

EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL

January 10, 1992
6:30 p.m.
Alaska Public Utilities Commission
1016 West Sixth Avenue
Suite 305
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS:

Charles Cole
Attorney General
State of Alaska

Regional Forester

Michael A. Barton
USDA Forest Service

John Sandor
Commissioner
Department of Environmental
Conservation
State of Alaska

Steven Pennoyer

Regional Director
National Oceanic & Atmospheric
Administration

Carl Rosier
Commissioner
Department of Fish and Game
State of Alaska

Curtis McVee

Special Assistant to the
Secretary for Alaska
Department of the Interior

P R O C E E D I N G S

MR. PENNOYER: Thank you all for coming. Welcome to the third published settlement meeting of the Trustee Council to Exxon Valdez Oil Spill. I don't know who's whistling. We're trying to straighten out the sound system here for second. We'll go ahead and try to get started here.

I trust everybody has the agenda, and I will read through it after we get the preliminary announcements done with. I'd like to introduce the Trustee Council members: Charles Cole is the Attorney General for the State of Alaska, Curt McVee who is the representative or the special assistant for the Secretary of the Department of Interior. And on my far right is Carl Rosier who's the commissioner of the Alaska Department of Fish and Game. Next to him is Michael Barton who's the Regional Forester for the U.S. Department of Agriculture, Forest Service, in Juneau. And next to him is John Sandor, commissioner of the Department of Environmental Conservation. And I'm Steve Pennoyer, National Marine Fisheries Service, Juneau, representing NOAA, National Oceanic and Atmospheric Administration.

At our front table we have our Resource Restoration Coordination Group, RRCG, Dave Gibbons is the acting executive director in care of that group. Dave, would you care to introduce the members of the group?

MR. GIBBONS: Yes. Thank you, Steve. On my far left, far left off to the side of the table is Mark Broderson representative from the Department of Environmental Conservation. On the end of the table is Ernie Piper, also from the Department of Environmental Conservation as an alternative to the coordination group. Moving down the table is Ken Rice representing the U.S. Department of Agriculture, the

Forest Service. Next is Marty Rutherford from the Alaska Department of Natural Resources.

Next to Marty is Jerome Montague from the Alaska Department of Fish and Game.

Immediately to my left is Cordell Roy representing the Department of the Interior from the National Park Service. And to my right is Byron Morris representing the National Marine Fisheries Service.

MR. PENNOYER: Thank you. For those out on the line or in the audience who don't have the agenda, I'll briefly read through the agenda and ask if there are any corrections or additions from the Council members. We have opening statements. As usual we have the NRDA damage assessment studies, restoration projects for 1992, fiscal issues, summaries of the status of the joint fund, organization, public participation, the Simpson Building with support staff, a permanent executive director, formal adoption of the operating procedures we discussed at the last meeting, and public. And we will take comment both from those on line and in the audience.

I'd like to make one more introduction before we go further. I -- Bob, you're out in the audience there somewhere. Bob Burke for EPA.

So I think -- do Trustee Council members have any additions to the agenda they wish to make at this time? Okay. We've tried in the past to finish our deliberations by about 9:00 o'clock, and I presume that probably would be your desire this time as well, and then allow for allow for public comment at that time. Earlier if you could, obviously.

First we have opening statements, and I'm not sure at this stage, does anybody wish to make an opening statement before we start business? Okay. Thank you.

I think we've asked the Restoration -- Resource Restoration Coordination

Group, the RRCG, to do a lot of interim work. We had assignments from the meeting in December, and I know they followed up on these, and I think, Dave, probably you're prepared to lead us through the agenda?

MR. GIBBONS: That's correct, Steve.

MR. PENNOYER: Fine. Why don't you proceed then?

MR. GIBBONS: Before I start on the -- the agenda items, I'll make -- make one opening statement here. The minutes and transcripts of the last meeting are available at 645 G Street, the first floor of the Simpson Building, so if people would like to review those, and -- they'll be available at that -- that location.

MR. PENNOYER: Thank you.

MR. GIBBONS: We're going to combine the items number one and two into a discussion. We -- we heard the Trustee Council at the last meeting about the amount of money that was involved in -- in the proposals to date, and we have revisited those, and we'd like -- I'd like to have Jerome Montague walk us through that -- the revisit we've -- we've done since the last meeting.

MR. PENNOYER: Mr. Montague?

MR. MONTAGUE: I would like to summarize and brief the Trustee Council on the proposed revisions to oil year four work plan. And the group met for two weeks in December to decide on an oil year four plan, and a list of proposed projects totalling about \$30 million was reviewed. Some projects were eliminated or reduced and it resulted in a total program of about 25 million.

This was the -- the memorandum that was presented to you all on December 19th, and based on your guidance, we met again on January 2nd and 3rd to re-evaluate the

proposed program and consider reductions, and after considerable debate and review of these proposals, we've come up with a revised program for oil year four that totals about 17 million.

And we've broken that down into two components, the injury assessment activities and restoration activities. And under injury assessment, we further broke it out into projects that were continuing and projects that we intend to close out this oil year and develop final reports for.

And in the continuation category, we feel that a full evaluation of the injuries to resources necessitates additional field efforts this year and will require probably close out activities in 1993. Nine injury assessment projects are proposed to be conducted with field and laboratory work costing about \$2.8 million. These include projects on sockeye and pink salmon, mussels, shrimp, river otters, general hydrocarbon contamination and associated technical support for data base management and geographic information systems. And new damage assessment projects may be advisable in the future.

The second category, on the close-outs, injury assessment studies need to be brought to a logical conclusion in order to present the results of multi-year studies to the public, the scientific community and to provide the basis upon which to plan and implement a restoration program. Thirty-one damage assessment projects are proposed to be completed this year at a cost of about \$4.9 million with final reports due at -- at the end of the calendar year and some at the end of the oil year. Now, these require analyzing existing data and writing reports. A few need additional field work. These projects include nine bird, eight subtidal, eight fish and shellfish, three marine mammal, two coastal habitat and one archaeological project.

Under the restoration activities, we've broken them into two major components, that of recovery monitoring, and that of implementation. And under implementation, we've further subdivided that into information that will improve management of injured resources, manipulation of populations and/or habitats to enhance recovery or productivity, and intent -- identifying habitats that require protection either through acquisition or changes in agency management.

In the recovery monitoring category, monitoring includes those projects that monitor species or environments for which injury has been established, and recovery or lack thereof can be measured. Ten projects have been proposed at a cost of about \$4.5 million and cover subtidal and coastal environments, anadromous fish, sea and river otters, sea birds and bald eagles.

Under the broad category of restoration implementation and the subheading of management actions, the management action projects will provide information to enable changes in management to help restore injured resources. There are seven projects in this category at a cost of \$2.1 million that include anadromous fish, rock fish, herring, archaeology and harbor seal.

In the manipulation enhancement subheading, subcategory, under implementation, these projects are intended to enhance production above the rate of natural recovery and/or to raise population sizes above that which would be possible in the natural environment. Two projects are proposed for pink and chum salmon at a cost of \$426,000.00.

In the habitat acquisition and protection category, these projects provide information on high value habitats and habitat needs of injured resources. They will provide information needed to plan and implement habitat protection measures. Four

projects at a cost of about \$1.8 million are proposed to provide information on marbled yurolet (ph), harlequin duck, anadromous fish, and general upland habitats to support restoration decisions.

And in summary there's \$7.5 million of the program roughly is in damage assessment and continuation of close-outs and approximately \$9.5 million in all categories of restoration.

And next week we're going to be looking at additional implementation proposals and have a second look at some of the projects that were removed during the January 2nd and 3rd meeting.

And that pretty much summarizes it.

MR. PENNOYER: A question of clarification to either you or -- or Dave. What -- in terms of this presentation, what action do you need to go forward to the plan that we're going to put together to send out to public review? What -- I know -- noticed that you said that you were going to review some more projects next week, and I guess I'm a little unsure as to where we are in approving this for initial -- to initially go forward or to request further detail.

MR. GIBBONS: We would like the Trustee Council to -- to approve the -- the development of detailed study plans for further review, further analysis on these -- on the project that we have -- have identified as that would be moving forward.

MR. PENNOYER: Then I guess the -- the way we would proceed is you would then go and do that. Those -- those are to be subjected to further RRCG and peer review, to bring it back to us in -- so we could go through again the details before they went back out as a package to public review, is that correct?

MR. GIBBONS: Yeah. We're -- we're trying to gain more information and insight on -- on the proposals so when we finally come out to public review, the -- the public can understand what's being proposed also as well as the Trustee Council in full.

MR. PENNOYER: Trustee Council members? Mr. Barton?

MR. BARTON: Well, I think we should authorize the RRCG to go ahead and get the detailed study plans developed and -- so that we can consider them at our next meeting.

MR. McVEE: I just had a question. Yeah. I guess maybe the -- the new kid on the block, but I guess a question was some of this -- some of these damage assessment studies were -- were completed, there wasn't any work on them since '89 as I understand it. I guess, you know, -- and yet there's funds for close-out. What -- what -- I guess what -- what is that for? Is that basically to -- to do the write-ups, but to -- to prepare a document that as going through them, I think there was a number that -- that the work had been done in '8- -- '89.

MR. MONTAGUE: Well, there -- there are a number of projects that are already -- final reports exist for them. I can't think of any -- there may be a few of the ones here that weren't active in 1991, but most of these presented here are ones that were active in 1991.

MR. PENNOYER: Further comment? Mr. Sandor?

MR. SANDOR: A point of clarification first. First what is the time table by which you expect to get this out to -- for public review? The time table of getting comments from the interested publics and the actions plan- -- action plans you

expect from the Trustee Council?

MR. GIBBONS: Okay. The -- the first question, we're -- we're shooting for the middle of March for our restoration framework type plan. That would include these to go out for public review. That -- that's the plan.

The detail study plans, if you approve that, we will request those immediately. We'll have those by your next meeting, and we'll have a detail of -- of those studies.

And I'm -- I'm sorry, I lost the other part of that question, John?

MR. SANDOR: Well, and then the time frame for actions, the -- the -- how you expect to review the -- the -- and integrate the public comments, and how you would expect the Trustee Council to act on these -- these proposals.

I guess I should make it clear, Mr. Chairman, that -- that I certainly don't see the development of these detailed study plans as an endorsement of the projects, and -- and that we're simply trying to get the projects out for public review. I'm very keenly interested in the comments from the public, so before we reach a conclusion on what projects to approve, and I'm just trying to figure a time table for that.

So you're saying by March this will be out?

MR. GIBBONS: We're shooting for the middle of March for the -- for the print work out, for public comment. We plan -- I think Ernie was going to talk about this, and he will be giving the board what -- what the -- the schedule of that, but we would go out and -- and do scoping sessions again with this document in hand for the public, and -- and go out and -- and get full public involvement on it through both written comment and public comment.

And as far as how long it's going to take, I -- I don't have a real good feel on that. Ernie, do you have some kind of feel on that?

MR. PIPER: Well, the -- the public meetings that we have first scheduled are the one on -- on public participation and we should have those complete by the end of the first week in February, and our plan is to have most of that public participation work done by the 15th, which is when the restoration framework -- 15th of March, which is on or about the date the restoration framework document is supposed to be coming out. The goal is to have a public review body and a public review system in place when that document is out so that we're doing it concurrently, and the public isn't behind the curve.

MR. SANDOR: If -- if I can just follow up, Mr. Chairman. I think it's -- it would be helpful if there was kind of a timeline or a frame or -- or a plan of action for -- for the next two quarters at least that would give us and the public an opportunity to -- to know what actions might be expected.

Specifically I'm concerned when the -- at what time we might be expected to take action on restoration proposals, and I think the public would be interested in that, too, so

MR. PENNOYER: I think, Dave, in actual fact the Trustee Council will see these at least twice more: once after you do the detailed study plans when we presumably go through them in some detail before even approving them for the first public review, and then after that we'll see them again, so the timing on that's dependant on how fast you guys work them I guess.

Mr. Cole?

MR. COLE: Mr. Chairman, I'd like a little more information about these close-out studies. It says that there are 31 damage assessment projects which are proposed to be completed at the cost of \$5 million. How long have those studies been going on? That's question one. And then to follow up on that, what work has been done on these projects, for example, in the last six months or the last five months? And -- I mean, has work been continuing on them, or has effort been made in the past five months to wrap them up? I mean, what's been going on on these 31 projects the last five months? Anything?

MR. GIBBONS: Yes, I can probably answer that. Most of the projects were started in 1989 immediately after the spill. Some a year later. Activities have been going on constantly on these studies. We've been -- we've been reducing studies every year. I -- I don't have exact numbers in front of me, but we've reduced the number of studies every year to -- to the number that we have in what we call oil year three, which was March 1990 to February 29th, 1991.

Activities are -- are continually occurring on those projects, and there's -- there was people out in the field in September, before the settlement, and following the -- the approved oil year three plan.

A lot of the activities that are proposed for our close-out are -- close-out includes no additional field work. Primarily there's a couple studies that have a little bit of field work and you have close out, and then data analysis and final report. We're -- we're shooting for final reports that are -- that are usable to the -- to the public and for restoration work in the future.

MR. COLE: Well, tell me a little bit. How about today or this

past week, have people been working on these studies this past week?

MR. GIBBONS: Yes.

MR. COLE: Okay. You know, the -- \$5 million, you know, sounds like a lot of money to wrap up 31 studies. I can't do the -- I suppose I could do the arithmetic. What, it's about 1.5 some place in there. Some ratio. But I would like to see why it costs -- each one of these studies, why it costs as much as it does to complete it when we get to this next, you know, looking at these. What's been going on, and why it takes \$5 million to conclude these studies. And -- and it just seems to me that this -- the reason I say this is because we had a lot of discussion last September when we were coming down to the final settlement of this litigation, which underlies these things, and I'd -- I'd just like to see hard numbers there.

And I -- I would also like to say, to get my vote on these other studies, I mean, I for one, I don't know about my fellow council members, but some pretty hard numbers, you know, broken down in considerable detail as to what the costs of these various projects is. Not just some lump figure of \$5 million, I mean detail. I mean, how much for transportation, how much for secretarial, how much for everything, so we can take a good, hard look and not just be faced with approving some study for three million or two million or whatever, 500,000, that doesn't have considerable detail.

And also why each of these particular studies need to be done, you know, and at this time. You know, just some really pretty detailed information, not just something that, you know, we just sort of say, well, it sounds pretty good, and so we approve it. Hard data.

MR. GIBBONS: Yeah. That's -- that's what we expect to see in the

detailed study plans.

MR. PENNOYER: Dave, I -- I think it's

MR. GIBBONS: I just got a note passed to me, excuse me, Steve, but

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MR. PENNOYER: Sure.

MR. GIBBONS: the remotes can't -- sites can't -- can't hear us and they think it's the equipment problem, and they'd like to take a short recess to try to fix that.

MR. PENNOYER: Why don't we take a five-minute break and see if we can get that fixed and then we'll come back.

MR. BARTON: Maybe we can fix this sound system at the same time.

MR. PENNOYER: Yes. Okay. We'll take a five-minute break, or a ten-minute, or whatever it takes.

(Off record)

(On record)

MR. PENNOYER: We'll like to begin here, if you would? Could I -- could I get everybody's attention? Could we go ahead and get started again at least? It sounds like our sound people have done yeoman work and we're back on line, and I don't have to shout all the way to Cordova. Could -- could we have quiet in the room, please, so everybody can hear? Thank you very much.

Curt, did you have a question?

MR. McVEE: Yeah. Jerome, you probably shouldn't have given us this recess so I -- we could think up questions, but I guess, you know, on some of the --

the close-out costs, you know, are fairly substantial. I think the one with -- there's one that's 2.9 million, maybe a university project, another one that's 266. I assume that, you know, includes something more than just writing a report. Maybe, you know, without going into a lot of depth, you could -- could tell me what kind of -- what some of the work that's associated with that? Whether it's some lab analysis work or whatever.

MR. MONTAGUE: I'll just address those two since those are the -- the major ones. The \$266,000.00 one with herring is actually a reasonably major field effort. It's just that it's our estimation they will complete all work this year, so they'll -- they'll have vessels out and aircraft collecting information.

I'll comment briefly on the -- the other one's a large comprehensive assessment of coastal habitat that I think has -- over the years has totalled about \$18 million or something, and the close-out on that one involved analysis of a lot of samples, but -- but not field work per se. It would probably be best for Dave to comment in a little bit more detail.

MR. GIBBONS: Yeah, that's -- that's a contract with the University of Alaska, Fairbanks, and that project was probably the largest intertidal project ever -- ever attempted. And they stopped collecting samples in the spring of '91. They're analyzing -- they've got sorters up there analyzing that data. They -- they need to sort it and then put it into a computer and analyze it. They gave us an interim report in October or November that was about 900 pages long with results, and that's -- that was just part of it, so.....

There's no field work. They're -- they're trying to wrap that up into a usable package. And that's

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole.

MR. COLE: You see, one of the things that I personally would like to know is, you know, is it really necessary to do more work or more study or more analysis to wrap up these studies and to complete them? I -- I acknowledge that when we have maybe \$18 million into a study that, you know, I suppose it ought to be run to completion if we're pretty far along.

But I would like to see, you know, a section, maybe five sentences or something like that, which furnishes us with justification for saying why this study must be, you know, quote, "completed," close quote, if you know what I'm saying. I -- I don't mean to say just drop it, but how much further does the study have to go in order for us to be able to affectively utilize it? That sort of

MR. GIBBONS: And -- and that's what we hope to -- to

MR. PENNOYER: Dave, I -- I think what you really are hearing is that not just do we need a review of the individual studies in some detail, but you really are going to have to take the time to present to the Council the framework, to use a word, of how this thing flows together. What happens from damage assessment to restoration planning to restoration implementation? And that's going to require I think an explanation of actually what some of those studies have shown and haven't shown. And I think if you do that, it may answer some of the questions that I think Mr. Cole and others on the Council will have.

MR. GIBBONS: Sure. We have the criteria we're reviewing those by, and we'd be -- yeah, we'll provide that, summaries of injuries, links to restoration, why

-- why we need to continue.

MR. PENNOYER: Thank you. Curt?

MR. McVEE: There's another component of this, and I guess it's -- it's not a question, but a comment, and that is that we need to -- we need to think at where in this process, and I assume it would be after we have some -- some guidelines out, some criteria out, but that we would -- we would, you know, make a general notice to -- to the public to ask if, you know, there are any interest in -- in studies, to see if there's anything else out there that we should be doing that we haven't been doing. And it seems like that, you know, if we could -- if we could move this along so the public will have this, plus the -- the criteria out of the framework plan, that would be an appropriate time to do that, and that may not be timely in terms of '92 field season, restoration year one, Jerome, but it -- it seems like something we should think about.

MR. PENNOYER: Are there other comments from any council members?

Can I assume then we've asked the RRCG to go head and develop the detailed study plans and by the end of this meeting we'll give some type of a date and time table where we're going to review the detail before we come to any final decisions of what is really going to be approved to go out to public review?

Dave, anything further?

MR. GIBBONS: Nothing further from me on -- on this topic.

MR. PENNOYER: Okay. I guess the next topic, and we can come back to these if anybody at the next break thinks up some more questions, but the next topic was fiscal issues, summary of the status of the joint fund, and I think Mr. McVee was -- ha a presentation on that?

MR. McVEE: If I find it.

MR. COLE: Well, let me ask this, Mr. Chairman, if I may

MR. PENNOYER: Certainly.

MR. COLE: while Mr. McVee is looking for that? Will this information be available for the public that Dave is working up so they can have an opportunity to perhaps furnish us with their comments on these proposed completions and things like that? I'm just

MR. GIBBONS: Yes. That's -- that's a kind of -- of difficult sequence of events, and -- and maybe I'll try to walk through that, but we -- we would try to get detailed study plans now from -- from the proposers, review those, present those to you, come back, have another analysis of those, put them in a framework plan, and -- and go to the public.

A concern, or an issue is the detail in -- in the detailed study plan. Some of that is -- could -- could be involved with litigation possibly. So we -- we may have to really tailor some of that -- that presentation.

MR. COLE: Okay. I was just trying to say we should think about, you know, the process so that when you get your work product put together as it were that that will be made available to the public so we can get comments from them in reaching our final decisions. I think that would be appropriate.

MR. PENNOYER: Thank you. Mr. McVee?

MR. McVEE: I guess that when you suggest that an item should be on the agenda, this is what happens to you, but I felt like that it would be worthwhile to -- to present some information both for council benefit and public benefit on -- on -- at

least from the federal perspective, and I can't talk or speak from the State perspective, and that probably is -- is another -- another paper, but where we are relative to the -- the joint account and its operation.

And maybe just a little bit of background there, that on October 3rd Exxon deposited -- in '91 Exxon deposited \$90 million into an escrow account as required by the settlement consent decree, which was approved by the court on October 7th. In mid December the money left escrow and 36.5 million plus interest in that -- on that amount was transferred to the account, the clerk of court for the credit of the U.S. District Court for the District of Alaska. And at the same time 29 million went as partial cost reimbursement to the general investment fund, the State of Alaska, and 24.5 million was transferred to the Department of Justice for partial federal cost reimbursement. And so both those payments were partial cost reimbursement.

On December 6th Judge Holland issued an order directed that the funds in the registry of the court, pursuant to the settlement be placed in the court registry investment system. And this is administered through the U.S. District Court for the Southern District of Texas, and the funds are used to purchase U.S. Treasury securities, which are held in safe keeping account at the Federal Reserve Bank of Dallas, Houston Branch. Settlement monies are in a separately identified account entitled "Exxon Valdez oil spill settlement account," and are invested according to the court registry investment system liquidity fund guidelines for weekly liquidity at no more than 100 day terms secured -- treasury security, and there are weekly reports that -- that are -- that are made on that. There is a cost for that -- for that service.

In order for Judge -- an order from Judge Holland is necessary to remove funds

from the -- the CRIS account and transferred to the court registry. Technically a second order is necessary to remove funds from the registry of the court. However, it is possible for the judge to combine these orders.

Funds will be removed from the registry of court upon joint application of counsel for the United States and the State of Alaska, consistent with the consent decree, and a minimum of five days notice is required for the transfer of funds. Judge Holland can either treat the request for withdrawal of funds as a ministerial matter or sign whatever the Trust- -- and sign whatever the Trustee Council presents, or he can examine the request and determine that the conditions of the MOA and the settlement documents have -- have been complied with. And I would expect the possibility at least that on the initial request he might very well do that. I guess he could even set a public hearing.

