

FY 2020 Federal Priorities – Petersburg Borough, AK

X. Homeporting Future Coast Guard Vessel: Petersburg, Alaska currently serves as the Coast Guard homeport for the Island Class Cutter *ANACAPA* and the Inland Buoy Tender *ELDERBERRY*. The *ANACAPA* is very important to the community and its fleet given its ability to carry out search and rescue, and fisheries enforcement but it will soon be retired. While the Borough supported replacing the *ANACAPA* with one of the new 154' Fast Response Cutters, it is pleased with the Coast Guard's decision last year to relocate an existing 87' Coastal Patrol Boat to Petersburg. It is certainly better than the alternative of no replacement vessel and an entire loss of Coast Guard presence within Petersburg. The Borough is very thankful for the Alaska Delegation's support for the Coast Guard's decision, but we ask for continued vigilance and engagement with the Coast Guard until the vessel replacement process has been completed.

X. Secure Rural Schools (SRS): The SRS Program was created by bipartisan legislation in 2000 as a substitute for declining revenue sharing receipts due to reductions in logging on Forest Service lands. Petersburg's SRS payment last year totaled \$544,597 and is used to help offset the costs of operating its elementary, middle and high school. There is one more SRS payment before the program expires. The Borough strongly supports the reauthorization or extension of SRS. The State's national forest communities stand to lose \$10 million per year without a program extension. Furthermore, the Borough also urges the Delegation to give consideration to supporting legislation introduced in the last Congress that would establish an investment trust fund to provide SRS payments as well as make other investments in Forest Service communities.

X. South Harbor Dredging And Spoil Disposal: The Borough has entered into a 50-50 cost share study with the Army Corps to dredge its South Harbor under the Corps' Section 107. We appreciate the Delegation's support for this important project. One issue that is arising concerns disposing of the spoil once the project's dredging is complete. With an earlier project dredging the North Harbor, the Corps used a soil sampling analytical tool that was developed for the Puget Sound. It was not, in our view, an applicable tool as it was not based on the characteristics of soils found in Southeast Alaska, including its naturally-occurring compounds and elements. As a result, the Corps ruled that the dredge spoil could not be disposed of in-water at a lower cost and instead had to be land-filled after spending \$800,000 for a containment dike. For the South Harbor, we are hoping to disposal of the spoil in-water or through waterfront backfill, but are concerned about the same ruling. We are requesting that the Delegation urge the Corps to develop a soil sampling methodology that is based on actual Southeast Alaska soil conditions as opposed to those of the Puget Sound.

X. Southeast Sea Otters: Growth in Southeast sea otter populations continues to have a negative impact on our nearshore fisheries. Sea otter predation has led to significant declines in crab, urchin and shellfish species, resulting in area closures by ADF&G and an estimated loss of \$30 million in foregone catch over the last 20 years. Southeast sea otters are not listed under the ESA and are instead managed under the MMPA. There is some Native harvest of sea otters but it is well below threshold harvests for human take due in part to restrictive USFWS regulations that define sea otter products production and sale. The Borough is recommending that the Alaska Delegation explore legislative options for granting the Native American communities

greater management authority in the harvest and defining of customary and traditional use of marine mammal resources, including sea otters.

X. Infrastructure Projects: These are the community's top infrastructure projects. Should the "Infrastructure Package" being developed by Congress include specific projects, we would urge their inclusion in the legislation.

- **Scow Bay Haul Out:** This project involves development of a small vessel haul out at Scow Bay and work yard for use by commercial fishing, sport/tour charter, and private recreational vessels. Improvements include replacement of a deteriorated and inadequate ramp for hauling boats in and out of the water, vessel wash down pad, and water, sewer and electrical systems. The Borough seeks \$7.2 million for construction and has \$500,000 set aside for the local cost share. The Borough has now twice applied for Build Act grants through the Department of Transportation and, while receiving a "recommended" rating for the Department's technical panel, ultimately was not approved for funding. The Department only funded 2 out of 38 applications from Alaska for funding last year. The Borough is considering applying a third time and would appreciate Delegation support for the application again.
- **Petersburg Access Road Improvements:** This project provides the community of Petersburg with an alternate transportation corridor from the airport area to the industrial, commercial and residential areas in Scow Bay. It will enable heavy trucks, industrial equipment, and waste/recycled materials from the Alaska Marine Lines barge dock in Scow Bay to bypass downtown Petersburg. The Borough intends to put this project forward to the State of Alaska for future inclusion into the State Transportation Improvement Plan ("STIP"). The total project cost is \$5.2 million.

X. British Columbia Mining: The Borough continues to be concerned over the increased mining development in British Columbia and its potential impact on Southeast Alaska watersheds and fisheries. The Borough appreciates and supports Delegation continued involvement with the Canadian government and British Columbia province to ensure that proper water quality measurement tools are in place to detect water quality changes where mining is occurring as well as clean up pollution left over from older mines in the province.

X. Pink Salmon Disaster Assistance: The Governor has determined that certain Alaska coast communities (including Petersburg and other SE communities) were negatively affected in 2016 by poor pink salmon returns. The Borough supported the Department of Commerce's determination that a fisheries disaster in the 2016 pink salmon fishery occurred and appreciates the disaster relief funding secured by the Delegation in FY 2018. The State submitted a fisheries disaster spend plan totaling \$56 million to the Department of Commerce in the late fall last year. We are concerned though about the length of time it has taken the Department of Commerce to approve the State's spend plan. We request that the Delegation urge the Department to approve the plan as expeditiously as possible.

X. PILT: PILT provides partial compensation for the loss of revenue to communities with large Federal property in-holdings which cannot be developed and which are exempt from local

property taxes. Petersburg's FY 2018 PILT payment was \$574,079 with the FY 2019 payment coming later this year. We urge continued support for full funding of PILT in FY 2020 appropriations. We also urge support for draft legislation supported by the National Association of Counties that would adjust the PILT formula to increase compensation to localities such as ours that have high Federal land ownership but a low population base. Such an adjustment would more fairly compensate localities that do not have the benefit enjoyed by larger PILT-recipient localities in terms of greater population and tax bases along with more diversified economies.

X. Essential Air Service: Without the Essential Air Service program, Petersburg would likely lose regular daily air service provided Alaska Airlines. With the recent FAA authorization bill enacted combined with Federal appropriations over the last couple of years, EAS has moved onto more stable footing after threats to terminate it had gained ground several years ago. Nonetheless, the Borough urges the Delegation to oppose any future effort to cut or terminate the program.

X. Petersburg Medical Center Construction: Petersburg Medical Center (PMC) is a small critical access hospital that has been operating in Petersburg since 1917. The current hospital was built in 1955, renovated in 1983, has 109 full-time equivalent employees and includes the hospital, long-term care facility, emergency room, and primary health clinic. In 2015, PMC contracted for a facility condition assessment revealed that, in addition to lack of space, the existing facility and its systems are at or beyond their service life and at risk of catastrophic failure. The PMC has completed a master plan with funding from the Denali Commission that calls for a completely new facility or major renovation with new construction and phased remodeling. PMC wants to keep the Delegation informed as the replacement project proceeds into its next phases. Should PMC proceed with seeking Federal funding through USDA's Community Facilities Program or other Federal sources, the Borough would like to request the Delegation's support for the application.