

MINUTE ITEM

This Calendar Item No. 62  
was approved as Minute Item  
No. 62 by the State Lands  
Commission by a vote of 3  
to 0 at its 3/27/90  
meeting.

MINUTE ITEM

62

03/27/90  
W 23867  
Pelkofer

REVOCAION OF AUTHORIZATION TO ISSUE A PERMIT

During consideration of Calendar Item 62, attached, Donald Knight, Director of Research, for Sea Epics Research, appeared to protest staff's recommendation to revoke a permit to salvage the Brother Jonathan.

After a short discussion, the Commission voted 3-0 to approve Calendar Item 62, as presented.

Attachment: Calendar Item 62.

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MINUTE ITEM

This Calendar item No. 62  
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CALENDAR ITEM

62

A 2

S 2

03/27/90  
PRC 7247 W 23867  
Pelkofer  
Louie

REVOCAION OF AUTHORIZATION TO ISSUE PERMIT

APPLICANT: Sea Epics Research Inc.  
c/o Donald G. Knight  
1134-B Diamond Bar Boulevard  
Diamond Bar, California 91765

Sea Epics Research, Inc. applied for a permit to salvage the sunken ship, the "Brother Jonathan", which lies off Crescent City, Del Norte County. The Commission, at its meeting of September 14, 1988, on staff's recommendation, authorized the issuance of the permit to salvage a Doblner safe and its contents, subject to Applicant's filing of additional information such as evidence of arrangements with a professional conservation facility and other information to ensure the protection of any salvaged object. The "Brother Jonathan" is a historic shipwreck listed on the National Register of Historic Places.

Pursuant to P.R.C. Section 6309(h):

"Permits may be revoked by the Commission, after notice to the permitholder, at any time the Commission finds that the permitholder has failed to comply with the terms of the permit or any law or regulation governing the permitted activity. An application for a permit may be denied by the Commission when it finds that the applicant has failed to provide, for a period of 60 days, information specifically requested by the Commission which is necessary to complete the application."

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The Applicant was advised, by letters of September 2, 1988, September 28, 1988, and February 10, 1989 of the requirements with which he had to comply prior to the issuance of the permit. By letter of July 25, 1989, staff advised Applicant that it would request revocation of the authorization if he did not comply in sixty (60) days. Applicant responded with a phone call, and on October 19th, with a short letter indicating he was obtaining insurance. Staff took the matter off Calendar at Applicant's request and met with Applicant on October 23rd to review the requirements and discuss his concerns. As a result of the meeting, Applicant agreed to comply "within two weeks". A letter of November 9, 1989 confirmed the request for information and set a new deadline of December 31, 1989. As of December 31, 1989, Applicant had not yet provided any of the required information.

At its meeting of January 17, 1990, the State Lands Commission deferred action on the calendar item to revoke its previous authorization to issue a salvage permit to Sea Epics. The deferral allowed Sea Epics additional time to provide the following information:

1. A list of specific research questions pertaining to the Doblief safe and its contents which will be addressed should the safe be located and salvaged.
2. Documentary proof of Sea Epic's financial responsibility, capability, and solvency, such as its most recent certified independent annual financial statements, to complete the project as approved by the Commission.
3. A copy of an agreement, or other documentation, evidencing arrangements with a professional conservation facility to fully stabilize the Doblief safe and its contents if salvaged.

Letters were sent to Sea Epics on January 18 and February 26, 1990, reiterating the items needed to issue the permit. The Applicant still has not provided the information asked for.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt because CEQA does not apply to projects which a public agency rejects or disapproves.

Authority: P.R.C. 21080(b)(5) and 14 Cal. Code Regs. 15270.

EXHIBITS:

- A. Letter of September 2, 1988
- B. Letter of September 28, 1988
- C. Letter of February 10, 1989
- D. Letter of July 25, 1989
- E. Letter of November 9, 1989
- F. Letter of January 18, 1990
- G. Letter of February 26, 1990

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM CEQA PURSUANT TO 14 CAL CODE REGS. 15270 BECAUSE CEQA DOES NOT APPLY TO PROJECTS WHICH A PUBLIC AGENCY REJECTS OR DISAPPROVES.
2. REVOKE ITS AUTHORIZATION TO ISSUE A SALVAGE PERMIT, AS DESCRIBED HEREIN, TO SEA EPICS RESEARCH, INC.

EXHIBIT A

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

GEORGE DEUKMEJIAN, Governor

September 2, 1988

File Ref.: W 238676

Mr. Donald Knight  
Sea Epics Research  
1334 - B Diamond Bar Boulevard  
Diamond Bar, CA 91765

Dear Mr. Knight,

Enclosed is an original and duplicate copy of a proposed salvage permit and Memorandum of Agreement to salvage the Doublrier safe and its contents from the Brother Jonathon wreck site. I've also enclosed two copies of the land description which will be an exhibit to the salvage permit, but will be kept confidential in our file.