The request to the court should at a minimum provide a break down of -- of which government, the state or the federal -- or the U.S. Government, is -- is to receive which funds, and it might be better practice to provide a project by project break down so that the judge knows generally for what the money is to be used.

It may be noted that for the federal portion, the federal Office of Management and Budget will review budget requests before the United States is permitted to request release of the funds. We have had conversation with OMB and I'm pretty sure that is going to be the case, that they will make some review. The level or degree of review, I don't know. They have an active interest in reviewing the administrative budget and some interest in the project budgets. One thing that they have said is that they would look at the -- the personnel, the FTE levels. It would seem that this review would occur most appropriately before the Trustee Council finally approves the budget and projects, so it

might be the best to have that in that sequence.

Compliance with NEPA and other appropriate laws should occur before final -- final approval.

Money for federal administered projects will be transferred to the Department of Interior, Natural Resource Damage Assessment and Recovery Fund, an interest-bearing account. That -- it was established and signed by the President on December 12th of '91.

And Congress in that law that established that account, Congress has required that a letter be sent giving -- giving the appropriations committees in the Congress a 30-day advance notice of any withdrawals to be made. At the expertise -- expiration of that time, assuming that Congress has not intervened, the money will be disbursed to the federal departments responsible for administering the project upon the agreed upon schedule.

It -- I guess that I guess is basically a summary of kind of what we know about the way the process will operate at the present time. There's some continuing discussion with OMB of how -- how their -- how their involvement might be. I hope that may be useful.

MR. PENNOYER: Thank you. Questions or comment from other Trustee Council members?

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole.

MR. COLE: I have just a couple of quick comments. One is I think it should be made clear that when reference is made to the federal funds and the Congressional veto as it were, if that's whatever you want to call it, deals only with

monies from the fund which goes to the United States or any federal agency. Is that your understanding?

MR. McVEE: That's correct. That's my understanding.

MR. COLE: Yeah. That's number one. And number two, are we getting possibly two or 3% interest on this money? I mean, do -- do we have any records of how much interest we are getting or?

MR. McVEE: We -- we tried to find that out today, and the person that could tell us that had the flu I think and so

MR. PENNOYER: Thank you. Other comments on the status of the joint fund?

Dave, did you have anything on that topic, or were you ready to go on to the next subject?

MR. GIBBONS: I don't have anything on that topic.

MR. PENNOYER: The next topic on the agenda is organization, administrative structure, financial management/ process. And I would note that we did pass a broad brush at least organizational structure at our first meeting on December 5th, and I don't have the diagram in front of me, but I presume your comments will be within that structure and you'll relate somehow to the structure that we discussed?

MR. GIBBONS: That's correct.

MR. PENNOYER: Thank you. Why don't you proceed.

MR. GIBBONS: What I'm requesting is the authority for the administrative director to establish a small staff to respond to the growing needs of -- of the job: public requests, development of administrative records. The restoration

process is moving quickly, and that was not identified in -- in the organizational structure. And I would like to have the -- the authority to the -- establish the administrative director in a central location so to provide a focal point for the development of a restoration plan, the support for this plan, and also the -- the framework and -- and the plan for the spring.

We found that earlier in the process a disbursed method of -- of trying to get things done didn't -- was -- was not as efficient as it could be. I'm referring to the restoration planning work group that was scattered about, and there was so much efficiencies there and some duplication of -- of efforts.

We would have -- like to have a location for the administrative director and support staff so the public can find this individual. Find me in the interim. And ask questions about the process that they have and -- and where we're going with it. We'd like to -- to get a centralized working record. This -- what we mean by this is a place where the -- that NRDA reports that are released can be found, the restoration material can be found, and try to house the response information in one location so somebody can go to a location and find this information without having it scattered all over. We'd like to -- we feel through this process we would gain greater public access to the process. They would know where to find it and -- and how to -- we would help them use it. And then we'd provide some financial control, just the support control: teleconferencing -- with it scattered out, that -- it's more difficult to do.

So those are the points, and we'd like to -- to get the approval to -- to create a small stall in the interim until we have a broad organization approved by -- by yourself so we can start responding to this. An example is -- is the letters from the

public. We're getting quite a few letters from the public. We -- we need to -- to be moving in -- in that arena.

MR. PENNOYER: Dave, I notice later in the agenda we've got the Simpson Building with support staff. How do these issues relate?

MR. GIBBONS: Well, you know, the -- the issue of the -- of the Simpson Building, the Symptom Building -- Simpson Building is one option for this centralized location. It is presently under contract with a company called CACI who is under contract to the Department of Justice. Justice wants to step away from -- from the process and plans to in -- in March, and during this time, the transition into restoration, and the expedient development of the plan, we suggest that we remain on -- on the fourth floor of the -- the Simpson Building to -- to move this process right along. We feel if we -- if we're -- break the process up and move the locations out, that -- that the plan would be delayed, and we'd like to -- to have the authority to do that in the interim and revisit this after -- perhaps after the plan is out and we have more time to -- to think about it.

MR. PENNOYER: If I may, that then -- does that in essence sort of dictate the response you were looking for if in the interim, whatever that is, three,

MR. GIBBONS: Well,

MR. PENNOYER: four, five, six months, we need to sort of stay where we are and does that give us at least step one in the -- in the

MR. GIBBONS: Yeah, it gives us step

MR. PENNOYER: sequence you're looking for?

MR. GIBBONS: one in the -- in the development of -- of a draft plan, yes. That's -- that's what we need to move forward with quickly is development of this draft plan, and get it out to the public for public review.

MR. PENNOYER: Mr. McVee?

MR. McVEE: I guess, you know, a couple of questions. I guess we're looking at -- at hiring or -- or establishing this staff through -- you know, through some type of details?

MR. GIBBONS: A mixture of both. One -- one person on that staff would be a public information officer that handles the public meetings and -- and, you know, dealing with the public outreach and that -- and that -- we propose that -- that person would come from one -- one of your staffs.

MR. McVEE: And I guess if

MR. GIBBONS: We have a person in mind, John -- that's John -- L.J. Evans, but

MR. McVEE: I guess if, you know, if we were looking at new hires, I -- I have several problems on how that's done, you know, at the present time. There's, you know, some processes there, both state and -- and federal processes that we would have to work through.

I guess the other thing is that without, you know, resolving it, and maybe we have, I don't know, resolving where the staff will you might say more or less be based, whether Anchorage or Juneau. We've been through that conversation, you know, if we -- we hire people for Anchorage and then have to move them or vice versa, that we're looking at -- at expense there.

MR. GIBBONS: We're -- we're not proposing that -- that this house the RRCG group. We're not -- we're not proposing that, the -- the coordination group.

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole?

MR. COLE: Who -- I think the public would like to know, as well as I, who is paying these people? Who is paying the rent? Whose salaries are being paid? Who's paying for the telephone bills now? I mean, where does the money to run this operation currently come from?

MR. GIBBONS: Currently it's coming -- it's coming from a mixture of the agencies involved with the process, and we're being housed right now in -- in the Simpson Building, and -- and that's still under the Department of Justice funding. That came from the federal government.

MR. PENNOYER: The Department of Justice provided funds by the various agencies,

MR. GIBBONS: That's correct.

MR. PENNOYER: and they're -- they're still operating on a pool of funds that were provided by the various agencies which will still exist for a while at least as of now?

MR. GIBBONS: That's correct.

MR. PENNOYER: Can you -- I guess -- I'm not trying to

MR. GIBBONS: What -- what we'd like

MR. PENNOYER: much, but -- but

MR. GIBBONS: Yeah.

MR. PENNOYER: elaborating a little further. You -- you said you need support staff, wanted authority to do some hiring. I don't know the size of that staff, how it relates to the -- and then you'd also said you need -- the best thing to do would be to stay where you are with the support staff and the facility with CACI was still available. How do those two things interact? I'm not -- I don't understand

MR. GIBBONS: Okay. Some of the

MR. PENNOYER: what you're requesting?

MR. GIBBONS: support staff is at CACI. What we -- what we'd like to do, we'd -- to develop the whole picture for you, the whole organization picture, including yourself and -- and the -- the plan, the picture that we see, we'd like -- we'd like to present that to you in -- in its entirety at the next meeting. But in the interim, we'd like to -- to get some staff -- something established, because the Department of Justice would like to -- it's going to move away from this process and -- and we're -- we're going to be faced with a -- with a dilemma here pretty soon.

MR. PENNOYER: Mr. Barton?

MR. BARTON: Well, as I understand it, the Department of Justice contract runs out in the end of February?

MR. GIBBONS: That -- I believe that's correct.

MR. BARTON: Yeah. So

UNIDENTIFIED: Excuse me, that's not true. There's a lease that runs through the end of the year. The contract in question is a contract that ends in its base year, and has a series of option years. I think the issue has more to do with Justice involvement and -- and funding, federal funding needed to pay for it.

MR. BARTON: So Justice doesn't want to be the contractor any -- after the end of February, is that it, Lisa?

UNIDENTIFIED: Justice feels that it doesn't have a direct role, but is willing to allow the contract to be used as a vehicle for a period of time into the future while something else is put in place that would be more -- more developed and more -- more acceptable to the Trustee Council.

MR. PENNOYER: Dave, do you need a series of decisions here? The first one is getting some additional immediate help?

MR. GIBBONS: That's correct.

MR. PENNOYER: And if we allowed the current arrangement to run at the Simpson Building until you got a report back to us on what we really ought to try and accomplish in the long run, how many additional positions do you need now?

MR. GIBBONS: The -- the support is there. We'd -- we'd like to move perhaps the public information officer over from DEC.

MR. PENNOYER: So you're asking basically for authority now to go for one additional position, which is.....

MR. GIBBONS: Well, yeah, that -- we're -- we're using that person now. I don't -- L.J. has been operating in that arena now. We just -- we'd like to -- to I guess, you know, make sure that we have that access to her.

MR. PENNOYER: Commissioner?

MR. SANDOR: I think we're going through a transition period with what's happening, and the concern I have, Mr. Chairman, is that we're not sure what our total budget is going to be with respect to the different categories that are now covered.

We know we've got a public information plan that's going to be implemented. We need someone to do that.

I'm very much opposed to the hiring of any new people, and I think that the people that are utilized in this project should be individuals who have had experience in -- in the clean up of the oil spill or in some aspect of it for some time. And I think we should utilize that experience on the basis of -- of either details or short-term assignments while there's some question of what -- of what the permanent organization might be.

With respect to the individual that you mentioned in -- in public information from DEC, that person would be available and doesn't really necessarily at this point need to be, quote, hired by this group. Can be reimbursed.

I guess my suggestion, Mr. Chairman, is that we give the executive director and the staff the authority to utilize individuals who -- in that way and keep track of the time, be it reimbursed. But I'm not comfortable in -- in taking action on approval of an organization, particularly new hires at -- at this point.

MR. PENNOYER: Mr. McVee?

MR. McVEE: One comment. As I appreciate, trying to mobilize a new organization, a new effort that -- that you're in dire needs of, you know, some support, particularly administrative support, and I guess, you know, I guess we should try to find you, you know, through some mechanism and the RRCG, you know, that -- that support that's necessary to get your job done. It seems to me like that -- that an area of need maybe early on is -- you know, is the expertise of a couple personnel officers and of some general administrative types besides the public affairs types to -- to help you, you know,

work through some processes so that -- that we could look at the permanent organization, you know, before too many months down the road.

MR. BARTON: Steve?

MR. PENNOYER: Mr. Barton?

MR. BARTON: Yeah, I think we need to get on with getting the permanent organization cast up and -- and dealt with and established. I'm not sure what the MOA says about that, but I thought that there was some 90-day charge in the MOA, so I would think we ought to take up Dave's offer to lay out for us at the next meeting some options for a permanent organization.

That doesn't relieve the short-term problem though. You know, this group we've got sitting in front of us here has been working day and night to try to put this together in some fashion that we've more or less asked them to do. And -- and I think they need some help. And it's not because the product isn't good, it's just because we're working them to -- to death. And -- and, you know, as Dave pointed, the letters from the public are piling up and they deserve response. So I think I would suggest that we offer to Dave the opportunity to identify individuals within our existing organization that can be detailed to help solve the short-term dilemma and then at the time of the next meeting deal with the long-term permanent organization question.

MR. PENNOYER: Dave, yeah, not to pester you, but if it seems I am, I apologize, but you've indicated some longer-term needs and a need to deal with the Simpson Building support question.

(Off record)

(On record)

MR. PENNOYER: I think we've got a bad mike somewhere. We'll try this one more time, and then maybe I'll give this mike up entirely. Is it this one?

(Off record)

(On record)

MR. PENNOYER: If that's a commentary on the quality of my remarks, why

(Laughter)

MR. PENNOYER: somebody else can

MR. McVEE: Try that one.

MR. PENNOYER: Thank you. Anyway, Dave, to -- to follow up, I'm not trying to get you -- pin you to so much right now on something you can't answer, but you have indicated a short-term need for some support. As Mr. Barton indicates, we are under constraints to within 90 days after the receipt of any Natural Resources Damage Recovery, we would agree to an organizational structure for decision-making, including procedures for providing meaningful public participation, so we have probably -- that would take us to mid March I assume, but obviously your needs aren't going to wait till then. So you've indicated a public information officer is one. You've talked about the Simpson Building. What action do we have to take tonight to get you that type of assistance?

MR. COLE: Can I have a question first?

MR. PENNOYER: Certainly, Mr. Cole.

MR. COLE: Why do you need a public information officer? I mean, you know, what is the reason for a public information officer?

MR. GIBBONS: We need that indi-

MR. COLE: I think maybe

MR. GIBBONS: Yeah.

MR. COLE: that somebody who can answer these letters to the public would be more important than a public information officer. That's what I'm thinking about.

MR. GIBBONS: That's -- that's part of their duties. But the other part of the duties is the development of a public participation plan, development of public advisory group charters. There's a realm of things that are coming up that need to -- need to be developed, and that's what this public information would -- would assist in.

MR. PENNOYER: Dave, I guess

MR. GIBBONS: Conduct- -- conducting scoping sessions that are coming up in -- in January and February and March.

MR. PENNOYER: In essence you're looking for another body with special -- with some skills? I mean, you need another body, and it would be better if that person had those skills to do it?

MR. GIBBONS: That's correct.

MR. SANDOR: Mr. Chairman, if I may, DEC has this expertise in place from -- with experience sometime in the clean-up of the spill and is really ideally qualified. That's why I said the mechanisms already in place to have this person be detailed or on -- on assignment. I -- I think it's premature, however, to suggest that we make a permanent placement of that.

MR. GIBBONS: Yeah, I agree also, John. I'm just asking for some

short-term help so we can develop a plan for you at the next meeting and some options and so we can start moving forward with -- towards that permanent organization.

We have another problem facing us is the funding runs out in -- in the end of February, the authorization for funding. That's the end of the oil year three, and so we need to be -- be considering that type of a, you know,

MR. PENNOYER: Dave, is the volunteering of this individual from DEC adequate to cover your short-term needs then in terms of getting an organizational plan to us by a meeting early in February that probably needs to include fiscal matters as well, because we're obviously not going to have any actual restoration year one spending plan done before that deadline of March 1st, so there has to be some mechanism by which we can have interim reimbursable approval for initial speculative funding or whatever. Administration. So we need to get all of that done. Is this one position adequate to get you to that early February type of review with us on what your really longer term needs are?

MR. GIBBONS: Yes, if we can stay in the Simpson Building, that -- that would be sufficient, yes.

MR. PENNOYER: What is needed to get you to stay in the Simpson Building?

MR. GIBBONS: I think -- I think there's some carry-over funding that -- I'd have to ask the Department of Justice that, but I think there's funding that - - to fund us through the first of March already. Is that correct?

UNIDENTIFIED: I think funding is going to run out sometime during February, and so what we've -- what we've asked is that there could be some additional

funding, understanding that to get around -- the infusion of money for a longer two months would perhaps allow more time for the development of this planning that you want to present. But I'm not sure that there's adequate carry-over funding from this year, '91, to run through the end of February.

MR. COLE: Mr. -- Mr. Chairman?

MR. PENNOYER: Mr. Cole?

MR. COLE: Perhaps we should consider a draw-down on some of this money in the court registry if we need money to pay rent, things like that. We should -- we should make application I might think to draw down some money. I mean, you know, that's what the whole thing is about.

MR. PENNOYER: Mr. Barton?

MR. BARTON: Yeah. And I agree with Mr. Cole. I think that's a perfectly legitimate use of that money. I suspect that we could find some money to tide us over on a reimbursable basis if we had to, but I guess I'm puzzled why we don't go to the court registry.

MR. PENNOYER: Mr. Piper, you had a comment?

MR. PIPER: Well, just in terms of a short-term solution, I -- I'm in the position where I'm laying people off as work finishes, and I still have authorization to keep these people on my staff. They're a legitimate expense out of my funding source and I can get reimbursed, and I'm tracking whatever restoration work we're going separately so that we can get reimbursed. I can reassign people from my staff to provide Dave, not just with the public information, there are a lot of other jobs over there that he really needs help with, and if it's acceptable to the Commissioner, I can do

that.

MR. SANDOR: Yeah, it is acceptable to the Commissioner, and -- and as a matter of fact, I would move that the Trustee Council approve that kind of a short-term temporary arrangement.

MR. PENNOYER: Mr. McVee?

MR. McVEE: I guess that, you know, we basically -- basically we need to know what your needs are, and that I think that with -- within Interior, you know, we could -- we can canvass and we can find, you know, help in --in many areas that -- and maybe we're in the same position to some extent that Mr. Piper's organization is across the State, but it -- that there would be availability there of a -- you know, of a public information officer that has, you know, maybe some expertise in the area of -- of the EIS process and of -- some of the FACA -- FACA (ph) operations and so on that would be very useful, so, you know, there's -- there's probably other volunteers we can -- we can get for you, too.

MR. GIBBONS: Okay. Thank you.

MR. BARTON: Steve?

MR. PENNOYER: Mr. Barton?

MR. BARTON: Why don't we just authorize Mr. Gibbons to use his own good judgment in identifying skills that he needs and seeking them out from our respective agencies for this interim period, and agree that they will remain in the Simpson Building as long as we're in a interim situation, and -- and either -- and go to the court registry to get the necessary money to remain in the Simpson Building.

MR. SANDOR: I'll second that.

MR. PENNOYER: Is there any

MR. COLE: I have a question.

MR. PENNOYER: Mr. Cole?

MR. COLE: Well, how -- how long a -- Mr. Chairman, how long are we talking about remaining in the Simpson Building? I think we need to -- I don't have any objection to it, but I think we need some definition there as to what we're talking about.

MR. BARTON: And I -- and I think we can best make that -- best make that determination at the time we deal with the permanent organization. Then we'll have some assessment of space needs and -- and

MR. COLE: Okay.

MR. BARTON: perhaps be able to deal with location and -- also at that time, Charlie.

MR. COLE: Well, if we could get sort of a proposed budget then and then some recommendations as to how much money to draw down from the account either quarterly or semi-annually or annually so that we can have funding. Because, you know, to be talking about furnishing people and getting reimbursed and all those things, I think we should just approach the -- the economic problems directly and get the minimum amount of money that we need, but get what we need and get this thing on a sound keel. Thank you.

MR. PENNOYER: We're sharing a microphone. Dave, do you -- in terms of going to the court registry, do you have a feeling for how we would get such a document in front of us to sign and send out and -- and what would be on it? Do we want one month, two months, three months? What's an interim period that would get us through the restoration plan to start with? Through April?

MR. GIBBONS: Through the restoration -- develop -- plan of -- develop a draft plan, I would say into April, yes.

MR. PENNOYER: Well, it's possible we

MR. GIBBONS: But -- but I would -- would like to lay that out for you in a package next -- at the next meeting, and -- and cover the whole organization with timelines that -- that you would like to see for the -- for the development of a framework plan and -- and public involvement and that.

MR. PENNOYER: Can the Simpson Building in question wait until early the next meeting in terms of getting more funding?

MR. GIBBONS: It -- it sounds like the Department of Justice said there was funding to -- into the middle of February. That -- that would cover the -- well, hopefully there would be a meeting of the Trustee Council before that. I

MR. PENNOYER: I have no idea how long it takes to get money out of the -- out of the registry in

MR. GIBBONS: Yeah, I don't

MR. PENNOYER: terms of your cutting it close by ten days or something. It's -- wouldn't it be better at this point to make a determination preliminarily that that's what we want to do, and for that part of it have you go ahead and scope out what it would cost to stay in there for a three-month, four-month period of time, and circulate that to us? We can sign it or whatever is necessary to do and deal with that part and then proceed as the motion was made to let you go ahead and use your good judgment between now and let's say February 5th, 6th, whenever we meet next to get help from the agencies. And follow it up with also a recommendation that at that time you

will bring a more -- more detailed organizational structure before us?

MR. GIBBONS: Good.

MR. McVEE: Mr. Chair?

MR. PENNOYER: Mr. McVee?

MR. McVEE: I guess just for clarification purposes, we're basically talking about the -- the fourth floor of the Simpson Building. We're talking about that part of it that is utilized by the RRCG and the -- and the staff?

MR. GIBBONS: That's what we're talking about at this point. We -- we have a proposal for you to consider a public resource center, too, and that may have some bearing on that, some -- will have some bearing.

MR. PENNOYER: Does that part need to be done tonight as well? Or is that something to

MR. GIBBONS: That's -- that's coming up

MR. PENNOYER: come back to us at the next meeting?

MR. GIBBONS: It's coming up next.

MR. PENNOYER: Okay. Fine. We had a motion. Is there any disagreement with the motion or indeed -- or -- or the -- well, we'll following Robert's Rules of Order. Amend -- do I have to amend the motion to add that request to look at the Simpson Building, or will you accept as a friendly further motion -- amendment to your motion?

MR. BARTON: I thought I included it, but if I didn't, I accept the amendment or

MR. PENNOYER: Okay. Is there any

MR. BARTON: whatever's appropriate.

MR. PENNOYER: any objection to the three-part motion we have in front of us?

MR. McVEE: Until April -- through April or to April 1st?

MR. PENNOYER: Through -- I think I heard through April. Okay.

