

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2025-09

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S FEDERAL PRIORITIES FOR FISCAL YEARS 2026 AND 2027

WHEREAS, the City of Unalaska calls upon the federal delegation and agencies to assist in obtaining funding or assistance in resolving issues faced by the community and the commercial fishing industry; and

WHEREAS, the City of Unalaska on a yearly basis prioritizes our project requests to be included in a congressional briefing memo and capital projects for the city, in order of priority; and

WHEREAS, Captains Bay Road is a heavily used commercial corridor vital to the community's economic welfare with safety concerns and economic development potential which require road improvements, water, sewer and electric utilities. The City urges continued support of a Congressionally Directed Spending Appropriations for this project; and

WHEREAS, Unalaska's electric infrastructure is in need of upgrades due to aging and the incorporation of new generation sources to support growing industry and has a \$2.5 million Congressionally Directed Spending Appropriation that is presently on hold due to the President's Executive Order regarding federal grants; and

WHEREAS, the City remains keenly interested in the development of the Makushin Geothermal resource on the island, in order to provide renewable energy for the future power needs of the community and the commercial seafood harvesting and processing sectors of the #1 Commercial Fishing Port in the United States. Funding is needed to conduct drilling and testing in order to prove the long-term viability of the resource; and

WHEREAS, Unalaska's shoreline is threatened from serious erosion at numerous locations, placing critical infrastructure as well public and private property at risk and needs a US Army Corps of Engineers Coastal Erosion Feasibility Study; and

WHEREAS, the City and the Ounalashka Corporation have had success in winning EPA competitive grants for assessments and cleanup of contaminated sites in Unalaska due to U.S. military activity dating back to WW II and need additional funding to continue cleanup of brownfield sites; and

WHEREAS, a Solid Waste Gasifier is needed because current active landfill cells are reaching capacity. The City of Unalaska has worked with the Department of Energy National Renewable Energy Laboratory to consider the best waste management approach for our remote location. Operating costs for this project will eventually be recovered by extending the landfill lifespan; and

WHEREAS, the seafood harvesting and processing industry is the economic driver of our community, and imports of Russian seafood and salmon bycatch issues threaten our harvesting and processing sectors.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby identifies its federal legislative priorities as:

CAPITAL PROJECT FUNDING PRIORITIES

1. Captains Bay Road Paving - \$5 Million
2. FY25 CDS Funding Continue support for CDS funding of \$3.4 million pending in the FY 2025 Senate Interior Appropriations Bill for replacement of the Captains Bay drinking waterline
3. Unalaska Electrical Distribution System Upgrades – \$2.5 Million CDS Funding
4. Geothermal Investigations - \$2 Million
5. US Army Corps of Engineers Coastal Erosion Feasibility Study - \$500,000
6. Cleanup of Environmentally Contaminated Sites - \$2 Million
7. Solid Waste Gasifier - \$2 Million

FISHERIES PRIORITIES

1. Urge the European Union to ban Russian Seafood Imports; and
2. Support the Fisheries Management Process under the Magnuson-Stevens Act to oppose judicially or legislatively mandated bycatch standards for groundfish fisheries under the jurisdiction of the North Pacific Fishery Management Council.

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top Capital Project Funding Priority as the Captains Bay Road Paving Project.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 11, 2025.


Alejandro Tungul
Vice Mayor

ATTEST:


Estkarlen P. Magdaong, CMC
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
Thru: William Homka, City Manager
From: Seb O’Kelly & Rick Marks
Robertson, Monagle & Eastaugh
Date: February 11, 2025
Re: Resolution 2025-09, Recommended Federal Projects & Priorities, FY 2025-FY 2026

SUMMARY: Our recommended Federal priorities, including projects, issues and programs are below. We welcome the City’s review, and any modifications, additions or subtractions to these priorities. The City’s endorsements will set the agenda and meetings for the DC visit in March and for the project/program requests to be submitted for the FY 2026 cycle. Please note – the deadline for the City to make Congressionally Directed Spending (CDS) requests with Senator Murkowski is February 14. We will make the online submissions on behalf of the City but need Council approval as well as additional information in some cases as noted below.

PREVIOUS COUNCIL ACTION: Council last adopted a State Priorities resolution in January 2043 identifying priorities at the time (Resolution 2024-06).

