expended. Chris Schuneman returns on 15 May from his winter position with Public Works, and Harbormaster Stotts has filled both seasonal positions that start this week; Caitlin LeClair as Office Manager, and Clayton Rodriguez as Dock Watch. New staff training begins immediately in preparation of the season opening. All 4 Port vehicles are back on the road after spring servicing and checkups.

Mayor Beneville and I attended the Arctic Encounter Symposium in Seattle on 19-20 April 2018, networking with a wide array of industry and agency personnel. Numerous sideline discussions were held with significant attention on the Corps' renewed Nome Feasibility Study with specific regard to timeline, depth and broader scope justification.

The Army Corps has finally completed the final accounting of the 2004-2006 Navigation Improvements Project, which was cost-shared with the City at 14% under a Project Cooperation Agreement. As there were many archaeological details pending for some time on the artifacts found during the project, they have just now submitted a final letter identifying the balance due from the City as \$52,693 - the payment is in processing.

Causeway:

Arctic Deep Draft Port (ADDP) Study:

The Army Corps Alaska District facilitated a very beneficial and productive Planning Charrette in Nome on 24-25 April. Extensive input from both locals and agency personnel put a broad array of ideas on the table. The City is

working with the Corps Project Delivery Team is scale the suggested design alternatives down to a manageable number of practical options to provide ROM costs/benefits to Corps HQ at the Alternatives Milestone Meeting..

Inner Harbor:

Snake River Moorage & Vessel Haulout Facility:

Q Trucking has completed the in-water work on this project and hauled all river spoils to the disposal site on the City's Thornbush Pad behind the PO annex. The project awaits the bathymetric survey, which will be performed in early June, when the contractor arrives for the federal dredging project. The survey will be verified by PND Engineers for full project depth, with project close out fully expending the 2014 DC-108 State grant.

Port Industrial Pad:

Industrial Pad Development (Thornbush Site):

This phase of pad development is complete with the developed area calculated to approximately 9.2 acres.

West Nome Tank Farm (Property Conveyance):

The USAF has advised that surveyors will be in Nome within the next two weeks to conduct the additional Environmental Baseline Survey, with a report immediately to follow. Once the report is final, the USAF will be submitting to their HQ office with a request to expedite immediate property conveyance for a final transfer of ownership to the City.

External Facilities:

Cape Nome:

PND, Knik and the City Engineer held a teleconference last week to review more detailed survey data and calculation methods used to identify material quantities in place, versus what the bathymetric survey is showing for neat line quantities. We anticipate reaching a concurrence very soon. Final completion of this repair project is still anticipated for mid to late summer 2018.

A variety of other projects continue for the off-season period for various planning, design and funding phases. Additional information can be made available on request

Email Discussion on Municipal General Fund Tax Revenues
Supporting City-Owned Ports/Harbors
(Sourced from Alaska Port Administrators through AAHPA)

Original Message Requesting Input:

From: aahpa-l-bounces+stevec1=city.ketchikan.ak.us@lists.alaska.edu [<mailto:aahpa-l-bounces+stevec1=city.ketchikan.ak.us@lists.alaska.edu>] On Behalf Of Joy Baker
Sent: Wednesday, May 9, 2018 1:41 PM
To: aahpa-l@lists.alaska.edu
Subject: [AAHPA-L] General Funds Support Port Operations

Happy Spring everyone! How many of you see any general fund revenues to sustain costs for operating, deferred maintenance or capital improvements? Operating as an enterprise fund, Nome has historically stood on its own in funding operating costs, as well as set aside funds for maintenance and improvements.

Recently there has been interest at the Port Commission level to why the sales tax revenue generated from port activity was not used to assist in funding improvements and maintenance. Currently the Council is covering any funding shortfalls with general funds that are then reimbursed by the Port, but in my experience, it seems unlikely that they would be in support of routinely covering port operating or capital expenditures into the future. Do any other facilities see general fund tax revenues to assist in covering costs on an occasional or routine basis?

As always, thanks in advance for your time and replies.

