

**EXXON VALDEZ OIL SPILL SETTLEMENT  
TRUSTEE COUNCIL**

TRUSTEE COUNCIL MEETING

Mt. Eccles Auditorium  
Cordova, Alaska

June 1, 1995  
1:00 p.m.

**TRUSTEE COUNCIL MEMBERS in attendance:**

**In Cordova**

STATE OF ALASKA

**MR. CRAIG TILLERY,**  
Trustee Representative  
for **BRUCE BOTELHO,** Attorney  
General, Alaska Department of  
Law

UNITED STATES DEPARTMENT  
OF THE INTERIOR

**MS. DEBORAH WILLIAMS,** Special  
Assistant to **MR. GEORGE  
FRAMPTON,** Assistant Secretary

STATE OF ALASKA DEPARTMENT  
OF FISH AND GAME

**MR. FRANK RUE**  
Commissioner

UNITED STATES DEPARTMENT OF  
AGRICULTURE - FOREST SERVICE

**MR. JAMES WOLFE,** Alternate  
for **MR. PHIL JANIK,** Regional  
Forester

UNITED STATES DEPARTMENT OF  
COMMERCE - NOAA

**MR. STEVE PENNOYER**  
Director, Alaska Region

STATE OF ALASKA DEPARTMENT  
OF ENVIRONMENTAL CONSERVATION

**MS. MICHELE BROWN,** Deputy  
Commissioner and Trustee  
Representative for **MR. GENE  
BURDEN,** Commissioner

**TRUSTEE COUNCIL STAFF**

MS. MOLLY MCCAMMON Executive Director, EVOS Trustees  
Council

MR. ERIC MYERS Director of Operations, EVOS Trustees  
Council

MS. REBECCA WILLIAMS Assistant

MS. L.J. EVANS Information Officer, EVOS Trustees  
Council

**OTHERS PRESENT who participated in Cordova**

MS. JULIA DEMOTT  
MR. TOM COPELAND  
MR. KELLEY WEAVERLING  
MS. KATHY HALGREN  
MS. MARTHA VLASOFF  
MS. MONICA RIDEL  
MR. DAVID HARRISON  
MS. MICHELLE WILSON  
MR. DUNE LANKARD  
MS. AMY RAY The Indigo Girls  
MS. EMILY SALIERS The Indigo Girls  
MR. HENRY MAKARKA  
MS. WINONA LaDUKE  
MS. KAREN BUTTON  
MR. CARROLL KOMPKOFF Tatitlek  
MR. DAVID GRIMES  
MS. ALLISON NYHOLM Chugachmiut  
MR. TED ACHILLES Prince William Sound Aquaculture  
Corporation

DR. RIKI OTT  
MR. ED ZEINE  
MS. CARYL BOEHNERT Alaska Center for the Environment  
MS. TANIA VINCENT  
MS. MARCEY BARDUSK Sound Alternatives  
MS. CHERYL LETTICH  
MR. BOB ANDERSEN  
MS. DORNE HAWXHURST Cordova District Fishermen United  
MR. HOWARD FERREN  
MS. JODY SEITZ  
MR. GEORGE KINNEY City of Cordova  
MR. MIKE ANDERSON  
MR. LUKE BORER President, Sherstone Corporation  
MR. RON CRENSHAW Alaska Department of Natural Resources  
MS. GINA BELT U.S. Department of Justice

DR. JOE SULLIVAN  
MS. MARGY JOHNSON  
MR. PATRICK BARNES  
MS. DONNA PLATT

Alaska Department of Fish & Game  
Mayor, City of Cordova  
  
Eyak Corporation

**OTHERS PRESENT**

**In Cordova**

MR. KARL BECKER  
MS. CECE STACK  
MS. JACKIE DEBEVEC  
MR. KEN HILL  
MS. ANDREA PASTOS  
MS. HEATHER McCARTY  
MR. ED DEBEVEC  
MS. SARA LEE  
MR. GEOFF TRUMP  
MR. JAMES SAARPANTORI  
MS. CATHY LYONS  
MS. LOIS MASSINGILL  
MS. ANNETTE JANKE  
MS. HOLLY JANKA  
MS. NANCY BIRD  
MR. BRIAN LETTICH  
MR. JOHN BRANSHAW  
MR. SCOTT McKINNEY  
MS. KAREN ST. JEAN  
MR. JAMES BRADY  
MS. JEAN DEBRUCER  
MS. CHARLOTTE DEBRUCER  
MR. CAL BAKER  
MR. DAVID JANKA  
MR. SOREN WUERTH  
MR. LINDEN O'TOOLE  
MR. JEFF GUARD  
MR. STEVE TODD  
MS. FAYE POHL  
MR. BOB SMITH  
MR. DAN TORGERSON  
MS. KIM MENSTER  
MS. NANCY ELSEP  
MS. KATHYRN ANDERSEN  
MS. AURURA KIRBY  
MS. BEVERLY BABEC  
MR. DAVID BRIAN

