

AGREEMENT TO CREATE AND ESTABLISH
THE OREGON FISHERMEN'S UNDERSEA CABLE COMMITTEE

Certain Oregon Commercial Fishing Interests in the Newport/Yaquina Bay area, the Garibaldi area, and the Columbia River area and WCI Cable, Inc./Alaska Northstar Communications, LLC (WCICI/ANC) hereby enter into this Agreement to create and establish the Oregon Fishermen's Undersea Cable Committee (OFUCC) and to propound and declare its goals, duties, authorities and responsibilities.

GOALS

To continue communication, coordination and cooperation between members of the Oregon commercial fishing and fiber optic cable industries so that they can amiably discuss and resolve concerns;

To encourage the employment of commercially reasonable cable installation and maintenance techniques to minimize interference with and/or interruption of commercial fishing activities;

To sponsor a 24 hour toll free telephone hot line staffed by an individual who has authority to approve the cutting of fishing gear which is possibly snagged on WCICI/ANC fiber optic cable and to reimburse the fishermen for the cost of the cut gear;

To establish a Fund to compensate commercial fishermen for the replacement of cable-related fishing gear losses and to fund the Committee and Committee activities;

To form a Committee constituted of Oregon commercial fishermen and WCICI/ANC fiber optic cable representatives who oversee the Fund and administer the Committee's related activities;

To release participating commercial fishermen from liability for damage to the WCICI/ANC fiber optic cable system; and

To create, support and promote the establishment of a buried telecommunications submarine cable corridor from Nedonna Beach, Oregon offshore through fishing grounds for future submarine cables.

SHARED UNDERSTANDINGS

The parties acknowledge and agree that this Agreement covers only the WCICI/ANC fiber optic cable running from the shoreside of Nedonna Beach, Oregon seaward to the fiber optic cable buried to a water depth of 1500 meters and armored for post-lay burial to a water depth of 2000 meters. The parties also acknowledge and agree that because the fiber optic cable is intended to remain buried, all current fishing activities to include Class A limited entry ground fish permit holders with trawl endorsement, Washington, Oregon and California pink shrimp permit holders, and participants in the prawn trawl fisheries are to be allowed to fish in the area of the WCICI/ANC fiber optic cable. The parties also acknowledge and agree that this Agreement is limited to the traditional fisheries and current gear and technology in the fishing industry. This Agreement expressly does not cover or protect the fishermen who utilize clam dredges, scallop dredges, and /or any other sub-benthic technology.

24 HOUR TELEPHONE HOT LINE

WCICI/ANC shall provide and maintain a 24 hour toll free telephone hot line for fishermen to call who believe they have snagged their gear in the WCICI/ANC fiber optic cable from shoreside of Nedonna Beach, Oregon seaward to a water depth of 2000 meters. There shall always be one WCICI/ANC person on duty at all times who has the authority (1) to make a decision and (2) the background and experience to make the most prudent decision under the circumstances. The individual shall have the authority to make a quick decision to cut the snagged fishing gear based on limited information if a failure to cut the gear could jeopardize lives or other property including the WCICI/ANC fiber optic cable.

FUND

WCICI/ANC shall establish and maintain annually a fund of \$150,000.00 to pay lost gear claims, provide lost gear bridge loans and reimburse approved Committee expenses. Accounting control procedures shall be developed by a certified public accountant selected by the Committee prior to funding the account. The account shall be funded before the WCICI/ANC fiber optic cable is installed at Nedonna Beach, Oregon. The Fund shall not expend more than \$150,000.00 in a calendar year. The reimbursement for snagged gear is not expected to exceed three gear sets per calendar year at an average cost of \$15,000.00 to \$20,000.00 per gear set.

COMMITTEE

Voting Members

The Committee shall be constituted of five (5) voting members, three (3) fishermen representatives and two (2) industry representatives. The fishermen shall be drawn from three (3) different geographic areas and two (2) different fisheries. The representatives shall be from the (1) Newport/Yaquina Bay area, (2) Garibaldi area, and (3) Columbia River area. At least one representative shall be a shrimper and one a trawler. Two industry representatives shall be from WCICI/ANC in Oregon or its assign or successor. There shall be a chairperson who is a fisherman who shall have served previously as a representative on the OFUCC for 6 months and who shall be elected by the three fishermen representatives. The Committee shall establish policies, procedures and rules to review and address claims for reimbursement, to publicize and advance the goals of this Agreement, and to conduct other activities consistent with the provisions of this Agreement.

