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Assistant Section Chief
Environmental Enforcement Section
Environment & Natural Resources Division
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Washington, D.C. 20530

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Telephone: (907) 271-3456
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ATTORNEYS FOR THE UNITED STATES

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

UNITED STATES OF AMERICA,

Plaintiff,

v.

EXXON CORPORATION, EXXON SHIPPING
COMPANY, and EXXON PIPELINE COMPANY,
et al., in personam, and the T/V
EXXON VALDEZ, in rem,

Defendants.

No. A91-082 Civil (HRH)

SECOND JOINT NOTICE
OF EXPENDITURES FROM
INVESTMENT FUND

The United States and the State of Alaska ("the Governments") jointly provide notice of the expenditure of \$21,732,734 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund") and \$1,055,700 from lapsed funds and accrued interest on settlement monies previously disbursed that are within

SECOND JOINT NOTICE OF
EXPENDITURES FROM INVESTMENT FUND

-1-

ACE 30398784

the Natural Resource Damage Assessment And Restoration Fund managed by the Department of the Interior. The Governments' natural resource trustee agencies will use these funds for purposes consistent with the Memorandum of Agreement and Consent Decree entered by this Court in *United States v. State of Alaska*, No..A91-081 CIV (D. Alaska) on August 28, 1991 ("MOA").

On September 25, 1991 the State of Alaska and the United States settled their claims against the Exxon Corporation, Exxon Shipping Company, Exxon Pipeline Company, and the T/V EXXON VALDEZ arising from the EXXON VALDEZ oil spill. All funds resulting from these settlements were subsequently ordered by this Court to be placed in an interest-bearing account in the Court Registry Investment System ("CRIS") administered through the United States District Court for the Southern District of Texas.

On June 7, 2000 this Court entered its Third Amended Order for Deposit and Transfer of Settlement Proceeds ("Third Amended Order"). The Third Amended Order allows the Governments the option of investing the money in an account outside the United States Treasury. On September 29, 2000, upon application by the Governments, the Court entered an Order Re: Transfer of Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing transfer of settlement proceeds to an account within the State. On October 5, 2000 all funds and securities were transferred from the CRIS to the Investment Fund.

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund

until such time as the Exxon Valdez Oil Spill Trustee Council unanimously resolve to expend all or part of the funds." The funds may then be expended, for purposes consistent with the MOA, upon the joint notification of the Governments to the Investment Fund and the Court.^{1/} The notification is to inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments' practice when the funds were in the registry of the Court.

The Governments provide notice of this expenditure from the Investment Fund and from lapsed funds and accrued interest on settlement monies previously disbursed to fund: (1) the sixth (final) installment payment associated with the acquisition of lands from the Eyak Corporation in accordance with the resolutions of the Trustee Council dated July 2, 1997 and August 13, September 4, and November 30, 1998;^{2/} (2) the eighth (final) installment payment associated with the acquisition of lands from the Kodiak Island Borough in accordance with the resolution of the Trustee Council dated December 11, 1995;^{3/} (3) necessary natural resource damage assessment and restoration activities during federal fiscal

^{1/} A copy of the notice provided to the Investment Fund pursuant to paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement Proceeds is appended to this Notice as Attachment A, pp. 1-2.

² These resolutions appeared as part of Attachment A of our Joint Application for Thirty-Seventh Disbursement From Settlement Account. This \$7,000,000 payment is due on October 1, 2002.

³ This resolution was appended to the Joint Application For Twentieth Disbursement From Settlement Account as Attachment A. This \$11,805,734 payment is due October 1, 2002.

year 2003;^{4/} (4) the acquisition of small parcel KAP 1087;^{5/} (5) increased and unanticipated support costs for projects 02126 and 030126(habitat protection;^{6/} and (6) monies needed to equalize the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation in exchange for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.^{7/}

Of the \$22,788,734 that is the subject of this notice, \$8,315,700 will be provided to the United States and \$14,472,734 will be provided to the State of Alaska.

A complete summary of the Trustee Council's activities since approval of the settlement was appended to our Second Application, filed January 19, 1993, as Attachment B, and interim

^{4/} The resolution of the Trustee Council documenting its unanimous agreement to expend \$3,725,200 for implementation of Phase I of the FY 2003 Work Plan and describing the purposes of those expenditures is appended to this notice as Attachment B, pp. 15-42. Of this amount, \$2,569,500 will come from the Investment Fund. The remainder, \$1,055,700, will come from lapsed funds and accrued interest on monies previously disbursed from the settlement account that are within the Natural Resource Damage Assessment and Restoration Fund managed by the United States Department of the Interior.

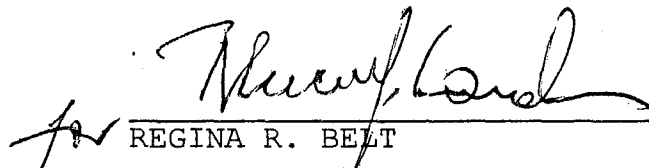
^{5/} The resolution of the Trustee Council documenting its unanimous agreement to expend \$160,000 for this purpose and the certification of the Executive Director of the Trustee Council evidencing satisfaction of the conditions appearing in that resolution are appended to this notice as Attachment A, pp. 3-7.

^{6/} The certifications of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$56,500 for this purpose are appended to this Notice as Attachment A, pp. 8-9.

^{7/} The certification of the Executive Director evidencing the unanimous agreement of the Trustee Council to expend \$41,000 for this purpose is appended to this Notice as Attachment A, p. 10.

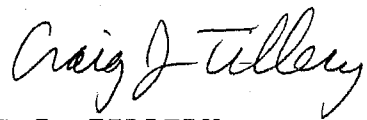
updates of activities appeared as Attachments to each of the Governments' Third through Sixth, Eighth through Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for disbursement, the Fifth through Seventh and Tenth through Thirteenth Joint Notices of Expenditure From Settlement Account Monies Previously Disbursed, and the First Joint Notice of Expenditures from Investment Fund. Since the last summary provided to the Court, the Trustee Council has met on two occasions. Appended to this application as Attachment B are the meeting notes for these two meetings.

RESPECTFULLY SUBMITTED this 23rd day of August, 2002 at Anchorage, Alaska.


REGINA R. BELT
ATTORNEY FOR THE UNITED STATES

DATED: 8/23/02

BRUCE M. BOTELHO
Attorney General
State of Alaska

By: 
CRAIG J. TILLERY
Assistant Attorney General
1031 West Fourth Avenue Ste. 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274

ATTORNEYS FOR THE STATE OF ALASKA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23rd day of August, 2002 a copy of the foregoing SECOND JOINT NOTICE OF EXPENDITURES FROM INVESTMENT FUND was served by United States mail, first class, postage paid, to the following: Craig Tillery, Maria Lisowski, James F. Neal, Esq., Craig O'Connor, Douglas J. Serdahely, Esq., Barry Roth, John F. Clough III, Esq., and Patrick Lynch, Esq.


Lorraine A. Carter

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

August 23, 2002

Lee Livermore
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in United States v. State of Alaska, No. A91-081 CIV (D. Alaska) on August 28, 1991. These joint trust funds are currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$14,472,734
Account: State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 65040

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ATTACHMENT A

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United States

Amount: \$7,260,000

Beneficiary

Account: 14X5198

name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

Beneficiary

Account: 14010001

name: Department of the Interior
Financial Management Services National Business Center

Beneficiary Bank

Account: 021030004

name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund
14X5198 EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,

Craig J. Tillery
Assistant Attorney General
State of Alaska

Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

ACE 30398791

RESOLUTION 02-06 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. By resolution adopted at its meeting on January 16, 2001, the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy (the grant to The Conservation Fund is hereinafter referred to as the "Grant");
2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;
3. An appraisal of the parcel completed by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;
4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398792

5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

6. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

7. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

(i) title search;

(ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; and
statement of compliance with the National Environmental Policy Act.


(vi) statement of compliance with the National Environmental Policy Act.


It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prefill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Council.

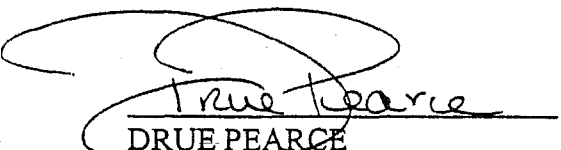
By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.


Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

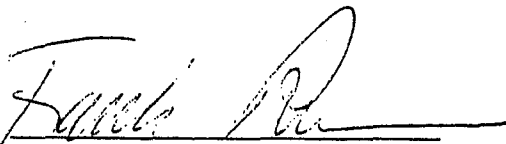
Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

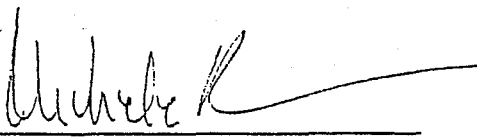

for DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior


JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 14, 2002

I certify that the State of Alaska has complied with the terms and conditions of the Exxon Valdez Oil Spill Trustee Council's resolution of July 9, 2002, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursements from the EVOS Investment Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
KAP 1087	James F. Chokwak, Sr.	\$160,000

Sandra Schubert for
Molly McCammon
Executive Director

ACE 30398796

ATTACHMENT A

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Exxon Valdez Oil Spill Trustee Council

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August 7, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive \$37,700 for Project 030126 habitat protection support costs for the protection of coastal habitat in Perenosa Bay.


Molly McCammon
Executive Director

ACE 30398797

ATTACHMENT A
PAGE 8 OF 10

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 13, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive an additional \$18,800 under Project 02126 for unanticipated, habitat protection support costs.

Sandra Schubert for
Molly McCammon
Executive Director

ACE 30398798

ATTACHMENT A
PAGE 9 OF 10

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 13, 2002

I certify that on July 9, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion to provide \$41,000 to the State of Alaska Department of Natural Resources to cover the difference in the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.

Gandra Schubert for
Molly McCammon
Executive Director

ACE 30398799

ATTACHMENT A
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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

August 6, 2002

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Dave Gibbons, USFS
• Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
*Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons, Tillery, and Brown

By teleconference: Balsiger (DC), Rue (Juneau), Toohey (Anchorage)

• Alternates

Cam Toohey served as alternate for Drue Pearce for the entire meeting.

Meeting convened at 2:06 p.m., August 6, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the August 6, 2002 agenda.
(Attachment A)

Motion by Brown, second by Gibbons.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the July 9, 2002 meeting notes.
(Attachment B)

Motion by Gibbons, second by Brown.

ACE 30398800

Public comment period began at 2:10 p.m.

No public comment received.

Public comment period closed at 2:12 p.m.

3. Investment Fund Fees

APPROVED MOTION:

Approved a motion to adjust the investment fund fees as outlined in the memo to the Trustee Council dated August 6, 2002 regarding the Investment Fund Fees (Attachment C), with a correction on page 4 changing 1/12 to 12.

Motion by Brown, second by Gibbons.

Public comment period re-opened at 2:26 p.m.

No public comment received.

Public comment period closed at 2:27 p.m.

4. FY 03 Work Plan Phase I

ADOPTED RESOLUTION:

Adopted resolution 02-07 approving funding of \$3,725,200 for FY 03 Phase I projects as outlined in resolution 02-07(Attachment D).

—Motion by Brown, second by Gibbons.

5. FY 02 Amendment to Project 02126

APPROVED MOTION:

Approved a motion to provide \$18,800 for the Alaska Department of Natural Resources under Project 02126 for the unanticipated contractual expenses outlined on page 3 of the memo dated July 12, 2002 from Carol Fries to Molly McCammon, including a general administrative fee of 7% (Attachment E).

Motion by Brown, second by Gibbons.

6. Afognak Island Acquisition Support

APPROVED MOTION:

Approved a motion to provide \$37,700 in funds for the Alaska Department of Natural Resources to provide the following services in regard to the proposed protection of coastal habitat in Perenosa Bay and other coastal habitat on northern Afognak Island: review land and timber appraisals, review title, and conduct a hazardous materials survey and site inspection.

Motion by Brown, second by Gibbons.

7. Habitat Grant Extension

ADOPTED RESOLUTION:

Adopted resolution 02-08 approving an extension of the termination date of the United States Fish and Wildlife Service grants to The Conservation Fund and The Nature Conservancy from September 30, 2002 to September 30, 2003, an extension of due date for the grant recipients' activity report to the Council from December 31, 2002 to December 31, 2003, and a revision to the schedule for funding recipients' indirect costs from quarterly disbursement to upon request for reimbursement occurring no more frequently than every 30 days (Attachment F)

Motion by Gibbons, second by Brown.

8. Injured Resources Update

APPROVED MOTION:

Approved a motion to adopt the Status of Injured Resources and Services dated July 29, 2002 with a motion to amend by Gibbons, seconded by Balsiger, approving the following changes: move Subtidal Communities from "Recovered" to "Recovery Unknown" and include corresponding language changes in the recovery description of subtidal communities.

Motion by Brown, second by Gibbons.

ACE 30398802

Public comment period re-opened at 4:23 p.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 4:27 p.m.

Meeting adjourned 4:28 p.m.

Motion by Gibbons, second by Brown.

ACE 30398803

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL TELECONFERENCE MEETING

August 6, 2002 2:00 p.m.

441 West 5th Ave., Suite 500, ANCHORAGE

DRAFT

Trustee Council Members:

CRAIG TILLERY
Assistant Attorney General
State of Alaska

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior

MARIA LISOWSKI for
DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner, Alaska
Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500
_____ State Chair

1. Call to Order - 2:00 p.m.
 - Approval of Agenda*
 - Approval of Meeting Notes*

July 9, 2002
2. Public Advisory Group meeting summary - June 20, 2002
3. Public comment - 2:15 p.m.
4. Executive Director's report
 - Quarterly Project Report
 - Investment fee amendment*

ACE 30398804

ATTACHMENT B
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5. FY 03 Work Plan - Phase I*
6. FY 02 Work Plan - Amendment (02126)*
7. Support for northern Afognak acquisition efforts*
8. Extension of Habitat Grant*
9. Update on Status of Injured Resources and Services*

Adjourn - 4:00 p.m.

* Indicates tentative action items.

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ATTACHMENT B

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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

July 9, 2002

By Molly McCammon
Executive Director



Trustee Council Members Present:

• Dave Gibbons, USFS
*Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

• Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

Motion by Tillery, second by Brown.

ACE 30398806

ATTACHMENT

B

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OF

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Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. Revised Operating and Report Procedures

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. Trustee Council Data Policy

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. Executive Session

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.)

On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.)

On record at (1:53 p.m.)

ACE 30398807

7. Injured Resource Update

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

8. Habitat Protection

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398808

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Trustee Council

FROM: Molly McCammon
Executive Director

RE: Investment Fund Fees - REVISED

DATE: August 6, 2002

Background

At the July 5, 2000 meeting, the Trustee Council approved the "Resolution of the Exxon Valdez Oil Spill Trustee Council Pertaining to the Transfer of the Joint Trust Funds and Fees on the Investment Fund". In this resolution fixed flat fees and specific fee rates (basis points) per service or type of asset class were detailed. However, we have since learned that these fees fluctuate. For example, two of the variable rates depend upon the total amount the Alaska Division of Treasury has invested in each asset class. As a result, we are out of compliance with the July 5th resolution and would like to correct it by having the Trustee Council approve a motion that supersedes this resolution.

Issue

Alaska Division of Treasury negotiates the management fee contracts for the Alaska State Pension Investment Board (ASPIB). The Council's Investment Fund "piggybacks" on these fee contracts, especially for the International and Domestic Equity pools of the Investment Fund. The fee rates do not remain constant. This is because the fee schedule is incremental. Each additional increment of invested dollars is invested at a lower rate than the previous.

1. International Pool

For example, the fee schedule for the International pool of the Investment Fund is detailed below:

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Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	20
Remainder		Over \$1 billion	15

Non-retirement funds are charged at the lowest incremental rate. In the case above this means that, so long as the retirement assets remain at a market value of over \$1 billion, the non-retirement assets pay the final and lowest incremental rate of 15 basis points. In the event that the retirement assets market value decreases to a market value (MV) between \$700 million and \$1 billion, the non-retirement assets rate actually increases to the incremental rate of 20 basis points.

Non-retirement funds choose this option, along with the associated risk of an increase in basis point fees, because they would be hard pressed to go out and obtain active international management fees at even the retirement systems highest incremental rate of 50 basis points.

2. Domestic Equity Pool - REVISED

The fee schedule for domestic equity assets follows:

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$250 million	\$250,000,000	1.4
Next	\$375 million	\$625,000,000	1.0
Next	\$1,075 million	\$1,700,000,000	0.8
Remainder		Over \$1,700 million	0.6

EVOS participates along with several other non-retirement funds in the above domestic equity pool. At June 30, EVOS' assets represented 17% of the total \$426 million in the fund. Each fund pays its prorated share of the fees for this pool. For example, for EVOS, the calculation would be:

$$\frac{\text{EVOS average month end MV for the quarter}}{\text{Total average month end MV, all funds}} \times \text{quarterly fee} = \text{EVOS share}$$

Note that if the international fees were allocated using this same formula (Domestic Equity), EVOS' fee for FY02 would have been over 30 basis points.

ACE 30398810

Recommendation

Recommend that the Trustee Council approve a motion that would approve Investment Fund fees based upon a basis point range instead of a flat rate. The motion should also recognize that the Division of Treasury's personal services costs will most likely increase each year and that Treasury charges funds it manages based upon a percentage of its personal services costs. Therefore, the Investment Management Fee should not be dollar specific but stated only as 0.5% of the Division of Treasury's budgeted personal services amount. Note that the 0.5% is charged per account that is established at Treasury's custodial bank, State Street Company. Treasury may cap the total Investment Management Fee to 1.0% of personal services for funds who require more than 2 accounts at the custodial bank.

The table below shows the fee approved by the Trustee Council in its July 5, 2000 resolution, the actual fees incurred for the past quarter, and the recommended fee range.

Description of Fee	Fee Approved by Trustee Council	Actual Fees for SFY 02	Fee Ranges Likely to Cover Actual Fees as Recommended by Division of Treasury	Notes
Custody Safekeeping Fee	\$5,000	Fee waived	Fee waived	Treasury has waived this fee for funds over a certain size as the 1 basis point variable fee is sufficient to cover larger funds share of the costs.
Custody Transaction Fee	1 basis point	1 basis point	No Change	
Investment Management Fee (Treasury personal services for fixed income management and accounting)	\$11,222 (0.5% of budgeted amount for Division of Treasury's personal services)	¼ of \$11,900 (0.5% of budgeted amount for Division of Treasury's personal services)	(0.5% of budgeted amount for Division of Treasury's personal services)	This fee fluctuates as Division of Treasury's personal services fluctuate. In SFY 03 our fee will be \$13,100 for the year. This increase is because Treasury received an increment in their 2003 budget to cover increased investment officer salaries.
Domestic Equity Fee	1.3 basis point	2.0 basis point	0.8 to 1.4 basis points	The fee would only go as high as 1.4 basis points if all other participants were to exit and EVOS was the only fund left (at approximately their existing \$70 million investment).
International Equity Management Fee	15 basis point	20 basis point	15.00 to 25.00 basis points	The retirement assets would have to be reduced by \$300 million before EVOS' fees increased to the next increment, which would be 25 basis points. This is unlikely to happen from market conditions alone. However the ASPIB board could move a portion of these assets to another manager.

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Motion:

The Trustee Council approves the EVOS Investment Fund fees for one account as follows:

- Custody fees shall be charged monthly at 1 basis point of the month end market value divided by 1/12.
- Investment Management fees shall be charged monthly at 0.5% of the budgeted amount of the Division of Treasury's personal services divided by 1/12.
- Domestic Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 1.4 basis points divided by 4.
- International Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 25 basis points.

If in one fiscal year the EVOS Investment Fund (assumes EVOS adds no new money in the fund, i.e., contributions and not earnings) fees for one investment account exceed \$150,000, approval of these fees is required by the Trustee Council.

ACE 30398812

Attachment A

The fees Treasury shall charge EVOS for providing domestic and international equity management are based upon Treasury's existing contracts, which expire June 2003. The fee schedules are shown below:

Domestic Equity Management - Provided by State Street Global Advisors (SSGA) - Russell 3000 Common Trust Fund

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$250 million	\$250,000,000	1.4
Next	\$375 million	\$625,000,000	1.0
Next	\$1,075 million	\$1,700,000,000	0.8
Remainder		Over \$1,700 million	0.6

EVOS shall be charged a prorated share of the quarterly billing from SSGA based upon EVOS' total assets in this investment as a percent of the total of all assets in this investment. EVOS' total fee cannot exceed 1.4 basis points in this investment.

International Equity Management - Provided by Lazard Frere Asset Management

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	20
Remainder		Over \$1 billion	15

EVOS shall be charged the lowest incremental rate applicable during the billing period after taking into account the total assets held by Treasury in this investment. For example, if the total assets equal \$950,000,000 then EVOS' fee would be 25 basis points.

The incremental rate over the last 24 months has ranged from 15 to 20 basis points. Total assets in this investment are approximately in the \$900-1,000 million range. If the Pension Board were to significantly reduce their investments in this account, the incremental rate would move progressively up (in 5 basis point adjustments). These fees for international are contingent upon the Pension Board's continued relationship with Lazard and their concurrence with Treasury's method of allocating costs of this contract.

Should either fee schedule change, Treasury will notify EVOS of the expected impact on fees to EVOS.

ACE 30398813

**RESOLUTION 02-07 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE FY 03 WORK PLAN**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities. The Fiscal Year 2003 Work Plan Phase I is funded at \$3,725,200 as described in Attachment A. The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game	2,240,000
Alaska Department of Natural Resources	329,500
SUBTOTAL TO STATE OF ALASKA	\$2,569,500
U.S. Department of the Interior	687,300
National Oceanic & Atmospheric Administration	468,400
SUBTOTAL TO UNITED STATES OF AMERICA	\$1,155,700
TOTAL APPROVED	\$3,725,200

ACE 30398814

Funds must be spent in accordance with Attachments A and B, with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from

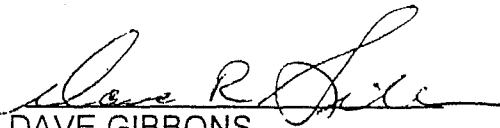
a previous year, no funds may be expended on a project involving the PI unless the report is submitted or a schedule for submission is approved by the Executive Director; (2) a project's lead agency must demonstrate to the Executive Director that requirements of the National Environmental Policy Act (NEPA) are met before any project funds may be expended (with the exception of funds spent to prepare NEPA documentation); and (3) a PI for each project must submit a signed form to the Executive Director indicating their agreement to abide by the Trustee Council's data and report requirements before any project funds may be expended.

By unanimous consent, we hereby request the Alaska Department of Law and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Fiscal Year 2003 Work Plan Phase I amount (\$3,725,200) from the appropriate account designated by the Executive Director.

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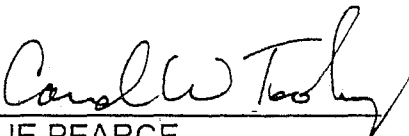
Approved by the Council at its meeting of August 6, 2002 held in Anchorage,
Alaska as affirmed by our signatures affixed below.