Good. So -- so done. Do you have enough instruction on that then, Mr. Gibbons?

MR. GIBBONS: Yes. Yes, I do.

MR. PENNOYER: Fine. Do you wish to go ahead with the next -- next item then?

MR. GIBBONS: Yeah. You made the next item very easy. I developed an interim subgroup on what we call the financial management and processes, and the proposal there we had would -- would be to go to the agencies, select perhaps or two budget knowledgeable people from the state of federal -- state and federal governments, bring them into that group, bring them up to speed on the processes of the oil spill, the things we're dealing with, and then disband that interim budgetary group and -- and have that -- those members provide that input both to the Trustee Council and to the -- to the coordination group and the administrative director.

MR. PENNOYER: Any comment on -- ? It seems to be right in line with our motion. Thank you. Why don't you proceed?

MR. GIBBONS: The next item on the -- on the agenda is a public participation plan. Following the Trustee Council direction of December 19th, we have revised our draft plan and Ernie Piper will present this revised edition for us.

MR. PIPER: I -- I realize I'm breaking the tradition a little here

standing up. It's -- since this is the public participation plan, I thought I would rather have them see me than my back while discussing it.

At the -- at the last Trustee Council meeting, there were five items that were specifically brought to us that we were told to work on. Number one was schedule and conduct a series of public meetings, and with options of public -- for public participation as one of the principal topics, if not the principal topic. We've scheduled 90% of those meetings. We tried to get some done next week, but we had several requests to slow it down, that we were moving too quickly. We needed more public notice on that, and, of course, we -- we did that.

So the meetings will begin on the 20th in Cordova. I have a press release that's available here tonight that lists all the meetings. Just for the record and for the remote sites who don't have these, I should mention that Cordova is the 20th at 7:00 o'clock at the public library. Juneau is the 22nd at Centennial Hall in the Egan Room. Chenega Bay is Monday, January 27th, at 11:00 o'clock at the Chenega Community Center. Kodiak is Thursday, January 30, at 7:30 p.m. in the Borough Assembly Chambers. Homer is Monday, February 3, at 7:00 p.m. in the City Council Chambers. Valdez is Tuesday, February 4th, in the Civic Center Conference Room at 7:00 p.m. And Seward is Thursday, February 6th, at 7:00 p.m. also, in the City Council Chambers.

We have several other meetings that we will be scheduling, Whittier, Anchorage and Fairbanks among them, and as appropriate dates come available, we'll do those as quickly as we can.

The goal is to get these done before the middle of February and the reason is it's a fairly tight timeline. If we want to -- if we really indeed want to have -- make

sure that there's a good public participation program in place by the time the draft restoration framework is out, we want to make sure that we have everybody ready to review it by the middle of March, so we're looking at that, and I'll get into that in -- in the three-month plan.

So the meetings are going on, they begin the 20th.

The second one was determine whether the Federal Advisory Committee Act applies for the purposes of setting up a public advisory group to the Trustees. We went around quite a bit on this one. I can tell you after reading the Act several times, and consulting with several lawyers, that there doesn't appear to be anything onerous or difficult about complying with this act. In a perfect world, I would not deal -- deal with the paperwork and bureaucratic processes involved, but they don't appear to slow things down or -- or significantly hamper our ability to get something in place quickly.

Essentially what that act does is it -- first there's a series of paperwork shuffles. You have to make sure that the various Secretaries of the agencies understand that there is a need for the advisory act -- the advisory group in question. Two, there has to be a charter filed. Three, you have to make sure you -- that in that charter your members are balanced, a perfect balance from among the interests that are supposed to be represented. Three, you've got to have open meetings, which is perfectly fine. And then there's another round of paperwork shuffling regarding some Federal Register notices and soon.

As I said, in a perfect world from -- from my public policy standpoint, I prefer not to deal with it and just get the group set up more quickly, but I don't think this is going to slow things down, nor do I think that it's an issue that's worth getting

into a big brouhaha about. If -- if it appears that this is -- is going to apply, then we should go ahead and do it.

The -- the important thing here though to mention is that if you read through the Act, the regulations and the case law, what you see is this: Most of the time it probably applies. Sometimes it doesn't. There are some exceptions. But rather than have us sit here and build a program around some law about federal advisory acts, we ought to decide what the public thinks will serve the public best, what the Trustees thinks will serve the Trustees and the public best and then when we come up with those points at the end of the public meeting, go ahead and draft the charter, and if the attorneys care to look at it and decide whether it applies or it not applies, it's -- it's almost immaterial. They can go ahead and do that.

We're operating on the assumption that we have to do the maximum here to get it going, and that assumes that the -- that the Act applies, so I don't see that as a problem.

The -- the third item was presented to you folks. This came in the form of a memo rather than at the December 19th meeting. Was present a three-month plan for public participation, for review and for approval. And we've heard some of the things here this evening on how you'd like those staffed, so I'll skip those.

But the summary version of it would be that in late this month and early in February we solicit public comment both through the meetings and also through written comment about what a public participation program -- program should include, how it will serve your needs best and what you think will -- will serve the Trustees best in terms of getting advice from you, the public.

The other thing to do during January and February is go ahead and make those plans and start acting on some of the things that you were just discussing. Make sure that you have the capability within the restoration group to answer letters, answer replies when people call on the telephone, when they have questions. Make sure that meetings are arranged. Make sure that the sound system works. Make sure that -- that the record is being kept properly, that the referral service and other library cataloging functions that are currently undertaking in the Oil Spill Public Information Center, that those are available, and we want to, as the Department of Justice no longer necessarily wants to run that, to start moving it out. And the first thing we'll do is reassign individuals from the agencies and some from -- from my oil spill group to do that.

For February and March we would, beginning as soon as the public meetings are over, synthesize the public comment that has come in about public participation, including the details of public advisory group, form and function, and how that would work, and have that to you as quickly as we could, hopefully by mid to late February. I wouldn't want to go too much later than that.

And concurrent with that, in February and March, mostly in February, I would request your authorization to go ahead and seek nominations for the public advisory group.

We haven't determined how -- necessarily how many members it might be. We're working right now on the -- on the theory that it would be ten to 15, somewhere in that range. I don't think we'll have any shortage of nominees, and I would suggest that we adopt a list of criteria which I will pass on to you and see if you approve of them, and then go ahead and start soliciting nominations beginning on or about the -- the 10th of February, or the early part of February.

The other thing to do as we get towards the end of March would be to appoint or reassign personnel to do those jobs that we've mentioned, and I covered that.

We -- we've done a lot of staff work in -- in terms of what the goals ought to be of a public participation program, and some of the ways that a public advisory group might work. I would suggest, however, that we don't want to presuppose what the public would say. We don't want to necessarily make them work off our agenda, or what we happen to think is best, so we'll continue to do our staff work as we -- as we need to, but mostly what we need to do now is go out and hear from the public and see what sort of models they think work for them.

There was some discussion that we had about providing more of a framework for the public to shoot at or look at. It's been my experience particularly in this -- in this event since March of '89, that the public has no shortage of ideas and views about how they would like to be meaningfully involved in things, and we've already gotten several letters, a number of letters, and -- and I'm sure we'll get more, so I don't see that as being a problem in terms of a framework for the discussion.

One of the things that -- that is clear and we talked about a public participation program in general is that a public advisory group is not necessarily going to serve all the purposes that the public needs. A member of the public may not prefer to deal with the public advisory group. After all, you have access here to the Trustees at -- at your public meetings, and you can talk to them directly. If that happens to be your choice, rather than dealing with the public advisory group, there needs to be a way that you can make sure your comment gets to them, that somebody receives it, codes it, tracks it, summarizes it if necessary, and make sure that the Trustees get it. And that involves

a need for public information specialists or officers, whatever you want to call it, and once again we can reassign those, and we plan to do that from -- primarily from my group or if Mr. McVee has some ideas about how best to do that as well, naturally go right ahead.

The -- I skipped my first and now I've lost it. Ah.

Number four was develop a charter -- the fourth task was develop a charter for a public advisory group and a process by which members would be selected. I've discussed the charter a little bit. There are some ideas that are out there. There are some drafts or some ideas or dreams (ph) that exist currently. As I said, we don't want to presuppose too much from the public self. If -- if you'd like to hear more of those, I would be happy to do it, but I think that it would -- it may take up more time than you want to take up on this topic right now.

I think in general that the -- that the criteria for selection to -- to this public advisory group would be something on the order of these criteria and we would want the public to comment on this as -- as well.

Number one would be knowledge of the region, its people, its communities and their primary activities.

Number two would be knowledge of the areas affected by the oil spill and the clean up.

Number three would be affiliation, either formally or informally with one or more of the principal interests in the area.

The next would be expertise and recognized authority in at least one of the areas of interest.

Along with that would be -- a next one would be credibility with the segments of the public whose view that member says to represent.

Another would be the ability to analyze restoration information and provide meaningful comment as it relates to the individual's -- member's area of expertise.

And the last that I would mention would be ability to communicate information and facts clearly and fairly both ways.

Obviously if you're going to set up a group that -- that is going to provide meaningful comment or informed comment on what the restoration group is doing, you have to give them at the same time some sort of access similar to the access that agency has -- agency heads like the Trustees have to the RRCG. We would anticipate having a designated member of the RRCG be the liaison or staff if you will to -- to provide the interpretive services to the -- the public advisory group members as they need it. Much of the -- a lot of the information that we're -- that we're going to be digesting here about restoration is not necessarily simple public policy questions. They often involve scientific questions as well, and for people who -- for whom that is not their area of expertise, they might want some help.

The fifth item that you asked us to talk (ph) was a fiscal note, is the way Commissioner Sandor talked about it. How much would all this cost and I would tell you that the public meetings that we're holding now currently we're covering the amount of existing agency operations budget in part through mine, because I have some, and the way we look at it now with travel and depending upon some other site, rental and those kinds of things when we get the other meetings set up, I'm looking at somewhere about \$12,000.00. That's relatively cheap to go around to eight or ten communities in the

wintertime and get them -- get them -- get people involved and make sure that you have good meetings.

As far as an over-all budget, depending upon what kind of components and how much of a resource center the Trustee's want -- mine's unplugged. Depending upon what components you wanted and how extensive the resource center would be, how many staff people you'd want in terms of public information and that kind of thing, you're probably look at in each of the first two years somewhere on the order of a low of \$300,000.00 to a high of perhaps \$750,000.00 spent on -- probably about a third of that, 20 to 30% of that would be for travel and meetings and activities, so on, of the public advisory group. I would anticipate that once you've got a restoration plan in place and things are being implemented, that those costs would probably come down. The time that you need most of your meetings and travel and -- and extra staff work and things like that is during the development of the plan, so I would not look at this as an annual expense for the life of whatever the restoration plan is. It would be relatively high expense on one end and probably decrease over time.

MR. PENNOYER: Questions or comments by the Trustee Council members?

MR. McVEE: Okay. I'll start it. Yeah, just I guess a couple comments on the -- the Federal Advisory Committee Act charter. You know the compliance with the act, I think that I've had some experience with that, is basically as Ernie had described it. It's -- it's not an involved process. The -- the selection -- appointment and selection process would be the -- the part of it that would -- would really -- may absorb the time, and that just depends on how it goes. And you have that whether you're

operate it under a factor or not.

I guess it would be my recommendation to -- to keep the charter very simple. The charter goes in to GSA for approval, and -- and these can be a very -- very short type of document, and I guess I'd recommend that -- that when we go into the public meetings we not talk about the charter, you know, because that's very simple. It's -- it's a paper requirement, basically a thing to do, but we talked about the roles and responsibilities of the advisory board. We get the public perception of what that should be to help guide us, their involvement, and selection criteria and membership. So I think those characteristics are the thing where, you know, we can -- we can get from the public that will be most useful -- useful to us, and -- and not focus on the charter, because that can be very simple.

The other thing is, and I think -- I think, Ernie, you kind of moved by this resource center thing a little quickly, and I think we're going to talk about the -- the resource library, and I don't know whether that's kind of rolled into that -- that whole issue or not, but I don't want -- I don't want to miss out on that when we get to it. And -- and these things may relate as I understand it.

MR. PENNOYER: Thank you. Ernie, did you have some follow-up comments?

MR. PIPER: Well, I -- I -- again I have more detail about what the resource center would do. Largely this type of an operation, the -- the cost involved is mostly people, and -- and what I've heard here is for the time being don't do anything grandiose.

Dave's talking about coming in at the next meeting with more a detailed plan.

I think it would probably be more appropriate for us to go in more detail about a resource center when Dave does that. And that might be more useful to you.

In the meantime we will do as we've been instructed with the agency personnel as -- as you've mentioned.

MR. PENNOYER: Mr. Barton?

MR. BARTON: The -- what -- what did you call that, Ernie? The restoration resource information center? How does that relate to the now existing oil spill information -- public information center?

MR. PIPER: A lot of the functions that -- I think some of the -- well, I can tell you that here are some of the things that it does now that would be included in a resource center: One would be receive and direct to the appropriate person or agency the questions and comments and suggestions that come in. There needs to be somebody that answers the phones and says, "Yes, I can get you that."

MR. BARTON: Maybe I could in the interest of time be more specific in my question. Is -- are we -- is your proposal essentially just renaming the oil spill public information center?

MR. PIPER: I wouldn't anticipate that. I think that any time you -- you consolidate an operation or change what it's doing, you should look at each function and see whether you still need to do it, and that would be the kind of thing that would be part of Dave's plan the next time around. We shouldn't just pick up everything that exists and -- and drop it down. A lot of the institutions that we've developed during the oil spill have been very useful doing what they're doing for a given time period, but as they change, they need to do different things.

MR. GIBBONS: You know, we would -- we would analyze the duties of -- the needs of the group and then tailor our request to those needs.

MR. PENNOYER: Mr. O'Conner, do you have some legal observations?

MR. O'CONNOR: Yes. I'm concerned that the mechanism that's been put in place to this point to establish the public information process and public advisory committee is disenfranchising a very large component of the interested public, and that's the public that resides in the Lower 48. And the Trustees who are representative of the federal government is here on behalf of that constituency. Excuse me. I think it would be appropriate to expand the scope of your meetings and expand the scope of the process for establishing this public advisory group to incorporate the interest of those people who reside outside of Alaska but nonetheless have every much -- every great -- as great an interest in the resources and the outcome of our restoration planning as do those that reside here.

MR. COLE: May I respond to that?

MR. PENNOYER: Mr. Cole?

MR. COLE: Well, it's been my observation that those outsiders always find a way to get up here and tell us what to -- how to manage our own affairs up here, so I'm not.....

UNIDENTIFIED: Absolutely ridiculous.

MR. COLE: overly -- thank you, sir -- overly concerned about giving them notice. So

I'm also a little apprehensive about this \$50,000.00 a month figure, you know. I mean, half a million dollars, \$600,000.00 a year is five -- \$50,000.00 a month. There

again it sounds like an awful lot of money to me. You know, that's how much, 1700 bucks a day, something like that? That's a lot of money. I think, you know, you should get a sharp pencil at these big numbers and -- and see if you can might scale them down a little bit, you know. We have to continue, and I harp on this, but we have to say we want to put the money, you know, that's here, back into the, you know, the restoration of the damaged resources, and, you know, if this group has 50,000 a month, I mean, you know, then this group here and this organization is going to have \$50,000.00 a month I'd think at least. I mean, this group ought to have, you know, expenses equal to that. That's 100,000 a month, that's a million two a year. I mean, you know, and we just have to get this scaled back in my view to a leaner operation so we can be more productive with these monies.

MR. McVEE: Steve?

MR. PENNOYER: Mr. McVee?

MR. McVEE: Yes. While the mike's coming by, I -- I guess I might be a little confused here in that, you know, Dave, you know, we -- we were talking about information officer or information -- a public information specialist and so on, is -- is that just the short-term and this is the longer-term response to the -- to the need, or, you know, is there some duplication there?

MR. GIBBONS: Those people -- the people I referred to are the -- the people that Ernie's referring to also, so there's -- there's a duplication there.

MR. PENNOYER: Other Trustee Council members?

One observation in line of what Mr. O'Conner said and with deference to Mr. Cole's remarks, most organizations around the country do have representatives in Alaska in things they're interested in. But we know from the time of the spill, we know from the

surveys we did that there was tremendous and still remains tremendous interest outside Alaska, too, on what's happening here, certainly in the way the injuries are finalized and the way the programs are developed. And I would assume that -- I don't know that you're going to run all over the United States holding meetings in every -- two towns in every state or something, but I would presume that our -- our mailouts should be -- encompass a larger mailing distribution than -- than simply within the State. I presume that's

MR. PIPER: Yes.

MR. PENNOYER: I presume you're looking toward that at -- at any rate. Mr. Barton?

MR. BARTON: Well, I presume that we could look at this in some detail and perhaps another means to address the concerns that have been raised is through the Federal Register and some public notice and comment through the Register.

MR. GIBBONS: Yeah, we also have the mailing list from the -- the oil year restoration and damage assessment plans that numbers about 1600 that's -- from across -- across the country that we're going to integrate into this mailing list.

MR. PENNOYER: Mr. Cole?

MR. COLE: Mr. Chairman, I -- here's my view on that a little bit. I had a call from the attorney general of Louisiana the other day. Had an oil spill down there. Spoke with the attorney general of Washington about that oil spill off the Washington coast. I don't see any of those people, you know, giving us public notice of what's going on in the restoration process down there in their oil spills, and it just seems to me that -- that, you know, this thing ought to be rooted in equity some place, so, you know

MR. PENNOYER: I think your explanation, Mr. Gibbons, for now is probably sufficient in your mailing list and how we're going to get the word out. At some later time we may wish to discuss and debate it further, but are there any -- any further comments on this particular item?

MR. SANDOR: Mr. Chairman, I'd like to appreciate appreciation for the detail in which this -- the paper was prepared and specifically the different components of the activities that are involved, and we may want to scale back or modify certain items, and we certainly want to save bucks, and we're going to do that. But we appreciate this -- this -- I appreciate this presentation.

MR. PENNOYER: I think you speak for all of us, Mr. Sandor.

Dave, do you have further on this topic?

MR. GIBBONS: No, Mr. Chairman.

MR. PENNOYER: Thank you. The next item, we've talked about the Simpson Building, so is the next item the permanent executive director?

MR. GIBBONS: Yes.

MR. McVEE: Aren't we going to talk about.....

MR. PENNOYER: Mr. McVee?

MR. McVEE: talk about the library, OSPIC, that part of the Simpson Building discussion?

MR. PENNOYER: I don't know. Mr. Gibbons, did you want to -- did you have an item on OSPIC, on the library?

MR. GIBBONS: No, I think Ernie

MR. PENNOYER: Or was that part of Mr. Piper's presentation, that

.....

MR. GIBBONS: That -- that was part of Ernie's.....

MR. PENNOYER: you're going to give us the detail in early February?

MR. GIBBONS: Right. And what we're going to do is we're going to -- we're going to identify the needs that the Trustee Council and -- and the coordination group need and build that resource -- restoration information center around those needs, and have that into that plan for you at the next meeting.

MR. PENNOYER: Mr. McVee?

MR. McVEE: Yes. I guess, you know, I -- I guess I'm concerned about, you know, the -- the cost also, and it seemed to me like here is one place that we could -- we could work towards reducing some of our -- our expenses. And -- and this has been discussed by the Trustees Council on several previous occasions I think, but it seems to me like it's worthwhile to proceed, you know, and -- and it's not necessary to wait until the next meeting, but to proceed to explore where there -- there -- other alternatives for the location of -- of the OSPIC collection. And there -- there are several possibilities that have been explored, and I think we should, you know, pursue those a little bit more in some more detail so that maybe by the next -- our -- our next meeting that we will have a definite proposal with costs and some commitment of where we could locate that collection.

MR. PENNOYER: Mr. Barton?

MR. BARTON: Yeah, I -- I guess I'm still somewhat confused about the relation of OSPIC to this new center, but we have talked about alternative locations

for OSPIC at three or four prior presettlement Trustee Council meetings, and -- and if my memory serves me, we I thought had done a couple different analyses of that, and I think one was done by Mr. Steel and I -- I don't know who did the others. And I -- and I thought we had concluded from that that -- well, first of all, I -- I thought we gave the direction to explore placing the OSPIC in other libraries around the State and had several options identified, the University being one, the Interior Library located in the Anchorage Federal Building as another. I think we talked about the Anchorage City Library. And I thought we had concluded twice before to move OSPIC into the Interior Library in the Anchorage Federal Building. Am I losing my mind?

MR. PENNOYER: Mr. Piper, are you going to answer Mr. Barton about losing his mind?

(Laughter)

MR. PIPER: That's right. I don't think I have the mental competence to talk about that myself.

MR. PENNOYER: Good answer.

MR. McVEE: I, you know,

MR. PENNOYER: Mr. McVee?

MR. McVEE: You know, that was my understanding, and I think that maybe it was during, you might say, the transition from -- from damage assessment into the restoration program that -- that we kind of dropped -- we've -- we've dropped this, and it seems like that, you know, that we should pursue it in some detail and see if there isn't a viable option or to look at costs.

MR. BARTON: Mr. Chairman?

MR. PENNOYER: Mr. Barton?

MR. BARTON: As I recall, we did look at costs, and we did solicit expressions of interest on the part of other libraries, and that's what led us to the conclusion to put it in the Interior. Now, I'm not hung up on that, but I -- I had to keep recycling this thing.

MR. GIBBONS: Yeah, if I maybe could comment on here, I -- I think our proposal will not be for a library as such, and I think that's part of the -- part of the confusion here.

MR. BARTON: The -- you're talking though about the restoration resource public information center or are you talking about the current OSPIC?

MR. GIBBONS: No, we're talking about -- we will be talking about a resource restoration information center.

MR. BARTON: But that begs the question of what to do with the current materials that we've accumulated in OSPIC. That -- that represents quite a body of knowledge, and I'd kind of hate to see it go in the trash.

MR. PENNOYER: Yeah, Dave, just for clarification, the current OSPIC contains a lot of things besides just documents. It contains video tapes and slides, a lot of information items that the public has used to educate itself on Exxon Valdez and oil spills in general. So none of this is then built into what you would consider to be a public information center?