BACKGROUND: The outside influences on this resolution include what happens in Washington, because if you receive funding from the Federal Government, it can be leveraged to obtain funding from the State Legislature. The legislature likes to see community participation as well. The City of Unalaska is fortunate in that it has money to participate. There are many communities in the state who cannot meet the match requirements of many grant programs. Also, just because we ask for money from the State and Federal legislative and congressional processes does not mean we are not also looking for grants. Ports applied to the Harbor Matching Grant program \$5M.

DISCUSSION: The FY 2025 Appropriations Bills (plus the City’s two Congressionally Directed Spending (CDS) projects in the Senate bills) are still pending while the Federal government operates under a Continuing Resolution until March 14. In addition to any FY 2026 CDS requests, Senator Murkowski has asked us to resubmit those requests while Congress is working on final FY 2025 appropriations. We don’t foresee a government shutdown, but it cannot be ruled out.

Projects

1. Captains Bay Road Paving – There is pending \$5 million in CDS project funding in FY 2025 Senate Appropriations legislation, courtesy of Senator Murkowski. We recommend continuing support of the project for FY 2025 and submission of an additional \$10 million for FY 2026. Because of the high cost of the project, it will need to be funded in stages and include both Federal and State funding. We could use additional background from the City on the use of the funding to be requested in FY 2026.
2. Continue support for CDS funding of \$3.4 million pending in the FY 2025 Senate Interior Appropriations Bill for replacement of the Captains Bay drinking waterline

3. Unalaska Electrical Distribution System -- There is \$2.5 million pending in CDS funding in FY 2023 Senate Appropriations legislation for electrical distribution upgrades, courtesy of Senator Murkowski. We've been informed this money is on hold due to President Trump's Executive Order but that it should be released soon. We recommend vigilance on this matter.
4. Geothermal Investigations: We understand that City staff have been working with geothermal company, GeothermEx, to develop a proposal to use advanced scanning and other detection technologies to survey and identify geothermal resources in the Unalaska region, including areas that may be easier and cheaper to access than the Makushin plateau. We also understand that there is tentative agreement with the Tribe and the Dept. of Energy to transfer \$1 million of the prior CDS funding the Tribe received to be combined with a request for additional CDS funding sought in FY 2026 that would be directed to the City. We recommend the City request an amount of \$2 million to \$5 million for FY 2026. However, we need additional information from the City on the proposed GeothermEx work and cost, keeping in mind the upcoming February 14 deadline. If that deadline is not met, the project request will have to wait until next year.
5. Army Corps of Engineers Coastal Erosion Feasibility Study: We understand that the Fall storm has significantly increased an already serious erosion issue at numerous locations in Unalaska, placing critical infrastructure as well public and private property at risk. We recommend requesting \$500,000 in Army Corps General Investigations funding to start examining areas that are at greatest risk to see where a Corps erosion control and shoreline protection project could be beneficial.
6. EPA Brownfields, EPA ANCA, & Army Corps FUDS Contaminated Sites Programs: The City and the Ounalashka Corporation have had success recently in winning EPA competitive grants for assessments and cleanup of contaminated sites in Unalaska due to U.S. military activity dating back to WW II, with funds coming from either EPA's Brownfields Program or its new ANCSA Contaminated Sites Program. The Delegation has supported City and Ounalashka Corp. applications with the agency, but more site assessments and clean ups will be necessary in the future. The FY 2025 Senate Interior Appropriations Bill provides \$46.8 million and \$22 million, respectively, for Brownfields Categorical Grants and ANCSA Contaminated Sites. We recommend that the City continue supporting these programs as well as advocacy with the Delegation in support of cleanup project implementation with EPA as well as Army Corps FUDS funded projects in Unalaska.
7. Solid Waste Gasifier: This project would reduce the community's growing solid waste stream as well as the near capacity buildup at the City's landfill. The amount requested for FY 2026 is \$2 million.

Fisheries Issues

- Russian Seafood Imports: One of the "asks" of the AK seafood delegation, including Mayor Tutiakoff, that met with the Secretary of Commerce last May was to urge her to press Europe to copy the U.S.'s import ban of Russian seafood. After talks with the E.U. at the G7 Summit in June, the E.U. issued a communique expressing concern over Russia's environmentally unsustainable and unfair trading practices regarding fish and seafood. We recommend continued advocacy with the AK Congressional Delegation to see that

concern translated into actual action and for this issue to be made a priority with the Trump Administration. Given that the E.U. is a large market for seafood, a Russian import ban would help the U.S. seafood industry. We also need the Delegation to maintain oversight over the U.S. Customs & Border Patrol and its inspections process to ensure that the Russians do not route their seafood into the U.S. through another country, as had been the case with China until recently. At the January 29th Senate Commerce Committee confirmation hearing for Howard Lutnick to become Secretary of Commerce, Senator Sullivan pressed the nominee for a continued commitment to address Russian seafood import issues that are harming Alaska communities.