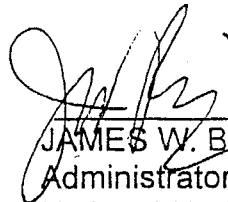
DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture



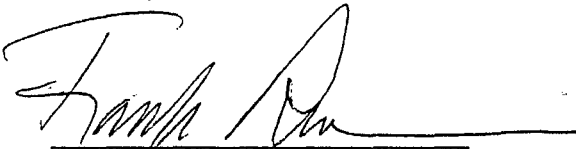
CRAIG J. TILLERY
Assistant Attorney General
State of Alaska



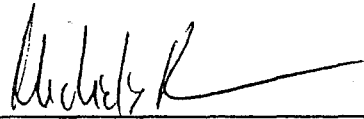
DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior



JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service



FRANK RUE
Commissioner
Alaska Department of Fish and Game



MICHELE BROWN
Commissioner
Alaska Department of Environmental
Conservation

Attachments:

- A Funding Distribution
- B Executive Director's Recommendation

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ATTACHMENT B
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Attachment A to Resolution 02-07
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 2003 Federal Fiscal Year Project Budgets
 October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
ADF&G			030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.1
	DOI-USGS, DOI-O/S		030100	Public Information and Administration	950.2
			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.5
		G	030210	Youth Area Watch	98.6
	ADNR, DOI-USGS, NOAA	G	030250	Project Management	50.0
		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	51.6
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212.9
		G	030550	Alaska Resources Library and Information Services	95.1
			030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health (including Bench Fees)	286.7
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.3
		G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22.6
		G	030610	Kodiak Archipelago Youth Area Watch	63.0
		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	18.1
	ADNR	G	030630	Scientific Management under GEM	174.8
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	92.5
				ADF&G Total	2,240.0
ADNR	ADFG, DOI-USGS, NOAA	G	030250	Project Management	10.0
		G	030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	215.9
	ADFG	G	030630	Scientific Management under GEM	103.6
				ADNR Total	329.5
DOI-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	4.7
				DOI-NPS Subtotal	4.7
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	11.5
		G	030561	Community-Based Forage Fish Sampling	17.0
				DOI-FWS Subtotal	28.5
DOI-USGS	ADFG, DOI-O/S		030100	Public Information and Administration	139.9
	ADFG, ADNR, NOAA	G	030250	Project Management	27.9

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**Attachment A to Resolution 02-07
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 2003 Federal Fiscal Year Project Budgets
 October 1, 2002 - September 30, 2003**

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
	DOI-FWS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	205.1
	NOAA		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	15.7
	NOAA		030620	Lingering Oil & Predators: Pathways of Exposure & Population Status	192.3
	DOI-NPS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0
				DOI-USGS Subtotal	629.9
DOI-O/S	ADFG, DOI-USGS		030100	Public Information and Administration	24.2
				DOI-O/S Subtotal	24.2
				DOI Total	687.3
NOAA			030012	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	18.1
	ADFG, ADN, DOI-USGS	G	030250	Project Management	49.7
			030290	Hydrocarbon Database and Interpretation Service	22.5
			030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	37.1
			030574	Assessment of Bivalve Recovery on Treated Mixed-soft Beaches in Prince William Sound	36.0
		G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6
	USGS		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	105.9
		G	030607	Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	13.1
		G	030625	Prince William Sound Isotope Ecology Synthesis	25.5
		G	030636	Management Applications: Commercial Fishing	50.9
				NOAA Total	468.4
				Total	3,725.2

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Lingerin Injury					\$428.0	\$151.3	\$52.7	\$52.7
030190	Construction of a Linkage Map for the Pink Salmon Genome	F. Allendorf/Univ. Montana	ADFG	Cont'd 8th yr. 8 yr. project	\$54.5	\$0.0	\$0.0	\$0.0

Project Abstract

This is the final year of a project based upon experiments conducted at the Alaska SeaLife Center that use a linkage map that was constructed to test for effects of regions of the genome on traits that are important to the recovery of pink salmon (e.g., growth and survival). In summer 2001, 259 sexually mature adults were collected in Resurrection Bay from the 1999 cohort produced from wild pink salmon collected from Likes Creek. In FY 03, the analysis of the genotypes in the returning adults will be completed to test for genetic differences in marine survival and other life history traits (e.g., body, size, egg number, and egg size) and a final report/manuscript will be prepared.

Chief Scientist's Recommendation

This is the final year of a long-term project that has done a good job overcoming unexpected technical challenges. The genome map will be a benefit to a variety of future studies of pink salmon, and will be useful for future pink salmon management in Southcentral Alaska. Based on the proposal, it appears that the data analysis is in the process of completion, and it seems appropriate to provide the principal investigator with funding to complete the identified data analysis and prepare manuscripts. Fund.

Trustee Council Action

Fund revised proposal, which reduces the cost of the remaining data analysis and manuscript/final report preparation. This project is important for understanding the genetic traits of pink salmon that affect growth and survival. In addition, the work being done under this project will contribute to answering questions important to fisheries management about hatchery/wild fish interactions. For example, are hatchery fish changing the gene pool in a way that makes wild fish maladapted to their environment? Are enough hatchery fish getting into streams to affect productivity of wild fish? How well adapted are wild fish to particular streams?

030290	Hydrocarbon Database and Interpretation Service	J. Short, B. Nelson/NOAA	NOAA	Cont'd 12th yr.	\$22.5	\$0.0	\$22.7	\$22.7
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Project Abstract

This ongoing project provides data and sample archiving services for all samples collected for hydrocarbon analysis in support of Trustee Council projects. These data represent samples collected since the oil spill in 1989 to the present and include environmental and laboratory National Resource Damage Assessment and restoration data. Additionally, this project provides interpretive services for hydrocarbon analysis, public releases of the hydrocarbon and pristane databases, and storage and maintenance of the hydrocarbon sample archives.

ACE 30398819

Chief Scientist's Recommendation

This is a small project, but critical to tracking remaining oil and its fate. Studies that will focus on whether the remaining intertidal subsurface oil in Prince William Sound is contaminating the food web require the support of this service project. As the amount of oil from the spill subsides, the identity of the hydrocarbon sources is a question that assumes greater importance. This project makes source identification determinations based on the chemical analyses that are stored in the database. The technical approach is sound, as has been demonstrated by more than ten years of successes. The approach and products from this study have appeared in many peer reviewed publications. Fund.

Trustee Council Action

Fund contingent on submittal of overdue reports (00195, 01195, 01599) and manuscript (00598). This project provides the ongoing analysis and interpretation of hydrocarbon data for other Trustee Council funded studies.

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03	FY 03	FY 04	FY 04
					Approved 8/6/02	Deferred to 11/25/02	Request	Recom.
030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	R. Heintz/NOAA	NOAA	Cont'd 5th yr. 5 yr. project	\$37.1	\$0.0	\$0.0	\$0.0

Project Abstract

Populations are maintained through successful reproduction; this study is designed to determine if exposure to oil impairs pink salmon reproduction. This experiment began in the fall of 1998 when pink salmon eggs were incubated in oil contaminated water. Fish that survived exposure were marked and released in the spring of 1999. They reached maturity at sea and returned to spawn in the fall of 2000. Return rates confirmed previous observations of reduced marine survival among exposed fish, but evaluations of offspring (F1) survival rates did not indicate any reproductive impact. The F1 were incubated in clean water until spring 2001 when they were marked and released. They will mature and return to the hatchery in the fall of 2002 and their reproductive ability will be evaluated by generating an F2 generation. A diminished ability to produce the F2 generation represents a genetic effect of oil transmitted to unexposed generations. Such an effect was demonstrated for similarly treated pink salmon in 1997, but corroborating data do not exist. This project is designed to retest that experiment; if diminished reproductive ability is corroborated, it would demonstrate a significant and unanticipated effect of oil pollution.

Chief Scientist's Recommendation

This is an important project because it rigorously tests the hypothesis that pink salmon have heritable damage expressed as reduced survival. The Trustee Council should complete this project, as it has been fundamental for understanding the damage to pink salmon from the oil spill. The FY 03 work will complete a two-generation experiment started in 1998 with exposure of salmon eggs to oil. Fund.

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue reports (99347, 01476). This project is validating the effects of oil contamination on pink salmon, thus contributing to our understanding of the injury and recovery status of this injured species.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030585	Lingering Oil: Bioavailability and Effects to Prey and Predators	J. Rice, J. Short/NOAA; J. Bodkin, B. Ballachey/USGS; D. Esler/Simon Fraser Univ.	NOAA & DOI	Cont'd 2nd yr. 2 yr. project	\$121.6	\$0.0	\$0.0	\$0.0

<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
About 20 acres of contaminated beach were found in 2001 surveys of western Prince William Sound conducted under Project 01543. In these areas, sea otters and harlequin ducks have not recovered, raising concerns that continued oil exposure may be affecting their survival. Biochemical assays and mortality patterns are consistent with continuing oil exposures, but prior to this study, linkages between oil persistence and impacts at higher trophic levels had not been attempted. In this study, shoreline contamination, exposure and effects were examined simultaneously by choosing a common set of sites at which to assess oil persistence and biological impacts on sea otters and harlequin ducks. Fieldwork was conducted in FY 02, and closeout activities, including data analyses and writing of reports and publications, will be done in FY 03. The National Oceanic and Atmospheric Administration's Auke Bay Lab has been leading the studies of oil bioavailability and impacts to prey species; Department of Interior-U.S. Geological Survey has been directing the studies on sea otters and harlequin ducks.	This is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including clams and intertidal fish, sea ducks (harlequin ducks) and sea otters, which are apparently still exposed to lingering oil. This is a closeout of the two-year project to document oil remaining in the intertidal and how it may be available to higher trophic levels. The request for funds to analyze oil-exposed bivalves is warranted, as this may establish an exposure pathway to higher trophic levels. The project is related to Project 03620, but the latter project focuses more closely on relating foraging area to exposure. Fund, including funds for additional chemical analyses and analysis of interstitial water samples.	Fund closeout of this project, including funds for additional chemical analyses and analysis of interstitial water samples, contingent on (a) approval of the revised Detailed Project Description, which reflects this additional work and (b) submittal of overdue reports (00195, 00454, 01195, 01599) and manuscript (00598). This project, which integrates studies of sea otters and harlequin ducks with continued assessment of oil persistence, is the product of a workshop convened in 2001 to review results from Project 01543/Evaluation of Oil Remaining in the Intertidal and to identify information gaps. The project's objective is to determine if the signs of continued oil exposure in sea otters and harlequin ducks are linked to the oil remaining in intertidal sediments.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030594	Development of an Alaska Standard Species for Marine Toxicity Testing - The Alaska Green Urchin	R. Perkins/UAF	ADFG	New 1st yr. 1 yr. project	\$0.0	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This project will develop a standard marine toxicity testing procedure using cold water and an Alaska species. None of the standard test procedures required or recommended by the Environmental Protection Agency and other environmental regulators use cold-water test animals. Use of typical warm-water species to make decisions about Alaska conditions and species is unsatisfactory from a scientific standpoint, and this practice also interferes with public acceptance of the results. Decisions requiring toxicity testing include crude oil components and cleanup chemicals, such as dispersants and beach cleaners. This project proposes developing the Alaska green urchin as a test species. Tests of urchin fertilization and embryo development are sensitive indicators of toxicity.		<u>Chief Scientist's Recommendation</u> The core tasks in this proposal have already been done and extensively published by Dinnel and his colleagues at the University of Washington during the 1980s. The project also has limited links to restoration. Do not fund.		<u>Trustee Council Action</u> Do not fund based on Chief Scientist's recommendation.				

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ACE 30398822

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030620	Lingering Oil and Predators: Pathways of Exposure and Population Status	S. Rice, J. Short, M. Lindeberg/NOAA; J. Bodkin, B. Ballachey/USGS-DOI	NOAA & DOI	New 1st yr. 2 yr. project	\$192.3	\$151.3	\$30.0	\$30.0

<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
<p>Lingering oil and continued effects to sea otters and sea ducks are the most surprising and best documented long term impacts of the oil spill. Strong evidence is accumulating which implicates lingering oil as a factor constraining recovery of the nearshore ecosystem in western Prince William Sound. Acute and chronic contamination of sediments and prey species were well documented during the years following the spill. Twelve years later, elevated biomarker levels in sea otters and sea ducks have indicated continued exposures to hydrocarbons. Evidence implicating a route of exposure to date has been largely circumstantial. However, in 2001 and 2002, extensive sampling was undertaken to document the distribution, abundance, and bioavailability of lingering oil along those shorelines most heavily impacted by the spill. This has paved the way for identifying specific areas where sea otters and sea ducks could be currently foraging and exposed to lingering oil. This project is an outgrowth of the earlier studies and will focus on the direct pathways of lingering oil to sea otter and sea duck populations in two heavily impacted bays in the western sound.</p>	<p>This is an important project for understanding the lingering effects of the oil spill in some of the most heavily oiled localities from 1989. It is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including sea ducks (harlequins) and sea otters, which have not recovered from the effects of the spill and are apparently still exposed to lingering oil. There is some concern about the experimental design for the prey base study (the National Oceanic and Atmospheric Administration (NOAA) component), particularly being able to relate the location of foraging activities to the contamination of the forage base. The means of contamination--eating versus external contact--is also a question. Fund USGS (U.S. Geological Survey) component; defer decision on funding NOAA component pending consultation with the peer review team.</p>	<p>Fund USGS (U.S. Geological Survey) component on sea otters and harlequin ducks (\$192,300); defer decision on funding NOAA (National Oceanic and Atmospheric Administration) component on habitat and lingering oil (\$151,300) pending a workshop to be held Fall 2002 on the results to date from Project 03585/Lingering Oil: Bioavailability and Effects to Prey and Predators. If funded, funding for the NOAA component will be contingent on submittal of the principal investigators' overdue reports (00195, 00454, 01195, 01599) and manuscript (00598) from prior years. This project follows on Project 02585, which is integrating studies of sea otters and harlequin ducks, with findings of the lingering oil survey conducted Summer 2001 (Project 01543). The project is designed to address additional objectives related to the potential effects of remaining intertidal oil deposits--specifically in regard to the food web--on sea otters and harlequin ducks, both of which have not recovered from the oil spill and are apparently still exposed to lingering oil.</p>

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03	FY 03	FY 04 Request	FY 04 Recom.
					Approved 8/6/02	Deferred to 11/25/02		
Oil Spill: Recovery Monitoring					\$340.8	\$25.0	\$18.2	\$0.0

030012	Photographic Monitoring of Resident Killer Whales	C. Matkin/North Gulf Oceanic Society	NOAA	Cont'd 11th yr.	\$18.1	\$0.0	\$18.2	
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<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
<p>This project will support monitoring of the resident AB pod of killer whales and other resident pods as part of a cooperative program with the Alaska SeaLife Center and various foundations. Monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales.</p>	<p>This project will monitor an important killer whale pod. Killer whales are a top trophic-level, sentinel species that is dependent on the integrity of the marine ecosystem. Killer whales are also an increasingly important species for tourism, an industry that is worth many millions of dollars per year. The killer whale population in the Gulf of Alaska has been increasing and overall the population appears to be healthy. However, the AB pod declined precipitously at the time of the spill and, for a time after the spill, appeared to be in danger of complete disintegration. The AB pod has grown since about 1994 and pod disintegration now seems less likely. The continuation of this monitoring project will provide continuing data about the status of the AB pod. Fund, lower priority.</p>	<p>Fund FY 03 only contingent on completion of manuscripts funded in prior years (mating systems and niche partitioning). A decision on funding in FY 04 and beyond has not yet been made. Funding in FY 03 is reduced from earlier years to reflect the additional sources of funds available to the principal investigator for continued monitoring of killer whales in Prince William Sound and Kenai Fjords.</p>

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound	G. Marty/Univ. of California, Davis	ADFG	Cont'd 5th yr. 5 yr. project	\$0.0	\$25.0	\$0.0	\$0.0
<u>Project Abstract</u> In spring 2001, prevalence of <i>Ichthyophonus hoferi</i> (38 percent) in the Pacific herring population of Prince William Sound was more than 50 percent greater than in any year studied (1989-2000). <i>I. hoferi</i> causes severe, disseminated, chronic disease in Pacific herring that is best diagnosed using histopathology. Before 2001, <i>I. hoferi</i> was not associated with unexpected declines in population biomass, but during the last century increases in <i>I. hoferi</i> prevalence in Atlantic herring have been associated with several disease outbreaks. To understand the significance of the 2001 <i>I. hoferi</i> outbreak, this project will analyze samples already collected in fall 2001 and spring 2002 as part of Project 02462.		<u>Chief Scientist's Recommendation</u> Herring remain one of the key non-recovered species and are of substantial commercial importance, in addition to being a key component of the pelagic ecosystem. This study has contributed much to our understanding of disease expression in herring. In the opinion of the reviewers, most of the value of this project has been obtained through the contributions already made to the literature and to the management of the herring fishery by work on the VHS (viral hemorrhagic septicemia) virus. The reviewers feel there is insufficient justification for substantial investment of further research money in sample processing for determining the presence of a second pathogen (<i>Ichthyophonus hoferi</i>). However, a modest contribution of matching funds to a larger effort would be in order. Fund at level of \$25,000 if matching funds are obtained.		<u>Trustee Council Action</u> Defer decision on funding this project until November, pending contribution of funds from non-EVOS sources to carry out the project as proposed. This project, which has made an important contribution to management of the herring fishery, will complete its work on viral hemorrhagic septicemia in FY 02 (Project 02462). The proposer has requested funds to conduct new work on <i>Ichthyophonus hoferi</i> in FY 03. The reviewers consider the organ-by-organ pathobiological study proposed to be of lower priority at this stage of the restoration program, but a modest contribution of \$25,000 to the project may be worthwhile. Deferring the project until November will provide the proposer an opportunity to secure funds from other sources. The project objective is to determine whether disease continues to limit recovery of the Prince William Sound herring population.				
030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health	S. Atkinson/UAF	ADFG	Cont'd 3rd yr. 3 yr. project	\$286.7	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This study is a continuation of the study to assess the potential for new technologies to monitor the endocrine and immune systems for the health of harbor seals. During year one, baseline samples were collected from both permanently captive and rehabilitation seals at the Alaska SeaLife Center. Analysis of thyroxine (T4), triiodothyronine (T3), and cortisol (metabolic and gluconeogenic hormones), and measurement of immunoglobulins (IgG, IgM, and IgA) and organochlorine contaminants are currently being assessed. Cell lines to quantify immunoglobulins have been initiated, and baseline hormones have been established. FY 03 will compare the profiles of free-ranging seals and those failing to thrive in their environment in an effort to restore this species.		<u>Chief Scientist's Recommendation</u> This is an excellent proposal investigating contaminant effects on reproductive biology of harbor seals. Previous concerns about the pace of assay development have been addressed and the project is on track to complete its objectives. Fund.		<u>Trustee Council Action</u> Fund; previous concerns about the pace of assay development have been addressed and budget questions have been resolved. FY 03 was to be this project's closeout year (data analysis and final report writing only) but additional sample collection--and the corresponding bench fees for housing the research animals at the Alaska SeaLife Center--has also been proposed and is recommended for funding along with closeout activities. This project is employing new technologies at the Alaska SeaLife Center to assess and monitor the health of harbor seals. [Note: The funding amount includes \$167,600 for Alaska SeaLife Center bench fees.]				

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03	FY 03	FY 04 Request	FY 04 Recom.
					Approved 8/6/02	Deferred to 11/25/02		
030574	Assessment of Bivalve Recovery on Treated Mixed-Soft Beaches in Prince William Sound	D. Lees/Littoral Eco.& Environ. Services	NOAA	Cont'd 2nd yr. 2 yr. project	\$36.0	\$0.0	\$0.0	\$0.0

<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
Studies from 1989 through 1997 suggest that bivalve assemblages on beaches in Prince William Sound with high-pressure hot-water washing remain severely damaged in terms of species composition and function. This project will assess the generality of this apparent injury to these assemblages. A finding that our conclusions are accurate will indicate that a considerable proportion of mixed-soft beaches in treated areas of the sound remains extremely disturbed and that these beaches are functionally impaired in terms of their ability to support foraging by damaged nearshore vertebrate predators such as sea otters and harlequin ducks.	This is the second and final year of funding for this intertidal project. The need for this work has long been recognized in the Restoration Plan, but not until last year did an affordable project appear. Fund.	Fund closeout of this project, which will extend sampling initiated under the National Oceanic and Atmospheric Administration's HAZMAT program to document continuing effects of shoreline cleanup on populations of important bivalves, thus allowing the results to be generalized over a larger geographic range.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
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Oil Spill: Ecosystem Recovery & Function					\$216.6	\$148.9	\$0.0	\$0.0
030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	J. Bodkin, B. Ballachey/USGS-BRD, D. Esler/Simon Fraser Univ.	DOI	Cont'd 5th yr 5 yr. project	\$216.6	\$0.0	\$0.0	\$0.0

Project Abstract	Chief Scientist's Recommendation	Trustee Council Action
Sea otters and harlequin ducks have not fully recovered from the oil spill, based on population-level demographic differences between oiled and unoiled areas. Further, in oiled areas, both species show elevated cytochrome P4501A, almost certainly reflecting continued exposure to oil. This project is exploring links between oil exposure and the lack of population recovery, with the intent of understanding constraints to full recovery of these species and the nearshore environment generally. The results also serve to monitor the progress of recovery of the species and the system. To date, the work has consisted of field components for both species, and a captive component for harlequin ducks. Proposed activities for FY 03 include (a) the third and final year of harlequin duck field studies quantifying oil exposure and survival of females during winter and (b) closeout of all project components and preparation of the final report.	This is a high quality project that has made outstanding contributions to the EVOS Nearshore Vertebrate Predator (NVP) program (Project 99025). Sea otters and harlequin ducks have shown ongoing injury. The experimental work with harlequins to derive dose-response results is especially valuable (although procedurally challenging). Fund closeout of sea otter component as proposed; fund an additional year of harlequin field work/data collection in order to determine if there is a link between P4501A exposure and survival of individual female harlequin ducks.	Fund revised proposal, which reduces the cost of the sea otter component slightly. The questions raised by the reviewers in regard to the harlequin duck component have been addressed through a review of the project's FY 02 preliminary results--it is now apparent that a third year of field study is necessary to meet project objectives. This project is an important extension of the Nearshore Vertebrate Predator project (Project 99025) work on two still-injured species, sea otters and harlequin ducks. The FY 03 funding request includes closeout activities (final data analysis and report writing) for both the sea otter and harlequin duck components.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030587	Understanding the Cellular Processes of Recovery and Its Utility in Oil-Spill Restoration Efforts	C. Downs/EnVirtue Biotechnologies, Inc.	NOAA	New 1st yr. 1 yr. project	\$0.0	\$148.9	\$0.0	\$0.0

Project Abstract	Chief Scientist's Recommendation	Trustee Council Action
<p>This project will elucidate the cellular and genomic mechanisms that affect the rate of recovery in bivalve species impacted by the oil spill. The project will (a) determine the adverse affects of a long-term oil-spill exposure on specific processes of cellular physiology and genomic integrity that could potentially impede or slow the rates of recovery in populations of <i>Protothaca staminea</i> and (b) determine the link between cellular-physiological condition with PAH-body burden in these two species of bivalves by characterizing these parameters in populations from sites that exhibit different levels of oil contamination. Completion of this work may provide a foundation to address questions critical to the issue of variable rates of recovery in both invertebrate and vertebrate species in oil-impacted areas. It will provide new and powerful tools to improve monitoring methodologies, as well as potentially providing valuable information for restoration efforts.</p>	<p>This project will apply a battery of biomarkers to determine the sublethal impact of residual oil to mollusk physiology. Some interesting data is presented in the proposal. However, there is no proof of principle for the effects postulated, the proposal lacks a strong justification from the existing biomarker literature, and it is not entirely clear how experienced the investigators are in this area. In light of the preliminary data submitted in the proposal, however, the investigators should be encouraged to address these weaknesses in a revised proposal. Defer pending submittal and review of a revised Detailed Project Description that addresses the peer reviewers' concerns.</p>	<p>Defer decision on funding this project until November pending submittal and review of (a) a revised Detailed Project Description that addresses the Chief Scientist's concerns (proof of principal, reference to existing biomarker literature, and principal investigators' experience) and (b) a revised budget that clarifies (and probably reduces) contractual and travel costs (the amount in the recommended column above is a placeholder). This project is designed to determine the sublethal impact of residual oil to mollusk physiology and how exposure to residual oil might be slowing recovery of mollusks.</p>

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
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GEM Cross-Habitat Linkage: Synthesis					\$254.5	\$0.0	\$214.3	\$184.8
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G- 030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	R. Spies/EVOS Chief Scientist, et al	ADNR	Cont'd 2nd yr. 3 yr. project	\$215.9	\$0.0	\$184.8	\$184.8
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<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
<p>This project is synthesizing the results from 12 years of post-spill study in the EVOS damage assessment and restoration programs in the context of anthropogenic and natural factors causing change in the northern Gulf of Alaska ecosystem. The result of the work will be an integrated synthesis book. The book will consist of three major sections: (a) the basic structure and function of the ecosystem, (b) how it changes over time and how it responds in disturbances, and (c) the effect of the spill: how our understanding of the ecosystem has matured and what future path will help us better understand this valuable marine ecosystem. The book will be a major product of the EVOS restoration program and help set the foundation for GEM.</p>	<p>Proposal will not be reviewed by Chief Scientist. Two independent reviews have been conducted.</p>	<p>Fund. This project will integrate what has been learned from more than a decade's worth of science following the oil spill. Such a synthesis will fulfill at least two purposes: (a) inform the public about the EVOS legacy in a scientifically rigorous yet readable volume and (b) provide a foundation for GEM. A detailed outline for the synthesis will be completed shortly and will be supplied to the Trustee Council for comment. In addition, the principal investigator should work closely with the Trustee Council Office in designing the multimedia presentation to ensure that it will be a useful tool for Council staff in communicating the results of the restoration program to the public and others.</p>

G- 030607	Geographic Information Systems (GIS) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	M. Gracz/Cook Inlet Keeper	NOAA	New 1st yr. 1 yr. project	\$13.1	\$0.0	\$0.0	\$0.0
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<u>Project Abstract</u>	<u>Chief Scientist's Recommendation</u>	<u>Trustee Council Action</u>
<p>This project will synthesize existing data to create a comprehensive Geographic Information Systems (GIS) map and database of monitoring sites across the Gulf of Alaska. This map will be published in hardcopy and will be linked to CIIMMS (Cook Inlet Information Management and Monitoring System, Project 01391) and STORET, through which the map and data can be easily updated and made available to monitoring entities as well as policy makers, scientists, and the general public. This map and the accompanying data will serve as a lasting tool for the restoration and protection of the Gulf of Alaska's resources by coordinating diverse monitoring efforts and establishing a framework into which information about current and future monitoring programs can be entered.</p>	<p>This proposal will create a database and map of water quality sites in the Gulf of Alaska. Such a database will be useful in meeting GEM objectives. Fund contingent on clarification by the proposer of the geographic area to be included (the database should include the entire geographic area encompassed by the GEM program).</p>	<p>Fund contingent on clarification by the proposer of the geographic area to be covered by the project (the database should include the entire geographic area encompassed by the GEM program). This project will create a GIS map of water quality monitoring sites (including physical, chemical, and biological parameters) by identifying existing sites across the Gulf of Alaska and incorporating this information into CIIMMS (the Cook Inlet Information Management and Monitoring System created under Project 01391). This information will be useful for GEM planning.</p>

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEXT SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030625	Prince William Sound Isotope Ecology Synthesis	T. Kline/PWSSC	NOAA	New 1st yr. 1 yr. project	\$25.5	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This project will provide a 'big picture' synthesis of the present structure of the pelagic ecosystem of Prince William Sound through preparation of a scientific paper with tentative title: "A stable isotope based trophic structure of the pelagic community of Prince William Sound, Alaska". The documentation of a 'before picture' will be useful because the recently documented regional change in species composition is likely to alter pelagic trophic structure during GEM.		<u>Chief Scientist's Recommendation</u> The proposed synthesis could be a worthwhile product, and the principal investigator is certainly the most knowledgeable individual to prepare this synthesis. Fund revised proposal, which reduces the cost of the project to a more appropriate level.		<u>Trustee Council Action</u> Fund revised proposal, which reduces the project's scope and budget as directed by the Chief Scientist. This project will prepare a synthesis manuscript on the pelagic ecosystem of Prince William Sound, using stable isotope ratio data from biota samples collected and analyzed by the principal investigator under previous EVOS projects (Project 98320/Sound Ecosystem Assessment; Project 01393/Prince William Sound Food Webs: Structure and Change).				
G- 030631	Top-Down Process Synthesis	T. Kline/PWSSC	NOAA	New 1st yr. 2 yr. project	\$0.0	\$0.0	\$29.5	\$0.0
<u>Project Abstract</u> This project will synthesize information that suggests ontogenetic increases of the trophic position of the walleye pollock such that they contribute to top-down processes when >600mm in length, using stable isotope analysis of archived samples and data. Pollock feed at multiple trophic levels depending on their size, with larger pollock cannibalizing smaller pollock, especially those that are age-0. Preliminary analysis suggested that pollock of this size range have a high potential for cannibalism. Pollock of this size range are presently being removed from Prince William Sound since the discovery of a mostly undisturbed population during the SEA project (Sound Ecosystem Assessment, Project /320.) The proposed documentation of a 'before picture' will be useful to GEM, because fishing pressure may effectively remove the larger size class pollock from the sound as has happened in the Bering Sea.		<u>Chief Scientist's Recommendation</u> This proposal from qualified investigators does not present a convincing case that confounding factors can be adequately controlled to resolve the questions it poses. The potential contribution to restoration objectives is thus likely to be limited. Do not fund.		<u>Trustee Council Action</u> Do not fund based on Chief Scientist's recommendation. This project would use stable isotope analysis to examine the trophic position of walleye pollock under different conditions. The reviewers expressed concern about the experimental design of the project and whether unambiguous results could be obtained using the methods proposed.				