MR. PIPER: As a matter of fact, I -- you know, the -- the point here is that we're not just -- we're -- we're proposing that we just pick up OSPIC, slap a new name on it and -- and leave it there in place, but clearly the -- the public gets a

lot of benefit, considerable benefit from the research capability of being able to go in there and see the documents, of the ability of OSPIC's library specialists to direct them to other materials that they know on the inter-library loan or in other catalogues, and that it provides a significant opportunity for people to get at information about the oil spill and -- and hence the restoration. So we're not proposing that we expand this into a brand new state library, but recognizing that the materials there are important, that they're useful to the public, that we ought to keep them in some form, and if there are some functions that the OSPIC does now that the Trustees see as superfluous, we should get rid of them. But there are some functions of that OSPIC that -- that are -- are useful and ought to be continued.

MR. PENNOYER: Mr. Barton.

MR. BARTON: Can we just focus on the materials in OSPIC for a minute? What -- what are we talking about -- or what are we considering for the materials that have been accumulated in OSPIC? I don't care about the services, but just the sheer physical books and papers and fixtures?

MR. PIPER: I would expect we would keep them, unless there was another collection that -- that wanted them.

MR. BARTON: Okay. And that's what I'm getting to, is that what you envision in the restoration public information center is

MR. PIPER: Yes.

MR. BARTON: picking up that body of.....

MR. PIPER: Taking those documents -- documents and the functions that still make sense, putting them under direct control of an executive director, and

then you have more direct management over taking it out of the Department of Justice and then we can make -- so that we can make intelligent management and public information decisions based on what the Trustees want.

MR. BARTON: So the -- that that body of knowledge that's been built up will not be lost?

MR. PIPER: Yes, sir.

MR. BARTON: Okay.

MR. GIBBONS: Yeah, and back to Ernie, we're -- we're talking, like I mentioned, a centralized information -- a place for response data, too. It's been housed in DEC and it's -- it's all over the place, and bringing that together so there -- there is one -- one location where the information can be used.

MR. BARTON: So that then the OSPIC center, the existing -- I'm sorry, I -- Mr. Chairman?

MR. PENNOYER: Go ahead, Mr. Barton?

MR. BARTON: The existing OSPIC center is not a question we need to deal with? It's being dealt with in the course of this other activity?

MR. GIBBONS: That's correct.

MR. BARTON: Okay.

MR. PENNOYER: Mr. McVee, does that answer your questions for the moment?

MR. McVEE: I guess -- I guess for the moment it probably does. We will see the next chapter of this -- this discussion at our next meeting?

MR. PIPER: Yes, sir, and my -- and my understanding is you want us

to tell us where it's going to go physically. You don't want to just know that we want to -- we're going to keep it, you want to know where the building is, correct?

MR. McVEE: We want to know where it could go.

MR. PENNOYER: Where it -- where it could go.

MR. McVEE: What would be the options.

MR. PENNOYER: Yeah. Dave, I think it's clear the Council doesn't want to reiterate this several more times, and as part of your recommendation, we'd like to deal with the OSPIC question or son of OSPIC or daughter of OSPIC, whatever, at the next session, okay?

MR. GIBBONS: Clear.

MR. PENNOYER: Thank you. Mr. Montague?

MR. MONTAGUE: Do we have any guidance from the Council if moving it to an existing library would be preferred over keeping or establishing an oil spill specific library?

MR. PENNOYER: I think you're going to get a mixed view on that with -- absent any information on which to judge the relative merits, but you can -- Mr. McVee?

MR. McVEE: Yes. I guess, you know, this is -- this is just part of -- of the, you might say, the natural resource data information that we have, you know, within the -- within the area. The AEID, the Consortium Library, the Municipal Library, the -- the Interior Natural, you know, library, but they'd all -- all have additional information and data that isn't available in OSPIC it would seem like that -- that, you know, that actually may be performing a public -- a greater public service to have this

collection consolidated with -- with other data and other information, that it's still available. Those are well-known places that you go to look for -- for information, so I guess I have a fairly strong feeling that -- you know, that there's real merit in -- in consolidating it and an intuitive feeling that -- that it will -- that it will probably be at lesser cost to operate it.

MR. PENNOYER: Mr. Sandor?

MR. SANDOR: Yeah, I concur with -- with Curt McVee on that. There may be some exceptions, but I think these papers are important enough that they need professional attention and there are institutions in place that I think could provide that.

MR. PENNOYER: Mr. Cole?

MR. COLE: Well, I was just going to say, try to find I think a place that's convenient to the public and where -- that we don't have to spend ten or \$15,000.00 a month to house it. I know there are these institutions which would welcome having those materials there. The University of Alaska in Fairbanks, although I realize that's not as convenient to the -- a lot of the interested people, so that has that disadvantage. So just in -- in my view, where it's convenient to the public and where we can have the public institutions house it without rent costs to this Council. That's my view.

MR. BARTON: Mr. Chairman?

MR. PENNOYER: Go ahead, Mr. Barton?

MR. BARTON: Well, and -- and I think that's exactly what we had gone through the prior iterations. If I might be so bold, I would suggest that we follow

through on the earlier decisions we made and that is place the oil spill information center materials in the public library at the -- that the Department of Interior maintains in the Anchorage Federal Building. We looked at the Universities, talked to the Universities as I understand it, as well as the city libraries, and we came to that conclusion. I would suggest that we write a letter to whoever is the keeper of that library and formally put forth this proposal and -- and get a reaction.

MR. PENNOYER: Mr. McVee?

MR. McVEE: I would agree with that. I think that we draft a letter to the State Director of BLM and ask him formally, you know, how he feels about this, and -- and if there are any costs associated, if it will fit within the space and offer a contact within our organization that can help his technical people take a look at it, but I think we should do that formally, and -- and make that contact to see if that is, you know, a fully viable option.

MR. GIBBONS: I'll take care of that.

MR. PENNOYER: Mr. Gibbons?

MR. GIBBONS: If that's the -- the wishes of the Trustee Council, I will proceed in that direction.

MR. PENNOYER: I think that would give us the information at the next council meeting to finalize any decision, because we'd know what was going to happen.

I think there are also things, however, that are in that library that may be part -- more of an information service than strictly a library, so there may be some picking and choosing.

MR. TILLERY: Mr. Chairman?

MR. PENNOYER: Yes?

MR. TILLERY: Just -- in order to liberate that money from the court registry, it's probably going to have to -- we need to be sure that there has been a unanimous agreement to spend it, and I'm -- I think I understood that there was a unanimous agreement to get the money out for the fourth floor, but is there unanimous agreement for the first floor? Has that been approved?

MR. BARTON: I think that's what we're talking about right now, Craig. Yeah.

MR. TILLERY: Well, okay, but in order -- well, what's the answer?

MR. PENNOYER: I guess I'd -- I guess I haven't heard yet back. I have heard some discussion earlier from the management team just in other discussions that in fact we might need more than just fourth floor space. There might be additional space required, and I guess I haven't seen any -- any final comment on that or -- or proposal.

Mr. Barton?

MR. BARTON: Well, I thought that's what Mr. Gibbons and Mr. Piper said they were going to lay on us at the next meeting, and that -- are the options for the location of that infor- -- the other information center, one of which might be on the first floor of the Simpson Building

MR. PENNOYER: I guess other problems (ph)

MR. BARTON: but that doesn't -- that doesn't really answer what Craig is telling us.

MR. PENNOYER: And I guess one of the problems is one of our instructions of last time were an interim basis management, RRCG would -- would get back

to us and tell us what the costs were going to be, and perhaps circulate something to us for signature and unanimous approval to get something moving before the next meeting was what I understood we're going to do. And since the point you raise is we're not -- they hadn't been given very clear instructions as to how much that is, whether it's just the fourth floor or part of the first floor or -- or what.

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole?

MR. COLE: What -- I -- I think that we should draw down from -- from the money in the bank, or the court, extra money and establish a bank account so we have a little money here to be able to use it for -- for necessities as they arrive. If we get too thin, I mean, we'll just be running over there to Judge Holland every week and say, "How about another -- we need, you know, 50 bucks to pay the phone bill." So, you know, we should make application for enough money to be able to run this Council's business efficiently and -- and expeditiously. And that will include a little more than bare bones rent. Thank you.

MR. TILLERY: Would you give me a unanimous vote on?

MR. PENNOYER: Was -- was that in the form of a motion?

MR. COLE: Yes.

MR. BARTON: I second the motion, and call for the question.

MR. PENNOYER: Any problem? Any objections to the motion?

UNIDENTIFIED: No objection.

MR. PENNOYER: Okay. Is that adequate, Dave?

MR. GIBBONS: Yeah.

MR. PENNOYER: Do you want to go on then to the next item, permanent executive director?

MR. GIBBONS: Sure. At the last meeting I mentioned to initiate a process for recruitment and selection of this permanent director, and it was suggested I put this on the agenda for this meeting also, so that's -- that's my recommendation here to the Trustee Council. Do they -- do they want us to initiate a recruitment and selection process for a permanent executive director?

MR. SANDOR: Well,

MR. PENNOYER: Commissioner Sandor?

MR. SANDOR: I believe we -- we should begin that process. And -- and so I would formally suggest that -- move that we do so.

MR. GIBBONS: Yeah, it would -- it would be part of this 90-day period meeting that schedule.

MR. PENNOYER: Second?

MR. BARTON: Second it.

MR. PENNOYER: Any further discussion? Any objection to that motion?

MR. COLE: No objection.

MR. PENNOYER: Thank you. Dave?

MR. GIBBONS: Item number eight, the formal adoption of operating procedures. At the last Trustee Council meeting you reviewed a draft operating procedures document. You made comment, suggested changes to it. We have incorporated those changes into the document, and we move that the -- the operating procedures be adopted.

MR. PENNOYER: Discussion? Mr. Barton?

MR. BARTON: I'll make the motion.

MR. PENNOYER: Do we have

MR. McVEE: Second.

MR. PENNOYER: a second? Is there any objection to the motion to adopt the operating procedures? Being none, I guess they are adopted.

MR. McVEE: Mr. -- Mr. Chairman?

MR. PENNOYER: Mr. McVee?

MR. McVEE: You guys did -- did such a good job on this, that I would suggest another set of operating procedures that might be useful, and that would be for the --the RRCG. And, you know, I guess I would visualize those as a -- as an operating procedures that would talk about when, you know, when the GENS will be developed and when the hand-out information will be developed. Give yourselves some type of deadlines to -- to meet, and some structure to operate against that will help the Trustees Council as well as the public know, you know, what to expect. So I guess I would suggest that we proceed with that as one of the -- the next set of procedures.

MR. PENNOYER: Would that then be an instruction for -- in time for the next meeting?

MR. GIBBONS: We're going to be busy.

MR. PENNOYER: I don't know if there's a need for a motion. Any other further comment on that?

MR. BARTON: Try to get it done.

MR. COLE: I have a

MR. PENNOYER: Mr. Cole.

MR. COLE: I -- I would like to suggest that this group consider changing the name of this RRCG. I must say it seems unduly complex. We could just call it the restoration group and get the job done or some other name that's less cumbersome and flows a little better, but I leave that to others. That's my recommendation.

MR. GIBBONS: Yeah. We came up with R2C2.

(Laughter)

MR. PENNOYER: Mr. Gibbons, you -- you take that instruction in mind, too, and perhaps suggest a simpler, more concise name, meaningful name at the next Trustee Council meeting?

MR. GIBBONS: Yeah, we'll -- we'll come up with a -- with a new one.

MR. PENNOYER: Thank you. Any further comment or further business before -- before

MR. GIBBONS: I

MR. PENNOYER: we go to public?

MR. GIBBONS: I have several things here. I -- I need to backtrack to -- to one item that I missed, and that's the -- the position of the chief scientist. It was mentioned at the last meeting that we -- we do some work on this. As part of the damage assessment process initiated in 1989 we hired scientific peer reviewers, and to lead that -- that group we hired a chief scientist. He's been very valuable to the group, providing unbiased review of the proposals and what -- what the results will be and also in the synthesis process of the reports.

The chief scientist's contract as was -- as mentioned in the last meeting expires on February 8th of this year, and -- but it has an extension clause for eight months. We feel that we -- we need the chief scientist past February 8th. We're not sure of how long we need this individual. The coordination group or -- or the restoration group or the R2C2 or -- we need to do an analysis of the needs of this individual and provide to the Trustee Council at a later date this -- this analysis.

We propose to move to -- that the Trustee Council extend the contract for an eight -- eight-month period with the caveat that this individual in the contract works for the pleasure of the Trustee Council. And if the Trustee Council deems that this individual is no longer needed in the process, that they -- a termination of the contract can be negotiated. So that's the proposal.

MR. COLE: A comment on that.

MR. PENNOYER: Mr. Cole?

MR. COLE: Mr. Chairman, it gives me a little of the willies when you talk about negotiation of termination. That implies to me paying money to buy him off, to conclude the -- the contract.

I think what we should do is endeavor to negotiate with him a series of options, three-month options or four months or two months, whatever you think, a series of options. And then we can follow along and exercise the options as the case may be, and it's just much cleaner to do it that way, and that would be my suggestion.

MR. PENNOYER: Mr. Barton?

MR. BARTON: Is there a termination clause in the contract now? Thirty days termination or some standard clause like that?

MR. PENNOYER: Mr. O'Conner?

MR. O'CONNER: The contract is currently held by NOAA. It has no interim termination clause. It has the provision of a normal federal contract that it can be terminated at the convenience of the government, and whatever appropriate termination expenses might be associated with that if we chose to terminate at any time during the course of its balance. We do not have the option under the current terms of the contract to extend it for option periods. It has one period of time. Were we to choose to do it on an incremental basis, we would have to go through the negotiation process, an open bidding process, what have you, and justify the retention and the establishment of a new contract with Dr. Spees.

MR. PENNOYER: Mr. O'Conner, are you -- are you saying though that if we do extend it through the normal end of this contract period, which I understood was eight months, that is the normal end of this contract period, that in fact the -- we could terminate it upon the wishes of the Trustee Council during that period of time without as Mr. Cole said additional negotiation?

MR. O'CONNER: There would potentially be termination costs associated with the Trustee Council choosing to terminate the contract prior to its expiration. Those costs may be such things as paying severance pay to employees that have been retained by Dr. Spees pursuant to the provisions of the contract. Just -- just the normal process if you're going to -- the federal government is going to terminate a contract for its convenience, there are certain obligations it has to fulfill.

MR. BARTON: It's been my experience that the government's convenience is damned expensive.

MR. COLE: Could I ask a question?

MR. PENNOYER: Mr. Cole.

MR. COLE: Mr. Chairman, I'm not sure that I have an understanding.

Is this contract expiring in February and that's it?

MR. O'CONNOR: If there's not -- if there's not funding provided by I believe it's the 28th of this month to fund the balance of the contract, it will expire by its terms.

MR. COLE: And -- and -- but if the funding is provided, when do the con- -- when does the contract expire?

MR. O'CONNOR: The option period is eight months. It can be exercised for that period of time, and then if the Trustee Council chose to terminate it sooner than that, we would then go through the termination process at the convenience of the government.

MR. COLE: Well, why don't we just go to Dr. Spees and say, "Look, here's what we'd like to do"? I mean, it's simple. Call him up. Say, "Look, we'd like to have double options. Cut it in two. One four months option followed by another four months option." That just cuts it back a little bit and we're not stuck for eight months, but only four months, and I think we could, you know, absorb four months. It seems simple.

MR. O'CONNOR: It's unfortunately too simple for the federal government. That's the problem with it.

MR. COLE: Well, then it's not -- then the State perhaps can do it.

MR. O'CONNOR: Perhaps.

MR. COLE: Yeah.

MR. O'CONNER: At this point, however, if it is the -- in the interest of the Trustee Council to be sure that that contract does not lapse, a decision would have to be made to fund it at this point, or we're going to have to come up with another vehicle to retain Dr. Spees in the employ of the Trustees.

MR. McVEE: Mr. Chairman, I guess, you know, I -- I can see, you know, a definite need through -- for Dr. Spees' services through the period of time we'll be putting together the -- the remainder of the -- of the '92 program, which is, you know, is mid March or maybe into April when -- when that would be -- be finalized. So it seems like that's really -- really essential. I guess beyond that point, I -- I don't -- I don't know, you know, what -- what kind of services will be needed from Dr. Spees. So to me -- to me it seems like maybe a trade off, you know, and I don't know how the terms of payment of the contract are structured or -- or whatever, but, you know, it's -- if it's a trade off of the time and effort and cost of putting together and negotiating a new contract, let the -- let the existing contract expire in February and renegotiate a new contract for an interim period versus paying for a period of time that we don't -- we don't see a future -- we don't see a need. It's fairly, you know, fairly costly kind of services that we're buying there.

MR. PENNOYER: Mr. Rosier?

MR. ROSIER: Thank you, Mr. Chairman. A question on the contract extension. Is that a fixed cost for that eight-month extension, and can you give me some idea of what we're talking about for that period of time?

MR. O'CONNER: The -- I think it's -- it's a payment for services

contract. The -- some months he works a lot, other months he works less, and he is paid -- he bills I -- I anticipate on a monthly basis for services rendered under the terms of the contract.

What is necessary at this point is to provide sufficient resources to put into the fund at the Department of Commerce that amount of money that's reflected by the maximum that would -- could be utilized under the terms of the contract for the balance of its term. So eight months worth at whatever that price is. There -- at this stage we don't know if he has utilized all of the money that was made available in the -- for the earlier term of the contract. It's my anticipation that that -- that has not been fully utilized and probably could be carried over to apply to the subsequent funding that's required. But if we went with the whole chunk, right now it's \$191,000.00 to cover him, his expenses, his staff, his travel, so on and so forth, to support the maximum amount of money that would be available under that contract for his support services for the balance of the term. That's what I've been advised.

MR. PENNOYER: Mr. Cole?

MR. COLE: Mr. Chairman, I'd propose that we have Mr. Tillery of the Department of Law call Dr. Spees. We've worked with him a lot in the last year or two and see what we can negotiate with him within the ambit of his existing contract with respect to termination.

MR. PENNOYER: I think what we've heard from the RRCG or whatever is that they're going to present us with an organizational diagram at the next meeting or a concept that I assume is going to include science review. And I think it's -- it's clearly a very important element of any -- any structure that we adopt is science audit,

science review. We have peer reviewers and a question of whether we're going to have peer reviewers, at what level compared to the levels that existed prior to that. We have coordination of that peer review and whether it's going to be a permanent on-going function or a part-time function. And additionally then in the short term we have finishing up the work that we're doing on this restoration planning, close out of -- of damage assessment studies and so forth that Dr. Spees has been directly participating in.

It seems to me we strongly want to preclude those options by losing his services. Your best guess was a four-month period would cover -- at least initially cover the things that you've been doing and get those tasks accomplished, or at least get us to a stage where we can consider further work. So we don't want to lose the contract per se. We don't want to cut off our options before we decide what we want to do, and I guess if in fact it is an option for the State to look at a shorter term, four-month or whatever with the possibility of extension, I believe Dr. Spees is amenable to that. It's just a question of trying to figure out how to do it.

So if in -- if you have those instructions to proceed on an interim basis, and you understand that's what we wish to do, and we back that -- that expenditure, then it seems to me we could proceed. If somebody comes back to us and says you can't do it that way, period, then maybe we need a teleconference or something to figure out what we're going to do next.

MR. SANDOR: Do you need a second to the motion?

MR. PENNOYER: I guess we made one. Okay. Yes.

MR. SANDOR: I'll -- I'll second it.

MR. PENNOYER: Any objections to proceeding as proposed by Mr.

Cole? And I guess elaborated on by me.

MR. GIBBONS: I -- Mr. Chairman, I have an item of process. I just realized that this was not identified on the agenda, and it is an action item. So I -- I move to modify the agenda to include the chief scientist discussion as an agenda item.

MR. BARTON: I think we just did.

MR. PENNOYER: After the fact.

MR. BARTON: Okay. Thank you.

MR. PENNOYER: Does anybody have any objection to including it on the agenda? Thank you.

Mr. Gibbons, do you have anything further

MR. GIBBONS: I'd just like to ask

MR. PENNOYER: that you need to bring up at this time?

MR. GIBBONS: the coordination -- coordination group members here if they have anything to -- to add to the discussion tonight? And -- and other than that, I'm.....

MR. PENNOYER: Trustee Council, we're going to -- we've agreed to just (ph) for the public comment period. Does anybody want to break? Or do you want me to go ahead and just start the public comment period?

Commissioner -- Commissioner Sandor?

MR. SANDOR: Yeah. Perhaps there may be some use to simply summarize once more, if -- if it's already been done, the process by which we're dealing with letters, suggestions for restoration projects that have come in? Some of those -- those have some sense of urgency involved, others do not. Could you outline for the

public and for us the -- how these proposals are -- are being handled?

MR. GIBBONS: Sure. Yeah, if -- if it's a letter, we propose if it's a letter to all the Trust- -- to the Trustee Council, that that council -- that letter be addressed to 645 G Street, Anchorage, Alaska, and we will -- to the attention of myself, and we will deal with that -- the response to the letters. If they have specific questions of one of the Trustee Council members, that they address that specific question to the Trustee Council member for -- for answering. But if it's a general question about the process of the oil -- the restoration process or a question to the Trustee Council in general, please address that to attention of myself, and -- and we'll get a response to that.

MR. SANDOR: I -- I guess I was -- excuse me. I guess I was thinking of specific projects that may be proposed by various entities, and -- and I guess, Mr. Chairman, I would believe it's appropriate that, for example, if restoration project is proposed that -- that the restoration group itself evaluate this proposal for recommendation to the Trustee Council, and I believe a process ought to be set up to do that, but I think it would be important that the public be informed of -- of the process that will be followed, and that would be my suggestion.

MR. PENNOYER: Dave, do you wish to incorporate that in your instructions for the next meeting? Your list is growing.

MR. GIBBONS: Yeah. Right now we have -- I'm aware of two, but I'm sure there's some more out there. We can -- we can incorporate those.

MR. PENNOYER: It might be important to raise them at the next Trustee Council meeting so that people do know in general what's been written into us,

since these aren't circulated back out in any other fashion at this time.

MR. BARTON: I have a question. The restoration group that you were referring to, John, is this group sitting

MR. SANDOR: That's right.

MR. BARTON: in front of us?

MR. SANDOR: That's right.

MR. PENNOYER: The renamed restoration group.

MR. SANDOR: The renamed restoration group.

MR. PENNOYER: Mr. McVee?

