



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Ocean Service
1305 East West Highway
Silver Spring, Maryland 20910

July 24, 2023

Phillip Zavadil, City Manager
City of Saint Paul
Post Office Box 901
950 Gorbach Street
Saint Paul Island, Alaska 99660

Dear Mr. Zavadil:

The National Oceanic and Atmospheric Administration (NOAA) and the U.S. Department of Commerce (DOC) acknowledge receipt of your letter dated April 3, 2023, concerning the status of the City of Saint Paul's pending request for forgiveness of its 1987 Coastal Energy Impact Program (CEIP) loan. The CZMA recognizes three forms of repayment assistance: (1) loan modification; (2) loan refinancing; and (3) a recommendation by NOAA to Congress to enact legislation to forgive the loan.

As you are aware, pursuant to section 308 of the Coastal Zone Management Act (CZMA), repayment assistance is available if the Secretary of Commerce, acting through authority delegated to NOAA's Office for Coastal Management (NOAA OCM) finds that the actual increases in employment and related population resulting from coastal energy activity and the facilities associated with such activity do not provide adequate revenues to enable such State or unit to meet such loan obligations in accordance with the appropriate repayment schedule.

In a letter dated April 16, 2020, NOAA OCM informed the City of its preliminary repayment assistance determination and indicated that NOAA and the DOC were prepared to work with Congress to take the necessary steps to forgive the loan once all remaining funds directly related to the loan were fully recovered. In May 2020, NOAA OCM acknowledged receipt of \$150,000 from the City of Saint Paul's reserve fund, which represented the only remaining funds directly linked to the 1987 CEIP loan. NOAA is therefore prepared to proceed with option (3) and recommend to Congress that it enacts legislation to forgive St Paul's CEIP loan.

If you have any questions, do not hesitate to contact John King of NOAA's Office for Coastal Management at John.King@noaa.gov or 301-509-0590.

Sincerely,

Nicole R. LeBoeuf
Assistant Administrator
for Ocean Services and Coastal Zone Management