**In Anchorage**

MR. MANUEL MEZA  
MR. CHUCK TOTEMOFF  
MS. PAMELA BRODIE  
MS. KIMBERLY BENTON

MR. DAVID DEANS  
MR. GORDON ZERBETZ  
MS. CATHERINE BERG

P R O C E E D I N G S

(On Record 1:10 p.m.)

MS. WILLIAMS: Ladies and gentlemen, we'll -- whoa -- we'll begin this meeting, and I know some people are still signing up, but we'll just do some of the background business while people are still signing up, and then hopefully everyone will be in when we begin the public session.

Good afternoon, I'd like to call this meeting of the Exxon Valdez Oil Spill Settlement Trustees Council to order. It is a great pleasure being here in Cordova with you, and I understand we have both Juneau and Anchorage on the teleconferencing system.

I would like to introduce the fellow Trustee Council members and also the Executive Director. I'll start to my left -- is Craig Tillery, representing the Attorney General's Office. To my immediate right is Steve Pennoyer, representing NOAA and NMFS; to his right is Michele Brown, representing the Alaska Department of Environmental Conservation; to her right is Frank Rue, representing the Alaska Department of Fish & Game; to his right is Jim Wolfe, representing the Forest Service. All of the people I've just introduced are the Trustee Council members. To Mr. Wolfe's right is Molly McCammon, the Executive Director of the Trustee Council, and we have very capable staff of the Trustee Council also joining us today. To Molly's right is Eric Myers, who is the chief of staff?

UNIDENTIFIED VOICE: Director of Operations.

MS. WILLIAMS: Director of Operations, thank you. We

also have, sitting at this table, Rebecca, L.J. and Linda, all of whom enable us to do our job.

Trustee Council members, we have before us an agenda, and I will take a motion to approve the agenda with one modification. To accommodate the fishing schedule and other people's needs, I would like to move the public hearing to begin at approximately 1:15. With that change, I would like to entertain a motion to approve the agenda.

MR. PENNOYER: So moved.

MS. WILLIAMS: Is there a second?

UNIDENTIFIED VOICE: Second.

MS. WILLIAMS: Are there any other modifications that you would like to make to the agenda? Are there any objections to the agenda? Hearing none, the agenda is approved.

I would next like to move to the approval of the March 31, 1995, meeting notes. Do I hear a motion to approve those meeting notes?

MR. RUE: So moved.

MR. PENNOYER: Second.

MS. WILLIAMS: It's been moved by Mr. Rue, seconded by Mr. Pennoyer to approve the March 31, 1995, meeting notes. Are there any additions or corrections to those meeting notes? Are there any objections to approving the meeting notes? Hearing none, I deem that the meeting notes have been approved.

While we are waiting for the remaining people to come into the meeting -- and it's wonderful to see this turnout of people

from Cordova from this meeting and, again, it is a great honor and privilege to be here with you today -- I would just like to summarize something that I've prepared and Eric Myers and some others help me prepare in preparation for this meeting, and I asked some staff people to summarize, if they would, the various projects that the Trustee Council has had the honor of funding that have direct benefit to the City of Cordova in the last two fiscal years, fiscal year 1994 and '95, and I thought it would be useful to summarize some of those projects because we're very proud of those projects, and I know they are so important to you, and I think it's worth summarizing of what they consist. In the last two fiscal years, the Trustee Council has been able to fund over \$10,000,000 worth of projects involving pink salmon in Prince William Sound, herring in Prince William Sound, and ecosystem projects in and around the area of Cordova. And I know many of you have been involved in those projects as either researchers or support people for those projects. We'd like to acknowledge the very crucial role that the Prince William Sound Science Center has had in helping to find many of these projects, and, of course, has been the appropriate beneficiary of these, and particularly Prince William Sound Science Center's role in developing the Sound Ecosystem Assessment or SEA project, as many of you are familiar with. We'd also, of course, like to acknowledge the important role that the Cordova office of ADF&G have had in bringing these valuable projects to Cordova, over \$10,000,000 in the last two fiscal years. We have spent over