MR. McVEE: Yes, thank you. I guess in -- in reference to -- to that for -- for taking, you know, proposals from the public, I think that we do need a process that we identify to the public that we are doing that, you know, that we get the -- the word to -- to the population that -- that we are considering -- considering that.

I guess one other thing, a final comment from me at least, that -- is that I'm learning a lot about the State's Open -- Open Meeting Law, and I think it's -- it's critical that -- that, you know, that the federal members, that we're sensitive to that, not having operated under that, and the fact that -- that it -- it has to guide our operation. I guess what I'd like to do is, you know, is ask the State members to -- and maybe specifically the Attorney General, if -- if he would be amenable to -- to giving us some -- some additional guidance in that as to how it applies to the various components of -- of our organization so that we might -- you know, we might be sure that we are -- we are not making any -- any major errors in that arena (ph).

MR. PENNOYER: Mr. Cole?

MR. COLE: Mr. Chairman, the Department of Law will furnish the entire Council with a memorandum on the State's Open Meeting Law and how it applies to this group.

And I want to thank the federal members of this Council for agreeing to abide by the State law in that regard. It saves -- saves us a lot of problems.

And secondly, with respect to the -- the telephone call to Dr. Spees about his contract, obviously Mr. O'Conner is to participate fully with that to make sure that all the federal requirements. So if you'd be good enough to make a joint call with him, I think we would all appreciate it. Thank you.

MR. PENNOYER: Other comments from the Trustee Council members? One last chance, do you want to break for five minutes, or should we just go ahead?

MR. BARTON: I'm going to break for five minutes regardless

MR. PENNOYER: We're now taking a

MR. BARTON: of what the rest of you do.

MR. PENNOYER: We're going to take a five-minute break before we start the public testimony. Thank you.

(Off record)

(On record)

MR. PENNOYER: Would you all take your seats, please? We'd like to get started. It's getting late and people are waiting to testify out in the various stations. Okay. I think we're -- I think we're all back to the table now and I'd like to get started on the public comment period that we've allotted at the agenda here. I've had a request that since the last time we started in Anchorage, that this time we start

out in the field. And do we have any order for the stations that are on -- on line and find out what people want to testify.

MS. EVANS: You can use that list on the.....

MR. PENNOYER: Okay. I think we have Chenega Bay Volunteer Teleconference Center. Chenega Bay? Are there any -- is there anybody in Chenega Bay who would like to testify?

MS. EVANS: They're not on line tonight.

MR. PENNOYER: Not on line yet?

MS. EVANS: They are not on line tonight.

MR. PENNOYER: Is the line empty entirely?

MS. EVANS: As far as I know, they did not call in.

MR. BARTON: Chenega isn't.

MR. PENNOYER: Oh, Chenega. Okay. How.....

MS. EVANS: Chenega and.....

MR. PENNOYER: Cordova Volunteer Teleconference Center, Cordova City Hall? Cordova? Is anybody on line there that wishes to testify?

CORDOVA: Yes, there is. Jack Lamb would like to testify.

MR. PENNOYER: That's fine. Mr. Lamb, please go ahead?

MR. LAMB: Yes, thank you. Can you hear me okay with the microphone? Back to you.

MR. PENNOYER: Yes, you're fine.

MR. LAMB: Yes. My name is Jack Lamb. I am vice president of and am speaking on behalf of the Cordova District Fishermen United. I'd like to -- there are

three areas we're going to comment in.

The first one pertains to -- can't find the right piece of paper here -- to the purchase of three-year options on timber assets, and I'm going to -- it's worded in reference to an owner in our area here, which is Shearstone, and it reads like this: The Cordova District Fishermen United Board of Directors have conditionally endorsed the concept of the government purchase of a three-year option on timber assets held by Shearstone, Incorporated. (Silence on the line)

MR. PENNOYER: Hello?

MR. LAMB: Incorporated.

MR. PENNOYER: Cordova, you're fading in and out.

MR. LAMB: buy-back program, and develop an agreement to acquire Shearstone timber rights, particularly use of -- supports the general concept of purchasing the Shearstone timber rights, however, requests that the following issues also be considered by the Trustees in negotiating a timber buy-back agreement: Evaluate and compare the benefits of purchasing all of Shearstone's timber rights with purchasing particularly sensitive habitat and scenic areas such as around anadromous streams and watersheds; and secondly, make sure that existing commercial fisheries are not jeopardized by new land use designations resulting from a timber buy-back.

That's the first comment I have. If there are any questions, I'll be glad to answer them before going on to the second one.

MR. PENNOYER: Any questions from the Trustee Council members?

Would you please proceed, Mr. Lamb?

MR. LAMB: Thank you. The second comment has to do with what I

have before me, and we have before us as a -- as a board of directors is an ABUS (ph) crucial flow chart, and it's stamped in the upper corner, draft form. And we would like to comment on a portion of that if we may, and the next comment is very brief as well.

The Board of Directors of Cordova District Fishermen United recognizes that the acquisition and enhancement of resources should be a high priority for use -- a high priority use for funds received from the Exxon Valdez oil spill settlement, therefore the Board respectfully requests the Trustee Council to elevate resource acquisition and enhancement considerations to a separate subgroup under the resource restoration coordination group.

It is also the Board's opinion that interaction and communication between the designated restoration subgroups and the public advisory group needs to be main- -- maintained on a regular and on-going basis. Do you understand what we're referring to there?

MR. PENNOYER: Any questions from the Trustee Council? No, I believe we understand, Mr. Lamb. Please go ahead.

MR. LAMB: Yes. This third comment does go along with the last one. It's simply that we've also been made aware that the Natures Conservatory (ph) has submitted a -- much similar to what we are and feel that the two statements are so very closely tied, and would work very well together. Their statement is much more in detail.

And we'd like to thank you right now for this opportunity to testify.

MR. PENNOYER: Thank you very much. Any questions from Trustee Council members of Mr. Lamb? Okay.

Cordova, do you have anybody else there who wishes to testify?

CORDOVA: No, thank you very much.

MR. PENNOYER: Okay. Thank you. Fairbanks? Anybody on line who wishes to testify?

FAIRBANKS: Yes. No one here who wishes to testify. Thank you.

MR. PENNOYER: Thank you. Homer. Is there anybody in Homer who wishes to testify?

MR. HILL: Yeah, this is Doug Hill down in Homer. I just have a quick comment to add. All I'd like to say is that I'd like to encourage -- encourage any efforts that lead towards the use of Exxon Valdez settlement money that would lead toward the acquisition of habitat and a buy-back of timber rights.

I'm also getting kind of confused about the purpose of these -- these meetings. It just seems like there's a lot of hidden agendas out there within the various agencies and they -- things like that sort of business is going on during the normal work week and I don't hear a lot of those issues being addressed during this meeting. So I hope that there -- I hope that these issues can be brought out during these meetings. And it seems like there's a lot of confusion, and I know you have a task in front of you and I thank you all for doing it and for this opportunity to speak.

MR. PENNOYER: Thank you. I'm not sure about what is meant by hidden agendas, if you'd care to elaborate? I know that all of the decisions reached here and any of the -- certainly the project plans, restoration frameworks and so forth are going to be sent out for public review both in meetings that have been around particularly the oil spill areas in writing, so I -- I hope that we satisfy your concerns as we go along here.

Any questions from Trustee Council members?

MR. HILL: Well, there's just a lot of things that I heard at the last public meeting, a lot of the issues that I thought would be addressed in the interlude between that meeting and this meeting, I don't -- that they weren't -- they hadn't been addressed, and I guess those -- in particular that was -- I would be addressing General Cole's references towards what the breakdown of where all this money is going towards and also with regards to a public information center, who, where, why, you know. Who was going to be in charge of that public information center. What -- I'll be looking forward to a public information period. Thank you.

MR. PENNOYER: All right. Thank you. Anybody else from Homer who wishes to testify?

MR. NOSTRAND: Hello. Yes, my name is Carl Nostrand (ph) and I'm representing Balance of the Sea. I'm also in favor of land acquisition.

I'm also in favor of implementing some kind of oceanographic research program that would utilize two of your world (ph) mini sub technology, Deep Flight and Ocean Everest, as to information acquisition about our undersea ecosystem. I feel that this is an incredibly valuable period in time for monies to be funnelled towards general ocean studies with these new underwater investigative tools. This mini sub- -- submersible Deep Flight is capable of travelling at 12 knots and is designed to go twice as deep as the deepest ocean. It's a tool that's going to revolutionize undersea exploration. And I'm hoping that NOAA or other agencies are aware of this breakthrough in technology and that information will get to the public so that we can further understand our undersea ecosystems.

Thank you.

MR. PENNOYER: Comments or questions from the Trustee Council?

Thank you very much. Anybody else from Homer?

HOMER: No one else from Homer, thank you.

MR. PENNOYER: Okay. Thank you. Juneau? Anybody who wants to testify from Juneau?

JUNEAU: We have no one in Juneau to testify at this time, thank you.

MR. PENNOYER: Thank you. Kenai? I'm sorry? Kenai Peninsula Legislative Information Office in Soldotna? If there's somebody on the line, you're breaking up. Would you repeat that, please? Nobody from Soldotna then? Thank you. How about Kodiak? Anybody from Kodiak who wishes to testify?

MAYOR SELBY: Yes, Mr. Chairman. There's several folks here in Kodiak.

This is Jerome Selby, Mayor of the Kodiak Island Borough. I want to thank you folks for the opportunity to testify, and we really do appreciate the fact that you're going to come to Kodiak here at the end of the month, where we hope we can engage in some meaningful discussions and maybe give you some first-hand review of some of the damages and whatnot from the agencies here in Kodiak.

Just some suggestions. Again I think you folks are off to a good start. We appreciate that. And we know you have your work cut out for you. We'd hope that as a people in Alaska that we can move ahead and do some meaningful results from these fundings, and we won't end up ten years from now looking back and -- and trying -- and try

to remember how we spent a billion dollars and not see much to show for it, which certainly is a possibility. I am sure you folks will be striving very hard to make sure we get some good distance out of the money that's here.

What I would suggest to you for your consideration is the possibility -- I know during the spill in effect we had three areas in the spill impact area, and that was the Prince William Sound and the Kenai Peninsula and then the Kodiak Island Borough area, where we kind of subdivided the effort up just because of the logistics and the time involved and the fact that the resource managing agencies kind of also break up the same way. And I know here in Kodiak, that's really the one I could speak to the best, we had a real good working group of those resource managers, and I'd suggest for your consideration that you put together those working groups, and I don't care if you call them working groups or committees or whatever, but I think the important thing would be is that we could get those agencies sitting down here at the -- at the local levels in those three fill subareas to do some reviewing and some subcommittee work for you folks, I think we'll get a whole lot better distance and I think we can get a lot more input from the public and -- and make sure that what we're doing really does address and help mitigate the spill, the effects of the spill and hopefully make some permanent things for the future and -- and some enhancements for the future that we see the opportunity for here, you know.

And then -- and the thing I'm thinking of is I see that Katmai Park folks at the federal level, I think Shugiak (ph) Park, we got a lot of impact in all of those parks. Those folks that are closest and have the best idea of that impact are here on Kodiak Island, and no disrespect to the federal parks folks in Anchorage, or the state

parks folks up there, against those folks, it's just that I'm of the opinion that the people that really give you the most input and that would -- could sit and work through what's really going to give us the most distance for our bucks are the folks that are in the field in those parks down here and Katmai and Shuliak and the Kenai Fjords area. They do have the first-hand working knowledge and can really work with us on getting the best distance for the dollars.

Again, just for what it's worth, I'd sure suggest to the -- to you Trustees that working groups made up of -- of the agency people, certainly the Kodiak Island Borough would be -- would like to be a part of that working group. We have some lands ourselves that were impacted, but we also are very interested in all of those agencies that are here in -- within the Kodiak Island Borough, and I'm sure that Don Gillem, the mayor of the Kenai Peninsula Borough, would feel a lot the same way. In Prince William Sound you don't really have a Borough to work with, but you do have several municipalities that would be very interested I think in participating. So just a suggestion for what it's worth.

The other comment I'd make is that I'd like to see you folks get some guidelines and some criteria out for suggestions for things that are going to be funded and that then folks could get information into you in a somewhat similar format so that those of use who are going to be watching and would like to be somehow involved in that review process could be comparing apples to apples and have somewhat similar information on various proposals instead of trying to determine how one proposal was written up real differently from another one compares with each other in the process of trying to determine what -- which one really is the best, so I won't elaborate here on that.

I'd be glad to answer any questions. We have some other folks here that would like to testify, but just some suggestions for you and I sure wish you the best and we certainly want to work with you from Kodiak down here and hope to see a good, equitable use of the funds across the entire spill area. Thanks.

MR. PENNOYER: Thank you, Mayor Selby. We appreciate your advice. There are members of all the agencies I think that you talked -- referenced here on the Trustee Council and on the management team renamed, and I'm sure they're taking -- will take that into account. We wish to draw on local expertise certainly of the agencies and from the public.

Are there any public comments -- any Trustee Council comments?

MR. SANDOR: One.

MR. PENNOYER: Commissioner Sandor?

MR. SANDOR: Yes. Mayor, if -- if you would have some suggestions on criteria for restoration proposals that I think that would be of interest to the restoration group and -- and to the Council. That's an excellent suggestion and those criteria would be helpful.

MR. PENNOYER: Thank you. Is there anybody else from Kodiak who wishes to testify?

MS. SHUCKLER: Yes, I do. My name is Kelly Shuckler, and I'm the director for Area K Seinners Association which represents many permit holders in Kodiak.

We're in support of fish habitat restoration through land acquisition of potentially logged land including of purchase of weir sites currently leased to the Department of Fish and Game by private owners with -- using Exxon Valdez settlement money.

One still affected area of concern is Afognak Island where there are many salmon streams and weir sites on privately owned land. We urge you to support coastal timber and land acquisitions in other areas impacted by the spill.

We're also in support of Mr. Lamb with CDFU's suggestion of establishing a restoration subgroup to help do this.

As mentioned before, we can all see how many people and organizations, public and private, governmental, who are asking for large pieces of this settlement. Many of these requests have absolutely nothing to do with restoration as it relates to a three-year old spill even using the broadest of definitions. We realize that defining the word restoration might be difficult in this case, but too many of these requests for settlement monies are blatantly self-serving.

Development and use of all kinds of -- of all kinds continue to take over wildlife and fisheries habitat. When a disaster such as a major oil spill occurs, habitat is again reduced. Acquiring habitat through those settlement, it is no longer subject to loss by logging and development of other kinds. I think that this is as -- as close to restoration that we can get.

Increasing wildlife and fisheries habitat and -- and community oil spill response equipment we think are the most important steps toward realizing restoration from this money as it directly relates to damage from the spill.

And we thank you for the opportunity to comment and there are others here that will comment. If you have any questions, I'd be happy to answer.

MR. PENNOYER: Mr. Cole?

MR. COLE: This is Charles Cole. In connection with your

suggestion that habitat be purchased, would you favor purchasing simply the standing timber on the land or would you favor purchasing the -- the land itself like in fee simple title to the land?

MS. SHUCKLER: The land itself will be best, because otherwise the -- the timber -- well, the land itself.

MR. COLE: Thank you.

MR. PENNOYER: Thank you. Any other questions from Trustee Council members? No? Well, thank you. Anybody else from Kodiak who wishes to testify?

MRS. THOMAS: Yes. I would like to make some comments on -- and I'm here representing myself and my husband, John Thomas.

I would like to make some comments on appropriations to be made for restoration projects relating to Exxon Valdez oil spill.

My husband and I own a commercial fishing boat and salmon permit. In the summer of '89 Area K seiners had no salmon season whatsoever. It was three-month fishing season that was cancelled because of oil floating in the water and awash on beaches in major salmon fishing areas.

My point is is that we don't have just one affected area, and I'd like to remind the Council that there's a number of affected areas, and we would like appropriations to be made and to all.

We'd like to voice -- voice support the following appropriation: Restoration of coastal estuaries affected by the spill which at present are at continuous risk from timber harvesting and industrial activities related to harvesting timber like buy-back of Exxon (ph), Afognak Island, Kachemak Bay State Park and on Prince William Sound, or out

right purchase of timber land suitable for addition to the state park system or the state wildlife refuge system.

And in regards to what Kelly Shuckly previously said, we believe that it's better to look at acquisition of the land itself, because if you had -- if we just bought timber rights, if you had companies come in after that mining or whatever, you're looking at possible pollution in -- in salmon streams, estuaries and wildlife habitat. So if you purchase the land instead, mineral rights and timber rights, et cetera, then you wouldn't have to worry about that being a future problem.

We support purchase of lands around the state salmon hatcheries, salmon rivers and fish streams in the spill-affected areas.

We -- we support reasonable long-term environmental monitoring of spill affected areas, and for the appropriation of affected communities for oil spill prevention and response equipment.

We would like to see the decisions made by the six Trustee members to reflect fairness in their appropriations and we'd like to see a lot of thought, care and reflection given to the decisions that are being -- to be made.

And we'd also like to express some -- there was some dismay on our part when we discovered the, quote, unanimous decision clause. Six members of the Council had to be unanimous in the -- their decision to appropriate to areas. We were worried particularly that our -- you know, it's hard enough to get two people to agree on something, much less six together, and we were afraid that that might, how do you say, cause back room politicking that possibly has no place in the oil spill restoration.

And we'll see you all on January 30th here in Kodiak. Are there any questions

that you have?

MR. PENNOYER: Are there questions from -- unanimously from our Trustee Council? I guess not. Thank you. I -- I hope you will find that our -- our program will be so logical unanimous consent among this body will be fairly easy to achieve.

Mr. Cole?

MR. COLE: Let me comment -- comment on that unanimous requirement. It was designed to protect the State from, you know, the Great White Father in Washington, D.C., and we felt if we had unanimous consent, there wouldn't be any encroachment upon the State's vital interests in connection with this restoration process. Frankly I think it's one of the finest provisions in that settlement agreement and the memorandum of understanding.

MR. PENNOYER: Thank you, Mr. Cole. Are there further comments from the Trustee Council? If not, thank you, Mrs. Thomas. Is there somebody else

MR. GIBBONS: Excuse me -- excuse me, Mr. Chair. Maybe I can make a clarification. This is Dave Gibbons. The public meetings going -- starting on January 20th will be performed by the members of the restoration group and some public involvement. I -- I think the impression may be that the Trustee Council is going to -- to visit all these sites, and I just wanted to make that point clear.

MR. PENNOYER: Thank you, Mr. Gibbons. But I think the Trustee Council probably will as time allows hold its meetings at various locations. Right now, of course, we're knee deep in trying to get the process organized, so.....

Are there further testimony from people who want to testify from Kodiak?

Kodiak, anybody further?

MS. GROTLAND: Yes. Good evening. My name is Trisha Grotland, and I appreciate the opportunity to speak on the Exxon Valdez settlement fund and express my thoughts on where some of the settlement monies should be directed.

I'm a vessel owner and resident of Kodiak who's deeply disturbed by the lack of adequate planning on the part of the oil industry, state and federal governments in dealing with the Exxon Valdez oil spill. What I witnessed in Kodiak was the chaos that is (indiscernible) with a stable (ph) plan. The communities of South Central Alaska are abundant with able resources, abundant with fishing vessels that are capable of executing a near-shore response to an oil spill. Yet the fishing industries potential to work the near-shore oil was ignored. The lack of fuel spill on-water training and the lack of equipment contributed to the disaster we all witnessed as the oil smeared miles and miles of coastline.

To me the greatest tragedy from the Exxon Valdez oil spill would be to not come out of this with a program in place that ensures that the resources of South Central Alaska are properly trained, equipped and coordinated to protect the coastline they know better than anyone in the world. I think Alaska has a tremendous opportunity here. That is, to recognize that oil's being transported all over our state, but our ability to rapidly respond to an oil spill in the near-shore environment is minimal at best, and that we are now sitting on a substantial amount of money that could change our ability to respond to a spill in the near-shore environment through using local resources.

The oil industry in Prince William Sound has made substantial changes. I recognize that and appreciate all that has been -- been done.

I also recognize that the nearest response department are pretty much left up to Prince William Sound. That is, all equipment acquisitions and response training are taking place in Prince William Sound. The spill happened in Prince William Sound and all attention is focused there. What about Kodiak, Seldovia, Homer and Seward? We know that any spill in Prince William Sound is going to head towards Kodiak. We also know that any oil spilled in Cook Inlet is going to head to Homer, Seldovia and down past Kodiak. A major catastrophic spill in Cook Inlet would drench the Shelikof Straits all the way down to Dutch Harbor.

It is now almost three years after the spill, and the only on-water training that has taken place in Kodiak was considered a joke by those who make their living off the water.

Another area of concern is the small local spills that take place. Once again, who is properly trained, equipped and coordinated to rapidly respond to any spill?

Of course, we can grab vessel owners off the street, throw a boom on the back of their boat and let them go. Maybe that last statement explains why mechanical recovery yields low recovery rates. Maintaining preparedness will ensure that the resources within the coastal communities are ready to respond to any spill and will respond to their maximum, not minimum ability.

I'm staying informed on oil spill matters because I'm committed to working towards a solution to our problem. I believe the oil spill prevention and response committee working committee to the regional citizens advisory council has developed a concept which deserves attention and in my mind it is a solution to our problem. The concept is the development of the Alaska coastal communities cooperative. The central

thrust to the coastal communities cooperative is to create an organization which will build on the existing people and industrial base in Alaska and extend its capacity by properly training, equipping and coordinating this resource to deal with the everyday Alaska spill and also contribute to the maximum extent possible to another spill like the Exxon Valdez.

The oil industry and central governments are presently being informed on the cooperative concept. Financing the cooperative could be achieved by the participation of the oil industry and the state government. I would hope that this concept of a coastal community cooperative is given attention. I would like some of the settlement -- settlement money allocated towards the cooperative.

After spending close to three years of my life in working towards a logical solution to the ability to rapidly respond to an oil spill in Alaska waters, the solution lies in the development of the Alaska coastal communities cooperative.

Thank you.

MR. PENNOYER: Thank you, Ms. Grotland. Any comments from the Trustee Council, or questions? Commissioner Sandor?

