

Prince William Sound Science & Technology Institute - Acquisition and Construction of PWSSC Facilities **FY2020 Request: \$200,000**
Reference No: 62473

AP/AL: Appropriation **Project Type:** To be determined

Category: To be determined

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Catherine Reardon

Estimated Project Dates: 07/01/2019 - 06/30/2024 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

Acquisition and construction of Prince William Sound Science Center (PWSSC) facilities for their work related to the restoration of natural resources and services injured as a result of the Exxon Valdez oil spill and any affiliated research.

Funding:	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Total</u>
1114 EVOS	\$200,000						\$200,000
Rest							
Total:	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

In the 29 years since the Exxon Valdez ran aground on Bligh Reef in Prince William Sound, research has made at least one thing clear: the region did not recover as predicted, and it is still struggling to recover in various ways. For example, a 2017 analysis of the impacts of the lost PWS herring fishery (1989-2016) by Dr. Sarah Kruse of Resilient Economics LLC calculated the following:

The community of Cordova held a greater proportion of herring permits than all other communities—in most cases by an order of magnitude across permit types—and thus experienced disproportionate impacts due to the closure of the herring fishery.

Estimated economic losses to all herring permit holders range from \$50.0 - \$63.4 million.

The estimated lost permit value suffered by Cordova is four times higher than the next most impacted community (Homer).

Estimated direct economic impacts from loss of PWS herring ex-vessel revenues range from \$395.5 - \$438.8 million.

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Estimated impacts on total output (i.e. direct, indirect and induced, AKA “the multiplier effect”) for harvest and primary processing range from \$822 – \$995 million.

Cordova suffers the impact of 40% of the lost ex-vessel value, while the communities of Seward, Homer, and Valdez bear 7%, 4%, and 3% of the losses, respectively.

PWSSC is one of the largest wintertime employers in Cordova, and Prince William Sound’s only non-profit with a staff of PhD credentialed scientists. PWSSC has generated over \$90 million in expenditures since its inception in 1989, with an estimated direct, indirect, and induced impact on the Alaska economy of over \$106 million.

A five-year evaluation of projects that PWSSC has implemented between 2012-2016 shows that 81% of PWSSC research expenditures (over \$17 million) were on oil spill-related projects. There is no other entity that devotes almost the entirety of its portfolio to understanding the continuing impacts and status of recovering ecosystems in the spill-affected area. The work PWSSC conducts in the region and the economic contribution it makes to Prince William Sound and Alaska is one of the positive legacies post-spill.

We request you advance legislation to appropriate the unexpended and unobligated remainder of the funds in the Exxon Valdez Restoration Fund, established within the Department of Revenue, to PWSSC (approximately \$197,600). These funds would be provided to the PWSSC by a grant through the Department of Commerce, Community, and Economic Development to support the acquisition and construction of PWSSC facilities for their work related to the restoration of natural resources and services injured as a result of the Exxon Valdez oil spill and any affiliated research.

Some of the funds in the restoration fund were set aside to be used, in part, for the reopener claim. The governments decided not to proceed with the reopener in 2016. We have been in contact with the Department of Law and the attorney with whom we have spoken said that they would have no objections to this allocation of funds to PWSSC for the stated uses and that the Department of Law has not had an issue with using Exxon Valdez criminal funds for capital projects.

***Sec. 7(b).** DEPARTMENT OF COMMERCE COMMUNITY AND ECONOMIC DEVELOPMENT. The unexpended and unobligated balance of income accrued on or before June 30, 2019, of the Exxon Valdez oil spill restoration fund, estimated to be \$200,000, is appropriated to the Department of Commerce, Community, and Economic Development for payment as a grant to the Prince William Sound Science and Technology Institute, dba Prince William Sound Science Center, for the planning and construction of a facility, including any necessary acquisition of land, to be used for research related to the restoration of natural resources and services injured as a result of the Exxon Valdez oil spill.