Joy L. Baker
Port Director
City of Nome
(907) 304-1905
www.nomealaska.org<<http://www.nomealaska.org>>

FACILITY RESPONSES

> From: aahpa-l-bounces@lists.alaska.edu [<mailto:aahpa-l-bounces@lists.alaska.edu>] On Behalf Of Ribuffo, Stephen
> Sent: Wednesday, May 9, 2018 3:44 PM
> To: Joy Baker; aahpa-l@lists.alaska.edu
> Subject: [AAHPA-L] RE: General Funds Support Port Operations

>

> Joy...We see NO general fund/tax revenues at the Port. All investment in Port improvements come from our fund balance and/or debt we incur, and tariff-related revenues. In fact, we pay an annual \$2 million fee-in-lieu-of-taxes and approx.. \$750,000 in intergovernmental charges to City Hall to help offset the tax base and general government costs. Hope this helped...Steve - Anchorage

From: Steven Corporon [<mailto:SteveC1@City.Ketchikan.Ak.Us>]
Sent: Wednesday, May 9, 2018 5:03 PM
To: Joy Baker; aahpa-l@lists.alaska.edu
Subject: RE: General Funds Support Port Operations

Joy, the Port of Ketchikan (the 4 cruise ship docks) is an enterprise fund. No general funds. All port revenues fund operations and maintenance. Port revenues, state CPV and grants fund capital projects.

The Ketchikan Harbors (6 small boat harbors, 3 double lane launch ramps and other ancillary facilities) are technically part of the general fund but we treat it like an enterprise fund. The last time any general funds were used was back in 2008 when we were a bit short on a contract award for replacing all the floats at Knudson Cove. I think the general fund chipped in about \$200K. Harbor revenues cover operations and maintenance. A \$5M bond we issued a few years ago

Email Discussion on Municipal General Fund Tax Revenues
Supporting City-Owned Ports/Harbors
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has been covering any 50% harbor grant matches for capital projects. We have also had a few Denali grants and Fish & Game grants for capital projects but not much lately. We also get \$200K-\$400K per year in raw fish tax we put toward capital projects although the City Council has steered about \$100K toward the water department the last few years since the fish processors are the biggest water customer and the water department runs in the red.

Steve Corporon
Port and Harbors Director
City of Ketchikan
907-228-6049

From: Peggy McLaughlin [mailto:pmclaughlin@ci.unalaska.ak.us]
Sent: Wednesday, May 9, 2018 5:19 PM
To: Joy Baker; aahpa-l@lists.alaska.edu
Subject: RE: General Funds Support Port Operations

Joy, Port of Dutch Harbor is an enterprise fund (Proprietary Fund). We see no general fund money for operational support. All Port related major maintenance and capital projects or loan payments are funded from the Port Fund.

Regards,
Peggy

From: Tony Schinella [mailto:Harbor@cityofcordova.net]
Sent: Wednesday, May 9, 2018 5:25 PM
To: Joy Baker; aahpa-l@lists.alaska.edu
Subject: RE: General Funds Support Port Operations

Joy,
Cordova Port & Harbor is 100% enterprise fund department. We also do not receive any of the raw fish tax from the city and we pay \$180K per year in admin fees to the general fund.

From: Harbor Master [mailto:harbor@whittieralaska.gov]
Sent: Wednesday, May 9, 2018 5:29 PM
To: Tony Schinella; Joy Baker; aahpa-l@lists.alaska.edu
Subject: RE: [AAHPA-L] RE: General Funds Support Port Operations

Joy,
Whittier is 100% enterprise fund as well and receive no support from general fund as well..
Kyle

From: Stan Eliason [mailto:stan.eliason@cityofsitka.org]
Sent: Wednesday, May 9, 2018 5:35 PM
To: Tony Schinella
Cc: Joy Baker; aahpa-l@lists.alaska.edu
Subject: Re: [AAHPA-L] RE: General Funds Support Port Operations

Sitka is an enterprise fund. I'm thankful that we receive 100% of the raw fish tax. We usually receive between \$900K to \$1M per year. Stan

Email Discussion on Municipal General Fund Tax Revenues
Supporting City-Owned Ports/Harbors
(Sourced from Alaska Port Administrators through AAHPA)

From: Carl Uchytel [mailto:Carl.Uchytel@juneau.org]
Sent: Thursday, May 10, 2018 6:03 AM
To: Joy Baker
Cc: aahpa-l@lists.alaska.edu
Subject: Re: [AAHPA-L] RE: General Funds Support Port Operations

Joy -

Juneau gets no general funds to operate. We do pay into CBJ Interdepartmental fund for services received (legal, financial, etc) approximately \$450K/year. We do get 100% of the Raw Fish Tax - approximately \$400K/year.