MR. SANDOR: This is a comment to -- to add to the excellent suggestion of the need for local preparedness. In addition to the mechanism that you point out, there is underway a series of local emergency planning committees formed in the -- in -- in districts. And in fact we had earlier this week ten of the local emergency planning committee meeting in Anchorage and by teleconference to develop a process to -- to assure that not only oil spills but hazardous substance spills are -- are properly handled. And these are being formed locally with local communities taking the lead, and

in cooperation with the State Emergency Response Commission. So that's yet another mechanism to the one you've outlined.

MR. PENNOYER: Fine. Thank you. Any further comments? Thank you very much. Anybody further from Kodiak?

KODIAK: Yes, there is. Can you still hear us up there?

MR. PENNOYER: Yes, we can. You're loud and clear. Go ahead.

MR. MILLIGEN: My name is Mike Milligen and I'm here representing myself. I'm a resident of Kodiak and a parent of five children, all Alaskan born.

As -- and as you listen to all these various proposals for money, I'd like to throw something a little different at you. Due to the activities of Exxon or spill response, there is -- the risk of destruction to archeological sites in the Kodiak area was greatly increased. I've heard estimates of pre-contact populations of natives here on the Island at upwards of 40,000 people. As Exxon combed the beaches and crews went out to dig up the incredible amounts of oil that seemed to wash up everywhere down here, there was a great amount of exposure to these sites. You as you formulate to restore some of the impacted areas that you don't forget the archaeology value of these sites, and I would remind you that once these sites are lost they are totally irreplaceable. They're not restorable. There's no way to ever replace them, and the -- the cultural resources of this Island which are of a world class would never be able to be replaced. And I would encourage this body to -- to continue to consider that as it appears that you are continuing to concern (ph) as I look through your document here, the importance that you place on archeological sites, I would commend you on the effort that you've put in so far, and I would encourage you to continue with that effort.

Thank you.

MR. PENNOYER: Thank you, Mr. Milligen. Any comments from the Trustee Council, or questions? Thank you very much. Anybody further from Kodiak?

MS. ACRES: Yes, this is Tracy Acres. I already said my pieces, but you told me that the Trustee Council members themselves are not coming here in January, but you're sending staff. So my question is are the Trustee Council members planning at any point to come to Kodiak before making any final decisions on -- for this money?

MR. PENNOYER: We have not made a decision on our future meeting locations yet. We've had a hard enough time planning times and meetings when we could all get together for even a few hours, so we will certainly take into consideration the need to visit various sites as we conduct our business. No, we have not done that at this time.

MS. ACRES: Well, I -- I would like to make one comment, and that is, representing myself and my husband, and I -- I think I can represent a number of my friends in saying that considering the seriousness of this appropri- -- of these appropriations, and the number of suggestions that are going to be put forth, I would really like to see you -- have you here at some point in Kodiak. And I appreciate that your staff is coming, but I would also like some face to fact meetings, because -- simply because I believe that communication is really important here. You need to talk to the people that were involved in the -- in the spill and that are affected by the spill and we'd really appreciate you showing up here in Kodiak. Thank you.

MR. PENNOYER: Thank you for your comments. Trustee Council member

comment? Are there further people from Kodiak who wish to testify?

MAYOR SELBY: Let me com- -- this is Jerome Selby, the mayor, again. Let me officially invite you down here on behalf of the Kodiak Island Borough for your -- either your very next meeting or one in the very near future. Put it on the record. We would certainly make you welcome and we would be delighted to have you down here.

MR. PENNOYER: Thank you, Mr. Selby. We've held -- Mayor Selby. We've held three meetings in Anchorage so far and I know we're going to have to do other locations that we've not covered yet. But thank you very much for the invitation.

Any comment from Trustee Council members?

Are there further people from Kodiak that wish to testify?

KODIAK: No, there is no further comment.

MR. PENNOYER: Okay. Thank you very much. Seward? Anybody from Seward that wishes -- wishes to testify?

SEWARD: here in Seward. We have some people (indiscernible) council. There was a third person, Sharon Anderson, representing Alaska Sealife Center who had to leave. She'd like the Council to know that she will be mailing information to the members.

MR. PENNOYER: Thank you very much. We'll look forward to receiving that. Is there anybody else from Seward who wishes to testify?

MR. GATES: Mr. Chairman and members of the Trustees Council, my name is Christopher Gates. I spoke at your last meeting, and appreciate the opportunity to speak by teleconference briefly. Some brief comments.

We in Seward also would like to invite the -- the Council itself to come visit us before major decisions are made regarding expenditure of the money.

Other comments we have -- I would like to say I like what we've heard tonight about your development of a public involvement process. I think Mr. Piper has had some excellent input to you. We support what we -- what we're hearing so far, and we -- we like that you're taking some public comment before you finalize your decisions on the public process. We appreciate that very much.

Second, I'd like to just note that you -- that we heard that you have received two requests for project fundings so far, we've heard a number of requests this evening from the teleconference locations. I would just encourage that you get a process in place as soon as possible, that you let the public know if you are soliciting projects or not, and if you are, what the process might be for determining the expenditures from those funds. I really think it would be fair if -- if everybody knew the process and was acting with the same set of ground rules. I certainly hope that you can develop that criteria for projects as soon as possible.

Other comments that we have, we have a very valuable piece of land in this area called the Kenai Fjords National Park. We greatly support this national park in this area. It has a great deal to do with -- with our quality of life. There's some -- some major archaeological sites in that area, some -- some in-holdings that -- that need to be addressed with restoration funds in our opinion, and we just want to sensitize you to your concern with regard to Kenai Fjords National Park.

I'd like to also support what Trish Grotland mentioned regarding the near-shore cooperative, the near-shore spill school. We think local Alaskans can do an

excellent job when -- particularly when trained and when -- when supplied with adequate resources to handle near-shore response after the -- the immediate mechanical pick-up phase is over. And I -- I really do encourage you to -- to think hard about supporting the near-shore response additions to resources, to training, to staff that Trish mentioned in her testimony from Kodiak.

Lastly, I'd like to just mention that here in Seward we're hearing some -- the rumors or comments or -- or even factual things that -- that the Trustees will be focusing on Prince William Sound as opposed to the Exxon Valdez impact area. I know the folks in Kodiak and -- and the folks in Katmai and down in Homer and Seldovia all have a great deal of interest with regard to hearing you articulate your thoughts and your feelings regarding -- regarding the care (ph) and concerns of the impact area in addition to Prince William Sound, and -- and if you could I would just encourage you to maybe take a couple of minutes and let us know that you feel as strongly about the impact area as you do about the Sound itself.

With that, Mr. Chairmen and members of the Council, again we -- we want to be supportive. We welcome you to Seward and -- and invite you here and -- to see -- see where oil actually hit, and -- and what this all means to a local community. And we thank you for your hard work on all of the State's behalf to date. Thank you very much.

MR. PENNOYER: Thank you, Mr. Gates. Some excellent suggestions, and I -- I assure you that we have all -- if we -- if we say Prince William Sound occasionally, we don't mean just Prince William Sound. We're talking about the whole impact area and I hope that when you see the slate of things we're considering and based also on the input we're going to get from the public, that will become apparent.

Are there further comments from the Trustee Council?

Thank you very much. Anybody further from Seward?

MR. KRANGLE: Yes. My name is Charlie Krangle and I'm representing myself and a number of friends and acquaintances. And I have several comments that I would like to make. First of all, I'd like to thank you for this opportunity to make such comments.

It's my biggest concern I guess is about this public meeting process thus far. I feel very concerned about the fact that there was not adequate lead time or notice of this meeting in particular and hope that that will be addressed in the future. To sum up, the problem here in Seward, this particular meeting was advertised in the local paper one day before the meeting, i. e., yesterday. The press release was received here in Seward on January 3rd, the day after our weekly paper came out, and as a result we had four people in attendance.

Furthermore, Friday night is not exactly a great night for meetings. The normal public process would be -- I suggest Monday through Thursday as being good nights for meetings.

Furthermore, I'd like to encourage and -- and echo the sentiments in Kodiak that regional Trustee meetings would be very helpful. Public meetings, direct face to face access not just through letters as I heard mentioned tonight, and not through the public advisory group exclusively or -- or through staffers. We need that face to face contact.

Furthermore on the science data, I have a couple of comments to make. I was a bit disturbed by some of Mr. Cole's comments about his concern about money being spent on

these studies. I -- I understand he's trying to keep things down, and I appreciate that.

But I think I'd like to make a strong statement in favor of raw science data being interpreted before any more decisions are made regarding restoration monies being earmarked for various projects. I think this is critical to informed decision making. Raw data certainly isn't very useful unless it's synthesized into -- into meaningful trends and issues. Hard analysis of data is money well spent in my opinion, however, to make some well informed decision making regarding the best projects that will give the best long-term benefits for our money.

Furthermore, I'd just like to reiterate briefly what Mr. Gates said in regard to Kenai Fjords National Park. Our park got slammed pretty well by the oil spill. I think that you need to be sensitive to the fact that Kenai National Park is a -- in the -- in the process of trying to restore some cultural resources and also trying to deal with some in-holdings that possibly some of this oil money, oil settlement money might be useful for. I think it would be a win-win situation. The native groups that have some in-holdings I think would be interested in a fair, equitable settlement, as would the park.

Finally, I'd just like to say that it's my opinion that move fast on preparing for and responding to a spill of this magnitude. I think that we settled too quickly. I believe that that's water over the bridge. And I along with many Alaskans are willing and look forward to a process of healing, and I fear we're moving too quickly though in -- in expending these monies from the settlement. I urge the Trustees to fully involve the public through tangible methods such as ample time, fair, intelligent and carefully crafted proposals which I feel will best serve the goals of restoration of the affected

areas. I just urge you to slow down a little bit so we can ensure that some of the quality suggestions that we've heard tonight, challenge (ph) a thorough proposals for your review and for you to consider for their various merits so we can get the best use of these dollars.

Thank you very much for your time.

MR. PENNOYER: Thank you, Mr. Krangle. Certainly on the notice question, we thought this meeting was better noticed, and I think we're getting better each time we do it. I guess weekly newspapers are something we have to pay a little more attention to timing on, but we're certainly trying to do better on that.

I think different nights are better or worse for different people. Since I'm not home, Friday night's not great for me either, but that's the way it worked out best on our schedules, because everybody was doing other things on other days.

Other Trustee Council member comments that you wish to make? Or questions?

Thank you.

Is there anybody further from Seward?

SEWARD: There's no further testimony from Seward. Thank you.

MR. PENNOYER: Thank you very much, Seward.

Tatitlek? Are -- are there anybody -- anybody in Tatitlek who wishes to testify?

MS. EVANS: They're not on line.

MR. PENNOYER: Okay. Thank you. Valdez? Anybody from Valdez who wishes to testify?

MR. JACOB: Yes, there are a couple of us here in Valdez. I'm

going to go first. My name is David Jacob, president (ph) Prince William Sound Conservation Alliance, a private, nonprofit environmental group that's been around since '88 and very much involved during the spill, and we ran the local response program here.

Thank you all again for your time and energy you're putting into this. It seems to be moving along pretty well. And I'm looking forward to input into the public participation project process in the meetings coming up.

In the past I have commented to the council on our support for the habitat acquisition being a substantial amount of where the funds are spent (ph). The acquisition question is very complicated, whether it's trees, whether it's land, what kind of habitat and such. It's going to be a very difficult time with that.

Because of that, I would like to suggest that along with these subgroups that you have for science and finance I believe are the two that you have, I'd suggest that a land subgroup be formed. This could deal with land and timber, habitat, wetlands and the like. And I think that it will help in the future to decide some of these acquisition problems.

I also wish to stress the fact that some quick action to protect some of the spill affected areas is going to go a long way in healing the environment from the damage that was done and the -- and the damage that's being done now. It would also help heal wounds that the public still has and the concerns the public has about how the restoration projects would work.

The three-year option with the Shearstone, the timber owner, and Eyak, the land owner, for the logging that's taking place right now in the Cordova area we support very much. There's logging at Port Fidalgo, Tulin (ph) Bay with the timber owner of

Citiforg (ph) and the land owner of Tatitlek that need to be contacted. Patent Bay logging on Montegue that's up -- where there's a timber owner of Concord and -- and the land owner is Chenega. There are other logging operations at Port Fidalgo that the Chugach owners as well as the Afognak Island, Kachemak Bay State -- and the Kachemak Bay State Park.

The -- the goal of what we're trying to do here, and I'll probably end up repeating this a lot to you, you know, what we're doing, how does it help heal the damage that was done and -- and how can we heal that damage while other damage is being -- is -- is happening to these lands. And that's where that acquisition comes in very strong. I know (ph) monitoring and research, education, spill response groups so that further pollution doesn't go out there as well as waste oil, better waste oil facilities in the communities, solid waste disposal, sewage, problems with boats. Many of these will help heal that damage -- help heal that environment by not having further damage take place.

I'm -- I'm sure in the next ten years as this money is spent we'll all get to see each other face to face, and I look forward to that time and working with the public process.

If there are no questions, there's someone else here who wishes to testify.

MR. PENNOYER: Are there any questions of the Trustee Council? No?

Thank you, Mr. Jenkins. Go ahead, somebody else in Valdez? Hello, Valdez?

VALDEZ: Yes. Did you just hear that testimony?

MR. PENNOYER: Yes, we did. We're waiting for further testimony from Valdez.

MS. LESCO: Hello. My name is Nancy Lesco. I'm representing the

Alaska Wilderness Recreation and Tourism Association. As some of you may know, my husband and I have operated a tourism business in Prince William Sound since 1974, and have written a number of books on the Prince William Sound area. The Alaska Wilderness Recreation and Tourism Association is the new name for the former Alaska Wilderness Guides Association that was established in 1975. Their purpose is to promote the recognition and protection of Alaska's recreation and tourism resources, including scenic qualities, wildlife, fisheries, wilderness, wild lands and rivers.

We would like to comment first on the public advisory group. We notice that the recreation industry is not included at all on this list. As many of you know, the courts have ruled that recreation users do not have any -- any legal standing for compensation as a result of the spill, but they should certainly we believe have representation in how the restoration funds are going to be spent.

Underneath tourism we notice that you have (indiscernible) tourism. The tourism industry we believe should be split between developed tourism, such as cruise ships, and disbursed tourism such as kyakers. The needs and interests of those two tourism groups are quite different and both were affected in different ways by the spill. So we would suggest that this be divided into two groups even as you've divided we noticed fisheries into commercial and recreational fishery.

Our next comment is that we would certainly like to lend our support to the acquisition of habitat as one of the major restoration goals and use of the restoration funds.

A fourth comment is that the restoration projects, we would hope that the long-term studies to determine the natural variability and how that differs from the

impacts of oil would be continued, and also the questions on the pathways of oil in the marine environment.

In listening to your discussion this evening, you ran through the criteria for selecting the advisory group. We'd hope that that is going to be mailed out to participants on your mailing list, communities, so that somehow before you come down, we can have -- review this in more detail and have an opportunity to comment on it.

The fifth one is that we're concerned about what topics you would like to hear comments on when your groups do visit, and a little bit more clarification from you of what the restoration groups are going to want, what the range of topics is. It -- the purpose of these meetings is at the moment to us a bit unclear, and we would like to be able to do a mailer on this and to encourage people to begin thinking about what they would like to hear or say to you.

The next item is one that just came up from listening to the discussion, comments from Kodiak on local advisory committees. We agree those worked very well during the response to the oil spill. I was the representative for the environmental community and inadvertently also for the recreation/tourism community because they were not represented otherwise on the interagency shoreline clean up committee for Prince William Sound. And when the spill moved to the upland Prince William Sound, we -- we certainly felt that it would be inappropriate for those of us in Prince William to commenting on what should be done in the Kenai Peninsula and Kodiak area. We also I felt benefitted very much from the opportunity to discuss with the representatives from each agency (ph) with statutory authority for particular resources, their concerns and the pros and cons of various types of approaches. It's helped us to formulate more clearly what we would like

to see accomplished without making recommendation that might have been detrimental to what we were trying to obtain. I thought that was a very good suggestion that was made earlier.

I'm a little concerned, however, that we can get so many people on various committees and groups that the communication between them may be a bit difficult. And we seem (ph) to be spending an awful lot of money on people studying and -- and making proposals and not on acquisition of habitats.

That concludes my remarks. If you have any questions, I'm hear to listen.

MR. PENNOYER: Thank you, Ms. Lesco. I believe that -- I'm not sure which list you were looking at. I know that we haven't made final decisions on any composition of a public advisory group, but I think the initial draft list I looked at had both recreational and commercial tourism on -- on the list, so I -- it -- I think your initial concern there may have been taken care of even though we did not -- we have not finalized that participation yet.

Mr. McVee, did you wish to comment?

MR. McVEE: Yes. Just a brief comment. I think ideas on -- on mailing out plans is a good idea and I certainly think that that is something that we will do. And also, you know, publication of those plans. We can put them in the Federal Register or maybe other documents so that they will get broad public access.

MR. PENNOYER: Thank you. Mr. Cole?

MR. COLE: Nobody reads the Federal Register. I mean that's just wasting of effort.

MR. PENNOYER: Well, Mr. Cole, I agree with you. Unfortunately

some of us have to, so

Is there further -- thank you very much. Is there further testimony from Valdez?

VALDEZ: No, there's nobody else from Valdez.

MR. PENNOYER: Okay. Thank you, Valdez.

Whittier? Is there anybody in Whittier? Anybody in Whittier that wishes to testify?

MAYOR CARLYLE: Yes, Mr. Chairman.

MR. PENNOYER: Please go ahead.

MAYOR CARLYLE: Thank you, Mr. Chairman, and members of the Trustee Council. My name is Kelly Carlyle. I'm mayor of Whittier, and a commercial fisherman in Prince William Sound.

Just a couple of comments. I -- I believe the scientific study results need to be released in order for the public to be informed on restoration needed.

Secondly, concerning the review of these close-out studies. We were wondering who determines these studies should be closed?

And in winding up and at the risk of taking flak for seeming to be disloyal to my region, the Council takes to heart that this oil spill sent not just waves of oil, but strong waves of both economically and socially along the entire Gulf coast, and that restoration projects to be considered on the basis of merit and not necessarily locale.

MR. PENNOYER: Is that the sum of your testimony, Mr. Carlyle?

MAYOR CARLYLE: We have another comment.

MR. PENNOYER: Well, does anybody wish to comment on Mr. Carlyle's

testimony or -- or ask a question? Okay. Thank you very much. Could we have the other -- rest of the comment as well?

MS. HYATT: Mr. Chairman, this is Lydia Hyatt (ph) of Whittier. A couple of comments. I really appreciate being hooked in by teleconference for these meetings. It's not always easy for us to get to town.

If we could perhaps get or mailed the handouts that you're discussing at the meeting, it would help us here follow along with what's happening. In addition to that, from time to time if those speaking could identify themselves, we may be able to follow along a little better. We had a little confusion here tonight. But we appreciate being hooked up. We appreciate the hard work that -- that you have before you and the difficult decisions.

I will have to agree with our mayor that in order for you to make decisions about what (ph) different studies, whether to apply that money to restoration of the damaged resources, whether to apply the money towards protecting those resources from further stress or acquisition of habitats, or providing for local response capabilities and prevention of future oil spills, strictly based on good sound judgment and the scientific studies of the data and -- and reports that have been released. We would hope that that will happen in the near -- near future. Plans are reviewed by the public, then have access to them and can make knowledgeable decisions.

Again, we appreciate being hooked up. We look forward to your next meeting, and, of course, you're always invited -- invited to have one here in Whittier.

MR. PENNOYER: Thank you. I believe we have tried to fax out the handouts that we've had at these meetings to the various locations, maybe not always

successfully.

And I apologize if the chairman didn't identify each individual before they talked, but this is Mr. Cole.

MR. COLE: Well, I thought that the Mayor had a legitimate inquiry there which we could easily answer relating to who's going to make the decision regarding the close-out of these studies. We sort of left him hanging there, and should we not respond to that? Dr. Montague, would you like to respond to that?

MR. MONTAGUE: The six members representing the Trustee agencies on the restoration (loud speaker interference). The members of the restoration group that are based one member each from the six trustee agencies meet to vote on which studies to continue and which studies to -- are recommended for closing out, and that is simply a recommendation. And it's the Council that makes the final decision whether they accept our recommendations or not. And that's just for this -- the ones that I

MR. GIBBONS: After public comment.

MR. MONTAGUE: After public comment.

MR. PENNOYER: Yes, I think the procedure is that the restoration group will recommend to the Council, the Council will preliminarily accept a certain slate of proposals. They'll go out to public review and then come back to the Council for final decision.

Any further comment or testimony from Whittier?

WHITTIER: No, there's no further testimony from Whittier.

MR. PENNOYER: Well, thank you very much. Okay. We'll now go to Anchorage, and those who wish to testify, please hold your hand up? And I think we have a

microphone on the table here, we'll put it right over in the box. We'll take the closest one first, maybe you, sir? If we can find one that works.

DR. PIATT: I'm Dr. John Piatt with the U.S. Fish and Wildlife Service here in Anchorage. Just a few comments. I'll try to be brief.

First of all, I am not working on any oil spill projects, so what I have to say has nothing really so much to bear with me.

I was a little upset initially with Mr. Cole and -- and his first statements about cutting back and questioning the need for continuation of these studies. Later I was quite happy with some of what you were saying.

I just want to point out that many studies of oil spill effects have gone on for ten, 15 to 20 years, and what we have seen in response to the Exxon Valdez really could go a lot further. I don't blame you for wanting to assess the quality or the -- the necessity of continued research projects, and certainly as you come into your role now in -- in this job, it's important that you do so. But I would encourage you and -- all of you and certainly some of you already have gone through this many times, this process of examining, reviewing and re-reviewing and re-reviewing project proposals from Fish and Game, from Department of Environmental Conservation, from Fish and Wildlife Service, and from private interests has gone on continuously for three years, and a lot of these projects have been pretty well hashed out I would think. It's my opinion. And I'm wondering whether you can save yourselves some money by relying on the advice of people who have already gone through these things in considerable detail and try to speed these things along as -- as much as possible.

My main concern is that every summer -- and again some of you are already

aware of the problem, is every summer when we get into this, there's always delays, and people who are trying to organize projects that have been going on already for several years are faced with the same problems every year of not knowing whether in fact they're even going to be able to field a project until days before they actually go out there, and that doesn't lead to quality work.