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM Cross-Habitat Linkage: Community Involvement					\$369.2	\$150.5	\$340.0	\$0.0
G- 030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	P. Brown- Schwalenberg/CRRC	ADFG	Cont'd 9th yr.	\$30.1	\$150.5	\$192.6	

Project Abstract

In FY 03, this project will focus on four objectives: (a) establishing Core Action Plans for the Tribal Natural Resource Plans being developed in FY 02, (b) identifying priority regional and community-specific research and monitoring issues and concerns and fitting them to community-based research and monitoring activities, especially those related to GEM, (c) conducting a "Wisdomkeeper Series" for discussing and sharing research and monitoring issues with selected biologists, scientists, elders, and traditional knowledge experts, and (d) developing pilot community-based research and monitoring projects for potential implementation in FY 04. Communities involved in the project are Tatitlek, Chenega Bay, Port Graham, Nanwalek, Cordova/Eyak, Seward/Qutekcak, Seldovia, Valdez, Kodiak Island Region/Ouzinkie, and the Alaska Peninsula Region/Chignik Lake.

Chief Scientist's Recommendation

The Trustee Council has committed to community involvement in both the GEM and ongoing oil spill programs. This proposal cannot be fully evaluated until the Tribal Natural Resource Plans scheduled for completion in FY 02 from this project have been reviewed by the Trustee Council. These need to be reviewed for their content, relationship to GEM, and community commitment to implementation of the plans. Defer funding pending receipt of these plans.

Trustee Council Action

Fund interim amount--\$30,100 for Resource Program Planner first quarter salary (\$15,000), WisdomKeeper Workshop scheduled for November (\$7,000), tribal participation in GEM planning meetings (\$2,000), and related overhead (\$3,600) and general administration (\$2,500) costs; defer decision on balance of funding pending a review of FY 02 results (completion of Tribal Natural Resource Plans; tribal participation in technical workshops/training sessions; communication of EVOS results to villages). The Detailed Project Description and budget need to be revised to more directly build on the work performed in FY 02 and to avoid duplication with Project 03575, Designing a Community Involvement/Community Based Monitoring Plan for GEM. The overall goal of this project--community involvement and development of local stewardship capacity--is a priority of the Trustee Council and an essential component of GEM.

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recon.
G- 030210	Youth Area Watch	R. DeLorenzo/Chugach School District	ADFG	Cont'd 8th yr.	\$98.6	\$0.0	\$85.6	

Project Abstract

This project links students in the oil spill impacted area with research and monitoring projects funded by the Trustee Council. The project involves students in the restoration process and provides these individuals the skills to participate in restoration now and in the future. Youth conduct research identified and delegated by principal investigators who have indicated interest in working with students. Youth Area Watch fosters long-term commitment to the goals set out in the restoration plan and is a positive community investment in that process. Participating communities in FY 03 will be Tatitlek, Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Valdez, and Whittier.

Chief Scientist's Recommendation

This project is a success story for community involvement in EVOS research, through the participation of young people in the public school system. The proposers recognize EVOS projects will be changing with implementation of GEM and are willing to adapt. The proposers also have done an excellent job of obtaining supplemental funding and reducing reliance on EVOS funding. However, the proposal provides insufficient information to judge progress. It could be strengthened with greater attention to the results of prior efforts, such as Youth Area Watch students choosing to pursue higher education in science. In addition, the annual reports are not a useful gauge of program accomplishments and progress, so accountability is lacking. By contrast, the Kodiak Youth Area Watch annual reports (Project /610) provide specific information on accomplishments, problems encountered and solutions. Fund contingent on receipt of a revised annual report (01210) that indicates that satisfactory progress is being made.

Trustee Council Action

Fund contingent on submittal and review of (a) a revised FY 01 annual report (01210) that addresses the Chief Scientist's concerns and (b) a satisfactory annual report for FY 02 (02210). Youth Area Watch involves local youth in restoration projects. In FY 03, youth in Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Tatitlek, Valdez, and Whittier will participate.

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030561	Evaluating the Feasibility of Developing a Community-Based Forage Fish Sampling Project for GEM	D. Roseneau/USFWS	DOI	Cont'd 2nd yr. 2 yr. project	\$17.0	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will close out Project 02561, which is evaluating the feasibility of developing a community-based forage fish sampling project for GEM. The work in FY 03 will consist of compiling and analyzing information collected during FY 02, and writing a final report.		The concept of this project--community-based sampling of predator fish to monitor their prey (forage fish)--is scientifically sound and economically viable. It addresses GEM's objective of community involvement with potential to contribute to several aspects of long-term monitoring. This project will produce a useful plan for the Kachemak Bay-lower Cook Inlet region and Prince William Sound. Fund.		Fund closeout of this project, which is visiting spill-area communities to explore involving local residents in long-term forage fish monitoring studies. This effort builds on work successfully begun under APEX (Alaska Predator Ecosystem Experiment, Project 99163). It will contribute to understanding the feasibility of community-based sampling programs in general, and therefore is an important part of GEM transition. It should be noted that the Council's interest in this project is not in the particular data that might be gathered relevant to forage fish, but in the techniques and strategies that might be developed in regard to designing a community involvement component for GEM.				
G- 030575	Designing a Community Involvement/Community-Based Monitoring Plan for GEM	M. Sigman/Center for Alaskan Coastal Studies, et al	NOAA	New 1st yr. 1 yr. project	\$109.6	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will design and produce a draft GEM community involvement and community-based monitoring plan to address the needs of diverse communities in the region. This initiative will be informed by (a) a case history review of working models of community-based monitoring efforts relevant to the GEM conceptual foundation, (b) a regional capacity assessment to identify potential partnerships, (c) issues and indicators as identified by Chugach Regional Resource Commission's Tribal Natural Resource Planning Process and other community planning processes. Recommendations will include identifying new approaches to melding Western science and local and traditional knowledge and pilot community-based monitoring projects.		This project promises to produce a case-study review of other similar programs, undertake a regional capacity assessment, identify issues and indicators from Chugach Regional Resource Commission's Tribal Natural Resource Plans, and identify new approaches to link western science and local ecological knowledge. These deliverables will address a very important aspect of the GEM program. Despite some problems (lack of detail and clarity in portions of the proposal), this is a good proposal. Fund.		Fund, with authorization of funds for Phase II (development of framework document and development of possible pilot projects; \$57,800) contingent on satisfactory completion of Phase I (community monitoring capacity assessment, literature review, and planning; \$51,800). This project addresses the Trustee Council's interest in a strong and meaningful role for community involvement/community monitoring in GEM. It will build on some of the efforts funded in earlier years under Project /052 (Community Involvement/Traditional Knowledge/Tribal Stewardship) but with (a) a different emphasis--development of a regionwide community monitoring plan as opposed to development of specific tribes' stewardship capacity and (b) a broader focus --Project /052 has been limited to tribes only; this project will include non-tribal community groups and add Homer and Cordova to the list of participating communities				

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T OF SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030610	Kodiak Archipelago Youth Area Watch	T. Schneider/Kodiak Island Borough School District	ADFG	Cont'd 4th yr.	\$63.0	\$0.0	\$61.8	

Project Abstract

This project will engage students in projects with goals aligned with the general restoration efforts of the Trustee Council. Students and site coordinators will conduct interviews with local experts and document traditional ecological knowledge, publishing it in a Kodiak School District oral history magazine. Participation of Youth Area Watch adults and students in the annual Academy of Elders/Science Camp will be strongly encouraged. Such participation will serve as another avenue for more tribal members to learn about restoration efforts, scientific monitoring techniques, and occupations related to such work. The value and implications of traditional ecological knowledge will be strongly emphasized throughout the implementation of the project.

Chief Scientist's Recommendation

This ongoing project has shown solid evidence of success, including influencing the curriculum of the Kodiak School District, and has attracted additional funding from other sources. This popular and successful program is achieving its objectives. Fund.

Trustee Council Action

Fund. This project, which involves local youth in restoration projects, addresses the Trustee Council's commitment to community involvement in GEM. In FY 03, students in Akhiok, Old Harbor, Port Lions, Ouzinki, Chiniak, and Kodiak City will participate.

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T. SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030636	Management Applications: Commercial Fishing	K. Adams, R. Mullins/Cordova	NOAA	Cont'd 2nd yr. 2 yr. project	\$50.9	\$0.0	\$0.0	\$0.0

Project Abstract

This project is intended to build a bridge between the scientific community, which is describing and attempting to predict variation in biological production, and the commercial fishing community, which is attempting to find management applications for this new information. In addition, the project seeks to provide community presence to participate in development of GEM.

Chief Scientist's Recommendation

The need for a "bridge project" between science and users, related to EVOS, is quite clear. If the project can identify useful applications from EVOS-based science it will be money well spent. One important criterion of success will be the ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The project is off to a strong start in FY 02 with two successful meetings with well-documented outcomes and setting up an office in Cordova. Prospects for serving the needs of those who depend on resources damaged by the oil spill are very good. Prospects for success are improved with the proposed creation in FY 03 of an advisory science panel, for which commitments have already been obtained from four persons knowledgeable in the academic and professional side of natural resource management and/or oceanography. Fund.

Trustee Council Action

Fund FY 03 only; the proposers have obtained the participation of a panel of scientific advisors, as recommended by the Chief Scientist. In FY 02 this project formed a Prince William Sound Fisheries Research Applications and Planning Group to provide a forum for developing fisheries management applications for all interested parties (Cordova District Fishermen United, Alaska Department of Fish and Game, Prince William Sound Aquaculture Corporation, Valdez Fisheries Development Association, commercial fishers, and others). The objectives of this group in FY 03 are to (a) identify a fisheries relevant subset of EVOS projects, (b) develop criteria and guidelines for making information gathered by GEM relevant for fisheries management and shore-based communities, and (c) develop a plan showing the cycle of movement from basic science to management application. At the end of FY 03, the success of the project will be evaluated and a decision made on whether to continue the project into future years. As recommended by the Chief Scientist, one measure of success will be the project's ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The EVOS program can benefit from the commercial fishing community's perspective on restoration results and interaction with fishers on how to incorporate the results into fisheries management practices. In addition, the project could form a foundation for working with Prince William Sound fishers as GEM develops.

ACE 30398835

SPR SHEET B: TRUSTEE COUNCIL ACTION (T T SPREADSHEET)--FY 03 PHASE I WORK, AN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM: Watershed Habitat					\$115.1	\$0.0	\$26.6	\$26.6
G-030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	J. Cooper/Cook Inlet Keeper	ADFG	New 1st yr. 1 yr. project	\$22.6	\$0.0	\$0.0	\$0.0

Project Abstract

Since August 1998, Cook Inlet Keeper and the Homer Soil and Water Conservation District have been collecting discharge and water quality data from four important salmon streams on the lower Kenai Peninsula: Ninilchik River, Anchor River, Deep Creek, and Stariski Creek. With the loss of funding, the U.S. Geological Survey (USGS) no longer can maintain the Ninilchik River gauge. Keeper, Homer Soil and Water Conservation District, Ninilchik Traditional Council and others depend on this gauge for the flow data needed to achieve a complete picture of water quality in these watersheds. This project will provide funds for Keeper to contract with USGS to maintain the gauge for one year, during which time long-term funding will be secured.

Chief Scientist's Recommendation

This is a very cost-effective proposal for "bridge funding." Funding in FY 03 will prevent loss of a year in a time-series of physical data--freshwater runoff in the Ninilchik River--that is expected to be useful in understanding differences in natural forcing. Fund, lower priority.

Trustee Council Action

Fund revised proposal, which clarifies the matching funds available for the gauge's FY 03 (October 2002-September 2003) operation. The revised proposal also includes a small amount of funding to cover the costs of retrieving and processing gauge data for the period May-September 2002 and clarifies that the cost of operating the gauge during this period will be covered by the U.S. Geological Survey. This project will provide interim funding (FY 03 only) for maintenance of the Ninilchik River stream-flow gauge while a permanent, long-term funding source is sought. Cook Inlet Keeper relies on this gauge in monitoring the water quality of the Ninilchik River, which the Alaska Department of Environmental Conservation has rated as at high risk from nonpoint source pollution and as having a high need for data collection. Water quality is a key element in understanding the watershed and nearshore environments of the spill-impacted region and the overall health and productivity of such resources as salmon, herring, and sea otters which were seriously impacted by the oil spill.

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	B. Finney/UAF	ADFG	Cont'd 2nd yr. 3 yr. project	\$92.5	\$0.0	\$26.6	\$26.6
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project is reconstructing changes in sockeye salmon abundance over the last 5,000 years using the ¹⁵ N record left by salmon carcasses in the sediments of spawning lakes in Prince William Sound, the Kenai Fjords, the Kenai River watershed, and on Kodiak Island. The research question is: What is the normal variability in sockeye salmon populations in the Gulf of Alaska and how does it relate to climatic changes in the Gulf of Alaska region? The results will provide a valuable background for future monitoring studies within GEM and for fisheries managers working to preserve and restore natural salmon runs.		This outstanding project is revealing a 3,500 year record of sockeye salmon abundances in the northern Gulf of Alaska. Previous work with other investigators has established the correlation of salmon abundance with PDO (Pacific decadal oscillation) variations on the decadal scale. The importance of this work is that it describes a much longer record of PDO variation than the European historical record compiled during the 20th century. The project is being executed with the highest scientific standards. Fund, including the proposed addition of three other Kenai Peninsula lakes.		Fund, including new objectives related to core collection from Hidden Lake, Skilak Lake, and a control lake on the Kenai Peninsula. This project is conducting a retrospective study of sockeye abundance in certain lakes in the spill region and developing hypotheses about how changes in the atmosphere/ ocean system affect salmon populations.				

GEM: Intertidal/Subtidal Habitat

\$93.0 \$0.0 \$0.0 \$0.0

G- 030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	E. Brown/UAF, J. Churnside/NOAA	ADFG	Cont'd 2nd yr. 2 yr. project	\$39.3	\$0.0	\$0.0	\$0.0
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Project Abstract

This is the year-two completion of a project initiated in FY 02. The main objective is an evaluation of airborne remote sensing tools for GEM ecological interpretation of the data collected. The instrument package consists of (a) a pulsed lidar to map subsurface features to a maximum of 50 m, (b) an infrared radiometer to map Sea Surface Temperature (SST) day, (c) two three-chip digital video systems to map ocean color (chlorophyll), birds, mammals, surface fish schools, and ocean frontal structure, and (d) an infrared digital video to map birds and mammals at night. Shipboard and buoy data will be used for validation and interpretation of remotely sensed data.

Chief Scientist's Recommendation

Monitoring forage fish abundance is a challenge for the GEM program. This is a highly innovative project to do such monitoring, and is therefore more risky than others. However, it deserves support through the proposed development phase, as the pay-off of success would be great. Fund.

Trustee Council Action

Fund closeout of this project, which is exploring airborne remote sensing instrumentation as a monitoring tool for GEM. This highly innovative project is working on a challenging question, which is how to effectively and efficiently monitor forage fish abundance under the GEM program. If the project is successful, the pay off will be great.

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SPR SHEET B: TRUSTEE COUNCIL ACTION (T T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom
G- 030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material and Isotopes	G. Irvine/USGS, J. Schaaf/NPS, D. Mann/UAF, J. Southon/Univ. Calif.	DOI	Cont'd 2nd yr. 2 yr. project	\$53.7	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will investigate long-term (6,300 year) patterns of productivity and relative species abundances in nearshore, intertidal communities via retrospective analyses. These analyses will focus on excavated midden remains of very rich, well-dated archaeological sites along the Katmai National Park and Preserve coast. Changes in nearshore marine communities will be assessed through examination of relative species abundances, size-frequency analysis, and other indicators of habitat changes. Isotopic analysis of shells will provide an assessment of long-term productivity patterns in the nearshore marine environment as related to major periods of climate change.		This pilot project has the potential to produce innovative data of great interest and relevance to understanding natural variation in ocean systems and the human use of resources over long time frames. The originality of this work is very high, although there is a risk that the coarse temporal resolution of the method will prevent precise conclusions. The addition of funds for a paleoceanographer is justified in order to add needed expertise to the project team. Fund.		Fund closeout of this project contingent on submittal of overdue report (99459). A portion of the increase (\$15,900) in funding over the expected amount is due to a delay in the stable isotope analyses scheduled for FY 02; an equivalent amount of funds will be lapsed back to the Trustee Council at the end of FY 02. This project is designed to improve understanding of long-term change in nearshore marine communities and investigate the relationship between productivity and climate.				
GEM: Alaska Coastal Current Habitat					\$51.6	\$0.0	\$32.1	\$32.1
G- 030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	T. Weingartner/ UAF	ADFG	Cont'd 6th yr.	\$51.6	\$0.0	\$32.1	\$32.1
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
Interannual variations in temperature and salinity on the northern Gulf of Alaska shelf reflect environmental changes that affect this marine ecosystem. Quantifying and understanding this variability require long time series such as the 32-year record at hydrographic station GAK1 near Seward. This project continues this time series, quantifies the synoptic, seasonal, and interannual variability, and seeks to understand the reasons for this variability. It will also begin to examine interannual variations in near-surface stratification and the timing of the spring bloom on the inner Gulf of Alaska shelf. The data will be used to predict the baroclinic component of the mass and freshwater transport variability in the Alaska Coastal Current in the northern gulf.		This excellent project provides new insights into physical forcing/control of primary production and mass transport. The synthesis efforts are allowing new insights into proxy measures that might be applied to the 35-year historical record to understand long-term ecosystem variability. This is an excellent investment in a long-term data set that will pay future dividends in fish and wildlife management. Fund.		Fund, including proposed upgrade of mooring (addition of another temperature/conductivity recorder with fluorometer and transmissometer) contingent on (a) receipt of a description of the deployment procedure intended to insure against loss of data and (b) submittal of the manuscript promised in FY 02 analyzing the relationship between atmospheric pressure, precipitation, and density structure of the Alaska Coastal Current. This project provides for continued Trustee Council support of hydrographic station GAK1 and the accompanying retrospective analyses of the station's data record. GAK1 provides a long-term data set that allows characterization of the Alaska Coastal Current, which is essential to understanding climatological forcing of productivity and will be important for GEM.				
ACE 30398838								

SPRE SHEET B: TRUSTEE COUNCIL ACTION (T C SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recon.
GEM: Offshore Habitat					\$18.1	\$0.0	\$0.0	\$0.0
G- 030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	S. Okkonen/UAF	ADFG	Cont'd 2nd yr. 2 yr. project	\$18.1	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will use a thermosalinograph and fluorometer, to be installed on a crude oil tanker, to acquire continuous, long-term measurements of the near-surface temperature, salinity, and fluorescence fields along the tanker route between Valdez, Alaska and Long Beach, California.		This is a continuation of an innovative and cost-effective project that provides data to assess the long-term recovery of resources impacted by the oil spill against the background of climate-driven variability. The potential for the proposal to provide data from a key area of Prince William Sound and the adjacent ocean relevant to long-term evaluation and interpretation of population trends for birds, fish and mammals is excellent. Fund.		Fund closeout of this project (data analysis and preparation of final report/manuscript). In FY 02, this project installed a thermosalinograph and fluorometer on a crude oil tanker traveling between Valdez and Long Beach. Vessels of opportunity such as this are a cost-effective method that may be useful to GEM, and the data collected by this project on ocean conditions in Alaskan waters will be extremely useful to GEM.				

Data Management & Information Transfer					\$308.0	\$0.0		
G- 030455	GEM Data System	Trustee Council Office	ALL	Cont'd 2nd yr.	\$212.9	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project supports the data management and information transfer system for GEM. Data collection, quality control and documentation, archiving, transfer, delivery, and presentation are critical components of GEM. Project funding will allow the GEM Data Systems Manager to provide the leadership and expertise necessary for this essential part of the GEM program, and hire support staff to make initial aspects of the program operational.		Data management will be a critical component of GEM.		Fund. This project provides funding for the GEM Data Systems Manager and related data system costs. Data collection, quality control and documentation, archiving, transfer, delivery, and presentation are critical components of GEM.				

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030550	Alaska Resources Library and Information Services (ARLIS)	All Trustee Council Agencies	ALL	Cont'd	\$95.1	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project represents the Trustee Council's contribution to the Alaska Resources Library and Information Services (ARLIS). ARLIS serves as a central access point for information generated through the Trustee Council restoration process and the GEM program. In addition, ARLIS acts as the public repository for reports and other materials generated from and related to the cleanup, damage assessment and restoration efforts following the oil spill. ARLIS supports the research efforts and information needs of the Restoration Office, principal investigators, natural resources professionals, and the general public.		The oil spill collection at ARLIS (Alaska Resources Library and Information Services) is a legacy of the spill and an important means of providing the public with oil spill information. Defining how ARLIS might support GEM needs to be better addressed. GEM's library needs will likely be oriented more toward electronic formats and processes and away from paper documents, with an emphasis on web-based services. The funds currently going toward Project 03550 might be more effectively spent in the future on a service or services more tailored to the specific research and data needs of GEM. Fund for FY 03 only.		Fund continuation of one librarian at the Alaska Resources Library and Information Services (ARLIS). Trustee Council contributions in FY 04 and beyond may be reduced as the transition to GEM is completed. ARLIS provides an important service for documents and other materials produced through the damage assessment and restoration processes. The Council's original funding commitment to ARLIS was through FY 01 only; how ARLIS might relate to the GEM program in FY 04 and beyond is not clear at this time.				

Science Management					\$416.0	\$0.0		
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G- 030250	Project Management	All Trustee Council Agencies	ALL	Cont'd	\$137.6	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
Project management supports those Trustee agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports.		Proposal not reviewed.		Fund. Project management helps provide accountability for the work plan process.				