Thx, Carl

From: Greg Meissner [mailto:harborgreg@aptalaska.net]
Sent: Thursday, May 10, 2018 10:21 AM
To: Joy Baker; 'Glorianne Wollen'; 'Peggy McLaughlin'; aahpa-l@lists.alaska.edu
Subject: RE: [AAHPA-L] RE: General Funds Support Port Operations

Good morning Joy,

Wrangell is like the rest. We make and spend our own money with none from the GF. We too did borrow from the city's permanent fund for an equipment investment in the boat yard 10 years ago and just made our last payment back to them. I did however convince the assembly at the time that investment was better for the city than the money sitting in a bank account so I got a no interest loan. Greg

From: aahpa-l-bounces@lists.alaska.edu [mailto:aahpa-l-bounces@lists.alaska.edu] On Behalf Of Harbor
Sent: Thursday, May 10, 2018 11:07 AM
To: Joy Baker; 'Glorianne Wollen'; 'Peggy McLaughlin'; aahpa-l@lists.alaska.edu
Subject: RE: [AAHPA-L] RE: General Funds Support Port Operations

Joy - Dillingham has an enterprise fund generated by the city dock, the dock subsidizes the harbor as we don't make enough there to pay for its self. The city takes the taxes from the dock but not the fees - I wish the raw fish tax came to us.

Jean

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
United States Coast Guard
Sector Anchorage

PO Box 5800
JBER, AK 99505-0800
Staff Symbol: s
Phone: 907-428-4200
Fax: 907-428-4218
Anchorage.Inspections@uscg.mil

16711
December 13, 2017

MARINE SAFETY INFORMATION BULLETIN 04-17

Commercial Vessel Safety Requirements for Gold Dredge Operations in Nome, Alaska for the 2018 Season

PURPOSE: This informational bulletin addresses the gold dredge vessel fleet in Nome, Alaska. The Coast Guard promotes the safety of vessel operators and protection of the marine environment by enforcing regulations applicable to these vessels.

PUBLICATIONS AFFECTED: Sector Anchorage MSIB 01-17 regarding dredge operations in Western Alaska is canceled.

DISCUSSION: The specific commercial standards that apply to each vessel depend on the vessel's length, tonnage, age, area of operation, and means of propulsion.

- a. After a careful legal review and risk assessment analysis, Sector Anchorage has determined that there is an increased need to ensure adherence to the applicable federal regulations for the Nome gold dredge vessel fleet. Some gold dredge vessels will be required to hold a load line certificate and/or a Certificate of Inspection (COI) to operate in 2018.
- b. Vessels which are not required to have a load line certificate or COI may still participate in the voluntary examination program and receive a decal annually.
- c. If you own a dredge that is over 79 feet, more than 300 gross tons, or any size dredge without propulsion, you may have additional regulations that apply and should submit an application for inspection (form CG-3752) to Sector Anchorage at the earliest opportunity.
- d. If you are considering building or buying a large dredge, please contact us *before* doing so. Sector Anchorage will assist dredge owners in determining the regulations that apply to their specific vessel.
- e. If your dredge requires the use of a towing vessel to safely maneuver, please take note that towing vessels of 26 feet or more will be required to hold a COI starting in 2018, and are also required to be operated by a credentialed master mariner.

- f. Starting in the 2018 season, Sector Anchorage's enforcement posture will deviate from previous seasons which allowed dredges leeway and time to come into compliance. The Coast Guard may take enforcement action against any vessel found not to be in compliance with federal regulations. While any vessel has the potential to be boarded by Coast Guard law enforcement personnel, vessels that are inspected or have received a voluntary safety decal from the Coast Guard are less likely to be boarded to verify compliance.
- g. All current and prospective gold dredge owners are encouraged to contact Mr. Jeff Ahlgren at (907) 428-4183 or Jeffrey.L.Ahlgren@uscg.mil at their earliest convenience to ensure they are in compliance with regulatory requirements prior to the start of the season. Our website (<http://www.pacificarea.uscg.mil/Our-Organization/District-17/17th-District-Units/Sector>) has additional gold dredge information. Inspection dates for 2018 will be posted to this website once they are determined.

S. C. MACKENZIE
Captain, U.S. Coast Guard
Officer in Charge, Marine Inspection
Western Alaska



16700
December 20, 2017

GOLD DREDGE SAFETY HANDOUT 2018

Commercial Vessel Safety Requirements for Gold Dredge Operations in Nome, Alaska

- Ref:
- (a) Customs Service Decision 79-331
 - (b) Title 46 United States Code §55109 (46 U.S.C. §55109)
 - (c) 46 U.S.C. §2101
 - (d) Title 46 Code of Federal Regulations §67.7 (46 C.F.R. §67.7)
 - (e) 33 C.F.R. Part 173
 - (f) 46 C.F.R. Subchapter I—Cargo and Miscellaneous Vessels
 - (g) 46 C.F.R. Subchapter C—Uninspected Vessels
 - (h) 46 C.F.R. §15.805(a)(1)
 - (i) 46 C.F.R. §15.820
 - (j) 46 C.F.R. §15.410
 - (k) 46 C.F.R. Subchapter M—Inspected Towing Vessels
 - (l) 46 C.F.R. Subpart 42.07
 - (m) 29 C.F.R. Subpart T—Commercial Diving Operations
 - (n) 33 C.F.R. Subchapter D—International Navigation Rules
 - (o) 46 C.F.R. Part 4—Marine Casualties and Investigations
 - (p) 46 C.F.R. Part 16—Chemical Testing