Please review the terms and conditions of the salvage permit and the Memorandum of Agreement. Also, review the land description. If you find the documents to be in order, please have both copies of the salvage permit, the M. O. A. and the land description signed. Return all signed copies to me along with a resolution or other document which shows that whoever has signed on behalf of Sea Epics is authorized to do so. The signature on the salvage permit must be notarized. We will also need a check in the amount of \$225.00 to cover the required land rental for the parcel described.

I will need the above documents signed and returned to me as soon as possible. Also, you are required to provide us with the following information:

1. List of specific research questions pertaining to the Doublrier safe and its contents, if any, which will be addressed and answered should these items be recovered.
2. A copy of an agreement or other documentation evidencing your arrangements with a professional conservation facility to conserve the Doublrier safe and its contents if recovered.

We are tentatively scheduling your application for consideration at the next Commission meeting. We need your response to the above matters as soon as possible. Please call me at (916)322-7823 if you have any questions.

Sincerely,

*Betty K. Louis*

Betty K. Louis

Encs.

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EXHIBIT B

(W23867)

STATE OF CALIFORNIA

VICE GOVERNOR

STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

September 28, 1988

File Ref: PRC 7247.1 ✓

Sea Epics Research, Inc.  
c/o Donald G. Knight  
1334-B Diamond Bar Boulevard  
Diamond Bar, California 91765

Dear Mr. Knight:

Subject: Salvage Permit PRC 7247.1 to Salvage Doublier  
Safe from Brother Jonathon

This correspondence will advise you that on September 14, 1988, the State Lands Commission authorized issuance of the above salvage permit. The document will be signed on behalf of the Commission, and your copy will be transmitted to you. However, before we may take this action, you are requested to provide:

1. A surety bond in the amount of \$10,000 executed on the attached Form 59.10 (or other collateral as explained in Form 59.7).
2. A certificate of insurance stating there is liability insurance presently in effect for the property under permit with a combined single limit coverage of not less than \$1,000,000 per occurrence for bodily injury and property damage.

The following assurances (a) through (e) are required to be expressly stated on or attached to the certificate of insurance:

- a) That the State of California, its officers, agents, employees, and servants are included as additional insureds, but only insofar as the operations under this permit are concerned.
- b) That the insurer will not cancel the insured's coverage without 30 days prior written notice to the State.
- c) That the policy specifically identifies the permit by number, PRC 7247.1.

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Mr. Donald G. Knight

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September 28, 1988

- d) That the State will not be responsible for any premiums or other assessments on the policy.
  - e) That the insurance coverage provided by the insured (Permittee) is primary and noncontributing.
3. Evidence of Workman's Compensation Insurance coverage.
  4. A list of specific research questions pertaining to the Doublier safe and its contents which will be addressed should the safe be located and salvaged.
  5. Documentary proof of Sea Epic's financial responsibility, capability and solvency, such as its most recent certified independent annual financial statement.
  6. A copy of an agreement or other documentation evidencing your arrangements with a professional conservation facility to fully stabilize the Doublier safe and its contents if salvaged.

Your immediate attention to the foregoing will facilitate early issuance of your authorization to use State land.

Very truly yours,

*Betty K. Louie*

BETTY K. LOUIE  
Land Agent  
(916) 322-7823

Attachments

65911

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EXHIBIT C

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

BOB DEUKMEJIAN, CHAIRMAN

February 10, 1989

File Ref: PRC 7247.1 ✓

Mr. Donald G. Knight  
Sea Epics Research, Inc.  
1334-B Diamond Bar Boulevard  
Diamond Bar, California 91765

Dear Mr. Knight:

Considerable time has passed since my letter of September 28 was sent to you (copy attached). I have not yet received a response from you.

Please provide the certificate of insurance and surety bond as soon as possible, along with the other information requested in my September 28 letter. The permit cannot be executed by the State until these materials are provided.

Please call me if you have any questions.

Sincerely,

*Betty K. Louie*

BETTY K. LOUIE  
Senior Land Agent  
(916) 322-7823

*Attachment:*

74241

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**EXHIBIT D**

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

GEORGE DEUKMEJIAN, Governor

July 25, 1989

File Ref.: PRC 7247.1

Sea Epics Research, Inc.  
c/o Donald G. Knight  
1334-B Diamond Bar Boulevard  
Diamond Bar, California 91765

Dear Mr. Knight,

Subject: Salvage Permit to Salvage Doublier Safe  
from Brother Jonathan

As a followup to my letters September 28, 1988 and February 10, 1989 (copies attached, along with bond form), I still have not received the necessary documentation from you.

We have executed the permit as of this date, but will not issue it to you until you have supplied the items listed in my September 28 letter.

Please send us the information we have asked for as soon as possible so that we may issue you the permit. If we do not receive all of the required documentation within sixty days of the date of this letter, we will recommend the Commission revoke its authorization.