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SPRE SHEET B: TRUSTEE COUNCIL ACTION (T SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 01 Recon.
G- 030630	Scientific Management under GEM	Trustee Council Office	ALL	Cont'd	\$278.4	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will provide scientific oversight of implementation of the GEM program, as well as scientific oversight of lingering effects of oil on injured resources. In FY 03, the project will support the Science and Technical Advisory Committee (STAC) and other aspects of the scientific review and advisory process, develop the FY 04 Invitation to Submit Proposals, provide peer review recommendations and scientific support for the FY 03 and FY 04 work plans, continue developing a "State of the Gulf Report", provide regional input to a status report on North Pacific resources now being developed by PICES (North Pacific Marine Science Organization), and support the Lingering Oil Effects Subcommittee and review process.		Proposal will not be reviewed by Chief Scientist.		Fund interim amount of \$278,400; additional funds may be necessary later in FY 03 for additional GEM planning activities and for some Scientific and Technical Advisory Committee (STAC) and subcommittee meetings that are not yet scheduled. This project is designed to ensure that the GEM program is implemented with a high degree of scientific integrity through establishment of an advisory committee of independent experts (the STAC), whose work will be supported by subcommittees composed of scientists, resource managers, and community members. The project will also support continued independent peer review of project proposals and reports, as well as the dissemination of research results at an annual meeting at which Council-funded scientists will present their findings to their peers and the public.				

Public Information/Administration

\$1,114.3

\$0.0

030100

Public Information and Administration

All Trustee Council Agencies

ALL

Cont'd

\$1,114.3

\$0.0

Project Abstract

This project provides overall support for public involvement and administration of the restoration program, including GEM. It includes funding for the Trustee Council staff working at the direction of the Executive Director, public involvement efforts including the active participation of the Public Advisory Committee (PAC), and management of the EVOS Investment Fund.

Chief Scientist's Recommendation

Proposal not reviewed.

Trustee Council Action

Fund. This project provides overall support for administration and implementation of the Trustee Council's programs.

ATTACHMENT

ACE 30398841

MEMORANDUM

Department of Natural Resources

State of Alaska

Office of the Commissioner

TO: Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council

DATE: July 12, 2002

TELEPHONE NO: 269-8431

FROM: Carol Fries 
Natural Resource Manager

SUBJECT: EVOS Habitat Protection
Funding FY 02

Your memo of May 20 requested a detailed memo specifying which parcels and which activities DNR is working on in order to address a request for additional funding for habitat protection efforts. The following summary information should provide sufficient detail for a review of the activities in which DNR has been engaged. Please note that all activities are conducted in close coordination with and at the request of the Department of Law.

DNR has been working on the following habitat protection activities during fiscal year 2002.

AJV final closing of last remaining acreage transferred from BLM to AVJ.

Contractual title services Land Field Services: \$4,937 – unexpected expense.
Review of title work, closing documents by DNR title staff.

AJV Subsurface

Contractual title services Land Field Services \$7,918 - \$1,918 in excess of title estimate.
Review of title work, closing documents by DNR title staff still needs to be completed.

English Bay Phase II Closing

Completed. This took longer than expected due to unanticipated encumbrances.

Old Harbor Hydro Release from Conservation Easement

Completed. Very time consuming.

AKI Site Exclusions, Final Closing

Completed. This took much longer than expected due to unanticipated encumbrances.

Tatitlek Exchange

Completed
7/23/02

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USFWS Small Parcels

Have been reviewed and processed as requested.

Eyak final closing – Power Creek

This closing started with a flurry of activity then stalled and is still hanging. DNR contracted for title work for this closing, an unanticipated expense, and DNR will still need to pay for closing.

Koniag Easement along the Karluk

Review of title, legal descriptions, closing documents by DNR title staff.

This has come before DNR six times since early in the year for 30-day extensions. The legals are still insufficient. Title defense has concerns about navigability issues that are currently unresolved to their satisfaction. This has required an inordinate amount of staff time.

Old Harbor/Sitkalidik Exchange

Travel associated with public hearings held in Kodiak. Staff compiled reviewed and summarized public comment submitted in writing and at the hearing. Preparation and review of documents associated with the exchange took place as expected. However, modification of the appraisal and review to address previously unidentified problems and equalization of value was an unexpected complication and expense.

Old Harbor Native Allotments in Kiliuda Bay

These parcels were being pursued by The Conservation Fund under the grant agreement. DNR has begun the hazmat assessment on priority parcels in Kiliuda Bay in order to address the Chokwak acquisition. Chokwak, Ericksen, Inga have been identified as parcels on which grantees have consulted with the Trustee Council. The initial hazmat request was for Chokwak, however, additional parcels were done in order to maximize resources both in terms of staff time and dollars. Travel to this area is difficult, limited due to weather, and it makes no sense to go back multiple times. We do not have staff resources to make multiple trips. \$5,000 encumbered, best estimate of cost for travel, research and staff time.

Note: DNR and Law have taken care of Chokwak due to changes within The Conservation Fund. There were no anticipated expenditures detailed for these parcels. They were to have been part of the grant and not the subject of the financial discussions in July of 2001.

Unexpected expense – Kiliuda Bay Hazmat \$5,000

Swartz

This parcel was previously identified as a parcel to be pursued by the Council. The Conservation Fund secured the Icicle Seafoods parcels previously, but was unable to secure Swartz. This parcel recently came on the market and the Conservation Fund agreed to pursue it if DNR could contract for the preliminary commitment for title insurance. There was a desire to move quickly

on this parcel and as you know. The Conservation Fund has more flexibility to purchase options or acquire in a timely manner.

Unexpected expense - Preliminary commitment for title insurance - \$250

Staff time will be required to review these documents, conduct a hazmat survey and review the appraisal. No estimate of expenses was included for this parcel in the FY02 estimate.

Nuka Island

DNR has requested that TNC pursue two Nuka Island parcels currently available from the University of Alaska. The University is interested in selling. Title work, hazmat and appraisal review will need to be completed.

Northern Afognak

Department of Law has been working with groups pursuing additional acquisitions on Northern Afognak which would complete protection of the northern tier of the island. An RSA has been executed for support services to be provided by Sheal Anderson to the Department of Law negotiators at their request.

Unexpected expense - RSA to Law \$5,500

Note: Should the timber and land appraisals be completed in August as expected, additional expenses should be expected for appraisal review, DNR staff time etc. These expenses are not detailed here due to an uncertain completion date and no clear cost estimate at this point.

Total Expended or Obligated to Date: \$75,500

Balance remaining: \$1,000

Unanticipated contractual expenses: \$17,605

AJV closing	\$4,937
AJV Subsurface title	\$1,918
Kiliuda Bay Hazmat	\$5,000
Northern Afognak consulting services	\$5,500
Swartze preliminary commitment for title insurance	\$250

Unanticipated work by DNR staff:

- English Bay
- Old Harbor Hydro
- AKI Final Closing
- Konaig Easement
- Chokwak Parcel
- Old Harbor Appraisal adjustment

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In conclusion, additional funds in the amount of \$17,605, an amount equivalent to the majority of the unanticipated contractual expenses, should provide sufficient funds to continue work that is

7/23/02

anticipated between now and September 30. DNR will need to purchase title insurance for Elliot, Icele Seafoods, and the Valdez Duck Flats, and hopefully close these parcels by the end of the fiscal year. We also anticipate completing the Old Harbor Exchange and the AJV subsurface in the very near future. The Koniag Conservation Easement will continue to be an issue. The Eyak final closing is expected to resurface in the near future. Please note that there is always the possibility that unanticipated expenses may arise particularly in relation to the additional AJV lands. We are being very conservative in our request for additional funds in order to avoid creating an unnecessary lapse of funds.

I did not make this request prior to this point in time in an effort to avoid creating a situation where funds might possibly lapse. However, at this point it is clear that there are insufficient funds remaining to continue the work associated with ongoing habitat protection efforts.

Should you have any additional questions or concerns, please do not hesitate to contact me at your earliest convenience. It would be beneficial if this matter could be addressed at the August 6 Trustee Council meeting. Thank you.

cc: Marty Rutherford
Alex Swiderski
Craig Tillery

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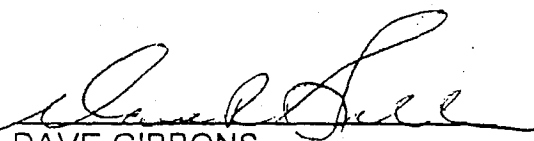
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RESOLUTION 02-08 OF THE
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 REGARDING A GRANT FOR HABITAT PROTECTION

Pursuant to paragraph 15 of Resolution 01-07, the Trustee Council hereby approves (a) an extension of the termination date of the U.S. Fish and Wildlife Service grants to The Conservation Fund (FWS Grant Number 701811G113) and The Nature Conservancy (FWS Grant Number 701811G112) from September 30, 2002 to September 30, 2003, (b) an extension of the due date from December 31, 2002 to December 31, 2003 for the grant recipients' report to the Council describing their activities and accomplishments under the grant, and (c) a corresponding revision to the schedule for funding recipients' indirect costs from "disbursed quarterly over the life of the grant agreement" to "upon receipt of a request for reimbursement submitted no more frequently than every 30 days, when allowable and allocable indirect costs have been incurred by the grant recipient".

Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:



DAVE GIBBONS
 Forest Supervisor
 Forest Service Alaska Region
 U.S. Department of Agriculture



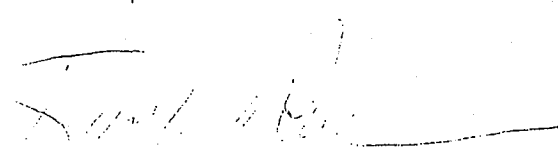
CRAIG TILLERY
 Assistant Attorney General
 State of Alaska



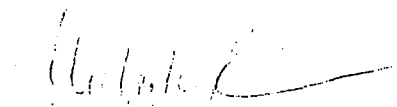
DRUE PEARCE
 Senior Adviser
 to the Secretary for Alaskan Affairs
 U.S. Department of the Interior



JAMES BALSIGER
 Administrator, Alaska Region
 National Marine Fisheries Service



FRANK RUE
 Commissioner
 Alaska Department of
 Fish and Game



MICHELE BROWN
 Commissioner
 Alaska Department of
 Environmental Conservation

ACE 30398846

ATTACHMENT B

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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

July 9, 2002

By Molly McCammon
Executive Director

Trustee Council Members Present:

• Dave Gibbons, USFS
* Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

• Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

Motion by Tillery, second by Brown.

ACE 30398847

ATTACHMENT B

PAGE 48 OF 59

Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. Revised Operating and Report Procedures

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. Trustee Council Data Policy

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. Executive Session

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.)

On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.)

On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398848

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

8. Habitat Protection

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398849

ATTACHMENT B
PAGE 50 OF 59

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING

July 9, 2002 10:30 a.m.
441 West 5th Ave., Suite 500, ANCHORAGE

DRAFT

Trustee Council Members:

CRAIG TILLERY
Assistant Attorney General
State of Alaska

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior

MARIA LISOWSKI for
DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner, Alaska
Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500
_____ Federal Chair

1. Call to Order - 10:30 a.m.
 - Approval of Agenda*
 - Approval of Meeting Notes*

June 14, 2002
2. Executive Director's report
3. Public comment - 10:45 a.m.
4. Approval of the GEM Program Document*

ACE 30398850

ATTACHMENT B
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Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

5. Approval of the Revised Operating & Report Procedures*
6. Executive Session - 12:00 p.m. - 1:30 p.m.
7. Approval of the New Trustee Council Data Policy*
8. Update on Status of Injured Resources and Services*
9. Habitat Protection
 - Report from Grantee
 - Randy Hagenstein, The Nature Conservancy
 - Glenn Elison, The Conservation Fund
 - Small parcel KEN 310/Swartzes*
 - Small parcel KAP 1087/Chokwak*

Adjourn - 3:00 p.m.

* Indicates tentative action items.

ACE 30398851

ATTACHMENT B
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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

June 14, 2002

By Molly McCammon
Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS
Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
● Michele Brown, ADEC
* Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons Pearce, Balsiger, Klein and Tillery
By teleconference: Rue

● Alternates

Ron Klein served as alternate for Michele Brown for the entire meeting.
Jim Balsiger joined the meeting at 10:12 a.m.

Meeting convened at 10:05 a.m., June 14, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION: Approved the June 14, 2002 agenda
(Attachment A)

Motion by Pearce, second by Klein.

2. Approval of Meeting Notes

APPROVED MOTION: Approved April 18, 2002 meeting notes
(Attachment B).

ACE 30398852

Motion by Pearce, second by Klein.

ATTACHMENT

B

PAGE

53

OF

59

Public comment period began at 10:16 a.m.

Public comments received from six individuals, five in Anchorage, one on-line from Homer (at 1:45 p.m. to 1:47 p.m.). Five of these comments were on the Draft Update on Injured Resources.

Public comment period closed at 11:15 a.m.

3. Old Harbor Land Exchange

APPROVED MOTION: Approved a motion to delete the requirement that the Old Harbor Native Corporation convey a conservation easement on Sitkalidak Island to the United States Fish and Wildlife Service, imposed as a condition upon the funding provided for the Sitkalidak land exchange.

Motion by Pearce, second by Rue.

4. PAC Charter Revisions

APPROVED MOTION: Approved a motion to add revisions to the following sections of the PAC Charter: Membership, Selection and Service; Expenses; Authority (Attachment C), and replace the references to "Program Advisory Committee" with "Public Advisory Committee" and adopt the June 4, 2002 draft PAC Charter.

Motion by Pearce, second by Rue.

BREAK

Off the record at (11:58 a.m.)

On the record at (12:06 p.m.)

5. GEM

DISCUSSION: Discussion concerning revisions to the GEM Program Document. The GEM Program Document is to be presented to the Trustee Council for approval at the July 9, 2002 Trustee Council meeting.

6. NRC Report

BRIEFING: Mike Roman, chair of the National Research Council's review committee, briefed the Trustee Council on the committee's final report on GEM (Attachment D).

BREAK

Off the record at (12:50 p.m.)

On the record at (1:05 p.m.)

7. Procedures and Policies

ATTACHMENT B
PAGE 54 OF 59

ACE 30398853

DISCUSSION:

Discussion on the proposed changes to the Trustee Council's Procedures (Attachment E). The proposed revisions are to be presented to the Trustee Council for action at the July 9, 2002 meeting.

8. FY 03 Draft Phase II Invitation

BRIEFING:

The Trustee Council was briefed on the draft FY 03 Phase II invitation. Phase I recommendations (approximately \$4 million) are currently out for public review. The Trustee Council will act on them on August 6, 2002. The Phase II invitation is scheduled to be issued on July 15, 2002 with proposals due on September 4, 2002.

Meeting adjourned 2:01 p.m.

Motion by Balsiger, second by Pearce.

ATTACHMENT B
PAGE 55 OF 59

ACE 30398854

RESOLUTION 02-06 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. By resolution adopted at its meeting on January 16, 2001, the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy (the grant to The Conservation Fund is hereinafter referred to as the "Grant");
2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;
3. An appraisal of the parcel completed by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;
4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398855

5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

6. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

7. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

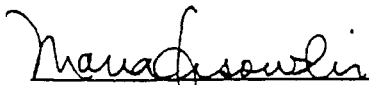
- (i) title search;
- (ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;
- (iii) an executed purchase or option agreement and conveyance documents that are ready for execution;
- (iv) hazardous materials survey; and
statement of compliance with the National Environmental Policy Act.
- (vi) statement of compliance with the National Environmental Policy Act.


It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prespill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Council.

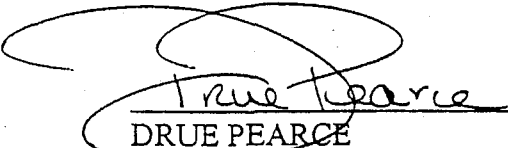
By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

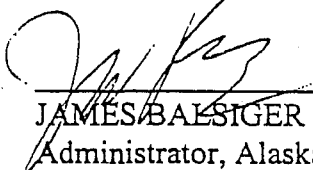
Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

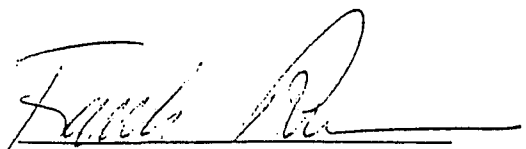
Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

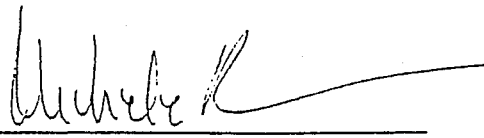

for DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior


JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

Attachment A - Restoration Benefits Report

ACE 30398858

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

August 23, 2002

RECEIVED

AUG 26 2002

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Lee Livermore
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991. These joint trust funds are currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$14,472,734
Account: State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 65040

United States

Amount: \$7,260,000

Beneficiary

Account: 14X5198
name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

Beneficiary

Account: 14010001
name: Department of the Interior
Financial Management Services National Business Center

Beneficiary Bank

Account: 021030004
name: Treasury, NYC

OBI Text

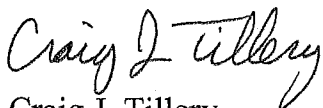
Natural Resource Damage Assessment Restoration Fund
14X5198 EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,



Craig J. Tillery
Assistant Attorney General
State of Alaska



Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

BRUCE M. BOTELHO
ATTORNEY GENERAL

CRAIG J. TILLERY
Assistant Attorney General
State of Alaska
Department of Law
1031 West Fourth Avenue, Suite 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274
Facsimile: (907) 278-7022

Attorneys for the State of Alaska

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

STATE OF ALASKA,)
)
Plaintiff,)
)
v.)
)
EXXON CORPORATION, and EXXON)
SHIPPING COMPANY,)
)
Defendants.)

No. A91-083 CIV (HRH)

**SECOND JOINT NOTICE
OF EXPENDITURES FROM
INVESTMENT FUND**

The State of Alaska and the United States (the "Governments") jointly provide notice of the expenditure of \$21,732,734 from the EXXON VALDEZ Oil Spill Investment Fund ("Investment Fund") and \$1,055,700 from lapsed funds and accrued interest on monies previously disbursed from the settlement account that are within the Natural Resource Damage Assessment and Restoration Fund managed by the United States Department of the Interior. The

ACE 30398859

22,732,734
FILED
AUG 28 2002
UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA
By Deputy

250	137,600
630	278,000
450	212,400
550	95,111

PS 1001114,3004-95.1 AUG

FY03 Phase 1 WP 1886,900

FY03 Admin 1,700,700

Project support 137,600

Land payment
Shuyak 11,805,734

EYAL 3,009,000

Chockmaik 160,500

Sitka Idik 41,070

FY03 Habitat Support 37,700

1 Governments' natural resource trustee agencies will use these funds for purposes
2 consistent with the Memorandum of Agreement and Consent Decree entered by
3 this Court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on
4 August 28, 1991 ("MOA").

5 On September 25, 1991 the State of Alaska and the United States
6 settled their claims against the Exxon Corporation, Exxon Shipping Company,
7 Exxon Pipeline Company, and the T/V EXXON VALDEZ arising from the
8 EXXON VALDEZ oil spill. All funds resulting from these settlements were
9 subsequently ordered by this Court to be placed in an interest-bearing account in
10 the Court Registry Investment System ("CRIS") administered through the United
11 States District Court for the Southern District of Texas.
12

13
14 On June 7, 2000 this Court entered its Third Amended Order for
15 Deposit and Transfer of Settlement Proceeds ("Third Amended Order"). The
16 Third Amended Order allows the Governments the option of investing the money
17 in an account outside the United States Treasury. On September 29, 2000, upon
18 application by the Governments, the Court entered an Order Re: Transfer of
19 Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an
20 Investment Fund Within the Alaska Department of Revenue, Division of
21 Treasury, authorizing transfer of settlement proceeds to an account within the
22 State. On October 5, 2000 all funds and securities were transferred from the
23 CRIS to the Investment Fund.
24
25
26

Paragraph 27 of the Third Amended Order provides that "funds in an Investment Fund shall remain on deposit in that Fund until such time as the EVOS Trustees unanimously resolve to expend all or part of the funds." The funds may then be expended, for purposes consistent with the MOA, upon the joint notification of the Governments to the Investment Fund and the Court.¹ The notification is to inform the Court of the proposed uses of the funds in the same manner and to the same extent as was the Governments' practice when the funds were in the registry of the court.

The Governments provide notice of this expenditure from the Investment Fund and lapsed funds and accrued interest to fund: (1) the sixth (final) installment payment associated with the acquisition of lands from the Eyak Corporation in accordance with the resolutions of the Trustee Council dated July 2, 1997 and August 13, September 4, and November 30, 1998;² (2) the eighth (final) installment payment associated with the acquisition of lands from the Kodiak Island Borough in accordance with the resolution of the Trustee Council dated December 11, 1995;³ (3) necessary natural resource damage

¹ A copy of the notice provided to the Investment Fund pursuant to paragraph 27 of the Third Amended Order for Deposit and Transfer of Settlement Proceeds is appended to this Notice as Attachment A, pp. 1 - 2.

² These resolutions appeared as part of Attachment A of our Joint Application for Thirty-Seventh Disbursement From Settlement Account. This \$7,000,000 payment is due on October 1, 2002.

³ This resolution was appended to the Joint Application For Twentieth Disbursement From Settlement Account as Attachment A. This \$11,805,734 payment is due October 1, 2002.

assessment and restoration activities during federal fiscal year 2003;⁴ (4)
acquisition of small parcel KAP 1087;⁵ (5) unanticipated and increased support
costs for projects 02126 and 030126 (habitat protection);⁶ and (6) monies needed
to equalize the value of land on Sitkalidak Island to be conveyed by the State of
Alaska to the Old Harbor Native Corporation in exchange for land in Kiliuda
Bay to be conveyed to the State by Old Harbor Native Corporation.⁷

Of the \$22,788,434 that is the subject of this notice, \$8,315,700
will be provided to the United States and \$14,472,734 will be provided to the
State of Alaska.

⁴ The resolution of the Trustee Council documenting its unanimous agreement to
expend \$3,725,200 for implementation of the FY 2003 Work Plan and describing
the purpose of those expenditures is appended to this notice at Attachment B, pp.
15-42. Of this amount \$2,669,500 will come from the Investment Fund. The
remainder, \$1,055,700, will come from lapsed funds and accrued interest on
monies previously disbursed from Settlement Account that are within the Natural
Resource Damage Assessment and Restoration Fund managed by the United
States Department of the Interior.

⁵ The resolution of the Trustee Council documenting its unanimous agreement to
expend \$160,000 for this purpose and the certification of the Executive Director
of the Trustee Council evidencing satisfaction of the conditions appearing in that
resolution are appended to this notice as Attachment A, pp. 3-7.

⁶ The certifications of the Executive Director evidencing the unanimous
agreement of the Trustee Council to expend \$56,500 for this purpose are
appended to this Notice as Attachment A, pp. 8-9.

⁷ The certification of the Executive Director evidencing the unanimous
agreement of the Trustee Council to expend \$41,000 for this purpose is appended
to this Notice as Attachment A, p. 10.