The initial fishermen representatives shall be Terry Thompson, Leo Kuntz, and Scott McMullen. These three fishermen representatives shall select the initial chairperson. WCICI/ANC shall appoint the two industry representatives before the cable is installed at Nedonna Beach, Oregon.

Non-Voting Members

There shall be two (2) non-voting members selected by the voting members. One shall be a third-party specialist in undersea telecommunications maintenance and one shall be from a fishermen's organization such as the Oregon Trawl Commission.

Committee Costs

The Committee shall establish an initial organizing cost budget. WCICI/ANC shall pay all actual costs in the budget including the out-of-pocket expenses for the Committee fishermen representatives. Each Committee member's fees shall be paid at the rate of \$50.00 per hour with a maximum of \$500.00 per day in addition to reasonable expenses.

RELEASE OF LIABILITY

WCICI/ANC agrees to release any claims against vessel owners and operators and refrain from taking any administrative, legal or other action to sanction and/or recover damages against vessel owners and operators who honor the procedure established by the Committee pursuant to this Agreement. WCICI/ANC further agrees to encourage all administrative, legal and other authorities to honor the procedure established by the Committee pursuant to this Agreement.

WCICI/ANC ACTIVITIES

Cable Burial

WCICI/ANC has contracted to have the fiber optic cable installed at a depth of one meter or more beneath the sea bed seaward from shore to a water depth of 1500 meters. The fiber optic cable may be buried at less than one meter, but not less than three feet, in hard ground such as portions of the "reef area" along the cable route. Additionally, where soft bottom is encountered, the fiber optic cable may be buried deeper than several meters. In all instances, current technology will be utilized in the cable burial process including remote operated vehicles ("ROV") post-lay burial, where required, and ROV inspection immediately following installation to a water depth of 1500 meters. The WCICI/ANC EPC contractor will attempt to bury the cable more than nine feet below the sea bed from the shoreside seaward to a water depth of 22 meters to protect against storm erosion and sediment drift.

WCICI/ANC agrees that a Committee fisherman representative shall be on board the cable installation vessel during cable construction and initial installation reconnaissance out to a water depth of 1500 meters. The Committee representative shall have access to observe all activities while the cable is being buried. WCICI/ANC shall pay all the Committee representative's reasonable expenses. There shall be debris control efforts during burial of the cable. After burial of the cable, there shall be an ROV inspection out to a water depth of 1500 meters to verify cable burial along the cable route.

Shoreside Cable Route Markers

WCICI/ANC shall provide a design to the Committee and fund construction to place at least two Committee-approved shoreside cable route markers to assist fishermen in locating the fiber optic cable center line. The Committee shall maintain the markers.

As-Built Coordinates

WCICI/ANC shall provide cable as-built installation GPS and LORAN C (in both 5990 and 9940 chains) coordinates to fishermen as soon as the WCICI/ANC EPC contractor delivers the information to WCICI/ANC. This data shall be provided in written and electronic data form.

ROV Burial Verification

WCICI/ANC shall conduct an ROV burial verification every 5 years and after a major geological or environmental event.

REVIEW BY LEGAL COUNSEL

The parties acknowledge and agree that they have had this Agreement reviewed by legal counsel or were afforded an opportunity to have this Agreement reviewed by legal counsel.

DISPUTE RESOLUTION

In the event of a dispute between the parties to this Agreement, the parties shall (1) discuss the problem between themselves and attempt a resolution. If the dispute is not thereby resolved within seven (7) days, the parties shall (2) mediate the problem in Portland, Oregon or in another mutually agreed location. If the dispute is not thereby resolved within thirty (30) days, the parties shall (3) engage in binding arbitration in Portland, Oregon or in another mutually agreed location according to the rules and provisions of the American Arbitration Association.

This Agreement is entered into this ____ day of July, 1998 in Newport, Oregon.

WCI Cable, Inc./Alaska Northstar Communications, LLC

By: _____

Its: _____

Terry Thompson

Leo Kuntz

Scott McMullen