Sincerely,

Betty K. Louie  
(916) 322-7823

Attachments

Certified Letter  
FOI 5219555

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EXHIBIT E

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

G. JERGE DRUKMEJIAN, Governor

November 9, 1989

File Ref.: PRC 7247.1

W 23867

Mr. Donald Knight  
Sea Epics Research, Inc.  
1334-B Diamond Bar Boulevard  
Diamond Bar, CA 91765

Dear Mr. Knight,

As a follow up to our meeting October 23 with you and Harvey Harrington, we had agreed to give you additional time to the end of December to provide us with the necessary information on your project. You were going to send us a written outline of your survey plans, including equipment to be used, project schedule, personnel, etc., as well as the coordinates for the area of survey. You had indicated the survey plans would be provided to us around November 10 and the coordinates for the search area would be sent to us by the end of November. We could then prepare an electronic survey permit for this phase of your project.

As we explained at our meeting, we need evidence that you are actively pursuing the project and that progress is being made to complete it. Your plan to send us monthly status reports would be helpful.

If we have not received the above information by the end of December, we will reschedule the calendar item to consider revoking Sea Epic's salvage permit for the next Commission meeting. It is important that you send us the information we need as soon as possible and keep us informed, on a regular basis, of the status of the project. We look forward to hearing from you.

Sincerely,

*Betty Louie*

Betty Louie  
(916) 322-7823

cc: Peter Pelkofer  
Kirk Walker

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## EXHIBIT F

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

GEORGE DEUKMEJIAN, Governor

January 18, 1990

File Ref.: /W 23867

Mr. Donald Knight  
Sea Epics Research, Inc.  
1334-B Diamond Bar Boulevard  
Diamond Bar, CA 91765

Dear Mr. Knight,

Subject: Salvage Permit for Doblief Safe from the Brother Jonathan

This will confirm our discussions on January 17 regarding information we still need in order to issue the subject permit. That information is as follows:

1. A list of specific research questions pertaining to the Doblief safe and its contents which will be addressed should the safe be located and salvaged.
2. Documentary proof of Sea Epic's financial responsibility, capability and solvency, such as its most recent certified independent annual financial statement, to complete the project as approved by the Commission.
3. A copy of an agreement or other documentation evidencing your arrangements with a professional conservation facility to fully stabilize the Doblief safe and its contents if salvaged.

The above information must be received by us prior to the next Commission meeting which is currently scheduled for February 21. The calendar item recommending revocation of the Commission's authorization will be scheduled for the Commission's February meeting pending receipt of this information from you.

The bond, certificate of insurance and evidence of Workman's Compensation insurance coverage required by the permit, must be furnished at least 30 days prior to the actual commencement of onsite work. "Commencement of onsite work" means any activity you undertake on the permit premises, including electronic surveys. You do not currently have a permit from the State Lands Commission to do any electronic surveys or other salvage activity on the Brother Jonathan.

I would like to clarify one more thing. The Commission authorized salvage operations over a specific 8.5 acre parcel. The map enclosed with your letter of January 3 outlines a 1.5 mile by 3 mile area, or 2,880 acres, proposed for additional search and exploration. This area is considerably larger than what was authorized by the Commission in September 1988. If you wish to

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Mr. Donald Knight

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January 18, 1990

undertake an electronic survey of this area, it will require a new application for a search permit.

If you have any questions regarding this letter, please contact me.

Sincerely,

Betty K. Louie  
(916) 322-7823

cc: Peter Pelkofer  
Kirk Walker

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# EXHIBIT G

STATE OF CALIFORNIA  
STATE LANDS COMMISSION  
1807 13TH STREET  
SACRAMENTO, CALIFORNIA 95814

GEOR. DEUKMEJIAN, Governor

February 26, 1990

File Ref.: W 23867

Mr. Donald Knight  
Sea Epics Research, Inc.  
1334-B Diamond Bar Boulevard  
Diamond Bar, CA 91765

Dear Mr. Knight,

Subject: Salvage Permit for Doblief Safe from the Brother  
Jonathan

This will confirm our recent telephone conversation that the Commission meeting previously scheduled for February 23 has been tentatively changed to Tuesday, March 27, 1990. You will receive notice of the meeting time and place along with the agenda.

We still need the three items listed in my January 18, 1990 letter in order to issue the subject permit. Again, that information is as follows:

1. A list of specific research questions pertaining to the Doblief safe and its contents which will be addressed should the safe be located and salvaged.
2. Documentary proof of Sea Epic's financial responsibility, capability and solvency, such as its most recent certified independent annual financial statement, to complete the project as approved by the Commission.
3. A copy of an agreement or other documentation evidencing your arrangements with a professional conservation facility to fully stabilize the Doblief safe and its contents if salvaged.

The calendar item recommending revocation of the Commission's authorization will be scheduled for the Commission's March meeting pending receipt of the above information from you.

As my January 18 letter also indicated, the bond, certificate of insurance and evidence of Workman's Compensation insurance coverage, must be furnished to us at least 30 days prior to the commencement of onsite work. "Commencement of onsite work" means any activity you undertake on the permit premises, including electronic surveys.

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Mr. Donald Knight

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February 26, 1990

A copy of the transcript pertaining to your item at the January 17 Commission meeting will be mailed to you per your request. You will also be billed for reproduction costs.

Sincerely,

*Betty Louie*

Betty Louie  
(916) 322-7823

cc: Kirk Walker  
Peter Pelkofer

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