1 A complete summary of the Council's activities since approval of
2 the settlement was appended to our Second Application, filed January 19, 1993,
3 as Attachment B, and interim updates of activities appeared as Attachments to
4 each of the Governments' Third through Sixth, Eighth through Twelfth,
5 Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-Fourth through
6 Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for
7 disbursement, the Fifth through Seventh and Tenth through Thirteenth Joint
8 Notices of Expenditure From Settlement Account Monies Previously Disbursed,
9 and the First Joint Notice of Expenditures From Investment Fund. Since the last
10 summary provided to the Court, the Trustee Council has met on two occasions.
11 Appended to this application as Attachment B are the meeting notes for these
12 two meetings.
13
14

15 RESPECTFULLY SUBMITTED this 23rd day of August, 2002 at
16 Anchorage, Alaska.
17

18 By:

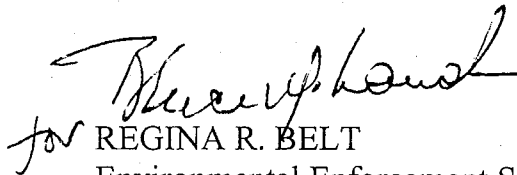
18 FOR THE STATE OF ALASKA
19 BRUCE M. BOTELHO
20 ATTORNEY GENERAL

21 *Craig Tillery*
22 CRAIG J. TILLERY
23 Assistant Attorney General
24 State of Alaska
25 Department of Law
26 1031 West Fourth Avenue, Suite 200
Anchorage, Alaska 99501-1994
Telephone: (907) 269-5274
Facsimile: (907) 278-7022

FOR THE UNITED STATES OF AMERICA
THOMAS L. SANSONETTI
Assistant Attorney General
Environment & Natural Resources Division

ROBERT E. MAHER, Jr., Asst. Chief
Environmental Enforcement Section
Environment & Natural Resources
Division
U.S. Department of Justice
Washington, D.C. 20530

By:

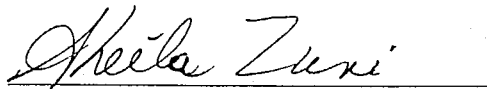

for REGINA R. BELT

Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
(907) 271-3456

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 23rd day of
August, 2002, a copy of the foregoing
document, attachments, and proposed order
were served by U.S. mail, first class,
postage prepaid, to the following:

Regina R. Belt
James F. Neal
Douglas J. Serdahely
Patrick Lynch
John F. Clough III


Sheila Zuni
Law Office Assistant

8/23/02
Date

ACE 30398864

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

August 23, 2002

Lee Livermore
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Livermore:

The Exxon Valdez Trustee Council has unanimously determined to expend \$21,732,734 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in United States v. State of Alaska, No. A91-081 CIV (D. Alaska) on August 28, 1991. These joint trust funds are currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

State of Alaska

Amount: \$14,472,734
Account: State of Alaska
Exxon Valdez Settlement Account
GeFONSI 33070
Account 65040

ACE 30398865

ATTACHMENT A
PAGE 1 OF 10

United States

Amount: \$7,260,000

Beneficiary

Account: 14X5198
name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

Beneficiary

Account: 14010001
name: Department of the Interior
Financial Management Services National Business Center

Beneficiary Bank

Account: 021030004
name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund
14X5198 EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place on Tuesday, September 3, 2002 or as soon thereafter as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,

Craig J. Tillery
Assistant Attorney General
State of Alaska

Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
United States of America

ACE 30398866

ATTACHMENT A

PAGE 2 OF 10

RESOLUTION 02-06 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. By resolution adopted at its meeting on January 16, 2001, the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy (the grant to The Conservation Fund is hereinafter referred to as the "Grant");

2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;

3. An appraisal of the parcel completed by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;

4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398867

5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

6. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

7. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

(i) title search;

(ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; and
statement of compliance with the National Environmental Policy Act.

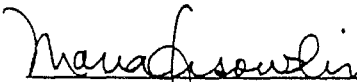
(vi) statement of compliance with the National Environmental Policy Act.


It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prefill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Council.

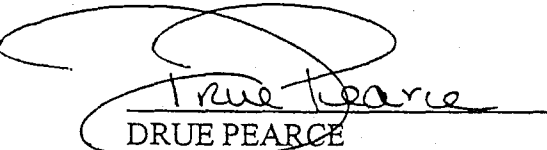
By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

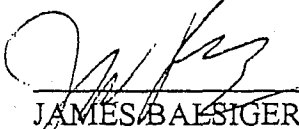
Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

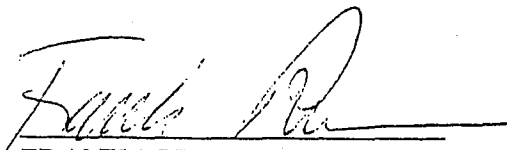
Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

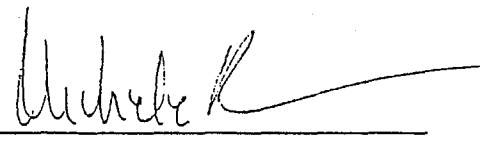

for DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior


JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

Attachment A - Restoration Benefits Report

ACE 30398870

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 14, 2002

I certify that the State of Alaska has complied with the terms and conditions of the Exxon Valdez Oil Spill Trustee Council's resolution of July 9, 2002, and hereby request that the Alaska Department of Law and U.S. Department of Justice notify the U.S. District Court of the following disbursements from the EVOS Investment Fund:

<u>Parcel Number</u>	<u>Landowner</u>	<u>Purchase Price</u>
KAP 1087	James F. Chokwak, Sr.	\$160,000

Sandra Schubert
Molly McCammon
Executive Director

ACE 30398871

ATTACHMENT A
PAGE 7 OF 10

Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law


Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 7, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive \$37,700 for Project 030126 habitat protection support costs for the protection of coastal habitat in Perenosa Bay.


Molly McCammon
Executive Director

ACE 30398872

ATTACHMENT A
PAGE 8 OF 10

Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 13, 2002

I certify that on August 6, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion for the State of Alaska Department of Natural Resources to receive an additional \$18,800 under Project 02126 for unanticipated, habitat protection support costs.

Sandra Schubert for
Molly McCammon
Executive Director

ACE 30398873

ATTACHMENT A
PAGE 9 OF 10

Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



August 13, 2002

I certify that on July 9, 2002 the *Exxon Valdez* Oil Spill Trustee Council approved a motion to provide \$41,000 to the State of Alaska Department of Natural Resources to cover the difference in the value of land on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for land in Kiliuda Bay to be conveyed to the State by Old Harbor Native Corporation.

Sandra Schubert for
Molly McCammon
Executive Director

ACE 30398874

ATTACHMENT A
PAGE 10 OF 10

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

August 6, 2002

By Molly McCammon
Executive Director



DRAFT

Trustee Council Members Present:

Dave Gibbons, USFS
● Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
*Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons, Tillery, and Brown

By teleconference: Balsiger (DC), Rue (Juneau), Toohey (Anchorage)

● Alternates

Cam Toohey served as alternate for Drue Pearce or the entire meeting.

Meeting convened at 2:06 p.m., August 6, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the August 6, 2002 agenda.
(Attachment A)

Motion by Brown, second by Gibbons.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the July 9, 2002 meeting notes.
(Attachment B)

Motion by Gibbons, second by Brown.

ACE 30398875

Public comment period began at 2:10 p.m.

No public comment received.

Public comment period closed at 2:12 p.m.

3. Investment Fund Fees

APPROVED MOTION:

Approved a motion to adjust the investment fund fees as outlined in the memo to the Trustee Council dated August 6, 2002 regarding the Investment Fund Fees (Attachment C), with a correction on page 4 changing 1/12 to 12.

Motion by Brown, second by Gibbons.

Public comment period re-opened at 2:26 p.m.

No public comment received.

Public comment period closed at 2:27 p.m.

4. FY 03 Work Plan Phase I

ADOPTED RESOLUTION:

Adopted resolution 02-07 approving funding of \$3,725,200 for FY 03 Phase I projects as outlined in resolution 02-07(Attachment D).

Motion by Brown, second by Gibbons.

5. FY 02 Amendment to Project 02126

APPROVED MOTION:

Approved a motion to provide \$18,800 for the Alaska Department of Natural Resources under Project 02126 for the unanticipated contractual expenses outlined on page 3 of the memo dated July 12, 2002 from Carol Fries to Molly McCammon, including a general administrative fee of 7% (Attachment E).

Motion by Brown, second by Gibbons.

6. Afognak Island Acquisition Support

APPROVED MOTION:

Approved a motion to provide \$37,700 in funds for the Alaska Department of Natural Resources to provide the following services in regard to the proposed protection of coastal habitat in Perenosa Bay and other coastal habitat on northern Afognak Island: review land and timber appraisals, review title, and conduct a hazardous materials survey and site inspection.

Motion by Brown, second by Gibbons.

7. Habitat Grant Extension

ADOPTED RESOLUTION:

Adopted resolution 02-08 approving an extension of the termination date of the United States Fish and Wildlife Service grants to The Conservation Fund and The Nature Conservancy from September 30, 2002 to September 30, 2003, an extension of due date for the grant recipients' activity report to the Council from December 31, 2002 to December 31, 2003, and a revision to the schedule for funding recipients' indirect costs from quarterly disbursement to upon request for reimbursement occurring no more frequently than every 30 days (Attachment F)

Motion by Gibbons, second by Brown.

8. Injured Resources Update

APPROVED MOTION:

Approved a motion to adopt the Status of Injured Resources and Services dated July 29, 2002 with a motion to amend by Gibbons, seconded by Balsiger, approving the following changes: move Subtidal Communities from "Recovered" to "Recovery Unknown" and include corresponding language changes in the recovery description of subtidal communities.

Motion by Brown, second by Gibbons.

ACE 30398877

Public comment period re-opened at 4:23 p.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 4:27 p.m.

Meeting adjourned 4:28 p.m.

Motion by Gibbons, second by Brown.

ACE 30398878

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

AGENDA

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL TELECONFERENCE MEETING

August 6, 2002 2:00 p.m.

441 West 5th Ave., Suite 500, ANCHORAGE

DRAFT

Trustee Council Members:

CRAIG TILLERY
Assistant Attorney General
State of Alaska

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior

MARIA LISOWSKI for
DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner, Alaska
Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500
_____ State Chair

1. Call to Order - 2:00 p.m.
 - Approval of Agenda*
 - Approval of Meeting Notes*

July 9, 2002
2. Public Advisory Group meeting summary - June 20, 2002
3. Public comment - 2:15 p.m.
4. Executive Director's report
 - Quarterly Project Report
 - Investment fee amendment*

ACE 30398879

ATTACHMENT B

PAGE 5 OF 59

5. FY 03 Work Plan - Phase I*
6. FY 02 Work Plan - Amendment (02126)*
7. Support for northern Afognak acquisition efforts*
8. Extension of Habitat Grant*
9. Update on Status of Injured Resources and Services*

Adjourn - 4:00 p.m.

* Indicates tentative action items.

ACE 30398880

ATTACHMENT B
PAGE 6 OF 59

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska
July 9, 2002

By Molly McCammon
Executive Director



Trustee Council Members Present:

• Dave Gibbons, USFS
* Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

• Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

Motion by Tillery, second by Brown.

ACE 30398881

ATTACHMENT B

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Public comment period began at 10:53 a.m.:

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. Revised Operating and Report Procedures

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. Trustee Council Data Policy

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. Executive Session

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.)

On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.)

On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398882

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

8. Habitat Protection

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398883

ATTACHMENT B
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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Trustee Council

FROM: Molly McCammon
Executive Director

RE: Investment Fund Fees - REVISED

DATE: August 6, 2002

Background

At the July 5, 2000 meeting, the Trustee Council approved the "Resolution of the Exxon Valdez Oil Spill Trustee Council Pertaining to the Transfer of the Joint Trust Funds and Fees on the Investment Fund". In this resolution fixed flat fees and specific fee rates (basis points) per service or type of asset class were detailed. However, we have since learned that these fees fluctuate. For example, two of the variable rates depend upon the total amount the Alaska Division of Treasury has invested in each asset class. As a result, we are out of compliance with the July 5th resolution and would like to correct it by having the Trustee Council approve a motion that supersedes this resolution.

Issue

Alaska Division of Treasury negotiates the management fee contracts for the Alaska State Pension Investment Board (ASPIB). The Council's Investment Fund "piggybacks" on these fee contracts, especially for the International and Domestic Equity pools of the Investment Fund. The fee rates do not remain constant. This is because the fee schedule is incremental. Each additional increment of invested dollars is invested at a lower rate than the previous.

1. International Pool

For example, the fee schedule for the International pool of the Investment Fund is detailed below:

ACE 30398884

ATTACHMENT B
PAGE 10 OF 59

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	20
Remainder		Over \$1 billion	15

Non-retirement funds are charged at the lowest incremental rate. In the case above this means that, so long as the retirement assets remain at a market value of over \$1 billion, the non-retirement assets pay the final and lowest incremental rate of 15 basis points. In the event that the retirement assets market value decreases to a market value (MV) between \$700 million and \$1 billion, the non-retirement assets rate actually increases to the incremental rate of 20 basis points.

Non-retirement funds choose this option, along with the associated risk of an increase in basis point fees, because they would be hard pressed to go out and obtain active international management fees at even the retirement systems highest incremental rate of 50 basis points.

2. Domestic Equity Pool - REVISED

The fee schedule for domestic equity assets follows:

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$250 million	\$250,000,000	1.4
Next	\$375 million	\$625,000,000	1.0
Next	\$1,075 million	\$1,700,000,000	0.8
Remainder		Over \$1,700 million	0.6

EVOS participates along with several other non-retirement funds in the above domestic equity pool. At June 30, EVOS' assets represented 17% of the total \$426 million in the fund. Each fund pays its prorated share of the fees for this pool. For example, for EVOS, the calculation would be:

$$\frac{\text{EVOS average month end MV for the quarter}}{\text{Total average month end MV, all funds}} \times \text{quarterly fee} = \text{EVOS share}$$

Note that if the international fees were allocated using this same formula (Domestic Equity), EVOS' fee for FY02 would have been over 30 basis points.

ACE 30398885

Recommendation

Recommend that the Trustee Council approve a motion that would approve Investment Fund fees based upon a basis point range instead of a flat rate. The motion should also recognize that the Division of Treasury's personal services costs will most likely increase each year and that Treasury charges funds it manages based upon a percentage of its personal services costs. Therefore, the Investment Management Fee should not be dollar specific but stated only as 0.5% of the Division of Treasury's budgeted personal services amount. Note that the 0.5% is charged per account that is established at Treasury's custodial bank, State Street Company. Treasury may cap the total Investment Management Fee to 1.0% of personal services for funds who require more than 2 accounts at the custodial bank.

The table below shows the fee approved by the Trustee Council in its July 5, 2000 resolution, the actual fees incurred for the past quarter, and the recommended fee range.

Description of Fee	Fee Approved by Trustee Council	Actual Fees for SFY 02	Fee Ranges Likely to Cover Actual Fees as Recommended by Division of Treasury	Notes
Custody Safekeeping Fee	\$5,000	Fee waived	Fee waived	Treasury has waived this fee for funds over a certain size as the 1 basis point variable fee is sufficient to cover larger funds share of the costs.
Custody Transaction Fee	1 basis point	1 basis point	No Change	
Investment Management Fee (Treasury personal services for fixed income management and accounting)	\$11,222 (0.5% of budgeted amount for Division of Treasury's personal services)	¼ of \$11,900 (0.5% of budgeted amount for Division of Treasury's personal services)	(0.5% of budgeted amount for Division of Treasury's personal services)	This fee fluctuates as Division of Treasury's personal services fluctuate. In SFY 03 our fee will be \$13,100 for the year. This increase is because Treasury received an increment in their 2003 budget to cover increased investment officer salaries.
Domestic Equity Fee	1.3 basis point	2.0 basis point	0.8 to 1.4 basis points	The fee would only go as high as 1.4 basis points if all other participants were to exit and EVOS was the only fund left (at approximately their existing \$70 million investment).
International Equity Management Fee	15 basis point	20 basis point	15.00 to 25.00 basis points	The retirement assets would have to be reduced by \$300 million before EVOS' fees increased to the next increment, which would be 25 basis points. This is unlikely to happen from market conditions alone. However the ASPIB board could move a portion of these assets to another manager.

ACE 30398886

ATTACHMENT B
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Motion:

The Trustee Council approves the EVOS Investment Fund fees for one account as follows:

- Custody fees shall be charged monthly at 1 basis point of the month end market value divided by 1/12.
- Investment Management fees shall be charged monthly at 0.5% of the budgeted amount of the Division of Treasury's personal services divided by 1/12.
- Domestic Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 1.4 basis points divided by 4.
- International Equity fees shall be charged quarterly (based on agreement with Department of Revenue per the formula described in Attachment A), on the average month-end market value for the quarter, at a basis point rate not to exceed 25 basis points.

If in one fiscal year the EVOS Investment Fund (assumes EVOS adds no new money in the fund, i.e., contributions and not earnings) fees for one investment account exceed \$150,000, approval of these fees is required by the Trustee Council.

ACE 30398887

Attachment A

The fees Treasury shall charge EVOS for providing domestic and international equity management are based upon Treasury's existing contracts, which expire June 2003. The fee schedules are shown below:

Domestic Equity Management - Provided by State Street Global Advisors (SSGA) - Russell 3000 Common Trust Fund

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$250 million	\$250,000,000	1.4
Next	\$375 million	\$625,000,000	1.0
Next	\$1,075 million	\$1,700,000,000	0.8
Remainder		Over \$1,700 million	0.6

EVOS shall be charged a prorated share of the quarterly billing from SSGA based upon EVOS' total assets in this investment as a percent of the total of all assets in this investment. EVOS' total fee cannot exceed 1.4 basis points in this investment.

International Equity Management - Provided by Lazard Frere Asset Management

Amount Invested		Cumulative Assets	Basis Point Fee
1 st	\$200 m	\$200,000,000	50
Next	\$100 m	\$300,000,000	45
Next	\$100 m	\$400,000,000	40
Next	\$100 m	\$500,000,000	35
Next	\$100 m	\$600,000,000	30
Next	\$100 m	\$700,000,000	25
Next	\$300 m	\$1,000,000,000	20
Remainder		Over \$1 billion	15

EVOS shall be charged the lowest incremental rate applicable during the billing period after taking into account the total assets held by Treasury in this investment. For example, if the total assets equal \$950,000,000 then EVOS' fee would be 25 basis points.

The incremental rate over the last 24 months has ranged from 15 to 20 basis points. Total assets in this investment are approximately in the \$900-1,000 million range. If the Pension Board were to significantly reduce their investments in this account, the incremental rate would move progressively up (in 5 basis point adjustments). These fees for international are contingent upon the Pension Board's continued relationship with Lazard and their concurrence with Treasury's method of allocating costs of this contract.

Should either fee schedule change, Treasury will notify EVOS of the expected impact on fees to EVOS.

ACE 30398888

**RESOLUTION 02-07 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING THE FY 03 WORK PLAN**

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council do hereby certify that, in accordance with the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court for the District of Alaska, and after public meetings, unanimous agreement has been reached to expend funds received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-083 CIV, and United States of America v. Exxon Corporation, et al., No. A91-082 CIV, U.S. District Court for the District of Alaska, for necessary natural resource damage assessment and restoration activities. The Fiscal Year 2003 Work Plan Phase I is funded at \$3,725,200 as described in Attachment A. The monies are to be distributed according to the following schedule:

Alaska Department of Fish & Game	2,240,000
Alaska Department of Natural Resources	329,500
SUBTOTAL TO STATE OF ALASKA	\$2,569,500
U.S. Department of the Interior	687,300
National Oceanic & Atmospheric Administration	468,400
SUBTOTAL TO UNITED STATES OF AMERICA	\$1,155,700
TOTAL APPROVED	\$3,725,200

ACE 30398889

Funds must be spent in accordance with Attachments A and B, with the following conditions: (1) If a Principal Investigator (PI) has an overdue report or manuscript from

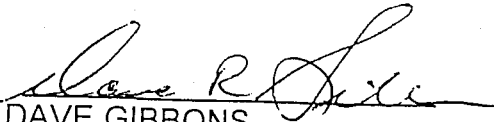
a previous year, no funds may be expended on a project involving the PI unless the report is submitted or a schedule for submission is approved by the Executive Director; (2) a project's lead agency must demonstrate to the Executive Director that requirements of the National Environmental Policy Act (NEPA) are met before any project funds may be expended (with the exception of funds spent to prepare NEPA documentation); and (3) a PI for each project must submit a signed form to the Executive Director indicating their agreement to abide by the Trustee Council's data and report requirements before any project funds may be expended.

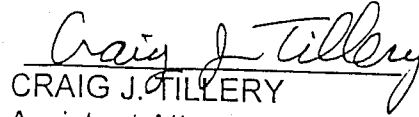
By unanimous consent, we hereby request the Alaska Department of Law and the Assistant Attorney General of the Environmental and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Fiscal Year 2003 Work Plan Phase I amount (\$3,725,200) from the appropriate account designated by the Executive Director.

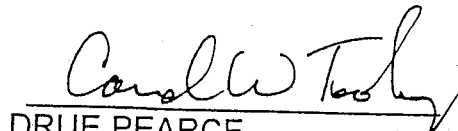
ACE 30398890

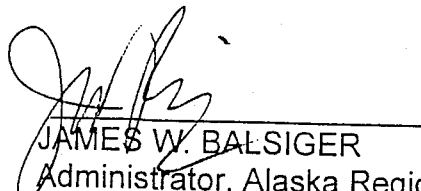
ATTACHMENT B
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Approved by the Council at its meeting of August 6, 2002 held in Anchorage,
Alaska as affirmed by our signatures affixed below.

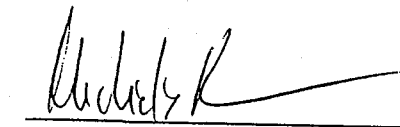

DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG J. TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior


JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of Environmental
Conservation

Attachments:

- A Funding Distribution
- B Executive Director's Recommendation

ACE 30398891

ATTACHMENT B
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Attachment A to Resolution 03-04
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 FFY 03 Project Budgets
 October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: Aug. 2002	Investment Court Notice #3-4 Dec. 2002
ADF&G	DOI-USGS, DOI-O/S		030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.1	139.5
			030100	Public Information and Administration	950.2	
			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.5	
			030210	Youth Area Watch	98.6	
	ADNR, DOI-USGS, NOAA	G	030250	Project Management	50.0	
		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	51.6	
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212.9	
			030462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound		87.0
	NOAA	G	030550	Alaska Resources Library and Information Services	95.1	
		G	030556	High Resolution Mapping of the Intertidal and Shallow Subtidal Shores in Kachemak Bay		32.3
			030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health (including Bench Fees)	286.7	
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.3	-7.9
	ADNR, DOI-USGS	G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22.6	
		G	030610	Kodiak Archipelago Youth Area Watch	63.0	
		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	18.1	10.9
		G	030630	Scientific Management under GEM & Lingerin Oil Programs	174.8	260.1
		G	030642	Database on the Marine Invertebrate Macrofauna of Prince William Sound: An Addition to the University of Alaska Museum's ARCTOS		19.2
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	92.5	
		G	030666	Alaska Natural Geography in Shore Areas: An Initial Field Project for the Census of Marine Life		266.3
		G	030684	Sustainable Management in the Kenai River Watershed		59.9
		G	030685	Visible Remote Sensing of the Gulf of Alaska		77.1
	ADF&G Total				2,240.0	944.4
ADNR	ADFG, DOI-USGS, NOAA	G	030250	Project Management	10.0	
		G	030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	215.9	
	ADFG	G	030630	Scientific Management under GEM & Lingerin Oil Programs	103.6	
ADNR Total					329.5	0.0
DOI-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	4.7	
			DOI-NPS Subtotal		4.7	0.0

100

SM

SM

Dollar Amounts are shown in thousands of dollars
 Revised 12/5/2002

Attachment A to Resolution 03-04
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 FFY 03 Project Budgets
 October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: Aug. 2002	Investment Court Notice #3-4 Dec. 2002
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	11.5	
		G	030561	Community-Based Forage Fish Sampling	17.0	
				DOI-FWS Subtotal	28.5	0.0
DOI-USGS	ADFG, DOI-O/S ADFG, ADNR, NOAA DOI-FWS NOAA NOAA ADFG, ADNR DOI-NPS		030100	Public Information and Administration	139.9	100
		G	030250	Project Management	27.9	250
			030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	205.1	
			030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	15.7	
			030620	Lingering Oil & Predators: Pathways of Exposure & Population Status	192.3	75.9
			030630	Scientific Management under GEM & Lingering Oil Programs		14.0 - SM
		G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0	
		G	030687	Monitoring in the Nearshore: A Process for Making Reasoned Decisions		90.0
				DOI-USGS Subtotal	629.9	179.9
DOI-O/S	ADFG, DOI-USGS		030100	Public Information and Administration	24.2	100
				DOI-O/S Subtotal	24.2	0.0
				DOI Total	687.3	179.9
NOAA	ADFG, ADNR, DOI-USGS ADFG USGS USGS		030012	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	18.1	
		G	030250	Project Management	49.7	250
			030290	Hydrocarbon Database and Interpretation Service	22.5	
			030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	37.1	
			030574	Assessment of Bivalve Recovery on Treated Mixed-soft Beaches in Prince William Sound	36.0	
		G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6	
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring		7.9
			030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	105.9	
		G	030607	Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	13.1	
			030620	Lingering Oil & Predators: Pathways of Exposure & Population Status		167.6
		G	030623	PWSRCAC-EVOS Long-Term Environmental Monitoring Program		70.9
		G	030624	A CPR-Based Survey to Monitor the Gulf of Alaska and Detect Ecosystem Change		197.2
		G	030625	Prince William Sound Isotope Ecology Synthesis	25.5	
		G	030636	Management Applications: Commercial Fishing	50.9	

Dollar Amounts are shown in thousands of dollars

Revised 12/5/2002

Attachment A to Resolution 03-04
 EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 FFY 03 Project Budgets
 October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	G E M	Project Number	Project Title	Investment Court Notice #2: Aug. 2002	Investment Court Notice #3 4 Dec. 2002
		G	030641	ShoreZone Mapping for GEM		34.4
		G	030647	Investigating the Relative Roles of Natural and Shoreline Harvest in Altering the Kenai Peninsula's Rocky Intertidal		87.9
		G	030654	Surface Nutrients over the Shelf and Basin in Summer: Bottom-up Control of Ecosystem Diversity		37.5
				NOAA Total	468.4	603.4
				Total	3,725.2	1,727.7

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Attachment Resolution 02-07
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 2003 Federal Fiscal Year Project Budgets
 October 1, 2002 - September 30, 2003

