

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska

Trustee Council Teleconference Meeting

April 28, 1994
10:00 a.m.

TRUSTEE COUNCIL MEMBERS in attendance:

State of Alaska	MR. CRAIG TILLERY Alternate for Bruce Botelho, Attorney General, Alaska Department of Law
State of Alaska Department of Environmental Conservation	MR. JOHN SANDOR , Commissioner MR. MARK BRODERSON , Alternate
United States Department of the Interior	MR. GEORGE FRAMPTON, JR. Assistant Secretary MS. DEBORAH WILLIAMS , Alternate
State Department of Fish and Game	MR. CARL ROSIER Commissioner
United States Department of Agriculture - Forest Service	MR. MIKE BARTON Regional Forester MR. JAMES WOLFE , Alternate
United States Department of Commerce - NOAA	MR. STEVE PENNOYER Director, Alaska Region

P R O C E E D I N G S

(On Record at 10:14 a.m.)

MR. PENNOYER: I think we might as well go ahead and get started then. I might not -- this is not a palace coup, I'm not attempting to be chairman, but I was asked if I would chair this meeting, so I guess I will. We have Craig Tillery here from the Attorney General Office, John Sandor from the Department of Environmental Conservation, Carl Rosier -- Fish & Game, Deborah Williams for Interior for George Frampton, and Mike Barton is here for a little while longer. (Laughter) So, we have the agenda that I think has been faxed out to all of you. First is the approval of the agenda. Does anybody have anything we need to add to this agenda? I have one item before we get into anything contentious, perhaps we should cover that. One of our members, I know the rumor has leaked out now, has been a member of this body and other similar bodies for sometime, has suddenly announced that he sees greener fields elsewhere. I can't imagine why he didn't want to continue doing this, but he's announced that he's going to retire.

And Mike Barton has been in the process since the very start, the damage assessment period of time and all the work and studies that went on through that that we're basing a lot of work we're doing now on, Mike was there and helped craft and approve and oversee, and of course has also been in this latest evolution since the settlement where we're trying to devise a program to restore the resources that were damaged and injured by the spill. I think all of us leaned heavily on Mike during that period of time, and I know

he's been of the boulders for me, certainly, and spinning ideas off of and talking about them, and a trusted friend and associate to get things done when they needed to get done, and I, for one, am going to very severely miss Mike's presence in this process. I'm sure others feel the same way. And what I'm going to propose is that -- of course, each of you may say what you wish now, but that we draft a resolution of a similar type to what we did for Attorney General Cole, and I don't unfortunately have the words in front of me because Mike caught all of us a little bit by surprise, but I would endeavor to do that and would appreciate your input and would hope that we could have a resolution signed by all of the Trustees to give to Mike to take wherever he's going to go. So, anybody else want to comment on that?

MS. WILLIAMS: Steve, this is Deborah Williams. We certainly endorse your proposal, and we thank Mike for all of his outstanding work.

MR. PENNOYER: Thank you, Deborah. If any of you want to send me some suggestions, I'd appreciate that -- sometime in the next few days. I think Mike's going to go somewhere for a while, so we're not going to get an opportunity to present him with this first hand, but we'll drag him in at some point and do that. Okay, then, if there's nothing additional on the agenda, I think I'll turn this over to Jim Ayers to start with. The first item on the agenda then is pacific herring in Prince William Sound. I think you've all been sent a funding resolution fax, and, Jim, do you want to lead this then -- the discussion of it?

MR. AYERS: Mr. Chairman, members of the Council, as many if not all of you know, the Prince William Sound pacific herring population continues to show not only a significant decline but also indications of disease. It is a viral disease, at least that is what has been diagnosed and reported at this time. What we have done is we held a quick meeting -- it was fortuitous that the Chief Scientist and a number of other scientists were in Anchorage on or about April 15th, as the first signs of problems in Prince William Sound with this year's herring harvest were reflected -- met with the biologists and Fish & Game and the Chief Scientist, as well as other peer review scientists, to discuss the issue of the herring problems in Prince William Sound. Fortunately, we also had a couple of members of the public available at that time. The recommendation by the Chief Scientist as well as the Department of Fish & Game -- the recommendation emanated from Evelyn Biggs of the Department of Fish & Game -- to propose that we put a pathologist on site and begin to do a full-scale investigation to determine if the viral infection is in fact continuing to spread and to ascertain if the disease is the cause of the weakened run or its an opportunistic pathogen at this time that is present in the population that is already weakened from other causes. As you know, there was no record of VHS in the Sound herring prior to 1993, or at least none recorded, and there were substantial herring harvests at that time. The proposal before you is that we transfer funds from already existing projects, specifically from Project 94320, which has available funds as a result of a savings from the