- **Groundfish Trawl Bycatch:** We encourage the City to continue to support the fishery management process under the Magnuson-Stevens Act and to oppose judicially- or legislatively-mandated bycatch standards for groundfish fisheries under the jurisdiction of the North Pacific Fishery Management Council. We recommend that the City support – the process underway at the NPFMC to establish salmon bycatch reductions and avoidance measures; the work of the Alaska Salmon Research Taskforce to determine the scientific causes of the decline of a number of salmon species/runs in the State; funding for NOAA's Bycatch Engineering Reduction Program to develop new trawl gear technologies and techniques that minimize bycatch; and funding for genetic testing of chum salmon in the BSAI to determine country of origin given the views that many hold that the chums being caught as bycatch are originating in Russia and Japan, not Alaska.
- **North Pacific Right Whales Critical Habitat Designation:** NOAA is currently considering expanding the ESA critical habitat area for Eastern North Pacific right whales off AK. NOAA released a research paper in August cataloging right whale sightings between 2006 and 2023. An expanded critical habitat designation could lead to reduced vessel speed limits and pot gear restrictions in Unalaska area waters in order to reduce whale strikes and entanglements. We urge that the Delegation engage with NOAA in the new Administration to learn what its plans are on this issue.
- **Tariff Issues:** On February 2nd President Trump announced his plans to apply tariffs to U.S. imports of products from Canada (25 percent), Mexico (25 percent) and China (10 percent). The proposed tariffs on Canada and Mexico have been delayed for 30 days pending actions to be taken by both countries to stem the flow of fentanyl and illegal immigrations into the U.S. The Chinese tariffs have gone into effect and China has announced retaliatory tariffs of 15 percent on U.S. coal and liquefied natural gas imports and a 10 percent tariff on U.S. crude oil, agricultural machinery, cars and pickup trucks. Fortunately, the Chinese has not targeted U.S. seafood. We will continue to monitor developments, but it would be constructive to let the Delegation know of its concern related to Alaska seafood products going to China that could be negatively impacted by Chinese retaliatory tariffs in the future.
- **National Seafood Strategy:** In 2023 NOAA published a final national strategy designed to help the commercial fishing industry remain a viable sector of the economy. Back in October 1st the agency published their implementation plan for this initiative; and on October 9th they released a specific economic snapshot of the industry in AK. In this report the agency estimates a \$1.8 B loss during 2022-23 and a 50% decline in profitability since 2021. We should remain engaged with the AK Congressional Delegation to continue to press NOAA as to how the agency can best support Alaska's industry and fishing-dependent coastal communities in the context of this initiative. Once again, during the

January 29th Senate confirmation hearing for Commerce Secretary nominee Howard Lutnick, Senator Sullivan requested strong support from the Department of Commerce for the AK seafood industry.

- Fisheries Disaster Relief: Fisheries disaster relief provided in recent years by Congress for BSAI fisheries, most notably for crab species, has been critical in softening the severe economic impact to the harvesting and processing sectors, as well as offsetting some of the loss in local raw fish taxes to fishery-dependent communities such as Unalaska. We urge that in the current climate of budget-cutting that these funds be protected.
- NOAA Fisheries Surveys: We want to make sure that in discussions over NOAA's status and funding with the new Administration that NOAA fisheries surveys for groundfish and crab managed by the North Pacific Fishery Management Council are preserved. These surveys provide the data necessary to manage the annual quota-based system that drive sustainability of our and other BSAI Alaska communities' from both an economic and ecological standpoint.

Healthcare Issues

- Last fall, the Council discussed healthcare issues as a growing concern for Unalaska and its residents but did not develop recommendations or a course of action for us to take at the Federal level. We stand ready to assist on this issue but need more specific guidance from the Council.

Dutch Harbor Entrance Channel & Unalaska Marine Center (UMC) Dock Dredging

- We understand the Corps will begin the entrance channel dredging project in June and that the City will seek to "piggyback" its dredging at the UMC dock (note: this is not eligible for Corps funding as it is not considered a General Navigation Feature). The work will be done after the entrance channel dredging is completed and the Corps contractor is on site. This approach would save the City \$4.3 million in mobilization costs, but the appropriate Federal permits will be needed. We urge that the City make it priority with the Delegation to seek its help in the timely processing of the permits.