Phase I

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
ADF&G			030052	Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM	30.1
	DOI-USGS, DOI-O/S		030100	Public Information and Administration	950.2 <i>100</i>
			030190	Construction of a Linkage Map for the Pink Salmon Genome	54.5
		G	030210	Youth Area Watch	98.6
	ADNR, DOI-USGS, NOAA	G	030250	Project Management	50.0 <i>PM</i>
		G	030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	51.6
		G	030455	Gulf Ecosystem Monitoring and Research Program Data System	212.9 <i>Data</i>
		G	030550	Alaska Resources Library and Information Services	95.1 <i>PMIS</i>
			030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health (including Bench Fees)	286.7
		G	030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	39.3
		G	030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	22.6
		G	030610	Kodiak Archipelago Youth Area Watch	63.0
		G	030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	18.1
	ADNR	G	030630	Scientific Management under GEM	174.8 <i>→ SUM</i>
		G	030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	92.5
				ADF&G Total	2,240.0
ADNR	ADFG, DOI-USGS, NOAA	G	030250	Project Management	10.0 <i>PM</i>
		G	030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	215.9
	ADFG	G	030630	Scientific Management under GEM	103.6 <i>SUM</i>
				ADNR Total	329.5
DOI-NPS	DOI-USGS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	4.7
				DOI-NPS Subtotal	4.7
DOI-FWS	DOI-USGS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	11.5
		G	030561	Community-Based Forage Fish Sampling	17.0
				DOI-FWS Subtotal	28.5
DOI-USGS	ADFG, DOI-O/S		030100	Public Information and Administration	139.9 <i>100</i>
	ADFG, ADNR, NOAA	G	030250	Project Management	27.9 <i>PM</i>

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ITD

Phase I

Dollar Amounts are shown in thousands of dollars
 Revised 8/19/2002

Attachment Resolution 02-07
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
2003 Federal Fiscal Year Project Budgets
October 1, 2002 - September 30, 2003

Agency	Cooperating Agency(s)	GEM	Project Number	Project Title	First FY 03 Court Notification
	DOI-FWS		030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	205.1
	NOAA		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	15.7
	NOAA		030620	Lingering Oil & Predators: Pathways of Exposure & Population Status	192.3
	DOI-NPS	G	030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material & Isotopes	49.0
				DOI-USGS Subtotal	629.9
DOI-O/S	ADFG, DOI-USGS		030100	Public Information and Administration	24.2
				DOI-O/S Subtotal	24.2
				DOI Total	687.3
NOAA			030012	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	18.1
	ADFG, ADNR, DOI-USGS	G	030250	Project Management	49.7
			030290	Hydrocarbon Database and Interpretation Service	22.5
			030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	37.1
			030574	Assessment of Bivalve Recovery on Treated Mixed-soft Beaches in Prince William Sound	36.0
		G	030575	Designing a Community Involvement/Community-based Monitoring Plan for GEM	109.6
	USGS		030585	Lingering Oil: Bioavailability & Effects to Prey & Predators	105.9
		G	030607	Geographic Information Systems (GISs) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	13.1
		G	030625	Prince William Sound Isotope Ecology Synthesis	25.5
		G	030636	Management Applications: Commercial Fishing	50.9
				NOAA Total	468.4
				Total	3,725.2

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TELETYPE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Lingerin Injury					\$428.0	\$151.3	\$52.7	\$52.7
030190	Construction of a Linkage Map for the Pink Salmon Genome	F. Allendorf/Univ. Montana	ADFG	Cont'd 8th yr. 8 yr. project	\$54.5	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This is the final year of a project based upon experiments conducted at the Alaska SeaLife Center that use a linkage map that was constructed to test for effects of regions of the genome on traits that are important to the recovery of pink salmon (e.g., growth and survival). In summer 2001, 259 sexually mature adults were collected in Resurrection Bay from the 1999 cohort produced from wild pink salmon collected from Likes Creek. In FY 03, the analysis of the genotypes in the returning adults will be completed to test for genetic differences in marine survival and other life history traits (e.g., body, size, egg number, and egg size) and a final report/manuscript will be prepared.		This is the final year of a long-term project that has done a good job overcoming unexpected technical challenges. The genome map will be a benefit to a variety of future studies of pink salmon, and will be useful for future pink salmon management in Southcentral Alaska. Based on the proposal, it appears that the data analysis is in the process of completion, and it seems appropriate to provide the principal investigator with funding to complete the identified data analysis and prepare manuscripts. Fund.		Fund revised proposal, which reduces the cost of the remaining data analysis and manuscript/final report preparation. This project is important for understanding the genetic traits of pink salmon that affect growth and survival. In addition, the work being done under this project will contribute to answering questions important to fisheries management about hatchery/wild fish interactions. For example, are hatchery fish changing the gene pool in a way that makes wild fish maladapted to their environment? Are enough hatchery fish getting into streams to affect productivity of wild fish? How adapted are wild fish to particular streams?				
030290	Hydrocarbon Database and Interpretation Service	J. Short, B. Nelson/NOAA	NOAA	Cont'd 12th yr.	\$22.5	\$0.0	\$22.7	\$22.7
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This ongoing project provides data and sample archiving services for all samples collected for hydrocarbon analysis in support of Trustee Council projects. These data represent samples collected since the oil spill in 1989 to the present and include environmental and laboratory National Resource Damage Assessment and restoration data. Additionally, this project provides interpretive services for hydrocarbon analysis, public releases of the hydrocarbon and pristane databases, and storage and maintenance of the hydrocarbon sample archives.		This is a small project, but critical to tracking remaining oil and its fate. Studies that will focus on whether the remaining intertidal subsurface oil in Prince William Sound is contaminating the food web require the support of this service project. As the amount of oil from the spill subsides, the identity of the hydrocarbon sources is a question that assumes greater importance. This project makes source identification determinations based on the chemical analyses that are stored in the database. The technical approach is sound, as has been demonstrated by more than ten years of successes. The approach and products from this study have appeared in many peer reviewed publications. Fund.		Fund contingent on submittal of overdue reports (00195, 01195, 01599) and manuscript (00598). This project provides the ongoing analysis and interpretation of hydrocarbon data for other Trustee Council funded studies.				

ACE 30398894

ATTACHMENT

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TEC SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	R. Heintz/NOAA	NOAA	Cont'd 5th yr. 5 yr. project	\$37.1	\$0.0	\$0.0	\$0.0

Project Abstract

Populations are maintained through successful reproduction; this study is designed to determine if exposure to oil impairs pink salmon reproduction. This experiment began in the fall of 1998 when pink salmon eggs were incubated in oil contaminated water. Fish that survived exposure were marked and released in the spring of 1999. They reached maturity at sea and returned to spawn in the fall of 2000. Return rates confirmed previous observations of reduced marine survival among exposed fish, but evaluations of offspring (F1) survival rates did not indicate any reproductive impact. The F1 were incubated in clean water until spring 2001 when they were marked and released. They will mature and return to the hatchery in the fall of 2002 and their reproductive ability will be evaluated by generating an F2 generation. A diminished ability to produce the F2 generation represents a genetic effect of oil transmitted to unexposed generations. Such an effect was demonstrated for similarly treated pink salmon in 1997, but corroborating data do not exist. This project is designed to retest that experiment; if diminished reproductive ability is corroborated, it would demonstrate a significant and unanticipated effect of oil pollution.

Chief Scientist's Recommendation

This is an important project because it rigorously tests the hypothesis that pink salmon have heritable damage expressed as reduced survival. The Trustee Council should complete this project, as it has been fundamental for understanding the damage to pink salmon from the oil spill. The FY 03 work will complete a two-generation experiment started in 1998 with exposure of salmon eggs to oil. Fund.

Trustee Council Action

Fund closeout of this project contingent on submittal of overdue reports (99347, 01476). This project is validating the effects of oil contamination on pink salmon, thus contributing to our understanding of the injury and recovery status of this injured species.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE) SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030585	Lingering Oil: Bioavailability and Effects to Prey and Predators	J. Rice, J. Short/NOAA; J. Bodkin, B. Ballachey/USGS; D. Esler/Simon Fraser Univ.	NOAA & DOI	Cont'd 2nd yr. 2 yr. project	\$121.6	\$0.0	\$0.0	\$0.0

Project Abstract

About 20 acres of contaminated beach were found in 2001 surveys of western Prince William Sound conducted under Project 01543. In these areas, sea otters and harlequin ducks have not recovered, raising concerns that continued oil exposure may be affecting their survival. Biochemical assays and mortality patterns are consistent with continuing oil exposures, but prior to this study, linkages between oil persistence and impacts at higher trophic levels had not been attempted. In this study, shoreline contamination, exposure and effects were examined simultaneously by choosing a common set of sites at which to assess oil persistence and biological impacts on sea otters and harlequin ducks. Fieldwork was conducted in FY 02, and closeout activities, including data analyses and writing of reports and publications, will be done in FY 03. The National Oceanic and Atmospheric Administration's Auke Bay Lab has been leading the studies of oil bioavailability and impacts to prey species; Department of Interior-U.S. Geological Survey has been directing the studies on sea otters and harlequin ducks.

Chief Scientist's Recommendation

This is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including clams and intertidal fish, sea ducks (harlequin ducks) and sea otters, which are apparently still exposed to lingering oil. This is a closeout of the two-year project to document oil remaining in the intertidal and how it may be available to higher trophic levels. The request for funds to analyze oil-exposed bivalves is warranted, as this may establish an exposure pathway to higher trophic levels. The project is related to Project 03620, but the latter project focuses more closely on relating foraging area to exposure. Fund, including funds for additional chemical analyses and analysis of interstitial water samples.

Trustee Council Action

Fund closeout of this project, including funds for additional chemical analyses and analysis of interstitial water samples, contingent on (a) approval of the revised Detailed Project Description, which reflects this additional work and (b) submittal of overdue reports (00195, 00454, 01195, 01599) and manuscript (00598). This project, which integrates studies of sea otters and harlequin ducks with continued assessment of oil persistence, is the product of a workshop convened in 2001 to review results from Project 01543/Evaluation of Oil Remaining in the Intertidal and to identify information gaps. The project's objective is to determine if the signs of continued oil exposure in sea otters and harlequin ducks are linked to the oil remaining in intertidal sediments.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030594	Development of an Alaska Standard Species for Marine Toxicity Testing - The Alaska Green Urchin	R. Perkins/UAF	ADFG	New 1st yr. 1 yr. project	\$0.0	\$0.0	\$0.0	\$0.0

Project Abstract

This project will develop a standard marine toxicity testing procedure using cold water and an Alaska species. None of the standard test procedures required or recommended by the Environmental Protection Agency and other environmental regulators use cold-water test animals. Use of typical warm-water species to make decisions about Alaska conditions and species is unsatisfactory from a scientific standpoint, and this practice also interferes with public acceptance of the results. Decisions requiring toxicity testing include crude oil components and cleanup chemicals, such as dispersants and beach cleaners. This project proposes developing the Alaska green urchin as a test species. Tests of urchin fertilization and embryo development are sensitive indicators of toxicity.

Chief Scientist's Recommendation

The core tasks in this proposal have already been done and extensively published by Dinnel and his colleagues at the University of Washington during the 1980s. The project also has limited links to restoration. Do not fund.

Trustee Council Action

Do not fund based on Chief Scientist's recommendation.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030620	Lingering Oil and Predators: Pathways of Exposure and Population Status	S. Rice, J. Short, M. Lindeberg/NOAA; J. Bodkin, B. Ballachey/USGS-DOI	NOAA & DOI	New 1st yr. 2 yr. project	\$192.3	\$151.3	\$30.0	\$30.0

Project Abstract

Lingering oil and continued effects to sea otters and sea ducks are the most surprising and best documented long term impacts of the oil spill. Strong evidence is accumulating which implicates lingering oil as a factor constraining recovery of the nearshore ecosystem in western Prince William Sound. Acute and chronic contamination of sediments and prey species were well documented during the years following the spill. Twelve years later, elevated biomarker levels in sea otters and sea ducks have indicated continued exposures to hydrocarbons. Evidence implicating a route of exposure to date has been largely circumstantial. However, in 2001 and 2002, extensive sampling was undertaken to document the distribution, abundance, and bioavailability of lingering oil along those shorelines most heavily impacted by the spill. This has paved the way for identifying specific areas where sea otters and sea ducks could be currently foraging and exposed to lingering oil. This project is an outgrowth of the earlier studies and will focus on the direct pathways of lingering oil to sea otter and sea duck populations in two heavily impacted bays in the western sound.

Chief Scientist's Recommendation

This is an important project for understanding the lingering effects of the oil spill in some of the most heavily oiled localities from 1989. It is a very good to excellent proposal that addresses the potential effects of remaining intertidal oil deposits (mainly subsurface) on the food web, including sea ducks (harlequins) and sea otters, which have not recovered from the effects of the spill and are apparently still exposed to lingering oil. There is some concern about the experimental design for the prey base study (the National Oceanic and Atmospheric Administration (NOAA) component), particularly being able to relate the location of foraging activities to the contamination of the forage base. The means of contamination--eating versus external contact--is also a question. Fund USGS (U.S. Geological Survey) component; defer decision on funding NOAA component pending consultation with the peer review team.

Trustee Council Action

Fund USGS (U.S. Geological Survey) component on sea otters and harlequin ducks (\$192,300); defer decision on funding NOAA (National Oceanic and Atmospheric Administration) component on habitat and lingering oil (\$151,300) pending a workshop to be held Fall 2002 on the results to date from Project 03585/Lingering Oil: Bioavailability and Effects to Prey and Predators. If funded, funding for the NOAA component will be contingent on submittal of the principal investigators' overdue reports (00195, 00454, 01195, 01599) and manuscript (00598) from prior years. This project follows on Project 02585, which is integrating studies of sea otters and harlequin ducks with findings of the lingering oil survey conducted Summer 2001 (Project 01543). The project is designed to address additional objectives related to the potential effects of remaining intertidal oil deposits--specifically in regard to the food web--on sea otters and harlequin ducks, both of which have not recovered from the oil spill and are apparently still exposed to lingering oil.

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Recovery Monitoring					\$340.8	\$25.0	\$18.2	\$0.0
030012	Photographic Monitoring of Resident Killer Whales	C. Matkin/North Gulf Oceanic Society	NOAA	Cont'd 11th yr.	\$18.1	\$0.0	\$18.2	
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will support monitoring of the resident AB pod of killer whales and other resident pods as part of a cooperative program with the Alaska SeaLife Center and various foundations. Monitoring has occurred on a yearly basis since 1984; this long-term data set was crucial in evaluating the oil spill effects on killer whales.		This project will monitor an important killer whale pod. Killer whales are a top trophic-level, sentinel species that is dependent on the integrity of the marine ecosystem. Killer whales are also an increasingly important species for tourism, an industry that is worth many millions of dollars per year. The killer whale population in the Gulf of Alaska has been increasing and overall the population appears to be healthy. However, the AB pod declined precipitously at the time of the spill and, for a time after the spill, appeared to be in danger of complete disintegration. The AB pod has grown since about 1994 and pod disintegration now seems less likely. The continuation of this monitoring project will provide continuing data about the status of the AB pod. Fund, lower priority.		Fund FY 03 only contingent on completion of manuscripts funded in prior years (mating systems and niche partitioning). A decision on funding in FY 04 and beyond has not yet been made. Funding in FY 03 is reduced from earlier years to reflect the additional sources of funds available to the principal investigator for continued monitoring of killer whales in Prince William Sound and Kenai Fjords.				

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound	G. Marty/Univ. of California, Davis	ADFG	Cont'd 5th yr. 5 yr. project	\$0.0	\$25.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
In spring 2001, prevalence of <i>Ichthyophonus hoferi</i> (38 percent) in the Pacific herring population of Prince William Sound was more than 50 percent greater than in any year studied (1989-2000). <i>I. hoferi</i> causes severe, disseminated, chronic disease in Pacific herring that is best diagnosed using histopathology. Before 2001, <i>I. hoferi</i> was not associated with unexpected declines in population biomass, but during the last century increases in <i>I. hoferi</i> prevalence in Atlantic herring have been associated with several disease outbreaks. To understand the significance of the 2001 <i>I. hoferi</i> outbreak, this project will analyze samples already collected in fall 2001 and spring 2002 as part of Project 02462.		Herring remain one of the key non-recovered species and are of substantial commercial importance, in addition to being a key component of the pelagic ecosystem. This study has contributed much to our understanding of disease expression in herring. In the opinion of the reviewers, most of the value of this project has been obtained through the contributions already made to the literature and to the management of the herring fishery by work on the VHS (viral hemorrhagic septicemia) virus. The reviewers feel there is insufficient justification for substantial investment of further research money in sample processing for determining the presence of a second pathogen (<i>Ichthyophonus hoferi</i>). However, a modest contribution of matching funds to a larger effort would be in order. Fund at level of \$25,000 if matching funds are obtained.		Defer decision on funding this project until November, pending contribution of funds from non-EVOS sources to carry out the project as proposed. This project, which has made an important contribution to management of the herring fishery, will complete its work on viral hemorrhagic septicemia in FY 02 (Project 02462). The proposer has requested funds to conduct new work on <i>Ichthyophonus hoferi</i> in FY 03. The reviewers consider the organ-by-organ pathobiological study proposed to be of lower priority at this stage of the restoration program, but a modest contribution of \$25,000 to the project may be worthwhile. Deferring the project until November will provide the proposer an opportunity to secure funds from other sources. The project objective is to determine whether disease continues to limit recovery of the Prince William Sound herring population.				
030558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health	S. Atkinson/UAF	ADFG	Cont'd 3rd yr. 3 yr. project	\$286.7	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This study is a continuation of the study to assess the potential for new technologies to monitor the endocrine and immune systems for the health of harbor seals. During year one, baseline samples were collected from both permanently captive and rehabilitation seals at the Alaska SeaLife Center. Analysis of thyroxine (T4), triiodothyronine (T3), and cortisol (metabolic and gluconeogenic hormones), and measurement of immunoglobulins (IgG, IgM, and IgA) and organochlorine contaminants are currently being assessed. Cell lines to quantify immunoglobulins have been initiated, and baseline hormones have been established. FY 03 will compare the profiles of free-ranging seals and those failing to thrive in their environment in an effort to restore this species.		This is an excellent proposal investigating contaminant effects on reproductive biology of harbor seals. Previous concerns about the pace of assay development have been addressed and the project is on track to complete its objectives. Fund.		Fund; previous concerns about the pace of assay development have been addressed and budget questions have been resolved. FY 03 was to be this project's closeout year (data analysis and final report writing only) but additional sample collection--and the corresponding bench fees for housing the research animals at the Alaska SeaLife Center--has also been proposed and is recommended for funding along with closeout activities. This project is employing new technologies at the Alaska SeaLife Center to assess and monitor the health of harbor seals. [Note: The funding amount includes \$167,600 for Alaska SeaLife Center bench fees.]				

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030574	Assessment of Bivalve Recovery on Treated Mixed-Soft Beaches in Prince William Sound	D. Lees/Littoral Eco. & Environ. Services	NOAA	Cont'd 2nd yr. 2 yr. project	\$36.0	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
Studies from 1989 through 1997 suggest that bivalve assemblages on beaches in Prince William Sound with high-pressure hot-water washing remain severely damaged in terms of species composition and function. This project will assess the generality of this apparent injury to these assemblages. A finding that our conclusions are accurate will indicate that a considerable proportion of mixed-soft beaches in treated areas of the sound remains extremely disturbed and that these beaches are functionally impaired in terms of their ability to support foraging by damaged nearshore vertebrate predators such as sea otters and harlequin ducks.		This is the second and final year of funding for this intertidal project. The need for this work has long been recognized in the Restoration Plan, but not until last year did an affordable project appear. Fund.		Fund closeout of this project, which will extend sampling initiated under the National Oceanic and Atmospheric Administration's HAZMAT program to document continuing effects of shoreline cleanup on populations of important bivalves, thus allowing the results to be generalized over a larger geographic range.				

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
Oil Spill: Ecosystem Recovery & Function					\$216.6	\$148.9	\$0.0	\$0.0
030423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	J. Bodkin, B. Ballachey/USGS-BRD, D. Esler/Simon Fraser Univ.	DOI	Cont'd 5th yr 5 yr. project	\$216.6	\$0.0	\$0.0	\$0.0

Project Abstract

Sea otters and harlequin ducks have not fully recovered from the oil spill, based on population-level demographic differences between oiled and unoled areas. Further, in oiled areas, both species show elevated cytochrome P4501A, almost certainly reflecting continued exposure to oil. This project is exploring links between oil exposure and the lack of population recovery, with the intent of understanding constraints to full recovery of these species and the nearshore environment generally. The results also serve to monitor the progress of recovery of the species and the system. To date, the work has consisted of field components for both species, and a captive component for harlequin ducks. Proposed activities for FY 03 include (a) the third and final year of harlequin duck field studies quantifying oil exposure and survival of females during winter and (b) closeout of all project components and preparation of the final report.

Chief Scientist's Recommendation

This is a high quality project that has made outstanding contributions to the EVOS Nearshore Vertebrate Predator (NVP) program (Project 99025). Sea otters and harlequin ducks have shown ongoing injury. The experimental work with harlequins to derive dose-response results is especially valuable (although procedurally challenging). Fund closeout of sea otter component as proposed; fund an additional year of harlequin field work/data collection in order to determine if there is a link between P4501A exposure and survival of individual female harlequin ducks.

Trustee Council Action

Fund revised proposal, which reduces the cost of the sea otter component slightly. The questions raised by the reviewers in regard to the harlequin duck component have been addressed through a review of the project's FY 02 preliminary results--it is now apparent that a third year of field study is necessary to meet project objectives. This project is an important extension of the Nearshore Vertebrate Predator project (Project 99025) work on two still-injured species, sea otters and harlequin ducks. The FY 03 funding request includes closeout activities (final data analysis and report writing) for both the sea otter and harlequin duck components.

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
030587	Understanding the Cellular Processes of Recovery and Its Utility in Oil-Spill Restoration Efforts	C. Downs/EnVirtue Biotechnologies, Inc.	NOAA	New 1st yr. 1 yr. project	\$0.0	\$148.9	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
<p>This project will elucidate the cellular and genomic mechanisms that affect the rate of recovery in bivalve species impacted by the oil spill. The project will (a) determine the adverse affects of a long-term oil-spill exposure on specific processes of cellular physiology and genomic integrity that could potentially impede or slow the rates of recovery in populations of <i>Protothaca staminea</i> and (b) determine the link between cellular-physiological condition with PAH-body burden in these two species of bivalves by characterizing these parameters in populations from sites that exhibit different levels of oil contamination. Completion of this work may provide a foundation to address questions critical to the issue of variable rates of recovery in both invertebrate and vertebrate species in oil-impacted areas. It will provide new and powerful tools to improve monitoring methodologies, as well as potentially providing valuable information for restoration efforts.</p>		<p>This project will apply a battery of biomarkers to determine the sublethal impact of residual oil to mollusk physiology. Some interesting data is presented in the proposal. However, there is no proof of principle for the effects postulated, the proposal lacks a strong justification from the existing biomarker literature, and it is not entirely clear how experienced the investigators are in this area. In light of the preliminary data submitted in the proposal, however, the investigators should be encouraged to address these weaknesses in a revised proposal. Defer pending submittal and review of a revised Detailed Project Description that addresses the peer reviewers' concerns.</p>		<p>Defer decision on funding this project until November pending submittal and review of (a) a revised Detailed Project Description that addresses the Chief Scientist's concerns (proof of principal, reference to existing biomarker literature, and principal investigators' experience) and (b) a revised budget that clarifies (and probably reduces) contractual and travel costs (the amount in the recommended column above is a placeholder). This project is designed to determine the sublethal impact of residual oil to mollusk physiology and how exposure to residual oil might be slowing recovery of mollusks.</p>				

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
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GEM Cross-Habitat Linkage: Synthesis

G- 030600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	R. Spies/EVOS Chief Scientist, et al	ADNR	Cont'd 2nd yr. 3 yr. project	\$215.9	\$0.0	\$184.8	\$184.8
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Project Abstract

This project is synthesizing the results from 12 years of post-spill study in the EVOS damage assessment and restoration programs in the context of anthropogenic and natural factors causing change in the northern Gulf of Alaska ecosystem. The result of the work will be an integrated synthesis book. The book will consist of three major sections: (a) the basic structure and function of the ecosystem, (b) how it changes over time and how it responds in disturbances, and (c) the effect of the spill: how our understanding of the ecosystem has matured and what future path will help us better understand this valuable marine ecosystem. The book will be a major product of the EVOS restoration program and help set the foundation for GEM.

Chief Scientist's Recommendation

Proposal will not be reviewed by Chief Scientist. Two independent reviews have been conducted.