OVERVIEW: A large variety of vessels dredge for gold in waters within three nautical miles seaward of the territorial sea baseline near Nome, Alaska during ice-free months. The Coast Guard promotes the safety of vessel operators and protection of the marine environment by enforcing regulations applicable to these vessels. The specific commercial standards that apply to each vessel depend on the vessel's length, tonnage, age, area of operation, and means of propulsion. This Marine Safety Information Bulletin (MSIB) explains the Coast Guard's oversight program.

PUBLICATIONS AFFECTED: Sector Anchorage MSIB 01-17 regarding dredge operations in Western Alaska is canceled.

VESSEL TYPES: The Coast Guard considers a *dredge vessel* to be any type of floating dredge, including excavators and dive platforms. The term includes jack-up dredges that float into position, but excludes bottom crawlers. A *self-propelled dredge vessel* has its own motorized propulsion unit(s), while a *non-self-propelled dredge vessel* is a barge that relies on another vessel for movement. A non-self-propelled dredge vessel may still have some form of propulsion to assist with maneuverability or positioning, but will still be classified as non-self-propelled if

the vessel relies on a second vessel for movement beyond docking and undocking. The term *towing vessel* applies to any self-propelled vessel used to push or pull another vessel.

COMMERCIAL STATUS: The Coast Guard considers all gold dredges operating in the vicinity of Nome to be commercial (vice recreational) vessels. Per reference (a), Customs has long held that the term *dredging* means “the use of a vessel equipped with excavating machinery in digging up or otherwise removing submarine material.” Reference (b) applies the coastwise trade laws of the United States to vessels engaged in dredging, with the allowance that Alaskan gold dredge vessels may be documented under either a *registry* or *coastwise* endorsement. *Registry* and *coastwise* are both endorsements on a vessel’s Certificate of Documentation that are not *recreational* endorsements. Though vessels smaller than five net tons need not be federally documented, reference (b) implies that all dredge vessels are, by nature of their function, other than recreational. Reference (c) defines a recreational vessel as one that is “operated primarily for pleasure.” Absent regulations that differentiate between commercial and recreational gold dredging, all vessels engaged in dredging for gold will be subject to the same regulatory framework applicable to other vessels not operating purely for pleasure.

TONNAGE: Because many regulations depend on *net tonnage* and *gross registered tonnage (GRT)*, miners must know these measurements for their vessel. To determine tonnage for vessels less than 79 feet in length, use the fill-able form available at: <http://homeport.uscg.mil/Lists/Content/Attachments/293/CG-5397.pdf>. If you have limited computer access or difficulty getting the form to calculate the tonnage of your vessel, call Sector Anchorage for assistance. If vessel tonnage is not clear to an attending Coast Guard Inspector, dredge operators may be required to hire an accredited naval architect, marine surveyor, or similar professional to complete tonnage measurements (Society of Accredited Marine Surveyors, National Association of Marine Surveyors).

CERTIFICATE OF DOCUMENTATION: Each dredge vessel of five net tons or more must hold a valid Certificate of Documentation with a *registry* or *coastwise* endorsement in accordance with reference (d). Questions related to documenting a vessel should be directed to the National Vessel Documentation Center at 800-799-8362. One additional note, barges comprised of flexi-floats or similar will be considered individual vessels for documentation purposes unless they are rigidly connected (i.e.- welded) and not able to be disassembled or rearranged. If your vessel is five net tons or more, you can view fee schedules, documentation instructions, and apply for a certificate of documentation at <http://www.uscg.mil/nvdc>. This certificate must be renewed every year.

STATE REGISTRATION: A self-propelled dredge vessel of less than five net tons may, in lieu of a Certificate of Documentation, be registered with the State of Alaska in accordance with reference (e). In past years, the Coast Guard has discovered several dredges less than five net tons registered in Washington or other states. Note that if the dredge has operated in Alaska for more than 60 days, it must be registered in Alaska, not elsewhere.