UMC MARAD Port Infrastructure Development Program Grant (PIDP) Application

- The City in partnership with Matson last year applied for a PIDP grant improving and modernizing UMC Positions 5-7 but was unsuccessful. We are requesting the Delegation's support with DOT/MARAD on any re-submitted application.

M/V Selendang Ayu Oil Spill

- On behalf of the City, the Mayor recently submitted public comments in the form of a letter to the NRDA Trustees' Draft Damage Assessment and Restoration Plan and Environmental Assessment for oil spill recovery and improved emergency response. The letter recommends administrative funding support to maintain the operations and function of the Aleutian Islands Waterways Safety Committee as well as urges that the EA's Preferred Alternative for creation of a new Aleutian Watch Program be conducted in partnership with the Marine Exchange of Alaska. This goal is to improve AIS vessel tracking in Aleutian Island area waters, particularly by foreign flagged vessels.

Current AIS requirements (at Title 33 Section 164) do not apply to foreign vessels on voyages through U.S. navigable waters if they are not destined for a U.S. port. However, foreign vessels on an international voyage (incl. through U.S. waters) that are >300 gross tons; or are > 150 gross tons carrying at least 12 passengers, must comply with the International Convention for the Safety of Life At-Sea (SOLAS) which requires use of an AIS Class A unit. We recommend that similar safety standards be applied to all foreign flagged vessels entering U.S. waters that require use of an AIS device regardless of whether the vessel is destined for an Alaskan or U.S. port.

Arctic Security

- Unalaska is at the front lines of the U.S.- China/Russia strategic challenge. 2024 again saw Chinese/Russian joint aviation and vessel military exercises in our area. The Port of Dutch Harbor is the only deep draft, year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait and has been designated a “Potential Port of Refuge.” Unalaska used to host a Naval base (closed after WW2) and is interested in that role again should our strategic challenges with China and Russia grow to where expanded U.S. military presence is necessary in the region.
- As the Arctic ice sheet further retreats due to climate change, the Northwest Passage over the top of Alaska and Canada starts to become a viable trade route that would save on time and shipping costs for certain transit routes. Unalaska could be a waypoint for refueling, vessel maintenance and repair, crew rotation, search and rescue or oil spill response once the Northwest Passage becomes viable.
- The City has been asked by the Navy to produce an in-depth analysis of its port capabilities. We recommend to the Delegation that Unalaska receive consideration and awareness as an Arctic Port as part of the long-term evolution of the Arctic in security, trade, research and natural resource matters. We request support for partnerships with the Navy to lease Unalaska port facilities.

Airport Master Plan

- In 2023, the State of Alaska released its Final Technical Report of the Master Plan for improvements to the Tom Madsen Unalaska Airport to improve its safety and operation. These improvements totaling \$187 million are to be implemented in three phases over the next 20 years. While the Master Plan recommends a number of valuable improvements, from the City’s perspective it fails to address two important issues – 1) the need for improved avionics controls that would help avoid the numerous cancellations caused from poor visibility as well as would provide more landing time due to current restrictions on non-daylight flights and 2) not considering any larger, alternate model aircraft to the existing types/sizes flying into Unalaska. We recommend that the Delegation monitor the NEPA process to make sure City concerns are addressed in the final project selection.

Coast Guard

- A long-standing goal of the city is for the 7 person USCG Marine Safety Unit (recently upgraded from a Marine Detachment) in Unalaska to become an accompanied family duty. At the request of Senator Sullivan, the USCG conducted a site visit and follow-on written

evaluation in 2023 that did not favor the change in status. The Trilateral Group offered some corrections and additional information to the Coast Guard evaluation. We recommended language for inclusion in the next Coast Guard Authorization Bill that would not mandate but encourage the Coast Guard to grant accompanied family duty station status to an individual Coast Guard Member who requests it and is based “in a remote rural community.” We recommend continued support for this effort.

ALTERNATIVES: Council may choose to add or subtract projects, as well as modify the priorities.

FINANCIAL IMPLICATIONS: There are critical issues happening in the commercial fishing industry that may ultimately impact revenue streams for the City of Unalaska. There are also projects for which the city needs funding assistance.

LEGAL: No legal review required.

PROPOSED MOTION: I move to adopt Resolution 2025-09...

CITY MANAGER COMMENTS: I support the staff recommendation.

ATTACHMENTS: