STATE OF ALASKA

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DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

December 15, 2004

Via Hand delivery, Facsimile and U.S. Mail

Douglas R. Davis, Esq.
Herbert H. Ray, Esq.
Keesal, Young and Logan
1029 West Third Avenue, Suite 650
Anchorage, AK 99501

Re: M/V *Selendang Ayu* Incident

Dear Sirs:

We understand you represent the responsible parties, the owners and operators of the M/V *Selendang Ayu,* and their guarantors regarding the M/V *Selendang Ayu* incident. Attached is a table summarizing Natural Resource Damage Assessment pre-assessment work currently proposed by the State of Alaska and Federal Natural Resource Trustees for the incident. The total estimated cost of this work is $1,956,188.

Because of the need to proceed promptly with pre-assessment activities, it is necessary that you advise Gina Belt and Alex Swiderski in writing (by fax to Gina at 907-271-5827 and Alex at 907-278-7022) by 12:00 p.m. Alaska time on Monday, December 20, 2004, whether your clients agree to fund the work described in the table. If no response is received or if your clients decline to fund the work, this request will be submitted to the National Pollution Funds Center for funding from the Oil Spill Liability Trust Fund, as outlined in Section 1012 of the Oil Pollution Act of 1990.

Sincerely,

GREGG D. RENKES
Attorney General

By:
Alex M. Swiderski
Assistant Attorney General

for
Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
For the federal natural resource trustees

Attachment

cc: Pamela Bergmann, U.S. Department of the Interior
Lisa Toussaint, U.S. Department of the Interior
Rowan Gould, U.S. Fish and Wildlife Service
Rob Wolotira, U.S. Department of Commerce
Craig O'Connor, U.S. Department of Commerce
Mark Fink, Alaska Department of Fish and Game
Clark Cox, Alaska Department of Natural Resources
Dale Gardner, Alaska Department of Environmental Conservation

The following table summarizes the estimated costs of Natural Resource Damage Assessment pre-assessment activities proposed by the U.S. Department of the Interior, U.S. Department of Commerce, and State of Alaska for the M/V *Selendang Ayu* incident. The time period for the performance of this work is from December, 8, 2004, through February 28, 2005. The estimated costs for these activities are based on currently available information. As the incident unfolds, modifications to the estimated costs may be necessary. In light of the characteristics of this incident and the type of fuel involved, the trustees may identify further pre-assessment needs in the coming months. We will inform you of additional pre-assessment activities as the need for them arises, in the event you agree to fund the activities identified in the following table. Logistics and travel costs reflect the remote location, weather conditions, and lack of infrastructure in the vicinity of the spill.

ITEM/ACTIVITY	**ESTIMATED COST ($)**	**RESPONSIBLE AGENCY**
Provide ship-based working platform for marine-based surveys and field station for 60 days for all trustees (vessel charter of M/V Tiglax for 66 days at $396,660 plus skiff operators and supplies)	*454,415*	*DOI-FWS*
Conduct shore-based beach surveys to develop database on wildlife/habitat impacted and extent of oiling ($544 per day for 7 scientists at 60 days plus travel and indirect)	*346,172*	*DOI-FWS*
Conduct skiff-based shorelines surveys to develop database on wildlife/habitat impacted and extent of oiling ($544 per day for 4 scientists at 60 days plus travel and indirect)	*206,733*	*DOI-FWS*
Conduct ship-based pelagic surveys to develop database on wildlife/habitat impacted and extent of oiling (complete as time and weather allow with scientists identified for skiff- and shore-based surveys)	*0*	*DOI-FWS*
Conduct aerial coastal and pelagic surveys to develop database on wildlife/habitat impacted and extent of oiling (aircraft charter for 8 weeks at $138,500 plus pilot and 3 observers at $90,347, plus travel and per diem and indirect of 30.5%)	*399,897*	*DOI-FWS, NOAA*
Develop pre-assessment plans, provide trustee liaison with Unified Command,, administrative support, record-keeping and coordination ($544 per day at 60 days plus travel, and overhead/administration)	*95,780*	*DOI-FWS*

ITEM/ACTIVITY	ESTIMATED COST ($)	RESPONSIBLE AGENCY
Collect and analyze intertidal resources of Makushin Bay to determine whether intertidal biota has been exposed to fuel (analytical chemistry of 60 samples at $30,000, 2 personnel at $544 per day on vessel at $65,280 for 60 days, and indirect of 30.5%)	*137,093*	*DOI-FWS, NOAA, ADFG*
Data management to facilitate the consolidation of all data collected by all trustees during pre-assessment (contracted for 244 person-hours)	*29,430*	*NOAA*
NOAA field support personnel, ship-based for a NMFS biologist to do field surveys (2 scientists for 60 days at $66,000 plus travel and per diem)	*90,000*	*NOAA*
NOAA field support personnel, aerial-based for a NMFS biologist (marine mammals specialist) to do aerial marine mammal surveys ($500 per day at 60 days plus travel and per diem)	*53,460*	*NOAA*
NOAA NRDA coordinator/team for coordination, legal consultation, and data imagery related to NOAA trustee resources ($288.60 per hour for a 25-hour week at 8 weeks, $22 per hour per 10-hour week at 8 weeks, and $312 per hour for a 6-hour week at 8 weeks)	*79,177*	*NOAA*
Technical review of pre-assessment studies and sampling designs ($44 per hour at 90 hours, $55 per hour at 45 hours, $50 per hour at 90 hour plus 13% overhead)	*10,960*	*ADFG*
Tanner crab abundance surveys in Makushin Bay to develop database on wildlife/habitat impacted and extent of oiling ($32 per hour at 180 hours plus 13% overhead)	*5,760*	*ADFG*
Pre-assessment coordination and liaison for ADFG trustee resources ($40 per hour at 90 hours plus 13% overhead)	*6,242*	*ADFG*
Pre-assessment coordination, liaison, and technical support for determining land status and identifying ADNR resources at risk (207 person-hours at $75 per hour)	*15,525*	*ADNR*
Pre-assessment planning and coordination for State Trustees ($107.99 per hour at 45 hours)	*4,860*	*ADOL*

ITEM/ACTIVITY	ESTIMATED COST ($)	RESPONSIBLE AGENCY
Serving as the initial Federal Lead Administrative Trustee, and providing legal consultation for DOI trustee resources, ($55 per hour at 140 hours and $60 per hour at 100 hours plus indirect at 17% plus travel)	*20,684*	*DOI-OEPC, DOI-SOL,DOI-FWS*
TOTAL	1,956,188	All trustees

DOI = U.S. Department of the Interior
OEPC = DOI Office of Environmental Policy and Compliance
FWS = Fish and Wildlife Service
SOL = DOI Regional Office of the Solicitor
NOAA = National Oceanic and Atmospheric Administration
ADFG = Alaska Department of Fish and Game
ADNR = Alaska Department of Natural Resources
ADOL = Alaska Department of Law