vessel charter bids which came in under expectation -- or under exactly what was budgeted -- and also some funds from Project 94139, which was an in-stream enhancement program, and that particular portion was at Port Dick. The proposal is to fund the herring project by utilizing the funds from those two projects. Both the Chief Scientist and I highly recommend this, and in fact, I must say, have taken action to move this project forward.

MR. BARTON: Well, Mr. Chairman, I move we accept the recommendation of the Executive Director and the Chief Scientist.

MR. ROSIER: I second it.

MR. PENNOYER: It's been moved and seconded. Is there any further discussion? Is there any opposition to that? (No audible response.) Okay, then we need to sign this resolution, do we then -- or, since everybody is on line, we don't really need, do we not -- this motion passed?

MR. AYERS: That's correct, Mr. Chairman. And not knowing if we were going to be able to get everybody on line as soon as possible, we had prepared the resolution, but the motion is -- is sufficient.

MR. PENNOYER: Okay, Jim, thank you very much. The other item for today is an executive session to discuss habitat protection and acquisition strategies, and I'm unclear as to how we are going to do this. I think probably what we need to do is actually disconnect and come back in the executive session. Mr. Ayers, do you have something set up in regard to that?

MR. AYERS: Mr. Chairman, I actually have to seek

counsel, so to speak, both in the professional and also the staff has -- it's my understanding, Molly, that the bridge operator is prepared to accommodate the executive session by disconnecting the various LIO's and then reconnecting them when we come back -- reconvene into public session, is that correct?

MS. MCCAMMON: That is correct, assuming the Trustees are all comfortable with that process.

MR. PENNOYER: I'm not sure what other process we would use, Molly, except to disconnect, come back, and then reconnect after.

MS. MCCAMMON: Right. That would be the other option.

MR. AYERS: That is the --

MR. PENNOYER: The Executive Director presented you with that option. I didn't hear the alternative.

MS. MCCAMMON: There are two alternatives. One is for everyone to completely disconnect, and then the bridge operator would just reconnect the Trustees. The other option is for the bridge operator now to disconnect those we do not wish to include on this portion of the teleconference.

MS. EVANS: We would go to a different bridge operator. We would go to an Alascom bridge operator if you were to disconnect, separate completely from the LIO network.

MR. PENNOYER: Not understanding the fickle niceties about all this is, what we obviously want to do is something that's reasonably quick and creates an atmosphere conducive to an executive session, Molly, so I don't know what you're advising us.

I thought we were just going to disconnect entirely and then reconnect as the best of doing it.

MR. TILLERY: This is Craig Tillery. I would feel more comfortable, I think, if we disconnect and then had the Alascom operator reconnect us.

MR. PENNOYER: Thank you. Why don't we proceed in that fashion. I thought that's what we were going to do anyhow, and then we'll discuss how to reconnect when we get done with the executive session.

UNIDENTIFIED VOICE: Fair enough.

MS. EVANS: Okay.

MR. PENNOYER: If everybody will hang up right now, and then we'll get reconnect.

MS. WILLIAMS: Then, Molly, we are to assume then that a call will come to us to reconnect, is that correct?

MS. EVANS: That is correct.

MR. PENNOYER: The meeting is in recess, not adjourned.

MS. MCCAMMON: For approximately five minutes until you will be reconnected.

MR. PENNOYER: Thank you.

UNIDENTIFIED VOICE: Thank you.

(Off Record at 10:24 a.m.)

(On Record at 12:55 p.m.)

(James Wolfe is seated in place of Mike Barton for this portion of the meeting)

UNIDENTIFIED VOICE: Good afternoon.

MR. PENNOYER: Okay. I think we've got all of the Trustee Council members. Are we still waiting on Cordova?