INSPECTED DREDGE VESSELS: Self-propelled dredges of 300 gross tons or more, as well as manned, non-self-propelled dredges of any size are required to be inspected. Dredges are considered “manned” if they have personnel onboard for the purposes of operating or navigating the barge, including the operation of dredging equipment. Dredges subject to inspection must adhere to the requirements of reference (f) and maintain a valid Coast Guard Certificate of

Inspection (COI). Owners and operators of vessels requiring a COI should contact Sector Anchorage as soon as possible to discuss inspection plans. Please note that initial inspection is a somewhat lengthy and involved process and dredge operators are encouraged to begin well in advance of their target start date for operations. Dredges which are required to hold a COI shall call Sector Anchorage's Inspection Division in order to start the inspection process. Additionally, dredgers should note that carrying more than six passengers for hire on dredge vessels requires that the vessel be inspected as a passenger vessel. A CG-3752 (application for inspection) must be filed 30 days prior to the date of requested inspection. That application can be found here:

UNINSPECTED DREDGE VESSELS: An uninspected dredge is a vessel that is self-propelled and less than 300 gross tons. With few exceptions, most dredges in Nome fall into this category. Uninspected dredges must adhere to the general commercial vessel safety standards in reference (g) and are not required to hold a COI.

DOCKSIDE EXAMINATIONS: To help operators of uninspected dredge vessels understand and apply uninspected commercial vessel regulations, Coast Guard examiners offer voluntary dockside safety exams in Nome from June to August. Sector Anchorage will post the 2018 schedule on its webpage <http://www.pacificarea.uscg.mil/Our-Organization/District-17/17th-District-Units/Sector> and at the harbor master's office in Nome. Dredge operators may call Mr. Jeff Ahlgren at Sector Anchorage at (907) 428-4183 to schedule an examination appointment. If a dredge does not pass the exam on the first try, the examiner will provide the operator a worklist to complete prior to re-examination. The checklist of requirements to obtain a Coast Guard decal is found in Enclosure (1). Though the Coast Guard considers dockside exams voluntary for uninspected commercial vessels, owner/operators are strongly encouraged to undergo a dockside safety exam. While any vessel has the potential to be boarded by Coast Guard law enforcement personnel, vessels that are inspected or have received a voluntary safety decal from the Coast Guard are less likely to be boarded to verify compliance. Dredgers that successfully complete a gold dredge dockside safety exam will receive a one year decal to document their compliance with applicable regulations.

MERCHANT MARINER CREDENTIALS: A self-propelled dredge vessel of 200 gross tons or more must be operated by a master and chief engineer credentialed in accordance with references (h) and (i), respectively. Manned, non-self-propelled barges are required to hold a COI and manning will be determined on a case-by-case basis during the certification process. Additionally, towing vessels 26 feet or longer must be operated by a master holding a credential in accordance with reference (j). Dredge operators should also be aware that towing vessels over 26 feet are required to be inspected in accordance with reference (k) and should hold a COI in order to tow dredge vessels.

LOAD LINES: Each dredge vessel 79 feet or longer built in 1986 or later (or 150 gross tons or more if built in 1985 or before) must maintain a valid load line certificate in accordance with reference (l). Sector Anchorage will not give blanket equivalencies or exemptions from load line requirements for gold dredges. Individual operators retain the right to request an individual exemption or equivalency as outlined in reference (l). This request should be made in writing to the Sector Anchorage OCMI. These requests will be ultimately decided by our headquarters office in Washington D.C. Vessels which are required to have a load line will not be permitted to operate without one unless a waiver has been granted.

DIVE SAFETY: The Coast Guard strongly encourages gold dredge divers to follow the Occupational Safety and Health Administration (OSHA) regulations in reference (m). These regulations lay out training, operations, equipment, and recordkeeping requirements that improve diver safety and minimize risk. Two divers have died while dredging for gold in Nome (one in 2011 and one in 2014). Both deaths may have been avoided if the OSHA regulations had been followed. The lead investigator in the 2014 diver death drafted a lessons learned document from that incident, which is included as Enclosure (5).

DIVE LIGHTS: In 2015, the Nome gold dredge fleet made excellent progress toward correcting widespread non-compliance with dive light requirements. Displaying a vertical red-white-red array of all-around lights when diving at night or in restricted visibility sends a visual message to other boats in the area warning them to be aware of operations under the surface. The requirement to display lights applies to both commercial and recreational vessels. The Coast Guard has received many questions from individual miners about how to comply with the dive light requirements. Enclosure (3) provides a FAQ and information about standards for miners who have not yet met the requirement.