\$4.75 million on pink salmon projects. Most of those have been based in Cordova, but all of them have involved the Prince William Sound pink salmon fishery, and, of course, some of those have had to do with salmon growth and mortality; predator-prey relationship, which was a \$1.8 million project; nearshore fish, a \$1.2 million; coded wire tags, the otolith marking, which I know many of you strongly supported and we are very pleased to fund, which will have such a -- both immediate and long-term impacts on helping the fisheries here, the pink salmon fisheries, and that was a virtually \$1,000,000; and then genetic stock identification with respect to herring, and we certainly hope we see prompt recovery of that fishery. We've spent in the last two fiscal years \$1.4 million on such projects as disease investigation -- half a million -- herring growth and habitat, spawning energetics, genetic stock identification, and reproductive impairment studies. And then the ecosystem projects that the sample -- about \$3.1 million in the last two fiscal years -- include a \$1.3 million oceanography study, of course, out of the Prince William Sound Science Center; hatchery predation; information modeling, a \$1.5 million project out of the Prince William Sound Science Center; and isotope tracers. These projects, of course, were in addition to the many, many millions of dollars that we, again, had the privilege of spending in Cordova for damage assessment in the years preceding the last two fiscal years. So, it is a pleasure to be here to see some of the people who have made these projects possible, and, again, have

allowed us to spend what we think is a significant amount of money in Cordova to help restore and repair the damage that was done here to the resources and, of course, to the economy.

I believe that everyone has now signed up, and I have a list of people here who want to testify. Normally, we follow the list, but I do know that there are particularly fishermen who need to get out to their boats to get the high tide, and so if there's anyone who would like to testify immediately to take advantage of that, if you would please come up first, I'm sure the other people would understand that. Because we have a large number of people who would like to testify, and I know many of you have other things to do, we would like to ask you to summarize your testimony in approximately three minutes. If you could try to do that, then we can get everyone up who would like to testify within the time constraints that we have, but we do look forward to hearing from you, and -- LJ or Rebecca, we also have people who want to testify in Anchorage and Juneau? Pardon me?

MS. EVANS: Ask them.

MS. WILLIAMS: Okay. Anchorage and Juneau, do you have people there who want to testify? Anchorage? Do we still have Anchorage on line? (No response) Juneau? (No response) Okay, I will let you guys re-hook them. They don't appear to be on line. While we're waiting for that, are there any other introductory comments that any Trustee Council member would like to make at this time, or the Executive Director? Should we begin

with public testimony even though we don't have Anchorage and Juneau on line? Very good. Okay, is there anyone who would like to testify immediately because of fishing or other needs? Please -- yes. And if, when you testify, you would identify your name, and please spell your last name for the record, we'd greatly appreciate it.

MS. DEMOTT: My name is Julia DeMott of the village of Eyak and Cordova, Alaska. The Native Village of Eyak has written -- proposed this project that Monica Ridel was working on and are in support of this. A lot of work is a call for mandatory employment equity, which means that the Native people employed in this town of Cordova should reflect the population of our Native peoples. If we can get the treatment and healing center going, it will not only help heal our people, but also create jobs that are needed here. Since our fisheries are being depleted because of the infamous oil spill, also a healing and treatment center would help our people tremendously. The method we use to achieve our goals are basically two pronged: education and common action. That education mean that we have to learn about ourselves and about the society we live in and our value system within, the history of our people, and the start of healing. We must ensure that our own Native history and contributions be part of the Prince William Sound and the Native people are strengthened once again, and then the healing begins. At this point, we realize and ultimately face the problem of being wiped out, or we could begin to fight to get some control

over the situation. We opt to fight. But we cannot do it alone.

We have to be in a group where we can discuss and debate and decide ways and means to meet our goals and objectives. Forming the group has allowed us to look into ourselves, understand each other, and empower ourselves to achieve our goals. We hope that, in the process of our operation's existence, we are able to articulate the concerns of all our people here in Cordova. Thank you very much.

MS. WILLIAMS: Thank you. Are there any questions or comments for Ms. DeMott? Thank you so much for testifying. Is there anyone else who would like to testify immediately? If not, then I will go in order of the people signed up, and the first witness we have is Tom Copeland.