BRIDGE OPERATOR: This is the bridge operator. Cordova is on line and George Frampton's office in Washington, D.C. is on line also.

MR. PENNOYER: I guess we're ready to proceed then. This is Steve Pennoyer. We've got a full complement of Trustee Council members or alternates, and we are returning from the recess we took from the meeting which commenced at ten o'clock this morning. The recess was for executive session to discuss habitat protection and acquisition strategies, and I'd ask is there a motion from the Trustee Council members in this regard?

MR. WOLFE: Mr. Chairman?

MR. PENNOYER: Mr. Wolfe.

MR. WOLFE: I believe I have a motion that I would like to make at this point in time. I'd like to make a motion that the Executive Director work with representatives from the Forest Service, Department of Law, Department of Environmental Conservation to draft a letter to Eyak Corporation, Sherestone Corporation, expressing the Trustee Council's interest in protecting habitat owned by the corporations that are of particular interest to the Trustee Council in protecting special interests -- there -- imminent activities that would affect habitat in the near term.

MR. ROSIER: Second.

MR. PENNOYER: Okay. Is there any discussion of that

motion? This would be prepared in the short term then? This is an immediate thing.

MR. WOLFE: We need to get that out the next day -- the next few hours -- so that it can go to the representatives to these corporations prior to their board meeting tomorrow if at all possible.

MR. PENNOYER: Okay. Is there any further discussion of this item? Is there any objection to the motion and proposed activity? (No audible response.) Hearing none, it has been passed. Is there a further motion?

MR. WOLFE: Mr. Chairman?

MR. WOLFE: Mr. Wolfe.

MR. WOLFE: Another motion that the Executive Director prepare a current status report on habitat acquisition efforts that are under way currently for the Trustee Council's instructions and bring those back to the Trustee Council next session.

MR. PENNOYER: Do I hear a second?

MR. ROSIER: Second.

MR. PENNOYER: It's been moved and seconded. Is there further discussion, Mr. Wolfe?

MR. WOLFE: It's just that I believe that we need to catch up on exactly where we're at in negotiations on all the activity -- on all the negotiations that are going on at this point in time and ensure that the Trustee Council is -- understands the negotiations and the scope of the negotiations that are going on.

MR. PENNOYER: Is the intent that we do this in the near

term, perhaps in the next week or so?

MR. WOLFE: I would hope that we could do this fairly soon -- maybe as early as next week.

MR. PENNOYER: And that would constitute a continuation of the business of this meeting, therefore we will simply recess instead of adjourning this meeting?

MR. WOLFE: That would be my preference.

MR. PENNOYER: It's been moved and seconded that we so instruct the Executive Director of the intent that we receive this type of review in the near term as it affects our discussions of these issues. Is there any further discussion of that motion? Is there any objection to the motion? (No audible response.) Hearing none, it is so moved. Is there further business that we need to take up at this session?

MR. BRODERSON: Mr. Chairman, I move we recess until a later date when we can hear the Executive Director's report on the status of habitat negotiations and whatever other business may come before us at time.

MR. PENNOYER: Is there a second to that motion?

UNIDENTIFIED VOICE: Second.

MR. PENNOYER: Is there any objection? (No audible response.) Okay, if not, then we stand in recess until we meet in the near future to further discuss habitat acquisition strategies.

Thank you all for your help, we'll be talking to you soon. Thank you.

UNIDENTIFIED VOICE: Mr. Chairman?

CERTIFICATE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Linda J. Durr, a notary public in and for the State of Alaska and a Certified Professional Legal Secretary, do hereby certify:

That the foregoing pages numbered 03 through 12 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustees Council meeting taken electronically by Ladonna Lindley, court reporter, on the 28th day of April, 1994, commencing at the hour of 10:00 a.m. at the Restoration Office, 645 G Street, Anchorage, Alaska;

That the transcript is a true and correct transcript requested to be transcribed and thereafter transcribed by me to the best of my knowledge and ability from that electronic recording.

That I am not an employee, attorney or party interested in any way in the proceedings.

DATED at Anchorage, Alaska, this 2nd day of May, 1994.

Linda J. Durr, Certified PLS
Notary Public for Alaska
My commission expires: 10/19/97