RULES OF THE ROAD: Dredge vessel operators are responsible for understanding and complying with the navigation rules in reference (n) and all self-propelled vessels greater than 36 feet are required to maintain a hard copy of these rules onboard while operating. Note that in both Nome's harbor and in all offshore dredging areas, International (not Inland) rules apply. Though the two sets of rules are similar, important distinctions exist. The Coast Guard publication "Navigation Rules" displays International and Inland rules side-by-side for comparison: http://www.navcen.uscg.gov/pdf/navRules/CG_NRHB_20141118.pdf.

AUTOMATIC IDENTIFICATION SYSTEM (AIS): New AIS requirements came into effect on March 2, 2015. These requirements had a delayed implementation date of March 1, 2016. Prior to this regulatory change, Nome gold dredges were exempt from AIS carriage requirements. However, the new AIS regulations extend to all commercial vessels of 65 feet or more. This regulation requires that all Nome gold dredges 65 feet or more in length have an AIS Class A device meeting Coast Guard approval series 165.155. These devices must be onboard and operational at all times while underway. Additionally, all towing vessels over 26 feet and 600 horsepower are required to maintain a Class A AIS.

AT-SEA ENFORCEMENT: The Coast Guard may conduct underway boardings on dredge vessels off the coast of Nome to ensure compliance with applicable federal regulations. If violations are identified, fines or voyage termination may result. Dredge vessels with current safety decals may still be boarded, but generally are not targeted as frequently as dredge vessels that do not have decals.

MARINE CASUALTY REPORTING: Operators of federally documented dredge vessels must immediately report certain types of accidents to Sector Anchorage in accordance with reference (o). Failure to report may result in significant fines. Enclosure (2) contains additional information about casualty reporting requirements. State-registered vessels must report deaths and serious injuries to the Coast Guard; they may do so using the same contact information provided in enclosure (2).

DRUG AND ALCOHOL PROGRAM: In accordance with reference (p), a chemical testing program is mandatory on all dredges that hold a COI, as well as uninspected self-propelled dredges over 200 GRT that are required to have a credentialed crewmember onboard. Any personnel with duties relating to the safety of the vessel must be enrolled in the random testing program. Additionally, *all* gold dredges are subject to post-casualty drug and alcohol testing in accordance with reference (o). Marine casualties resulting in damage greater than \$100,000, injury beyond first aid, or the loss of a vessel (inspected vessels or self-propelled vessels over 100 GRT) are considered serious marine incidents and all directly involved individuals are required to receive an alcohol test within two hours and a department of transportation (DOT) drug test within 32 hours. Alcohol tests can be completed using onboard test strips, while drug tests must be completed with a DOT-certified collector. There is a DOT collector on call at the Nome Hospital seven days per week in order to meet this post-casualty testing requirement. Vessel owners can contact Sector Anchorage for questions regarding drug and alcohol program requirements.

POLLUTION REPORTING: Operators must notify the Coast Guard National Response Center if oil or certain other hazardous pollutants enter the ocean, or waters leading to the ocean. This includes pollution spilled on or through the ice during winter dredging, as well as any spills from non-vessels (i.e., bottom crawlers). To report a spill, call 1-800-424-8802.

EMERGENCIES: The Coast Guard Sector Anchorage Command Center operates 24 hours a day, seven days a week, and can be reached by calling 907-428-4100.

FINAL NOTES: Please direct questions or concerns to Mr. Jeff Ahlgren at Sector Anchorage at (907) 428-4183 or by email: Jeffrey.L.Ahlgren@uscg.mil. Sector Anchorage strongly urges the dredging fleet to contact our office *prior* to building or purchasing a dredge, particularly a large dredge, in order to preemptively ensure that the prospective dredge is able to meet all regulatory requirements. If you are considering purchasing/building a dredge, please fill out the application for inspection in enclosure (5). Dredge owners are reminded that a marine surveyor or professional engineer may be a useful tool for navigating the applicable regulations.

#

Enclosures: (1) Gold Dredge Safety Examination Checklist
 (2) Marine Casualty Reporting in Western Alaska
 (3) Lights and Flags
 (4) CG-3752, Application for Inspection of US Vessel
 (5) Lessons learned from diving fatality in Nome

Copy: (1) Commander, Seventeenth Coast Guard District (dp)
 (2) Alaska Department of Natural Resources

February 12, 2018

To: Nome Port Commission,
From: Andrew Lee

I would like to bring to your attention certain issues that effect the Nome offshore mining fleet, with regards to the Coast Guard, as well as my suggestions for a temporary fix and a long term solution.

Overview

The Coast Guard has stated that they will begin strictly enforcing Code of Federal Regulations, Title 46 (Shipping), Chapter I (Coast Guard), Subchapter I (Cargo and Miscellaneous Vessels), among other regulations, in the offshore Nome area. The focus is currently on gold mining dredges, but will likely expand to fishing vessels, as it has in other parts of Alaska.