MR. COPELAND: Well, thank you. My name is Tom Copeland. C-O-P-E-L-A-N-D. I've been a commercial fisherman in Prince William Sound for the past 32 years. I currently serve as a director on the RCAC board for Prince William Sound, representing Prince William Sound Aquaculture Corporation. However, today, my remarks will be my own alone and not represent either of those two organizations. I'd first like to welcome the Council to Cordova and I really appreciate the opportunity to testify, and I think it's important that you get out to meet the public, the people who are really affected by the oil spill, as often as possible. I certainly appreciate your taking the time to come here today.

My work on the RCAC council has mainly focused around oil

spill prevention and response. I've been on the committee -- the Oil Spill Prevention & Response Committee of the RCAC -- since its inception in October of 1990. Among the many things we do is to look at both the fate and effects of the oil from Exxon Valdez, and research and development as to better techniques for both responding to oil spills and long-term cleanup from oil spills. Since our focus is on preventing the next oil spill, primarily, and responding to the inevitable risk that we have of oil spills in the future, and your responsibility is to deal with the cleaning up the last oil spill, our plans don't often cross, but they have on a couple of occasions, and I would like to bring some feeling of my committee to you on these two subjects. I have here with me today, actually it's a draft copy of the USGS survey that you folks sponsored, entitled *Tracking Exxon Valdez Oil from Beach to Deep Water Sediments of Prince William Sound*. This cursory deep water exploration of Prince William Sound actually found Exxon Valdez oil in the deep water sediments of Prince William Sound in the 1992 survey. It's a very cursory sampling. They only had nine deep water sites that they surveyed in Prince William Sound, most of them well north of the main track of the oil as it left Prince William Sound. In 1992, they did find oil on both the east and south -- off the east and south shores of -- of Knight Island. I would like to point out to the Council that in the two major oil spills that we've had since Exxon Valdez, both the most interesting and unpredicted phenomenon that occurred in both cases was the large amounts of

oil that were found on the bottoms of the oceans in the vicinity of those spills. In the case of The Braer, the Shetland Islands three years ago, within a month over 30 percent of the oil that was aboard that tanker had been discovered in a very particular area of the ocean bottom about 13 miles to the north of the spill site on the Shetland Islands. Thirty percent of that oil was laying on the bottom of the North Sea. Now, that oil is very much lighter than the oil that was spilled during the Exxon Valdez spill. North Sea's crude, which was spilled in the Braer, is so light that you can see through it. It look likes new motor oil; it's not even black. It has a very high -- er -- low -- specific gravity, compared to North Slope crude. Yet, 30 percent of it ended up on the bottom of the ocean. Last year we had a major bunker oil spill in Puerto Rico and was eventually cleaned up by the Coast Guard. Once again, approximately 30 percent of that bunker fuel was found on the bottom of the bay in Puerto Rico where it was spilled. Thus, we're bracketed. Both lighter oils and more heavy oils than Exxon Valdez crude sink at approximately the same rate -- 30 percent of the oil ends up on the bottom of the ocean. Yet, six years after the Exxon Valdez oil spill, there has been no systematic, complete bottom survey of deep water strata in Prince William Sound, and the only survey that's been conducted, other than by Exxon itself, has found oil in the deep sediments of Prince William Sound. I urge the Council to take this as new information, both in the event of the two oil spills that showed what none of us thought was possible

that large amounts of oil could sink in seawater, and secondly, that our own cursory -- er, primary -- surveys have found oil in deep water sediments of Prince William Sound. These things together call for at long last a comprehensive look at the bottom of Prince William Sound. How much oil is down there? We have no idea. RCAC is very interested in a project of this nature because we need to plan for the next oil spill, we need to know how to respond to an oil spill, and how to predict the effects of the future oil spill. Without knowing the fate and effects of spilled oil in Prince William Sound, we cannot complete our mission, so we are attempting, with our very meager resources, to do a bit of looking this year. We've tagged on \$5,000 to an existing long-term monitoring project to make two or three attempts to look at places where we think oil may be accumulating in Prince William Sound. These are based mainly on fishermen who have encountered oil in Prince William Sound. Tom Bradshaw found oil on the south end of Montague -- or south end of Knight Island at approximately 250 fathoms, and reported it to NOAA. NOAA told him it was impossible for it to be Exxon Valdez oil because oil doesn't sink. Well, we know that not to be true now, oil does sink.