Trustee Council Action

Fund. This project will integrate what has been learned from more than a decade's worth of science following the oil spill. Such a synthesis will fulfill at least two purposes: (a) inform the public about the EVOS legacy in a scientifically rigorous yet readable volume and (b) provide a foundation for GEM. A detailed outline for the synthesis will be completed shortly and will be supplied to the Trustee Council for comment. In addition, the principal investigator should work closely with the Trustee Council Office in designing the multimedia presentation to ensure that it will be a useful tool for Council staff in communicating the results of the restoration program to the public and others.

G- 030607	Geographic Information Systems (GIS) Map of Water Quality Monitoring Sites Across the Gulf of Alaska	M. Gracz/Cook Inlet Keeper	NOAA	New 1st yr. 1 yr. project	\$13.1	\$0.0	\$0.0	\$0.0
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Project Abstract

This project will synthesize existing data to create a comprehensive Geographic Information Systems (GIS) map and database of monitoring sites across the Gulf of Alaska. This map will be published in hardcopy and will be linked to CIIMMS (Cook Inlet Information Management and Monitoring System, Project 01391) and STORET, through which the map and data can be easily updated and made available to monitoring entities as well as policy makers, scientists, and the general public. This map and the accompanying data will serve as a lasting tool for the restoration and protection of the Gulf of Alaska's resources by coordinating diverse monitoring efforts and establishing a framework into which information about current and future monitoring programs can be entered.

Chief Scientist's Recommendation

This proposal will create a database and map of water quality sites in the Gulf of Alaska. Such a database will be useful in meeting GEM objectives. Fund contingent on clarification by the proposer of the geographic area to be included (the database should include the entire geographic area encompassed by the GEM program).

Trustee Council Action

Fund contingent on clarification by the proposer of the geographic area to be covered by the project (the database should include the entire geographic area encompassed by the GEM program). This project will create a GIS map of water quality monitoring sites (including physical, chemical, and biological parameters) by identifying existing sites across the Gulf of Alaska and incorporating this information into CIIMMS (the Cook Inlet Information Management and Monitoring System created under Project 01391). This information will be useful for GEM planning.

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030625	Prince William Sound Isotope Ecology Synthesis	T. Kline/PWSSC	NOAA	New 1st yr. 1 yr. project	\$25.5	\$0.0	\$0.0	\$0.0

Project Abstract

This project will provide a 'big picture' synthesis of the present structure of the pelagic ecosystem of Prince William Sound through preparation of a scientific paper with tentative title: "A stable isotope based trophic structure of the pelagic community of Prince William Sound, Alaska". The documentation of a 'before picture' will be useful because the recently documented regional change in species composition is likely to alter pelagic trophic structure during GEM.

Chief Scientist's Recommendation

The proposed synthesis could be a worthwhile product, and the principal investigator is certainly the most knowledgeable individual to prepare this synthesis. Fund revised proposal, which reduces the cost of the project to a more appropriate level.

Trustee Council Action

Fund revised proposal, which reduces the project's scope and budget as directed by the Chief Scientist. This project will prepare a synthesis manuscript on the pelagic ecosystem of Prince William Sound, using stable isotope ratio data from biota samples collected and analyzed by the principal investigator under previous EVOS projects (Project 98320/Sound Ecosystem Assessment; Project 01393/Prince William Sound Food Webs: Structure and Change).

G- 030631	Top-Down Process Synthesis	T. Kline/PWSSC	NOAA	New 1st yr. 2 yr. project	\$0.0	\$0.0	\$29.5	\$0.0
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Project Abstract

This project will synthesize information that suggests ontogenetic increases of the trophic position of the walleye pollock such that they contribute to top-down processes when >600mm in length, using stable isotope analysis of archived samples and data. Pollock feed at multiple trophic levels depending on their size, with larger pollock cannibalizing smaller pollock, especially those that are age-0. Preliminary analysis suggested that pollock of this size range have a high potential for cannibalism. Pollock of this size range are presently being removed from Prince William Sound since the discovery of a mostly undisturbed population during the SEA project (Sound Ecosystem Assessment, Project /320.) The proposed documentation of a 'before picture' will be useful to GEM, because fishing pressure may effectively remove the larger size class pollock from the sound as has happened in the Bering Sea.

Chief Scientist's Recommendation

This proposal from qualified investigators does not present a convincing case that confounding factors can be adequately controlled to resolve the questions it poses. The potential contribution to restoration objectives is thus likely to be limited. Do not fund.

Trustee Council Action

Do not fund based on Chief Scientist's recommendation. This project would use stable isotope analysis to examine the trophic position of walleye pollock under different conditions. The reviewers expressed concern about the experimental design of the project and whether unambiguous results could be obtained using the methods proposed.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM Cross-Habitat Linkage: Community Involvement					\$369.2	\$150.5	\$340.0	\$0.0

G- 030052 Tribal Natural Resource Stewardship and Meaningful Tribal Involvement in GEM

P. Brown- Schwalenberg/CRRRC

ADFG Cont'd 9th yr.

\$30.1

\$150.5

\$192.6

Project Abstract

In FY 03, this project will focus on four objectives: (a) establishing Core Action Plans for the Tribal Natural Resource Plans being developed in FY 02, (b) identifying priority regional and community-specific research and monitoring issues and concerns and fitting them to community-based research and monitoring activities, especially those related to GEM, (c) conducting a "Wisdomkeeper Series" for discussing and sharing research and monitoring issues with selected biologists, scientists, elders, and traditional knowledge experts, and (d) developing pilot community-based research and monitoring projects for potential implementation in FY 04. Communities involved in the project are Tatitlek, Chenega Bay, Port Graham, Nanwalek, Cordova/Eyak, Seward/Qutekcak, Seldovia, Valdez, Kodiak Island Region/Ouzinkie, and the Alaska Peninsula Region/Chignik Lake.

Chief Scientist's Recommendation

The Trustee Council has committed to community involvement in both the GEM and ongoing oil spill programs. This proposal cannot be fully evaluated until the Tribal Natural Resource Plans scheduled for completion in FY 02 from this project have been reviewed by the Trustee Council. These need to be reviewed for their content, relationship to GEM, and community commitment to implementation of the plans. Defer funding pending receipt of these plans.

Trustee Council Action

Fund interim amount--\$30,100 for Resource Program Planner first quarter salary (\$15,000); WisdomKeeper Workshop scheduled for November (\$7,000), tribal participation in GEM planning meetings (\$2,000), and related overhead (\$3,600) and general administration (\$2,500) costs; defer decision on balance of funding pending a review of FY 02 results (completion of Tribal Natural Resource Plans; tribal participation in technical workshops/training sessions; communication of EVOS results to villages). The Detailed Project Description and budget need to be revised to more directly build on the work performed in FY 02 and to avoid duplication with Project 03575, Designing a Community Involvement/Community Based Monitoring Plan for GEM. The overall goal of this project--community involvement and development of local stewardship capacity--is a priority of the Trustee Council and an essential component of GEM.

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030210	Youth Area Watch	R. DeLorenzo/Chugach School District	ADFG	Cont'd 8th yr.	\$98.6	\$0.0	\$85.6	

Project Abstract

This project links students in the oil spill impacted area with research and monitoring projects funded by the Trustee Council. The project involves students in the restoration process and provides these individuals the skills to participate in restoration now and in the future. Youth conduct research identified and delegated by principal investigators who have indicated interest in working with students. Youth Area Watch fosters long-term commitment to the goals set out in the restoration plan and is a positive community investment in that process. Participating communities in FY 03 will be Tatitlek, Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Valdez, and Whittier.

Chief Scientist's Recommendation

This project is a success story for community involvement in EVOS research, through the participation of young people in the public school system. The proposers recognize EVOS projects will be changing with implementation of GEM and are willing to adapt. The proposers also have done an excellent job of obtaining supplemental funding and reducing reliance on EVOS funding. However, the proposal provides insufficient information to judge progress. It could be strengthened with greater attention to the results of prior efforts, such as Youth Area Watch students choosing to pursue higher education in science. In addition, the annual reports are not a useful gauge of program accomplishments and progress, so accountability is lacking. By contrast, the Kodiak Youth Area Watch annual reports (Project /610) provide specific information on accomplishments, problems encountered and solutions. Fund contingent on receipt of a revised annual report (01210) that indicates that satisfactory progress is being made.

Trustee Council Action

Fund contingent on submittal and review of (a) a revised FY 01 annual report (01210) that addresses the Chief Scientist's concerns and (b) a satisfactory annual report for FY 02 (02210). Youth Area Watch involves local youth in restoration projects. In FY 03, youth in Chenega Bay, Cordova, Nanwalek, Port Graham, Seldovia, Seward, Tatitlek, Valdez, and Whittier will participate.

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Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030561	Evaluating the Feasibility of Developing a Community-Based Forage Fish Sampling Project for GEM	D. Roseneau/USFWS	DOI	Cont'd 2nd yr. 2 yr. project	\$17.0	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This project will close out Project 02561, which is evaluating the feasibility of developing a community-based forage fish sampling project for GEM. The work in FY 03 will consist of compiling and analyzing information collected during FY 02, and writing a final report.		<u>Chief Scientist's Recommendation</u> The concept of this project--community-based sampling of predator fish to monitor their prey (forage fish)--is scientifically sound and economically viable. It addresses GEM's objective of community involvement with potential to contribute to several aspects of long-term monitoring. This project will produce a useful plan for the Kachemak Bay-lower Cook Inlet region and Prince William Sound. Fund.		<u>Trustee Council Action</u> Fund closeout of this project, which is visiting spill-area communities to explore involving local residents in long-term forage fish monitoring studies. This effort builds on work successfully begun under APEX (Alaska Predator Ecosystem Experiment, Project 99163). It will contribute to understanding the feasibility of community-based sampling programs in general, and therefore is an important part of GEM transition. It should be noted that the Council's interest in this project is not in the particular data that might be gathered relevant to forage fish, but in the techniques and strategies that might be developed in regard to designing a community involvement component for GEM.				
G- 030575	Designing a Community Involvement/Community-Based Monitoring Plan for GEM	M. Sigman/Center for Alaskan Coastal Studies, et al	NOAA	New 1st yr. 1 yr. project	\$109.6	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This project will design and produce a draft GEM community involvement and community-based monitoring plan to address the needs of diverse communities in the region. This initiative will be informed by (a) a case history review of working models of community-based monitoring efforts relevant to the GEM conceptual foundation, (b) a regional capacity assessment to identify potential partnerships, (c) issues and indicators as identified by Chugach Regional Resource Commission's Tribal Natural Resource Planning Process and other community planning processes. Recommendations will include identifying new approaches to melding Western science and local and traditional knowledge and pilot community-based monitoring projects.		<u>Chief Scientist's Recommendation</u> This project promises to produce a case-study review of other similar programs, undertake a regional capacity assessment, identify issues and indicators from Chugach Regional Resource Commission's Tribal Natural Resource Plans, and identify new approaches to link western science and local ecological knowledge. These deliverables will address a very important aspect of the GEM program. Despite some problems (lack of detail and clarity in portions of the proposal), this is a good proposal. Fund.		<u>Trustee Council Action</u> Fund, with authorization of funds for Phase II (development of framework document and development of possible pilot projects; \$57,800) contingent on satisfactory completion of Phase I (community monitoring capacity assessment, literature review, and planning; \$51,800). This project addresses the Trustee Council's interest in a strong and meaningful role for community involvement/community monitoring in GEM. It will build on some of the efforts funded in earlier years under Project /052 (Community Involvement/Traditional Knowledge/Tribal Stewardship) but with (a) a different emphasis--development of a regionwide community monitoring plan as opposed to development of specific tribes' stewardship capacity and (b) a broader focus --Project /052 has been limited to tribes only; this project will include non-tribal community groups and add Homer and Cordova to the list of participating communities.				

ACE 30398908

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030610	Kodiak Archipelago Youth Area Watch	T. Schneider/Kodiak Island Borough School District	ADFG	Cont'd 4th yr.	\$63.0	\$0.0	\$61.8	

Project Abstract

This project will engage students in projects with goals aligned with the general restoration efforts of the Trustee Council. Students and site coordinators will conduct interviews with local experts and document traditional ecological knowledge, publishing it in a Kodiak School District oral history magazine. Participation of Youth Area Watch adults and students in the annual Academy of Elders/Science Camp will be strongly encouraged. Such participation will serve as another avenue for more tribal members to learn about restoration efforts, scientific monitoring techniques, and occupations related to such work. The value and implications of traditional ecological knowledge will be strongly emphasized throughout the implementation of the project.

Chief Scientist's Recommendation

This ongoing project has shown solid evidence of success, including influencing the curriculum of the Kodiak School District, and has attracted additional funding from other sources. This popular and successful program is achieving its objectives. Fund.

Trustee Council Action

Fund. This project, which involves local youth in restoration projects, addresses the Trustee Council's commitment to community involvement in GEM. In FY 03, students in Akhiok, Old Harbor, Port Lions, Ouzink, Chiniak, and Kodiak City will participate.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030636	Management Applications: Commercial Fishing	K. Adams, R. Mullins/Cordova	NOAA	Cont'd 2nd yr. 2 yr. project	\$50.9	\$0.0	\$0.0	\$0.0

Project Abstract

This project is intended to build a bridge between the scientific community, which is describing and attempting to predict variation in biological production, and the commercial fishing community, which is attempting to find management applications for this new information. In addition, the project seeks to provide community presence to participate in development of GEM.

Chief Scientist's Recommendation

The need for a "bridge project" between science and users, related to EVOS, is quite clear. If the project can identify useful applications from EVOS-based science it will be money well spent. One important criterion of success will be the ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The project is off to a strong start in FY 02 with two successful meetings with well-documented outcomes and setting up an office in Cordova. Prospects for serving the needs of those who depend on resources damaged by the oil spill are very good. Prospects for success are improved with the proposed creation in FY 03 of an advisory science panel, for which commitments have already been obtained from four persons knowledgeable in the academic and professional side of natural resource management and/or oceanography. Fund.

Trustee Council Action

Fund FY 03 only; the proposers have obtained the participation of a panel of scientific advisors, as recommended by the Chief Scientist. In FY 02 this project formed a Prince William Sound Fisheries Research Applications and Planning Group to provide a forum for developing fisheries management applications for all interested parties (Cordova District Fishermen United, Alaska Department of Fish and Game, Prince William Sound Aquaculture Corporation, Valdez Fisheries Development Association, commercial fishers, and others). The objectives of this group in FY 03 are to (a) identify a fisheries relevant subset of EVOS projects, (b) develop criteria and guidelines for making information gathered by GEM relevant for fisheries management and shore-based communities, and (c) develop a plan showing the cycle of movement from basic science to management application. At the end of FY 03, the success of the project will be evaluated and a decision made on whether to continue the project into future years. As recommended by the Chief Scientist, one measure of success will be the project's ability to formulate credible and scientifically well supported proposals to the Alaska Board of Fisheries. The EVOS program can benefit from the commercial fishing community's perspective on restoration results and interaction with fishers on how to incorporate the results into fisheries management practices. In addition, the project could form a foundation for working with Prince William Sound fishers as GEM develops.

ACE 30398910

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM: Watershed Habitat					\$115.1	\$0.0	\$26.6	\$26.6
G- 030596	Securing Flow Data for a Lower Kenai Peninsula Salmon Stream	J. Cooper/Cook Inlet Keeper	ADFG	New 1st yr. 1 yr. project	\$22.6	\$0.0	\$0.0	\$0.0

Project Abstract

Since August 1998, Cook Inlet Keeper and the Homer Soil and Water Conservation District have been collecting discharge and water quality data from four important salmon streams on the lower Kenai Peninsula: Ninilchik River, Anchor River, Deep Creek, and Stariski Creek. With the loss of funding, the U.S. Geological Survey (USGS) no longer can maintain the Ninilchik River gauge. Keeper, Homer Soil and Water Conservation District, Ninilchik Traditional Council and others depend on this gauge for the flow data needed to achieve a complete picture of water quality in these watersheds. This project will provide funds for Keeper to contract with USGS to maintain the gauge for one year, during which time long-term funding will be secured.

Chief Scientist's Recommendation

This is a very cost-effective proposal for "bridge funding." Funding in FY 03 will prevent loss of a year in a time-series of physical data--freshwater runoff in the Ninilchik River--that is expected to be useful in understanding differences in natural forcing. Fund, lower priority.

Trustee Council Action

Fund revised proposal, which clarifies the matching funds available for the gauge's FY 03 (October 2002-September 2003) operation. The revised proposal also includes a small amount of funding to cover the costs of retrieving and processing gauge data for the period May-September 2002 and clarifies that the cost of operating the gauge during this period will be covered by the U.S. Geological Survey. This project will provide interim funding (FY 03 only) for maintenance of the Ninilchik River stream-flow gauge while a permanent, long-term funding source is sought. Cook Inlet Keeper relies on this gauge in monitoring the water quality of the Ninilchik River, which the Alaska Department of Environmental Conservation has rated as at high risk from nonpoint source pollution and as having a high need for data collection. Water quality is a key element in understanding the watershed and nearshore environments of the spill-impacted region and the overall health and productivity of such resources as salmon, herring, and sea otters which were seriously impacted by the oil spill.

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	B. Finney/UAF	ADFG	Cont'd 2nd yr. 3 yr. project	\$92.5	\$0.0	\$26.6	\$26.6
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project is reconstructing changes in sockeye salmon abundance over the last 5,000 years using the ¹⁵ N record left by salmon carcasses in the sediments of spawning lakes in Prince William Sound, the Kenai Fjords, the Kenai River watershed, and on Kodiak Island. The research question is: What is the normal variability in sockeye salmon populations in the Gulf of Alaska and how does it relate to climatic changes in the Gulf of Alaska region? The results will provide a valuable background for future monitoring studies within GEM and for fisheries managers working to preserve and restore natural salmon runs.		This outstanding project is revealing a 3,500 year record of sockeye salmon abundances in the northern Gulf of Alaska. Previous work with other investigators has established the correlation of salmon abundance with PDO (Pacific decadal oscillation) variations on the decadal scale. The importance of this work is that it describes a much longer record of PDO variation than the European historical record compiled during the 20th century. The project is being executed with the highest scientific standards. Fund, including the proposed addition of three other Kenai Peninsula lakes.		Fund, including new objectives related to core collection from Hidden Lake, Skilak Lake, and a control lake on the Kenai Peninsula. This project is conducting a retrospective study of sockeye abundance in certain lakes in the spill region and developing hypotheses about how changes in the atmosphere/ ocean system affect salmon populations.				

GEM: Intertidal/Subtidal Habitat					\$93.0	\$0.0	\$0.0	\$0.0
G- 030584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	E. Brown/UAF, J. Churnside/NOAA	ADFG	Cont'd 2nd yr. 2 yr. project	\$39.3	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This is the year-two completion of a project initiated in FY 02. The main objective is an evaluation of airborne remote sensing tools for GEM ecological interpretation of the data collected. The instrument package consists of (a) a pulsed lidar to map subsurface features to a maximum of 50 m, (b) an infrared radiometer to map Sea Surface Temperature (SST) day, (c) two three-chip digital video systems to map ocean color (chlorophyll), birds, mammals, surface fish schools, and ocean frontal structure, and (d) an infrared digital video to map birds and mammals at night. Shipboard and buoy data will be used for validation and interpretation of remotely sensed data.		Monitoring forage fish abundance is a challenge for the GEM program. This is a highly innovative project to do such monitoring, and is therefore more risky than others. However, it deserves support through the proposed development phase, as the pay-off of success would be great. Fund.		Fund closeout of this project, which is exploring airborne remote sensing instrumentation as a monitoring tool for GEM. This highly innovative project is working on a challenging question, which is how to effectively and efficiently monitor forage fish abundance under the GEM program. If the project is successful, the pay-off will be great.				

ACE 30398912

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archaeological Material and Isotopes	G. Irvine/USGS, J. Schaaf/NPS, D. Mann/UAF, J. Southon/Univ. Calif.	DOI	Cont'd 2nd yr. 2 yr. project	\$53.7	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will investigate long-term (6,300 year) patterns of productivity and relative species abundances in nearshore, intertidal communities via retrospective analyses. These analyses will focus on excavated midden remains of very rich, well-dated archaeological sites along the Katmai National Park and Preserve coast. Changes in nearshore marine communities will be assessed through examination of relative species abundances, size-frequency analysis, and other indicators of habitat changes. Isotopic analysis of shells will provide an assessment of long-term productivity patterns in the nearshore marine environment as related to major periods of climate change.		This pilot project has the potential to produce innovative data of great interest and relevance to understanding natural variation in ocean systems and the human use of resources over long time frames. The originality of this work is very high, although there is a risk that the coarse temporal resolution of the method will prevent precise conclusions. The addition of funds for a paleoceanographer is justified in order to add needed expertise to the project team. Fund.		Fund closeout of this project contingent on submittal of overdue report (99459). A portion of the increase (\$15,900) in funding over the expected amount is due to a delay in the stable isotope analyses scheduled for FY 02; an equivalent amount of funds will be lapsed back to the Trustee Council at the end of FY 02. This project is designed to improve understanding of long-term change in nearshore marine communities and investigate the relationship between productivity and climate.				

GEM: Alaska Coastal Current Habitat					\$51.6	\$0.0	\$32.1	\$32.1
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G- 030340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	T. Weingartner/ UAF	ADFG	Cont'd 6th yr.	\$51.6	\$0.0	\$32.1	\$32.1
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
Interannual variations in temperature and salinity on the northern Gulf of Alaska shelf reflect environmental changes that affect this marine ecosystem. Quantifying and understanding this variability require long time series such as the 32-year record at hydrographic station GAK1 near Seward. This project continues this time series, quantifies the synoptic, seasonal, and interannual variability, and seeks to understand the reasons for this variability. It will also begin to examine interannual variations in near-surface stratification and the timing of the spring bloom on the inner Gulf of Alaska shelf. The data will be used to predict the baroclinic component of the mass and freshwater transport variability in the Alaska Coastal Current in the northern gulf.		This excellent project provides new insights into physical forcing/control of primary production and mass transport. The synthesis efforts are allowing new insights into proxy measures that might be applied to the 35-year historical record to understand long-term ecosystem variability. This is an excellent investment in a long-term data set that will pay future dividends in fish and wildlife management. Fund.		Fund, including proposed upgrade of mooring (addition of another temperature/conductivity recorder with fluorometer and transmissometer) contingent on (a) receipt of a description of the deployment procedure intended to insure against loss of data and (b) submittal of the manuscript promised in FY 02 analyzing the relationship between atmospheric pressure, precipitation, and density structure of the Alaska Coastal Current. This project provides for continued Trustee Council support of hydrographic station GAK1 and the accompanying retrospective analyses of the station's data record. GAK1 provides a long-term data set that allows characterization of the Alaska Coastal Current, which is essential to understanding climatological forcing of productivity and will be important for GEM.				

SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PL.

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
GEM: Offshore Habitat					\$18.1	\$0.0	\$0.0	\$0.0
G- 030614	Monitoring Program for Near-Surface Temperature, Salinity, and Fluorescence in the Northern Pacific Ocean	S. Okkonen/UAF	ADFG	Cont'd 2nd yr. 2 yr. project	\$18.1	\$0.0	\$0.0	\$0.0
<u>Project Abstract</u> This project will use a thermosalinograph and fluorometer, to be installed on a crude oil tanker, to acquire continuous, long-term measurements of the near-surface temperature, salinity, and fluorescence fields along the tanker route between Valdez, Alaska and Long Beach, California.		<u>Chief Scientist's Recommendation</u> This is a continuation of an innovative and cost-effective project that provides data to assess the long-term recovery of resources impacted by the oil spill against the background of climate-driven variability. The potential for the proposal to provide data from a key area of Prince William Sound and the adjacent ocean relevant to long-term evaluation and interpretation of population trends for birds, fish and mammals is excellent. Fund.		<u>Trustee Council Action</u> Fund closeout of this project (data analysis and preparation of final report/manuscript). In FY 02, this project installed a thermosalinograph and fluorometer on a crude oil tanker traveling between Valdez and Long Beach. Vessels of opportunity such as this are a cost-effective method that may be useful to GEM, and the data collected by this project on ocean conditions in Alaskan waters will be extremely useful to GEM.				
Data Management & Information Transfer					\$308.0	\$0.0		
G- 030455	GEM Data System	Trustee Council Office	ALL	Cont'd 2nd yr.	\$212.9	\$0.0		
<u>Project Abstract</u> This project supports the data management and information transfer system for GEM. Data collection, quality control and documentation, archiving, transfer, delivery, and presentation are critical components of GEM. Project funding will allow the GEM Data Systems Manager to provide the leadership and expertise necessary for this essential part of the GEM program, and hire support staff to make initial aspects of the program operational.		<u>Chief Scientist's Recommendation</u> Data management will be a critical component of GEM.		<u>Trustee Council Action</u> Fund. This project provides funding for the GEM Data Systems Manager and related data system costs. Data collection, quality control and documentation, archiving, transfer, delivery, and presentation are critical components of GEM.				

