

## THE CONSERVATION FUND

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October 4, 2004

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Regional Director  
U.S. Fish and Wildlife Service  
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DOYON, LTD.  
LANDS & NATURAL RESOURCES DEPT

Dear Jim and Rowan:

The Conservation Fund's agreement with Doyon, Limited and the U.S. Fish and Wildlife Service to facilitate land exchange negotiations between the parties for certain lands within the Yukon Flats National Wildlife Refuge has concluded. I want to thank both Doyon and the Service for allowing The Fund to facilitate these negotiations.

Your negotiators have reached an agreement in principle, which I understand still must be reviewed by each side's executive officials followed by public review and comment. The negotiations were challenging, from my perspective, with each side holding out for what it needed to make an agreement worthwhile. I believe the parties achieved that.

Going into the negotiations I stated The Fund believes there is a very real opportunity to craft an exchange, which clearly benefits fish, wildlife, habitat and long-term National Wildlife Refuge management. Doyon owns over 1 million acres in the refuge, much of it with waterfowl values of national and international significance previously identified for resource protection or acquisition by FWS. Under the agreement in principle, Doyon will transfer ownership to a substantial portion of the high value lands to FWS. The agreement in principle also creates a mechanism to fund the future acquisition of additional important habitat in the Yukon Flats and other Alaska refuges.

The same exchange can produce significant economic and social benefits for Doyon, Limited, its shareholders and the communities of the Upper Yukon Basin. More broadly, a successful agreement will have statewide economic benefits. Finally, an exchange agreement can be a valuable model for other mutually beneficial exchanges between public and private landowners. I believe the agreement in principle reflects the type of land exchange envisioned by the Congress that passed ANILCA when it established new Conservation Units in Alaska, which surrounded prior existing Native

owned lands. Refuge purposes are enhanced and economic opportunities for local communities are improved. These are all laudable outcomes from an agreement well crafted. The agreement in principle achieves these outcomes, and if the final agreement incorporates these features, then the parties will have secured a win-win exchange.

At the outset of these negotiations, The Conservation Fund's reason to be involved was to facilitate an exchange which:

1. Benefits significantly and demonstrably fish, wildlife and habitat and the purposes of the Yukon Flats National Wildlife Refuge by securing habitat of greater value to achieving Refuge purposes than that, which is relinquished.
2. Increases Doyon, Limited's opportunity to pursue its economic interests in the region and benefits its shareholders.
3. Provides potential for increased community sustainability and well being in the Upper Yukon Basin.

Based on the agreement in principle, we believe those reasons have been realized.

The Conservation Fund is well aware there will be detractors of such an agreement since it facilitates economic development, specifically oil development within the Upper Yukon Basin. We believe in the conservation and sustainable community benefits of this exchange and accordingly are willing to suffer any criticism that may arise.

We believe the land exchange, as outlined in principle, has great potential for a wide range of natural resource, economic, social and public benefits. While extensive work remains to effectuate an exchange, the agreement in principle has set the stage to help Doyon realize the promise of ANCSA and the Yukon Flats to better achieve the purposes for which Congress through ANILCA established the Refuge. We appreciate the opportunity to facilitate these challenging negotiations. The agreement in principle demonstrates leadership by both parties. We wish you success in completing the exchange.

Sincerely,



Glenn Elison  
Alaska State Director