As you may be aware, larger gold mining platforms typically use barges, outfitted with digging and processing equipment. These vessels operate within three miles from shore, and within 12 miles of the Port of Nome. The water is shallower than 80 feet, mostly shallower than 45 feet. The barges are towed to their work area, set up anchors or spuds, and conduct mining operations. These vessels always are within sight of Nome and shore. If there were an emergency aboard one of these vessels, assistance is readily available via the dredge's support boat, the Port of Nome response vessel, local helicopter service, a large number of local vessels including smaller dredges. A response time of 15 to 30 minutes is expected, in any conditions when the dredge would be operating. Further, a small raft with modest propulsion launched by one of these dredging barges in an emergency could reach the safety of shore within 5 to 20 minutes. A response by the Coast Guard is typically hours, if not days away.

The regulations of Subchapter I and Loadlines are designed to protect passengers and cargo at sea. In the case of dredging platforms in the area of Nome, these regulations achieve no meaningful improvement to safety; they only cause large compliance costs, and drive away investment in Nome area projects.

It is reasonable to expect all vessels, of any size, operating offshore Nome to have basic safety requirements. Fire extinguishers, flotation devices (PFDs, rings, life boats), communications equipment (such as radios and navigation lights), and signage. However, the requirements designed for ocean voyages, carrying cargo and passengers, are not reasonable and should not be applied to these near-shore, near-port work platforms.

Economic Impacts to Nome

Overly burdensome regulations drive up the cost of projects, making them less economically viable and thus less likely to be undertaken. There are currently three larger dredges in the works: the Tuvi, the Myrtle Irene, and the Tagiuk Provider. Each of these would have significant benefit to the Nome economy. However, the Tuvi and Myrtle Irene will never meet the Loadline regulations; and it would take several tens of thousands, if not over a hundred thousand dollars each for these three to meet the Subchapter I regulations. This is money better spent in Nome, not on out of state engineering consultants and inspectors.

Each of these mining vessels has the following benefits to Nome:

- 5 to 8 new or saved good paying jobs
- 100,000+ gallons of fuel purchased per year; and the associated Port tariffs and sales taxes
- Moorage and storage fees paid to the Port of Nome
- Larger port users increases the justification for expansion of the Port of Nome.
- Tens of thousands of dollars worth of good and services purchased from Nome vendors and landlords each year, and the associated sales taxes
- Diversification of the Nome economy, helps protect Nome from fluctuation in State and Federal Spending.
- Indirect benefits as the above benefits cascade throughout the Nome economy.

Resolution in Favor of Exemptions

We encourage the Nome Port Commission and the Nome City Council to pass a resolution petitioning the United States Coast Guard to grant waivers of the Loadline and Certificate of Inspection requirements for our three vessels , and any others that the Nome Port Commission deems to meet a sufficient level of safety, that operates within 12 miles of the Port of Nome. Specifically, to request that these vessels be treated as if they were operating inside the Boundary Line.

Boundary Line Solution

Nome should have its own Boundary Line exemption. The Boundary Line determines, among other things, where these ocean rules should start to apply. By default, the Boundary Line starts at mean high tide; meaning if your feet are wet at the beach, then you are outside the Boundary Line. Nationwide, here are 35 exemptions defined in regulations that push the Boundary Line out from shore, as far as 12 miles.

Approximately 2500 miles of US coastline have these special adjustments. For most of the Northeastern US coastline, the Boundary line is 5 to 10 miles from the mainland. For the entire US coastline with the Gulf of Mexico, the Boundary Line is 12 miles from shore. In addition, many other ports and sounds have their own adjustments. Three miles offshore Norton Sound is much safer than 12 miles offshore Texas; Norton Sound is shallower, and much more protected.

Without a Boundary Line exemption, Nome is at significant disadvantage to Kotzebue for selection as a deep water port location. Kotzebue already has their surrounding waters exempted (by CFR 46.I.A Part 7 Section 180). Many other ports and entire regions have their surrounding waters carved out of the Subchapter I requirements through a Part 7 exemption.

Without a Boundary Line exemption, Norton Sound fishermen are at risk of becoming subject to these expensive and excessive requirements, as the Coast Guard continues to redefine and expand its authority. Preemptive action needs to be taken to exclude Norton Sound from these rules.

There are three logical ways to modify the Boundary Line, to benefit Nome, Norton Sound, or Western Alaska:

1. Exempt 12-mile radius or 12-mile box around Port of Nome
 - From Rodney Creek to Cape Nome, 12 miles from shore.
 - Benefits all offshore miners and creates new opportunities for local tugboat, lightering and other service providers.
 - Very safe waters, in sight of Nome, shallower than 90 feet, mostly shallower than 45 feet.
 - Similar to other small port exemptions, creates area outside of the harbor where commercial work can be done, like dredging and secondary tugboat assists, without excessively burdensome regulations designed for long voyages.
2. Exempt Norton Sound, from Cape Rodney to Sheldon Point
 - Duplicates the existing Kotzebue Sound exemption benefits for Norton Sound.
 - Boosts economic development opportunity in and between Nome, Golovin, Shaktoolik, Unalakeet, St Michaels
 - Benefits all local fishermen, offshore miners, and creates new opportunities for local tugboat, cargo, and other service providers.
 - Norton Sound is all shallower than 100 feet.
3. Exempt 12-miles out, shallow waters of Alaska's West Coast from Cape Menshikof to Point Hope
 - Helps local fishermen all along the coast
 - Water is shallower and safer than Gulf Coast exemption area; mostly less than 120 feet deep.
 - Opens up an array of local regional service providers, boosts economic development for the entire region.

Resolution in Favor of Boundary Line Adjustments

We encourage the Nome Port Commission and the Nome City Council to pass a resolution petitioning the President of the United States, Senators Murkowski and Sullivan, and Representative Don Young to, by Executive Order or Federal Law, modify the Boundary Line regulations in 46 CFR Part 7 in one or all of the ways described above.

Please let us know if you have any questions or would like more information.

Best Regards,

Andrew Lee	David Young	Shawn Pomrenke
Tagiuk Provider	Myrtle Irene	Tuvi
907-304-0216		

Areas Exempted from 46 CFR Part 7 Boundary Line

Atlantic Coast (§§ 7.10 - 7.100)

- § 7.10 Eastport, ME to Cape Ann, MA.
- § 7.15 Massachusetts Bay, MA.
- § 7.20 Nantucket Sound, Vineyard Sound, Buzzards Bay, Narragansett Bay, MA, Block Island Sound and easterly entrance to Long Island Sound, NY.
- § 7.25 Montauk Point, NY to Atlantic Beach, NY.
- § 7.30 New York Harbor, NY.
- § 7.35 Sandy Hook, NJ to Cape May, NJ.
- § 7.40 Delaware Bay and tributaries.
- § 7.45 Cape Henlopen, DE to Cape Charles, VA.
- § 7.50 Chesapeake Bay and tributaries.
- § 7.55 Cape Henry, VA to Cape Fear, NC.
- § 7.60 Cape Fear, NC to Sullivans Island, SC.
- § 7.65 Charleston Harbor, SC.
- § 7.70 Folly Island, SC to Hilton Head Island, SC.
- § 7.75 Savannah River/Tybee Roads.
- § 7.80 Tybee Island, GA to St. Simons Island, GA.
- § 7.85 St. Simons Island, GA to Little Talbot Island, FL.
- § 7.90 St. Johns River, FL.
- § 7.95 St. Johns Point, FL to Miami Beach, FL.
- § 7.100 Florida Reefs and Keys from Miami, FL to Marquesas Keys, FL.

Gulf Coast (§ 7.105)

- § 7.105 Marquesas Keys, FL to Rio Grande, TX.

Hawaii (§ 7.110)

- § 7.110 Mamala Bay, HI.

Pacific Coast (§§ 7.115 - 7.145)

- § 7.115 Santa Catalina Island, CA.
- § 7.120 Mexican/United States border to Point Fermin, CA.
- § 7.125 Point Vicente, CA to Point Conception, CA.
- § 7.130 Point Conception, CA to Point Sur, CA.
- § 7.135 Point Sur, CA to Cape Blanco, OR.
- § 7.140 Cape Blanco, OR to Cape Flattery, WA.
- § 7.145 Strait of Juan de Fuca, Haro Strait and Strait of Georgia WA.

Alaska (§§ 7.150 - 7.180)

- § 7.150 Canadian (BC) and United States (AK) Borders to Cape Spencer, AK.
- § 7.155 Cape Spencer, AK to Cape St. Elias, AK.
- § 7.160 Point Whittshed, AK to Aialik Cape, AK.
- § 7.165 Kenai Peninsula, AK to Kodiak Island, AK.
- § 7.170 Alaska Peninsula, AK to Aleutian Islands, AK.
- § 7.175 Alaska Peninsula, AK to Nunivak, AK.
- § 7.180 Kotzebue Sound, AK.