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030550	Alaska Resources Library and Information Services (ARLIS)	All Trustee Council Agencies	ALL	Cont'd	\$95.1	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project represents the Trustee Council's contribution to the Alaska Resources Library and Information Services (ARLIS). ARLIS serves as a central access point for information generated through the Trustee Council restoration process and the GEM program. In addition, ARLIS acts as the public repository for reports and other materials generated from and related to the cleanup, damage assessment and restoration efforts following the oil spill. ARLIS supports the research efforts and information needs of the Restoration Office, principal investigators, natural resources professionals, and the general public.		The oil spill collection at ARLIS (Alaska Resources Library and Information Services) is a legacy of the spill and an important means of providing the public with oil spill information. Defining how ARLIS might support GEM needs to be better addressed. GEM's library needs will likely be oriented more toward electronic formats and processes and away from paper documents, with an emphasis on web-based services. The funds currently going toward Project 03550 might be more effectively spent in the future on a service or services more tailored to the specific research and data needs of GEM. Fund for FY 03 only.		Fund continuation of one librarian at the Alaska Resources Library and Information Services (ARLIS). Trustee Council contributions in FY 04 and beyond may be reduced as the transition to GEM is completed. ARLIS provides an important service for documents and other materials produced through the damage assessment and restoration processes. The Council's original funding commitment to ARLIS was through FY 01 only; how ARLIS might relate to the GEM program in FY 04 and beyond is not clear at this time.				

Science Management					\$416.0	\$0.0		
G- 030250	Project Management	All Trustee Council Agencies	ALL	Cont'd	\$137.6	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
Project management supports those Trustee agencies that administer and/or implement EVOS projects on behalf of the Trustee Council. Tasks performed by project managers include coordinating activities between principal investigators and the Trustee Council Office, reviewing project expenditure activity, assisting in the development of project proposals, and tracking project reports.		Proposal not reviewed.		Fund. Project management helps provide accountability for the work plan process.				

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SPREADSHEET B: TRUSTEE COUNCIL ACTION (TE SPREADSHEET)--FY 03 PHASE I WORK PLAN

Proj.No.	Project Title	Proposer	Lead Agency	New or Cont'd	FY 03 Approved 8/6/02	FY 03 Deferred to 11/25/02	FY 04 Request	FY 04 Recom.
G- 030630	Scientific Management under GEM	Trustee Council Office	ALL	Cont'd	\$278.4	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project will provide scientific oversight of implementation of the GEM program, as well as scientific oversight of lingering effects of oil on injured resources. In FY 03, the project will support the Science and Technical Advisory Committee (STAC) and other aspects of the scientific review and advisory process, develop the FY 04 Invitation to Submit Proposals, provide peer review recommendations and scientific support for the FY 03 and FY 04 work plans, continue developing a "State of the Gulf Report", provide regional input to a status report on North Pacific resources now being developed by PICES (North Pacific Marine Science Organization), and support the Lingering Oil Effects Subcommittee and review process.		Proposal will not be reviewed by Chief Scientist.		Fund interim amount of \$278,400; additional funds may be necessary later in FY 03 for additional GEM planning activities and for some Scientific and Technical Advisory Committee (STAC) and subcommittee meetings that are not yet scheduled. This project is designed to ensure that the GEM program is implemented with a high degree of scientific integrity through establishment of an advisory committee of independent experts (the STAC), whose work will be supported by subcommittees composed of scientists, resource managers, and community members. The project will also support continued independent peer review of project proposals and reports, as well as the dissemination of research results at an annual meeting at which Council-funded scientists will present their findings to their peers and the public.				

Public Information/Administration

030100	Public Information and Administration	All Trustee Council Agencies	ALL	Cont'd	\$1,114.3	\$0.0		
<u>Project Abstract</u>		<u>Chief Scientist's Recommendation</u>		<u>Trustee Council Action</u>				
This project provides overall support for public involvement and administration of the restoration program, including GEM. It includes funding for the Trustee Council staff working at the direction of the Executive Director, public involvement efforts including the active participation of the Public Advisory Committee (PAC), and management of the EVOS Investment Fund.		Proposal not reviewed.		Fund. This project provides overall support for administration and implementation of the Trustee Council's programs.				

MEMORANDUM

Department of Natural Resources

State of Alaska

Office of the Commissioner

TO: Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council

DATE: July 12, 2002

TELEPHONE NO: 269-8431

FROM: Carol Fries 
Natural Resource Manager

SUBJECT: EVOS Habitat Protection
Funding FY 02

Your memo of May 20 requested a detailed memo specifying which parcels and which activities DNR is working on in order to address a request for additional funding for habitat protection efforts. The following summary information should provide sufficient detail for a review of the activities in which DNR has been engaged. Please note that all activities are conducted in close coordination with and at the request of the Department of Law.

DNR has been working on the following habitat protection activities during fiscal year 2002.

AJV final closing of last remaining acreage transferred from BLM to AJV.

Contractual title services Land Field Services: \$4,937 – unexpected expense.

Review of title work, closing documents by DNR title staff.

AJV Subsurface

Contractual title services Land Field Services \$7,918 - \$1,918 in excess of title estimate.

Review of title work, closing documents by DNR title staff still needs to be completed.

English Bay Phase II Closing

Completed. This took longer than expected due to unanticipated encumbrances.

Old Harbor Hydro Release from Conservation Easement

Completed. Very time consuming.

AKI Site Exclusions, Final Closing

Completed. This took much longer than expected due to unanticipated encumbrances.

Tatitlek Exchange

Completed

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USFWS Small Parcels

Have been reviewed and processed as requested.

Eyak final closing – Power Creek

This closing started with a flurry of activity then stalled and is still hanging. DNR contracted for title work for this closing, an unanticipated expense, and DNR will still need to pay for closing.

Koniag Easement along the Karluk

Review of title, legal descriptions, closing documents by DNR title staff.

This has come before DNR six times since early in the year for 30-day extensions. The legals are still insufficient. Title defense has concerns about navigability issues that are currently unresolved to their satisfaction. This has required an inordinate amount of staff time.

Old Harbor/Sitkalidik Exchange

Travel associated with public hearings held in Kodiak. Staff compiled reviewed and summarized public comment submitted in writing and at the hearing. Preparation and review of documents associated with the exchange took place as expected. However, modification of the appraisal and review to address previously unidentified problems and equalization of value was an unexpected complication and expense.

Old Harbor Native Allotments in Kiliuda Bay

These parcels were being pursued by The Conservation Fund under the grant agreement. DNR has begun the hazmat assessment on priority parcels in Kiliuda Bay in order to address the Chokwak acquisition. Chokwak, Ericksen, Inga have been identified as parcels on which grantees have consulted with the Trustee Council. The initial hazmat request was for Chokwak, however, additional parcels were done in order to maximize resources both in terms of staff time and dollars. Travel to this area is difficult, limited due to weather, and it makes no sense to go back multiple times. We do not have staff resources to make multiple trips. \$5,000 encumbered, best estimate of cost for travel, research and staff time.

Note: DNR and Law have taken care of Chokwak due to changes within The Conservation Fund. There were no anticipated expenditures detailed for these parcels. They were to have been part of the grant and not the subject of the financial discussions in July of 2001.

Unexpected expense – Kiliuda Bay Hazmat \$5,000

Swartz

This parcel was previously identified as a parcel to be pursued by the Council. The Conservation Fund secured the Icicle Seafoods parcels previously, but was unable to secure Swartz. This parcel recently came on the market and the Conservation Fund agreed to pursue it if DNR could contract for the preliminary commitment for title insurance. There was a desire to move quickly

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on this parcel and as you know. The Conservation Fund has more flexibility to purchase options or acquire in a timely manner.

Unexpected expense - Preliminary commitment for title insurance - \$250

Staff time will be required to review these documents, conduct a hazmat survey and review the appraisal. No estimate of expenses was included for this parcel in the FY02 estimate.

Nuka Island

DNR has requested that TNC pursue two Nuka Island parcels currently available from the University of Alaska. The University is interested in selling. Title work, hazmat and appraisal review will need to be completed.

Northern Afognak

Department of Law has been working with groups pursuing additional acquisitions on Northern Afognak which would complete protection of the northern tier of the island. An RSA has been executed for support services to be provided by Sheal Anderson to the Department of Law negotiators at their request.

Unexpected expense - RSA to Law \$5,500

Note: Should the timber and land appraisals be completed in August as expected, additional expenses should be expected for appraisal review, DNR staff time etc. These expenses are not detailed here due to an uncertain completion date and no clear cost estimate at this point.

Total Expended or Obligated to Date: \$75,500

Balance remaining: \$1,000

Unanticipated contractual expenses: \$17,605

AJV closing	\$4,937
AJV Subsurface title	\$1,918
Kiliuda Bay Hazmat	\$5,000
Northern Afognak consulting services	\$5,500
Swartze preliminary commitment for title insurance	\$250

Unanticipated work by DNR staff:

- English Bay
- Old Harbor Hydro
- AKI Final Closing
- Konaig Easement
- Chokwak Parcel
- Old Harbor Appraisal adjustment

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In conclusion, additional funds in the amount of \$17,605, an amount equivalent to the majority of the unanticipated contractual expenses, should provide sufficient funds to continue work that is

7/23/02

anticipated between now and September 30. DNR will need to purchase title insurance for Elliot, Icicle Seafoods, and the Valdez Duck Flats, and hopefully close these parcels by the end of the fiscal year. We also anticipate completing the Old Harbor Exchange and the AJV subsurface in the very near future. The Koniag Conservation Easement will continue to be an issue. The Eyak final closing is expected to resurface in the near future. Please note that there is always the possibility that unanticipated expenses may arise particularly in relation to the additional AJV lands. We are being very conservative in our request for additional funds in order to avoid creating an unnecessary lapse of funds.

I did not make this request prior to this point in time in an effort to avoid creating a situation where funds might possibly lapse. However, at this point it is clear that there are insufficient funds remaining to continue the work associated with ongoing habitat protection efforts.

Should you have any additional questions or concerns, please do not hesitate to contact me at your earliest convenience. It would be beneficial if this matter could be addressed at the August 6 Trustee Council meeting. Thank you.

cc: Marty Rutherford
Alex Swiderski
Craig Tillery

ACE 30398920

7/23/02

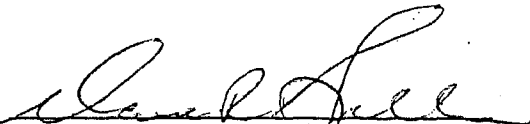
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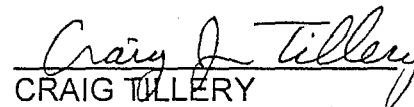
ATTACHMENT B
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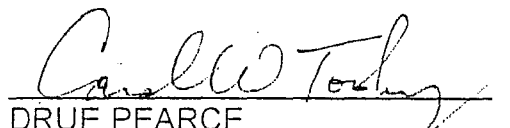
**RESOLUTION 02-08 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING A GRANT FOR HABITAT PROTECTION**

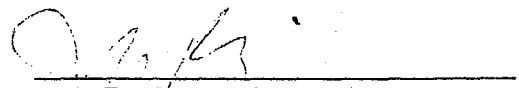
Pursuant to paragraph 15 of Resolution 01-07, the Trustee Council hereby approves (a) an extension of the termination date of the U.S. Fish and Wildlife Service grants to The Conservation Fund (FWS Grant Number 701811G113) and The Nature Conservancy (FWS Grant Number 701811G112) from September 30, 2002 to September 30, 2003, (b) an extension of the due date from December 31, 2002 to December 31, 2003 for the grant recipients' report to the Council describing their activities and accomplishments under the grant, and (c) a corresponding revision to the schedule for funding recipients' indirect costs from "disbursed quarterly over the life of the grant agreement" to "upon receipt of a request for reimbursement submitted no more frequently than every 30 days, when allowable and allocable indirect costs have been incurred by the grant recipient".

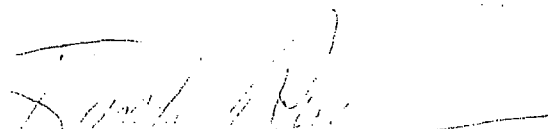
Approved by the Council at its meeting of August 6, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:



DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Adviser
to the Secretary for Alaskan Affairs
U.S. Department of the Interior


JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska

July 9, 2002

By Molly McCammon
Executive Director



Trustee Council Members Present:

• Dave Gibbons, USFS
*Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
Michele Brown, ADEC
Craig Tillery, ADOL

* Chair

In Anchorage: Lisowski, Pearce, Balsiger, Rue, Brown and Tillery

• Alternates

Maria Lisowski served as alternate for Dave Gibbons for the entire meeting.

Meeting convened at 10:45 a.m., July 9, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION:

Approved the July 9, 2002 agenda, amended by removing the small parcel KEN 310/Swartzes (Attachment A.)

Motion by Tillery, second by Brown.

2. Approval of Meeting Notes

APPROVED MOTION:

Approved the June 14, 2002 meeting notes (Attachment B).

Motion by Tillery, second by Brown.

ACE 30398922

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Public comment period began at 10:53 a.m.

Public comment received from one individual in Anchorage.

Public comment period closed at 11:10 a.m.

3. GEM Program Document

APPROVED MOTION:

Approved a motion to approve the GEM Program Document Final Draft dated July 1, 2002 in its entirety.

Motion by Rue, second by Brown.

4. Revised Operating and Report Procedures

APPROVED MOTION:

Approved a motion to approve the revised Trustee Council Procedures, review draft dated June 24, 2002, with minor language revisions.

Motion by Brown, second by Rue.

5. Trustee Council Data Policy

APPROVED MOTION:

Approved motion to approve the revised Trustee Council/GEM data policy with revised language indicating it refers to all Trustee Council projects and is effective October 1, 2002.

Motion by Tillery, second by Rue

6. Executive Session

APPROVED MOTION:

Approved a motion to move to an Executive Session.

Motion by Tillery, second by Rue.

BREAK

Off Record at (11:39 a.m.)

On Record at (11:45 p.m.)

EXECUTIVE SESSION

Off record at (11:45 a.m.)

On record at (1:53 p.m.)

7. Injured Resource Update

ACE 30398923

Deferred action on Injured Resources Update until the August 6, 2002 meeting.

8. Habitat Protection

APPROVED MOTION:

Approved a motion to provide \$41,000 to the Alaska Department of Natural Resources to be used to equalize the values of the lands on Sitkalidak Island to be conveyed by the State of Alaska to the Old Harbor Native Corporation for lands in Kiliuda Bay to be conveyed to the State by OHNC.

Motion by Tillery, second by Rue.

ADOPTED RESOLUTION:

Adopted a resolution to provide \$160,000 in funds to the Alaska Department of the Interior for the State of Alaska to acquire all of the seller's rights and interests in the small parcel KAP 1087/Chokwak pursuant to the conditions outlined in the Resolution 02-06 (Attachment C).

Motion by Tillery, second by Rue.

Meeting adjourned 2:48 p.m.

ACE 30398924

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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



AGENDA EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING

July 9, 2002 10:30 a.m.
441 West 5th Ave., Suite 500, ANCHORAGE

DRAFT

Trustee Council Members:

CRAIG TILLERY
Assistant Attorney General
State of Alaska

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior

MARIA LISOWSKI for
DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture

JAMES W. BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner, Alaska
Department of Fish & Game

Teleconferenced in Anchorage, Restoration Office, 441 W 5th Ave, Suite 500
_____ Federal Chair

1. Call to Order - 10:30 a.m.
 - Approval of Agenda*
 - Approval of Meeting Notes*

June 14, 2002
2. Executive Director's report
3. Public comment - 10:45 a.m.
4. Approval of the GEM Program Document*

ACE 30398925

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5. Approval of the Revised Operating & Report Procedures*
6. Executive Session - 12:00 p.m. - 1:30 p.m.
7. Approval of the New Trustee Council Data Policy*
8. Update on Status of Injured Resources and Services*
9. Habitat Protection
 Report from Grantee
 Randy Hagenstein, The Nature Conservancy
 Glenn Elison, The Conservation Fund
 Small parcel KEN 310/Swartzes*
 Small parcel KAP 1087/Chokwak*

Adjourn - 3:00 p.m.

* Indicates tentative action items.

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Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



TRUSTEE COUNCIL MEETING NOTES

Anchorage, Alaska
June 14, 2002

By Molly McCammon
Executive Director

Trustee Council Members Present:

Dave Gibbons, USFS
Drue Pearce, DOI
James Balsiger, NMFS

Frank Rue, ADF&G
• Michele Brown, ADEC
*Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons Pearce, Balsiger, Klein and Tillery
By teleconference: Rue

• Alternates

Ron Klein served as alternate for Michele Brown for the entire meeting.
Jim Balsiger joined the meeting at 10:12 a.m.

Meeting convened at 10:05 a.m., June 14, 2002, in Anchorage.

1. Approval of the Agenda

APPROVED MOTION: Approved the June 14, 2002 agenda
(Attachment A)

Motion by Pearce, second by Klein.

2. Approval of Meeting Notes

APPROVED MOTION: Approved April 18, 2002 meeting notes
(Attachment B).

Motion by Pearce, second by Klein. ACE 30398927

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Public comment period began at 10:16 a.m.

Public comments received from six individuals, five in Anchorage, one on-line from Homer (at 1:45 p.m. to 1:47 p.m.). Five of these comments were on the Draft Update on Injured Resources.

Public comment period closed at 11:15 a.m.

3. Old Harbor Land Exchange

APPROVED MOTION: Approved a motion to delete the requirement that the Old Harbor Native Corporation convey a conservation easement on Sitkalidak Island to the United States Fish and Wildlife Service, imposed as a condition upon the funding provided for the Sitkalidak land exchange.

Motion by Pearce, second by Rue.

4. PAC Charter Revisions

APPROVED MOTION: Approved a motion to add revisions to the following sections of the PAC Charter: Membership, Selection and Service; Expenses; Authority (Attachment C), and replace the references to "Program Advisory Committee" with "Public Advisory Committee" and adopt the June 4, 2002 draft PAC Charter.

Motion by Pearce, second by Rue.

BREAK

Off the record at (11:58 a.m.)

On the record at (12:06 p.m.)

5. GEM

DISCUSSION: Discussion concerning revisions to the GEM Program Document. The GEM Program Document is to be presented to the Trustee Council for approval at the July 9, 2002 Trustee Council meeting.

6. NRC Report

BRIEFING: Mike Roman, chair of the National Research Council's review committee, briefed the Trustee Council on the committee's final report on GEM (Attachment D).

BREAK

Off the record at (12:50 p.m.)

On the record at (1:05 p.m.)

7. Procedures and Policies

ATTACHMENT B
PAGE 54 OF 59

ACE 30398928

DISCUSSION:

Discussion on the proposed changes to the Trustee Council's Procedures (Attachment E). The proposed revisions are to be presented to the Trustee Council for action at the July 9, 2002 meeting.

8. FY 03 Draft Phase II Invitation

BRIEFING:

The Trustee Council was briefed on the draft FY 03 Phase II invitation. Phase I recommendations (approximately \$4 million) are currently out for public review. The Trustee Council will act on them on August 6, 2002. The Phase II invitation is scheduled to be issued on July 15, 2002 with proposals due on September 4, 2002.

Meeting adjourned 2:01 p.m.

Motion by Balsiger, second by Pearce.

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ACE 30398929

RESOLUTION 02-06 OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING SMALL PARCEL KAP 1087/CHOKWAK

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1. By resolution adopted at its meeting on January 16, 2001, the Council implemented a small parcel acquisition program through identical grants to The Conservation Fund and The Nature Conservancy (the grant to The Conservation Fund is hereinafter referred to as the "Grant");
2. The Conservation Fund and The Nature Conservancy identified the Chokwak small parcel, KAP 1087 as a small parcel to be considered for acquisition under the Grant and consulted with the Council at its meeting on December 11, 2001 concerning the purchase of the Chokwak parcel;
3. An appraisal of the parcel completed by the Bureau of Indian Affairs of the United States Department of the Interior determined that the fair market value of the parcel is \$160,000;
4. As set forth in Attachment A, Restoration Benefits Report for KAP 1087, if acquired, this small parcel has attributes which will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources, including important habitat for several species of fish and wildlife for which significant injury resulting from the spill has been documented. Acquisition of this small parcel will assure protection of approximately 160 acres. The parcel includes much of the more level land at the head of the west side of Dog Bay. Along with the other native allotment in Dog Bay it provides the best access to the uplands from anchored boats or floatplanes. The parcel includes a salmon stream, which has silver, chum and pink salmon runs. Further inland, the parcel is characterized by substantial alder patches, high grass and cottonwood. The parcel is important to the sport fishing and tourism industries, both of which were impacted by the *Exxon Valdez* Oil Spill ("EVOS").

ACE 30398930

5. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgment on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;

6. There has been widespread public support for the acquisition of lands within Alaska as well as on a national basis;

7. The purchase of this parcel is an appropriate means to restore a portion of the injured resources and services in the oil spill area. Acquisition of this parcel is consistent with the Final Restoration Plan.

THEREFORE, we resolve to provide funds to the United States Department of Interior for the State of Alaska to acquire all the seller's rights and interests in the small parcel KAP 1087 pursuant to the following conditions:

(a) the amount of Grant funds (hereinafter referred to as the "Purchase Price") to be provided by the Council shall be one hundred sixty thousand dollars (\$160,000) for small parcel KAP 1087;

(b) authorization for funding for the acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed or purchase of the parcel completed by August 30, 2003;

ACE 30398931

(c) filing by the United States Department of Justice and the Alaska Department of Law of a notice, as required by the Third Amended Order for Deposit and Transfer of Settlement Proceeds, of

the proposed expenditure with the United States District Court for the District of Alaska and, if necessary, with the Investment Fund established by the Trustee Council within the Alaska Department of Revenue, Division of the Treasury ("Investment Fund") and transfer of the necessary monies from the appropriate account designated by the Executive Director of the Trustee Council ("Executive Director");

(d) a conservation easement on parcel KAP 1087 shall be conveyed to the United States which must be satisfactory in form and substance to the United States and the State of Alaska Department of Law;

(e) no timber harvesting, road development or any alteration of the land will be initiated on the land without the express agreement of the State of Alaska and the United States prior to purchase; and

(f) compliance with the terms and conditions of Paragraph 6.b. of the Grant.

(i) title search;

(ii) a determination that the seller is willing and able to convey title in a form satisfactory to the State of Alaska and Bureau of Land Management of the Department of the Interior of the United States;

(iii) an executed purchase or option agreement and conveyance documents that are ready for execution;

(iv) hazardous materials survey; and
statement of compliance with the National Environmental Policy Act.


(vi) statement of compliance with the National Environmental Policy Act.

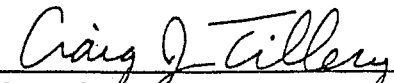
It is the intent of the Trustee Council that the above referenced conservation easement will provide that any facilities or other development on the foregoing small parcel shall be of limited impact and in keeping with the goals of restoration, that there shall be no commercial use except as may be consistent with applicable state or federal law and the goals of restoration to prespill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS, and the services provided by that resource or replacement or substitution for the injured, lost or destroyed resources and affected services, as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 and the Final Restoration Plan as approved by the Council.

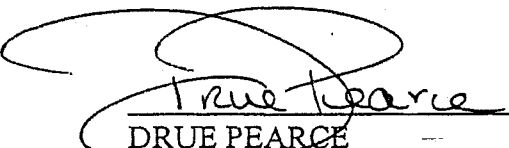
By unanimous consent, following written notice from the Executive Director that the terms and conditions set forth herein have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice to take such steps as may be necessary for withdrawal of the Purchase Price for the above-referenced parcel from the appropriate account designated by the Executive Director.

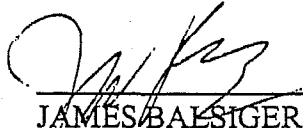
Such amount represents the only amount due under this resolution to the sellers by the State of Alaska to be funded from the joint settlement funds, and no additional amounts or interest are herein authorized to be paid to the sellers from such joint funds.

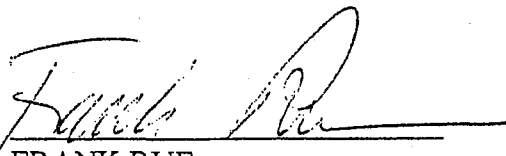
Approved by the Council at its meeting of July 9, 2002 held in Anchorage, Alaska, as affirmed by our signatures affixed below:

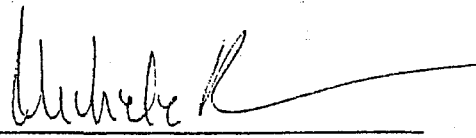

for DAVE GIBBONS
Forest Supervisor
Forest Service Alaska Region
U.S. Department of Agriculture


CRAIG TILLERY
Assistant Attorney General
State of Alaska


DRUE PEARCE
Senior Advisor to the Secretary
for Alaskan Affairs
U.S. Department of the Interior


JAMES BALSIGER
Administrator, Alaska Region
National Marine Fisheries Service


FRANK RUE
Commissioner
Alaska Department of
Fish and Game


MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

Attachment A - Restoration Benefits Report

ACE 30398933