The second comment I would make is that I would like to see some accounting of the administrative costs of this whole effort. I think it would be very appropriate to -- for you to consider a ceiling on the administrative costs, much as many organizations try to maintain a cap or ceiling on administrative costs and see that the majority of the funds go to actually the purpose of that organization. I don't know what an appropriate ceiling would be. Certainly 50% is very high and certainly 10% is very low. I don't know. There seems to be some -- there should be some range of costs that are associated with administration that perhaps you could look ahead and say "This is it. That's what we're going to shoot for." It might make it a little easier to make decisions about whether or not you're going to add more monies towards administration as opposed to restoration.

Finally, I just very briefly would comment that I think it's very important that the data that's already been collected and analyzed should be released to the public. And that's something that you have a role and it's something that many of you have an interest in, and I would certainly encourage that since Exxon is coming out with information even now on how well the Sound has recovered from oil pollution, it's appropriate for the various agencies to get their oil (ph) information out to the public so that they can assess restoration projects and also assess potential damages.

Thanks.

MR. PENNOYER: Thank you. Are there questions or comments from the Trustee Council members? If not, thank you very much.

Bob Anderson, did you wish to go next?

MR. ANDERSON: Good evening. It's a pleasure being here. Let me introduce myself. I'm Bob Anderson, I'm a life-long Cordovan. And I'd like to explain a little bit about myself. Maybe it will help people further understand what I have to say here.

I'm a life-long Cordovan and I wear many hats down there. One of those hats I wear is I'm president of the Shearstone Corporation that's mentioned in some circles recently. And we are a substantial timber owner in Prince William Sound. We're one of two active logging operations down there. We're presently harvesting and selling and exporting timber for both -- both the export and the domestic market.

I'm a commercial fisherman. That's how I make my living.

I'm also a Cordova fish- -- City Councilman. I was many years ago, and I'm presently serving another term. And I thought I'd mention that, because I was going to offer some advice a little while ago on the Open Meetings Act if the Attorney General slipped. It's a subject that we know a little bit about.

MR. COLE: Maybe you can just send us your briefs.

MR. ANDERSON: How about the bill? We'd rather send that.

(Laughter)

MR. ANDERSON: I'm a stockholder in the Eyak Village Corporation and the Chugach Region. And I'm a past -- past president of both. And also I

participated in those land selections and also in some way assisted some of the other village corporations throughout the region in theirs back in the early days in the 70s.

I'm a founding member and a board member of the Prince William Sound Aquaculture Corporation. I've been there since its inception. I'm proud quite proud of that association that I have there.

I helped start one of the major seafood processing companies in Prince William Sound, one of those companies that had to close down last year unfortunately, and that has not found a means today -- or to date to open its doors again. But I was its president, I ran it for a number of years, up until about 1986. I do know a little bit about that industry besides catching the -- catching the little guys.

I have been a member of the Alaska Federation of Natives and I'm a past director and the vice -- past vice chairman of that organization.

I mention all of this because they demonstrate my experience and my commitment, not only to the State but to Cordova and to Prince William Sound.

Now, a conceptual proposal was submitted to the Council here which provides for Shearstone to delay logging activities for three years in return for fair compensation with the understanding that the compensation can be applied against the purchase price of any final acquisitions of Shearstone timber rights by the Trustees.

After the proposal was sent, it has come to our attention that the Trustees do not have an existing framework for considering the proposal. It has also come to our attention that the Trustees have been presented with a proposal to immediately develop the framework to consider the Shearstone proposal and others like it.

While Shearstone understands the logic of the framework to address such

concerns, and endorse the proposal to do so, we cannot stress enough the urgency of coming to closure on this issue. Specifically Shearstone's 1992 logging activities are set to begin by the end of January. Unless we feel confident that the Trustees are making certain progress toward making a good faith offer to Shearstone -- or to Shearstone.

I don't make this in the context of a threat, and I don't want you to take it that way. We appreciate the benefits of the moratorium concept. We up until recently had -- we hadn't considered that. Us, like other timber owners, had in passing considered other -- other concepts, but just recently this concept came to us. We thought it over, we agreed. We know the broad public support for the concept. I've been there a long time. Our other owners and people that participate in our company have been in that area for a long time, so we appreciate the concept. We understand it. We agreed to work with it.

But due -- but we do want to stress that due -- due to prior obligations, we cannot delay our operations much longer based upon a mere speculation that the Trustees can and will enter into good faith negotiations with us. Accordingly we respectfully request that you direct staff to address this issue immediately and to return to you within two weeks with specific recommendations on to proceed.

In general those are my remarks, gentlemen. I thank you for allowing me to stop by and address you. I do have here with me tonight our logging partner, our -- our forester, our financial people, if you have any questions of me.

And one last thing. I would like all of you and the audience here to -- to -- and invite you to drive to Cordova in the next -- near future on the Copper River Highway.

Thank you.

(Laughter)

MR. PENNOYER: Are there questions of the Trustee Council members of Mr. Anderson? Thank you very much.

MR. ANDERSON: Thank you.

MR. PENNOYER: Somebody next? Who -- who wishes to go next and testify? I believe the lady is -- thank you.

MS. KING: My name is Sandy King, I'm from Cordova.

First of all, in reference to the Kodiak woman who spoke about wanting to secure some monies for contingency plans, I might for your information, if you don't have it, let you know that Alyeska has already set into motion the financing of early response teams in Prince William Sound, so if these other communities have not already known that, I would say that they might petition Alyeska for these funds rather than this organization here. Okay.

Also, I -- I would like to just state publicly that I am also for the habitat acquisition, and I'm hearing as a Cordovan for the first time from Bob Anderson, too, so this is -- this is good news. It's good news that the -- that the corporation, the Eyak Corporation and Shearstone is willing to listen to the public and to recognize that there's a cry out there for the -- the well-being of Prince William Sound for all of Alaskans. It isn't just for the small little communities that are around there, because there are many people from Anchorage who find Prince William Sound is a refuge, or, you know, again we're looking at Kodiak and Homer. That's a refuge for -- for many, many people here in the State of Alaska.

And as the fishing industry is shifting, we are going to have to recognize

that there might be another industry out there that we have to welcome in these smaller communities, and that is tourism. And tourists do not like to come into a place and see clear cuts. I know this for a fact, because I'm from areas where that has happened. And tourists want to -- want to -- they come from around the world to see the beauty that's here.

And while logging, you know -- I mean, I use paper just like everybody else. The logging practices that are going on right now, just because of the lack of forest practices act in the State of Alaska, which makes what's going on very legal in Cordova, it's detrimental to the tourists -- to the tourist trade.

So I would encourage you as a body of men to seriously consider the habitat acquisitions as a -- as a viable plan for the use of the monies. Thank you.

MR. PENNOYER: Any questions? Thank you very much. Who's next?

Yes, ma'am.

MS. BRODY: Okay. Thank you, Mr. Chairman, and members of the committee, I'm Pamela Brody with the Sierra Club, and I'd like to talk about several things.

First of all, thank you very much for listening to us, and I appreciate the concern voiced by Attorney General Cole and others for the importance of keeping down administrative costs and that the money should be spent on restoration.

I am concerned about cutting the science. I think that -- that it's important that the decision about what should be cut, if anything should be cut, that -- that there be peer review on this, and that independent scientists, perhaps the National Academy of Scientists, should be involved, should give the Council input on what is the -- the most

important sorts of science that needs to be done. We -- we're not saying that -- that every data -- all the data that's collected that it necessarily all needs to be interpreted, but it certainly would be a worry if some it is never interpreted.

The second thing I'd like to speak about is some people who have testified have talked about using oil spill restoration money for local oil spill response. And while the local oil spill response may be an excellent idea, I agree with the last speaker that the restoration money is not an appropriate use for these funds, that I think they -- a better source of funding for that would be the 470 fund that oil spill response is part of oil company doing business, and that all the oil companies should be contributing to that.

And lastly, and most importantly, I would like to agree with and expand upon what many people have said, that the acquisition of land and fish and wildlife habitat should be a major use of the funds for restoration, that we can't restore the damaged species and damaged ecosystems if we are continuing to damage them further.

Attorney General Cole asked a question of one of the witnesses about should -- is it enough to just buy timber rights.

MR. COLE: I was just going to ask you that also.

MS. BRODY: As you know, very often the timber is owned by a separate corporation from the land at this point, but those are short-term contracts, and the companies that own the timber have the right to cut the trees for a certain number of years, maybe ten years or so. So if we just buy timber rights, from those companies, then we only have the rights for a very small number of years, and we would certainly like to see more permanent protection than that.

It does not -- from our point of view, it does not have to be land acquisition. We would like to see total fee simple acquisition, but that I think would depend very much on the --the owners, and if the owners of the land do not want to do that and want to maintain ownership of the land, there still are other options such as conservation easements in which the owners of the land could be managers of their land and owners of their land, but that they would agree to certain long-term protections.

Also, some people have talked about -- about spending some money up front for options including the gentleman from Shearstone, and we agree that -- that this would be a good use of the early money that comes in would be for options and not just the Shearstone timber rights, but in other areas including Montegue Island and -- and other areas outside of Prince William Sound.

In fact I -- I would like to also say regarding other areas that -- that the species that were damaged and the recreation values that were damaged are existing in Alaska beyond the actual places where the oil hit the beaches, and so we should think of that when we're looking at -- at what areas to protect.

And also I would like to agree with some other people who have spoken that -- that the RRCG should have a special subcommittee about land acquisition.

Thank you.

MR. COLE: I have a question or two.

MR. PENNOYER: Mr. Cole?

MR. COLE: Ms. Brody, let's -- if you don't mind, I'd like to ask you a few questions about the land or timber acquisition.

Down the road, you know, as I recall those installments being paid by Exxon

will be about \$90 million a year. How much of that \$90 million each year would you think should be spent on the land acquisition?

MS. BRODY: The Sierra Club doesn't have a policy on -- on a percentage at this point, but we would certainly like to see a very large percentage of that

MR. COLE: Do you mean

MS. BRODY: money going towards the.....

MR. COLE: 75 million each year to be on land acquisition?

Is that what I hear you saying?

MS. BRODY: That -- that would sound like a good sum, yes.

MR. COLE: Okay. And -- and how -- how much per acre is this land being offered for sale for out there in the Sound or where we're talking about?

MS. BRODY: The only place where -- where we have a price is in Kachemak Bay and there -- that, as you know, those negotiations have been going on for a long time, and -- anywhere else prices would -- would need to be negotiated and it

MR. COLE: Have you got

MS. BRODY: it would vary tremendously.

MR. COLE: Well, but have you got some amount? is it 5,000 an acre, 1,000 an acre? What -- what are we talking about when you say "buy land"? Or "We urge you to buy timber out there or buy land"? I mean, how -- how much per acre are we looking at or?

MS. BRODY: Again, it would be such a wide range if you're talking about land on Montague Island that has timber, it -- the timber itself is very valuable,

although it's -- it's hard -- the access is difficult. Other lands that don't have timber at all, but are facing subdivision threats, then the price per acre might -- would be much lower. I don't know, and I would love to know. I would love to be able to answer that question.

MR. COLE: Maybe by next time or so you could get some numbers for us and?

MS. BRODY: Well, it's -- it's

MR. COLE: It would sort of give us

MS. BRODY: really more the owner's.....

MR. COLE: a sense of -- well, but just give us a sense about how much money we're talking about, because it's hard to really even evaluate your suggestions, and -- and the suggestions of many other people for timber and habitat

MS. BRODY: Uh-huh.

MR. COLE: acquisition until we get a sense of -- I mean, how much are we talking about, if nothing else, per acre, you see?

MS. BRODY: I -- I think Mr. Rick Steiner who is here from Cordova could answer that

MR. COLE: Okay.

MS. BRODY: better than I have, 'cause he's done some research. But I would say again it's the owners of the land that are going to have to give their prices.

MR. COLE: Thank you.

MR. PENNOYER: Further questions or comments? If not, thank you

very much. Who -- who is next, please? Yes, sir?

MR. RUSHER: Yes, I'm Jerry Rusher with Rusher's Services. And I have a project that I'm working on, but I'm not going to take the time right now, because this time is very valuable.

I'd like to possibly introduce this pamphlet that's been out for two years on restoration, and possibly save you people a lot of money on the project that you're going to work on right now. And some of the headings in this pamphlet is "The Law and Restoration," "What is Restoration," "What is the Restoration Planning Process," and "How You can Participate". And this pamphlet has been out for two years.

And I have one question for Ernie Piper. What has been the percentage of public participation from this two-year pamphlet?

MR. PIPER: Mr. Chairman, I don't

MR. PENNOYER: Mr. Piper?

MR. PIPER: know, because I haven't been involved in restoration until recently. I could find out for you, Jerry, but I've just been working on the spill itself up till now.

MR. RUSHER: Okay. I -- I just feel that this might save this group about a million dollars.

MR. GIBBONS: I might try to answer that. That was prepared by the restoration planning work group for the 1990 public meetings as an informa- -- an information leaflet, and we visited many communities with that leaflet and got feedback. That was incorporated in a -- in a document that was published later that year.

MR. RUSHER: Yes, but you're talking about doing a duplication

right now of a lot of dollars.

UNIDENTIFIED: Hear. Hear.

MR. RUSHER: That's all I have to say.

MR. PENNOYER: Any questions from the Trustee Council of Mr.

Rusher? Thank you very much. Who's next, please? Yes, sir? Jeff?

MR. PARKER: Thank you. Seated before six gentlemen behind a bench reminds me I guess of either being in front of the Ninth Circuit or a committee of the U.S. Senate, both famous men's clubs.

My name is Jeff Parker, and I'm speaking in behalf of the Alaska Sport Fishing Association, Trout Unlimited and the Wildlife Federation of Alaska.

The first point I'd -- I'd like to make is that we would support and -- using Trustee -- trust -- the Trustee's recovery here, or the money from the settlement, in principle we hope you would consider using it to endow a trust fund. You may reach a position where you can do a lot more good with expenditures of interest rather than of principle.

I have three points briefly I would like to make, and basically this -- what I wish to say is organized a mnemonic, the number three.

The first point is that I think the fundamental question that you're facing is what sort of lands or interest in lands to acquire in terms of equivalent resources.

Equivalent resources I believe can be viewed in three contexts. One is resources that are equivalent in resource or ecosystem type.

Equivalent can also be viewed in a second context. It can be viewed resources that are equivalent in non-use value. That's the intrinsic value that created a lot of --

of the power to settle this case. In technical terms, existence, option and bequest value, and I believe you're familiar with those terms.

Thirdly, equivalent resources could be viewed in terms of what is equivalent in use value? That is in the context of recreational use value under the NARDAP (ph) circle of regulations.

The second major point, and I guess at this -- the second major point that I'd like to address is what ways I think should you avoid in wasting money, or what should you do to avoid wasting money. I think there are three ways in which you can waste money. One is, and I echo some of Attorney General Cole's concerns I believe here, that excessive studies that are narrowly focused where the information is not transferrable either to other spills or identifying what we would do with restoration monies are probably basically studies that will sit on the shelf and keep government employees employed and do nothing towards helping us to spend these monies wisely.

Thirdly -- secondly, excessive attempts to restore what can't be restored is another very good way to waste money. We've seen proposals for rye grass restoration. I think we have two rye grass sites in Prince William Sound where that's even technically con- -- worthy of consideration. I -- obviously much of the intertidal zone is not a habitat that is conducive probably to restoration, although I'm certainly not a biologist competent to answer that. But that type of expenditure is probably -- is perhaps an arena where you can waste money.

Where does it make sense to -- to spend money, I think that you can -- you ought to establish a standard, this is a third point, a fundamental point of what I am trying to say here is that a standard ought to be acquiring lands or interests in lands

that are valuable for habitat or -- or resource -- or resource use purposes where those lands face a clearly identifiable near or long-term risk to those resource values or use values and where those lands or their habitats or uses bears some relationship to the injuries occasioned by the spill.

Three elements again. One, valuable for habitat or resource use value. Two, face a clearly identifiable near or long-term risk to those habitats or use values. And, three, those lands bear some relationship to the injuries occasioned by the spill.

Now, nowhere in that did I say that those lands -- that that criteria or that three-part standard has a proximity test. And you'll find no proximity test. We hear a lot of discussion about buying right where the oil -- or flowed in approximate to where floating oil went. Nowhere in -- in the natural resource damage assessment regulations is there a proximity test. And I think a standard along the lines I've suggested is one that is more compatible with what the law requires here.

Those are the three points, each organized the mnemonic three. If nobody has any question, I'll suggest some. Steve?

MR. PENNOYER: Does the Trustee Council want to hear Mr. Parker's suggestion or ask our own questions?

MR. COLE: Well, I'd like to hear his suggestions.

MR. PARKER: Okay.

MR. PENNOYER: Go ahead and ask yourself your questions.

MR. PARKER: Great. Thank you. They're also organized around the number three. Three times three. There are nine of them. Quickly.

One is what areas are reasonable for consideration of expending -- of spending

money for purposes of acquiring lands or interests in lands? I've suggested a criteria, and I've also suggested that proximity is not the test. Obviously all of us I suspect favor spending money all or mostly in -- in Alaska. What I think, if -- if you look at the risk criteria, that element of -- of a standard, that is, that we shouldn't -- if we lost a diamond, we shouldn't buy spaghetti with it. And the -- the risk criteria means that we ought to be thinking about lands that are basically in the southern drainages of Alaska. Those are timber from Southeast to Afognak and where the risk arises from timber harvest. And we ought to think about habitats where the Forest Practices Act is -- instances where the Forest Practices Act is demonstrably insufficient for protecting the resources that we're concerned about. And I said demonstrably insufficient, because there will be times when it will be sufficient. And I think there are value -- there's value for coastal strips and scenic quality similarly arising out of timber issues.

There's also from Kodiak west to the Kuskokwim and up the Kuskokwim to the Aniak a lot of land that is -- that -- that is private and -- and owned by land rich, cash poor village corporations where the only source of income is incremental recreational disposal. And already three corporations have embarked on that tract -- that track, and that is something that creates a threat not only for conflict between subsistence and nonsubsistence and commercial use values, et cetera, related to various resources, but changes the nature of the recreation industry, changes -- and threatens particularly sensitive stocks such as brown bear or trout species.

My second question that someone might ask is what is the -- we often talk about the area affected, and I think that's often an ambiguous thing, so -- so I'd like to address what is the area affected by the spill. And I'll basically leave it as I think

it's an unanswered and not a sensible question to ask. It's an unanswerable and not a sensible question to ask. And that arises from the fact that many of the critters that utilize the areas where oil had an impact on habitats or biology, those critters are migratory in nature. One of the best examples in this instance is the yellow billed loon where they suffered, as some of you probably know, a fair degree of mortality in terms of their Alaskan population, and that's an Arctic -- I mean a North -- a North Slope nester.

Is the North Slope in the area affected by the spill? I think that -- the unanswerability of that question demonstrates the point.

The third thing, Mr. Cole's question, what does restoration mean? Or maybe it wasn't yours, but I think one of the things is we -- always keep in mind it means restoring both resources and services. And services are defined in terms of -- of a number of things, but including use values and biological relationships. But that is -- I want to emphasize that we should be focusing on restoring both resources and services as the law provides.

Fourth point, or fourth question, if you should spend money early, should -- what should you spend it on? The options idea I think is a real good one. We would support that.

Fifth. I can't read my writing here. Oh, yes. A major problem -- well, I'll come back to that. I'm going to substitute a fifth.

Timber rights. Timber rights, Mr. Cole asked about timber rights. The appraised values, the two appraised values on 23,000 in Seldovia -- 23,000 acres of timber land -- timbered land in Seldovia -- Seldovia, at about 20 million and the State at about 12. Those divide up at about 1,000 and 500 respectively per acre. About 7,000 of the

acres were treed with commercial trees. So that's roughly ballparking the nature of large block acquisitions where -- perhaps ballparking the nature of large block acquisitions where some of the land, where it is mountainous, as it is throughout Prince William Sound, Seldovia, where it is mountainous, and only a percentage -- only a small percentage of the land is treed with commercial trees.

MR. COLE: Excuse me, you're saying 1,000 to 2,000 an acre?

MR. PARKER: I think -- well, if you -- yes, if you the -- some of those acres are in fact much more valuable than others and others are close to valueless. That's the nature of the game when you have trees being a low land, I won't say animal, a low land presence.

With respect to your question, Attorney General Cole, to Pamela Brody on how much would you support spending on resource acquisition or acquisition of lands or interest in lands, I think \$75 million, her answer, was reasonable. We would support higher. We want to see permanent benefits, not temporary benefits in terms of employees' paychecks.

And I guess I'm running out of my nine questions here, but the last one I think is the conundrum that you're all faced with, and -- and the public is faced with, and that is how do you make decisions when science and economics are not public. That's probably going to be the greatest issue you all face and I think until such information is public, we'll have a difficult time. But I'll comment on that later.

Thanks. Round two. Any more questions?

MR. PENNOYER: Do you want to ask any more questions, or --
Commissioner Sandor?

MR. SANDOR: Well, I guess the -- yeah. I very much appreciate the specificity of your -- and the obvious scientific thought that went into this presentation, and I trust that the restoration group is going to be utilizing those and other kinds of thoughts.

With respect to your support of an endowment or trust fund, can you elaborate on that, and would you offer some suggestion of a level of a trust fund or endowment that might be established?

MR. PARKER: I prefer to think before I stick my -- stick my foot in my mouth. I think that a level -- I think that a level of endowment is -- I assume you mean a final number. I think that anything we don't need urgently to spend, we ought to put in a trust fund as a basic principle. I hope that's

MR. SANDOR: And what would be your definition of urgent?

MR. PARKER: (Loud speaker problem) Probably not that.

MR. SANDOR: What's your definition?

MR. PARKER: Probably -- that was a good -- did you get that?

MR. SANDOR: Well, seriously?

MR. PARKER: I -- seriously, yeah, I think that the -- the thing that is continually help up to the public is timber harvest. We're faced with the primary mill in bankruptcy right now. We have I think one on-going operation, or two. Either Two Moon Bay or -- and the one that's been discussed. And Afognak has some timber operations going on now at about 1,000 acres or 750 acres a year I believe, but my numbers are probably poor. I think that where you have a very important resource conservation issue being threatened by those timber harvests, I think you ought to go out and buy options and

do it fast. But I think -- I think a number of you who have worked in land exchanges and I know -- I see three of you have at least, know that the process of negotiation -- the process of negotiation is one of intimidating governments, and I think that you're capable of dealing with that.