MS. WILLIAMS: Mr. Copeland if you could ....

MR. COPELAND: Right. The other thing I'd like to talk about today is -- to put a plug in for -- is the most remarkable piece of research and development that's been developed since Exxon Valdez, which is PES 51, an oilphyllic (ph) sugar compound

that was tested by the Council two summers ago on Sleepy Bay in coordination with the Natives at Chenega and found to be extremely successful in removing large amounts of Exxon Valdez crude from the substrata of the beaches of Prince William Sound.

So far, that effort has not been expanded upon. I would certainly like to see it done so. It's a local product, it's manufactured in the state of Alaska, and it could be easily applied and dealt with in a program involving local residents of Prince William Sound. Thank you very much.

MS. WILLIAMS: Thank you, Mr. Copeland. Any Council members have questions or comments for Mr. Copeland? (No response) Thank you for testifying. Kelley Weaverling, please?

MR. WEAVERLING: Can you hear me from here, or do I need to put the microphone on?

MS. WILLIAMS: It helps to put the microphone on. Do we have -- while Mr. Weaverling is doing that, do we have Anchorage and Juneau back on line? (Inaudible response from staff) Okay. Mr. Weaverling, if you would commence.

MR. WEAVERLING: Thank you very much, Madam Chair. Ladies and gentlemen of the Trustees panel, thank you very much for having me here. My name is Kelley Weaverling. That's W-E-A-V-E-R-L-I-N-G. I am the past mayor of the community of Cordova, I sit as an officer on the board of directors for the Regional Citizens' Advisory Council, representing the environmental interests of the oil spill region. As kind of the yang to the yin, I also sit and chair on the board of directors for the

Prince William Sound Economic Development Council. However, I am here today speaking without a constituency, strictly for myself, and I will make my comments brief. In truth, I feel I am kind of caught in a dream that won't end on this issue, kind of a tape loop that continues to say the same thing, kind of a broken record. But at any rate, I would like to thank you for being here and allowing this testimony. I would encourage you to continue your efforts towards habitat acquisition as a tool for recovery and restoration of Prince William Sound and the oil spill affected region. I am here today basically to encourage to continue your negotiations with Eyak Corporation for as much of habitat acquisition as you can possibly acquire. And, with that, rather than continue to repeat myself, I will -- further deponent sayeth not. Thank you.

MS. WILLIAMS: Thank you very much. Any questions or comments for Mr. Weaverling? Thank you for your testimony. My next witness is Kathy Halgren.

MR. HALGREN: My name is Kathy Halgren -- H-A-L-G-R-E-N -- and I'm a commercial salmon fisherman here, have been for 20 years. Exxon Valdez still leaves a pit in my stomach and makes me want to puke, so I try to ignore you guys as much as I can, but once in awhile I gotta come and say something. Tom's talked to me about this evidence of the third of the last two big oil spills being on the bottom of the ocean, and it seems like with fishermen telling us that there are at the bottom of these trenches there should be some type of investigation to go out

there and find out if we're not suffering a chronic effect from this oil that is going to make all the restoration efforts for naught. I do want to thank you for all the projects. I know the last time I spoke I was very frustrated. It felt like we were trying to assess damage, and we couldn't prove the damage, and it seemed to be this vicious cycle where we couldn't prove the damage so we couldn't get the research to prove the damage to get the research, and I'm so thankful that we've got the research that we have going on -- the herring, the pink salmon, the SEA project. I have to tell you that one of the PWSAC board of directors meetings the -- we had a little presentation on the SEA project, and it was the only time during the directors' meeting that everyone was awake, and you could hear a pin drop because everyone is so interested in any -- any scientific information that we can get. I'm going to be a little sarcastic about the lumber and say that I'm also on the regional planning team, and with salmon enhancement the first thing we address is the possible implications that we may have on wild stock. That's first and foremost in any discussion, and my concern is that if you continue on the -- with the speed that you're going to acquire habitat that it's going to make the job a lot easier because we'll have less wild stock to worry about, and that is totally sarcastic because those are our priorities. Thank you, and thank you -- thank you for the research, thank you for coming to the community to hear us.

MS. WILLIAMS: Any questions or comments for Ms.

Halgren? (No response) Thank you very much for testifying today. Umm -- there's a question next to this person's name as to whether he wishes to testify, so I'll give you that option now. Karl Becker, would you like to testify?