MR. COLE: Help me with my math a little bit. In -- in two -- we're talking about two -- \$2,000.00 an acre at 90 million, how many acres would you get for 90 million?

MR. PARKER: 45,000.

MR. COLE: 45,000. So we're dealing with 900 million, but we have how much, 100 million, 150 million in expenses. So -- even if at 900 million, you get 450,000 acres over a

MR. PARKER: At -- at 2,000 an acre, say you're talking trees only, we aren't talking mountain tops, and we're buying carefully, I don't know if 2,000 an acre for number two saw

MR. COLE: (Indiscernible, simultaneous speech)

MR. PARKER: logs is appropriate.

MR. COLE: how much land we would get?

MR. PARKER: On trees? On buying trees?

MR. COLE: Buying fee simple land?

MR. PARKER: I -- I'm not competent to answer that.

MR. COLE: (Indiscernible) I'm just doing the simple math.

MR. PARKER: Right. I -- I think you're probably -- you know, it's simple math, somewhere in the rough ballpark -- I really can't say. I really

hesitate, and I just -- anything I say is going to be useless, so I'd rather not do that.

However,

MR. COLE: No, it hasn't been.

MR. PARKER: Okay. Well, anything I say on how many acres would be useless. I could spend some time and certainly Ms. Brody could.

One thing though I guess in this context is that buying -- buying trees that are going -- that provide important habitat or use values, is more expensive than buying other lands that are untreed and don't have a per acre commercial use value, and that is the instance when you go from Afog- -- from Kodiak west. The land in gross from Kodiak west, which has no commercial tree -- commercial timber harvest value, has a much lower per acre value, because only small, tiny increments to wilderness recreation cabin folks, would buy.

MR. COLE: But -- but much less utility?

MR. PARKER: Yeah, it has much -- well, that isn't to say it has much less utility from a conservation purpose or necessarily from a resource -- from a restoration purpose if we're talking about certain type of use values.

MR. COLE: Agreed.

MR. PARKER: Or perhaps also intrinsic values.

MR. PENNOYER: Further comment or question? Thank you, Jeff, very much.

MR. PARKER: Sure. Thank you.

MR. PENNOYER: Susan, did you want to go next? Yes, thank you.

MS. RUDDY: Thank you, Mr. Chairman and members of the Council. I

am Susan Ruddy. I'm with the Nature Conservancy of Alaska, and I will be very brief. I think the groundwork for what I have to say has been laid very thoroughly tonight.

I do have a mnemonic of my own, however. The Nature Conservancy also has a triad that we operate within. We believe very much in establishing the process and develop the information and taking action within that context. What I would like to propose tonight to you is also within that context.

I would like to suggest that you establish a subgroup, which has been suggested already several times tonight. I think that subgroup should address the fact that there are some private lands which will be critical to restoration, and that some of those private lands are also probably subject to imminent develop- -- development, excuse me, probably in the form of logging. From what you've heard tonight and from what you already know, some of these threats are very imminent, and I don't mean to use threat in a perjorative way. The -- the need on the part of the logging companies to move on their contracts is imminent. So the action that has to be taken is also imminent.

Therefore, what I'd to see is the immediate establishment of a subgroup of the -- the RRCG to deal with this. And I think that a charge to the subgroup might include the immediate development of a framework for various methods to buy time, which is has also been suggested already tonight, and that special attention should be given in this context to the development of criteria and to the valuation issues.

I also think that a charge to the subgroup should include the establishment of procedures for determining appropriate approaches to the -- to restoration on private lands in the oil spill area. What I mean by that is whether short or long term or in fact perpetual protection is required, whether you need to acquire fee or less than fee in some

instances in order to accomplish your goals, and issues like that.

I also think the charge should include the determination of types of information which are necessary for the trustees to make these -- these kinds of decisions.

I think that in the short term, over the next few weeks if possible, this subgroup should take in effect the form of a hit team, that you should bring the best of the best to this effort, and bring the people you have in your agencies who can address these issues very immediately and set up the context which can then operate in the long term. I think among these, the kinds of expertise that need to be brought to this issue would -- you would need an appraiser, probably an attorney, a biologist, a realty specialist, and I would say probably a resource economist.

I think that -- I think I'm the last person to testify tonight. I didn't see another hand go up. And I think the Trustees have a wonderful opportunity. I'm not quite sure how -- how you accomplish something like this procedurally, but I think you could wind up this meeting tonight by responding to the kinds of things you've heard certainly tonight and I'm sure prior to this, by taking the action of establishing this subgroup and send a message to the people who have been approaching the Trustees and who are concerned about this issue by taking such an action immediately.

Thank you very much.

MR. PENNOYER: Thank you very much. Mr. Barton?

MR. BARTON: I don't have a question, Susan, I have a comment. I -- I think the -- the Council ought to establish such a subgroup, I don't know whether it needs to be a subgroup or a project within the restoration activities, to look at this

question and -- and help the Council evaluate some of the proposals that have been made. I do think we need to establish a very deliberative process.

This is not something that the Council -- the presettlement council did some work on this question, I think in the last program of work established some criteria, some guidelines. Those were published in that document that nobody reads, Charlie, the Federal Register I believe in March of '91. I think that the group that we establish needs to recognize and build on that prior work.

I -- you know, I find myself confused to some extent. Much of this private land that we're talking about became private only in the last 20 years. It was public land prior to that, most -- a lot of it. And here we are, we're talking now about making it public land again. And -- and here we are in a state that's largely publicly owned. You know, it seems to me we need to reconcile all that in our mind as -- as we go forward.

I don't doubt that there may be some very specific areas that are very important to -- in -- in terms of habitat protection, and Susan has suggested some other measures than acquisition. I think we need to look at the -- the spectrum of measures that are available to us to once we have identified those critical spots as to how best to protect them, and that range may be all the way from conservation easements to acquisition of partial interest to fee title. I don't know, but I -- I do think we need to go through a very deliberative process and I need some help in reconciling the public policy issues of making private -- or taking private land and making it public land in a state that's largely publicly owned.

And I do think, too, some -- Jeff I believe mentioned the Seward mill. I haven't heard anything from Seward as to how Seward may view what we're talking about,

too, and I think we need to hear that. So with that long-winded speech, I.....

MR. PENNOYER: Mike, was that in the form of a motion?

MR. BARTON: That's what I was going to say. I'd move all I just said.

MR. PENNOYER: Do we have a -- do we have a second?

MR. McVEE: I'll second.

MR. PENNOYER: For purposes of discussion, Mr. McVee?

MR. McVEE: Yes. I guess I seconded the motion because I'm supportive of the idea of -- of mobilizing, you know, some type of a habitat acquisition subgroup or as a -- as a sub-subgroup to the restoration planning, wherever, because I guess it -- that what -- what we're hearing, and what we've heard in a -- in a couple of the -- you know, the public meetings that we've had -- meetings we have, is a lot of interest in this, and I guess like Mr. Barton, I think we need, you know, to develop some criteria that we can utilize in the acquisition program so that we -- that we can be assured as decision makers that we're getting the -- the most -- the most for the dollars that we will be spending in that area. So I guess I would really support that idea.

I think that Dave has given this some thought and maybe he would make a comment?

MR. GIBBONS: Yeah, I've informally discussed this, and some -- some members have -- have discussed this with me about the formation of a -- we're not quite sure what to -- what to title it, the restoration habitat subgroup, land use subgroup, or -- or whatever it is. But we've had some informal discussions. And I -- I'm asking the -- I've heard a motion on the -- by the Trustee Council to -- for me to -- to

direct me to -- to form -- form this group and get it moving.

MR. PENNOYER: My interpretation of the motion that it includes is in your previous motion you were asked to use your good offices -- offices to go to the various agencies and get the expertise necessary to do that, and I guess it also encompasses as well.

Commissioner Sandor?

MR. SANDOR: Yeah, I would speak in favor of the -- the motion.

I do have a question of Susan. You suggested this hit team or hit group would examine areas. What geographic area of Alaska would you cover? The whole State or -- or part of the State or?

MS. RUDDY: In this context I would assume that you'd be looking at the oil spill -- oil spill affected area.

MR. SANDOR: Okay.

MR. PENNOYER: There's a gentleman in the audience who held his hand up. Is it to testify on this specific item we're addressing now?

MR. HULL: No, I'd just like to make a comment before we -- we finish up.

MR. PENNOYER: Okay. We won't adjourn until we've got everybody's comments.

But is there further discussion on this matter at this time? Is there any objection to the motion and proceeding rapidly in this direction with hopefully that as part of your report for our next summary.

MR. GIBBONS: Okay. Can I -- can I make one comment? It might be

appropriate to start with the oil spill area first. I -- I know some people would like us to look at the State of Alaska, but I mean, the oil spill area is -- is large in itself, and I think as a starting point that might be a logical

MR. SANDOR: Well,

MR. PENNOYER: Commissioner Sandor?

MR. SANDOR: One -- one other -- excuse me. One other thought. I -- Mike's motion was large enough really to accommodate things that perhaps weren't even said. But I -- I that the -- the thought that I have is -- is to look at this matter of -- of the amount of funds proportionately to the total settlement. That seems to me is a valid kind of a question and it -- and in relationship to other kinds of -- of funds that restoration or other purposes, and including the endowment, but I very much appreciate the -- the suggestion that was given.

MR. PENNOYER: Mr. Cole, did you have a comment?

MR. COLE: No, I think Commissioner Rosier had a comment?

MR. ROSIER: Well, I was -- I was just thinking, and I think that this is a good -- a good direction that we're headed in here. I -- the concepts that have been put forth here tonight kind of stagger the imagination a little bit. I mean, there's a lot of ideas that have been put on the table as far as land acquisition is concerned during the course of this meeting tonight, and I for one certainly would desire the help of a -- of a subcommittee. It kind of begins to give us a little direction on this and -- and help on it. It's an excellent idea and it -- and we've heard suggestions that range all the way from the Lower 48 to all of Alaska to the oil spill areas. So my personal leaning certainly at the present time I think as an initial step, because of some of the

public testimony we heard from some of the communities tonight is that it -- that it really be a focused effort on pretty much the spill area itself. And that's not to rule out that, you know, further looking into areas outside of the spill area, but certainly initially the spill area would be my choice.

MR. PENNOYER: Mr. Cole?

MR. COLE: Well, I -- I just look at these thoughts of spending, you know, the great bulk of this money on acquisition of habitat as we've somewhat euphemistically expressed it, but then on the other hand they say we must continue all these studies to see what the effect on the animals and the fish and so forth has been, like \$20 million here. You know, if we're going to really look towards spending most of this money on habitat acquisition, or land, timber or whatever we say, then, you know, we should be -- give ourselves pause to spend all this money on these studies that we're talking about. See, it's a little bit incongruous to look at both at the same time. So I just throw that out as a food for thought if it's edible.

MR. CARLYLE: Should I -- could I comment on that very briefly?

When I -- when I was talking before about ending studies, I was specifically more talking about the restoration studies that are on-going, to actually combine the two things just as you're talking about, which is to look at which kind of habitats, for example, required by harlequin ducks or mottled marmots, species of concern. What are the critical habitats, so that we don't just go out and buy everything that's out there, but in fact we focus attention on the -- the few or small areas that are really truly critical habitats for them.

MR. COLE: But, see, what I'm saying is if you look at the -- you

know, the amount of oil in codfish, say, that has very little relationship as I see it. I'm not objecting to any of these. I'm in favor of continuing these studies, but taking a hard look at the ones we really want to go forward with, you know. But as I say, we'll want to make sure that we're not spending a lot of monies, too, on -- on how much oil is in codfish, if we're really thinking about spending, you know, the major bulk of the money to buy habitat. It's just an observation. It's probably not worth more than that.

MR. PENNOYER: I believe we had one -- any more questions of Susan or observations?

MR. ROSIER: Just -- just another observation I think in regard to the testimony that I heard here tonight anyway. I think that what I heard was the continuation of studies that supports a good decision process within the group as we proceed down this restoration path. And it just seems to me that that makes -- that makes good sense to me anyway, that that's -- that's the path that we in fact follow. I think that to -- to do otherwise, we'll end up as we've frequently said that we didn't want to -- in a manner in which we've frequently said we didn't want to end up, without much -- much to show at the far end of the program here in -- in ten years. So I -- I think that we've got to have that.

I think ultimately we're going to end up with a -- with a cross section of restoration projects. I think we heard the ideas tonight of an endowment. Obviously some of the money is going to have to go there. At least in my mind it does, certainly with the concurrence of my fellow Council members. Certainly some of it's going to have to be research. It seems to me some of it's going to have to be land acquisition, and who knows what other areas we may be looking at, but I think people have to take that into

consideration now that there were some resources that were severely impacted out there and we've got to spend some money on direct restoration of those resources that were directly impacted as well, not just looking down the road in terms of habitat issues, that type of -- and those types of activities. So I see a blend of projects coming out of this process quite frankly.

Thank you.

MR. PENNOYER: Thank you. Are there any further comments from the Trustee Council on this issue? Thank you very much, Susan.

MS. RUDDY: Thank you.

MR. PENNOYER: Yes, sir, you wanted to testify before we adjourn tonight?

MR. HULL: Thank you very much. My name is Conrad Hull and I'm from Wasilla.

One of the questions I have here as I've been watching, that everybody's wanting to buy up all this land. I guess the concern is are we trying to restore Prince William Sound, and that means all areas affected by the spill, back to what it was before the spill, or are we trying to turn it into another state park, trying to, you know, have all the private lands that's been -- it's taken years to get into the private hands, all back into the state again? And that's one of the questions we have to ask, are we -- is what we're trying to do is turn it into another park?

And that's all I have. Thank you.

MR. PENNOYER: Any comments by the Trustee Council? Your question at this stage without developing criteria and going through the process we've set up is

probably not answerable. Mr. Barton did answer -- ask that question in a way as well, and we're going to have to deal with it. But

Yes, sir, one more?

MR. STARR: Gentlemen, my name is Tom Starr.

It's amazing that oil was spilled in Prince William Sound to begin with. We've all been through the pain. I worked the spill. I worked afterward with the people in Whittier on their winter oil spill project.

Restoration is a very, very important thing to look at, to oversee. The importance here is not so much how we accomplish it, but that we do accomplish it in the manners prescribed.

The other point that I'd like to make before I let you gentlemen go is this is not just an impact area spill. This affects every Alaskan. I saw thousands of people crawling around in black grease -- black oil. I'm affected by it even thinking about it. It excites me and angers me. This can't happen again, and we've got to protect the areas that have already been damaged.

In order to -- to accomplish this, we need the voice of Alaskans, and I mean people from Barrow. Yes, sir, people in Barrow are affected by this oil spill. It's -- it's a given. People in Fairbanks. The people in Galena. These are Alaskans. Maybe they're only ten-year Alaskans, maybe they're 30-year Alaskans, or their families came across the ice bridge. These are Alaskans and we've got to listen to them.

You have a data base. You have an agency who can draw that base up. Ask the opinion of the people who picked this oil up off those beaches. Ask it and they will sincerely answer you what they think should be done about the restoration process. It's

important. And I leave it in your hands.

Thank you.

MR. PENNOYER: Questions? Thank you very much. Is there anybody else that wishes to testify here tonight?

I have one more piece of business, gentlemen. Should we discuss -- was one more?

UNIDENTIFIED: Jeff back there.

MR. PENNOYER: Oh, fine. Jeff?

MR. PARKER: I just have one other comment since Attorney General Cole has focused a lot on land values, with respect to nontimbered land there have been a number that will give you some idea of -- of land values tied to the current conditions (ph) of the Cook Inlet land exchange in 1975. (Indiscernible) The State was a party to that land exchange as was (indiscernible) for the federal government and Cook Inlet. That puts about a \$250.00 per acre value on certain nontimbered lands in the Talkeetnas, for example. And those may be comparable to other types of nontimbered lands. There is (ph) once proposed ANWR (indiscernible) similar value (indiscernible) value of putting (indiscernible). And I guess in that context I would suggest that is another way -- one way of placing money to buying very important -- land that is very important for habitat or use values but places no (indiscernible). That's one of (indiscernible).

MR. COLE: Thank you.

MR. PENNOYER: I had one additional piece of business I think we ought to discuss before we quit and that's the time and location of the next meeting. We've made -- several times during the discussion tonight it was apparent that we need to

spend a significant amount of time with the management team, RRCG, and go over the projects, the background for how we got there and how damage assessment injury results may have led us into certain directions on restoration studies or monitoring. And I think we're going to have to set up a full day or a day and a half to do that.

It has been suggested to me that perhaps February 5th and 6th, and this time perhaps in Juneau, would be appropriate with adequate teleconferencing, of course, to accomplish this. And I don't know how long it's going to take. I really can't predict that. I know the last time we got into one of the detail study type processes that Mr. Cole has suggested it did take nearly two days, so if

MR. COLE: Well, I would think if we have 31 let's say close out ones, I was just thinking. If we spend ten minutes on each, which is really hardly I would think enough to any more than touch the surface, that gives us six an hour. You know, we'd take five to six hours to just go through these 31 that we're talking about. I think we need at least a day and maybe more.

MR. PENNOYER: I agree with you. In addition to that we also have the restoration projects and presumably we'll want to see how this blends into restoration monitoring projects and -- and we also have all the other assignments we gave the RRCG that are going to obviously take more than half an hour to cover. So is there any preference for a date? Do we have -- are the 5th and 6th acceptable to the group at least for now?

MR. COLE: Well, I would object to Juneau. I mean, I think -- look at all these people here who have sat through these boring, dull meetings, and yet when we get into the teleconference, there's not one person from Juneau. Now, I think -- yeah,

sure, we've got Mr. Thomas (ph), but I think out of deference to the people who have shown an interest to attend these meetings that we should have them here. I mean, -- does anybody out there agree with me? I got up early and I -- it's been

MR. PENNOYER: I hear what you're saying. I guess I had assumed that we were going to hold them in different places at different times. We've had

MR. COLE: But nobody in -- in Juneau has shown any interest. They don't even come to the teleconference, so why should we try to accommodate them there? It's just -- you know, I mean, I live there in Juneau, I -- I'd like to stay there, too, but I mean, you know, duty calls, too, you know.

MR. PENNOYER: Okay. I hear you.

MR. SANDOR: I think there's some merit in -- in considering Kodiak some- -- sometime. I -- I do not believe we should hold all our meetings here. And

MR. COLE: I was in Cordova last night. That's enough for a while.

MR. SANDOR: So was I.

UNIDENTIFIED: We want to invite you back.

MR. SANDOR: And it seems perhaps logical that with the magnitude of work to be done on studies involved, and -- and one, perhaps two days, that maybe this ought to be in Anchorage, but I -- I do think it's important to get -- get out to Kodiak.

MR. COLE: Well, I think Kodiak is fine, too. I'd go to Kodiak. I just can't see Juneau getting very -- being very high on the priority list.

MR. PENNOYER: I guess in terms of a long-term period of time, I was sort of looking at five of the six trustees being there in terms of the project

reviews we're doing, not as a consistent or on-going thing. If it's going to be elsewhere than there on the 5th, it's going to be a little later for some of us to get there coming from elsewhere even further away. I bow to the wishes of the group. What do -- what do we want to do? Pick the 5th and 6th and?

MR. BARTON: I think -- I think we ought to pick the 5th and 6th. I have some obvious reasons for desiring Juneau, but -- but Charlie is a good conscience in terms of duty calling. I could -- I could go either Juneau or Anchorage. It would be more difficult to get to some other location at this particular time because of some other commitments.

MR. SANDOR: I move the meeting be held in Anchorage February 5 and 6.

MR. ROSIER: Second.

MR. PENNOYER: I'm disinclined to comment.

MR. SANDOR: I withdraw my motion.

MR. ROSIER: I will withdraw my second then. Yes, I do.

MR. SANDOR: I'll reinstate the motion.

MR. ROSIER: Reinstate the second.

MR. COLE: So where are we besides sitting in Anchorage?

MR. BARTON: What's the motion?

MR. ROSIER: That's the motion.

MR. SANDOR: That's the motion.

MR. COLE: No objection.

MR. ROSIER: February 5th and 6th in Anchorage.

MR. McVEE: No objection.

MR. PENNOYER: I'm not going to cancel the meeting.....

MR. GIBBONS: The time?

MR. BARTON: The time?

MR. PENNOYER: by objecting.

MR. BARTON: The time?

MR. PENNOYER: Well, it's -- it's going to be a little difficult to get the time right now. Some of us have travel schedules that go through the night of the 4th as far away as the East Coast, so we're going to have to figure out how -- when we could get here by.

MR. GIBBONS: Okay. You -- Would -- can I try to set that up for maybe an a.m. though start?

MR. PENNOYER: It would be late morning.

MR. BARTON: Late morning.

MR. GIBBONS: Yeah. Late morning?

MR. COLE: We can come from Juneau -- the jet comes from Juneau, be here by ten. Start at ten?

MR. PENNOYER: Some of us are going to be coming from further away than that, so I'm not sure I can start by ten.

MR. COLE: Well, whatever

MR. BARTON: I'm not sure we can make it by ten. Let -- we'll get that figured out.

MR. COLE: Wherever you set -- whatever time, that's fine.

MR. PENNOYER: We're adjourned.

(END OF PROCEEDINGS)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss
STATE OF ALASKA)

I, Meredith L. Downing, Notary Public in and for the State of Alaska, residing at Anchorage, Alaska, and Electronic Reporter for R & R Court Reporters, Inc., do hereby certify:

THAT the annexed and foregoing meeting of the **EXXON VALDEZ OIL SPILL SETTLEMENT TRUSTEE COUNCIL** was taken before me on the 10th day of January, 1992, commencing at the hour of 6:30 o'clock p.m., at the offices of Alaska Public Utilities Commission, 1016 West Sixth Avenue, Suite 305, Anchorage, Alaska, pursuant to Notice:

THAT this Transcript, as heretofore annexed, is a true and correct transcription of said public meeting, taken by me and thereafter transcribed by me;

THAT the original of the transcript has been lodged with the Exxon Valdez Oil Spill Settlement Trustee Council in care of the Alaska State Department of Environmental Conservation, 4241 B Street, Anchorage, Alaska;

THAT I am not a relative, employee or attorney of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 13th day of January, 1992.

Notary Public in and for Alaska
My Commission Expires: 7/3/94

S E A L