MR. BECKER: (From audience) I'll yield my three minutes.

MS. WILLIAMS: All right, thank you, Mr. Becker. The next person we have to testify is Martha Vlasoff. (Pause while Ms. Vlasoff approaches the podium) And Martha, as many of you may know, is on our Public Advisory Group.

MS. VLASOFF: It's wonderful to see you all here, and I haven't met you all. (Pause to adjust microphone) It's wonderful to see you all here, and I haven't met everyone individually on the Trustees Council, but I look forward to meeting you individually. I got started in the Trustees Council's business in understanding what the Trustees Council was trying to accomplish when I -- when I first went to the church meeting a couple of years ago and came up with an idea about a community transfer of knowledge or a community involvement project that -- that would help facilitate an exchange of information from the researchers working on the work associated with the Trustees Council and the communities in the villages and the fishing communities that were affected by the oil spill, and that's what I'd like to talk to you today is about the project 96052A and 96052B, and they're actually almost identical projects, although 96052A is being proposed by a consortium of

oil spill impacted communities, and 96052B is a proposal by the Alaska Department of Fish & Game. What I'd like to do is read to you a description of what I thought this program would look like when we first proposed this project. What the community transfer of knowledge program would facilitate is a data gathering process of information from the public in an effort to fill the gaps where historic scientific data is not available, as well as developing a year-round observation team of ecosystem by people who were and continue to be most affected by the 1989 Valdez oil spill. In order to enhance information on injured resources in the spill area and in a cost-effective manner, this program for the involvement of the local residents is proposed. The program is based on the premise that without addition of traditional knowledge of local people, questions being asked in regards to the ecosystem management of the spill area will never be completely understood. The phrase "traditional knowledge" means a set of personal observations made by an individual who has made their living either commercially or in a subsistence way off the natural resources of, in and around the villages and communities of Prince William Sound and Kodiak area. This letter of intent addresses the development of a project which would begin formation of a multi-cultural partnership between the people who have subsisted off the land and have -- or have made a living from the land and sea of the Prince William Sound or Kodiak Island regions for centuries, and the scientific community who have carried out detailed studies of the ecosystem since 1989 but

have a limited scientific data base of the region prior to that time. The first stage of the project would entail hiring a coordinator to network with and recruit people in the villages and solicit participation of those individuals in an ongoing working groups associated with the working groups from Exxon Valdez Oil Spill Restoration Office like the pelagic fish -- forage fish group -- the nearshore group, and the "piz for pick" (ph). It is crucial that initial networking be done in conjunction with the tribal councils in the communities. Funding will be needed to support the cost of travel and per diem for those individuals to attend meetings in an effort to add their subsistence perspective and knowledge of resources. Meetings with tribal councils will be set up where a list of possible project ideas might include audiotape recordings of local observations, training programs coordinated with research scientists, taking samples of water salinity, currents, air temperature, and observations of intertidal zones, questionnaires to the villagers in regards to what they feel is the most important resources locally and problems associated with those resources. The second stage would be to have educators in Prince William Sound Science Center do local presentations on specific injured resources to local community members in an effort to share information and personal observations of such resources over a set period of time to promote understanding of cultural differences and defining the terminology of the species being presented. The third stage would be to have the coordinator work

with the communities to facilitate a face-to-face workshop conference to be held with presenters such as Larry Mercurieff from St. Paul Island who is the original author of the concept of traditional knowledge transfer from local individuals being a key factor, together with scientific knowledge in understanding the North Pacific Rim ecosystem. Other potential guest speakers would include elders from the communities who have value -- have expertise in traditional knowledge. The fourth stage would entail correlation of traditional knowledge gathered, together with the Alaska Department of Fish & Game's notes data base for resource uses, historic information from commercial fishing data and the Alaska SEA Grant education material, research material from the Prince William Sound Science Center into a CD-ROM formatted computer program which will be accessible to all interested parties. That's what it looked like to begin with, and it has evolved into a pilot project at this time that is being administered by the Department of Fish & Game. Our proposal is from the oil spill impacted communities, and we feel that we are capable of administering this project ourselves and that we can facilitate that communication with the Restoration Office and the researchers that are working on the questions as far as understanding what is hindering the restoration of the natural resources. I'd just like to bring you up to speed as far as what we are doing through the Chugach Heritage Foundation office and the Consortium of Oil Spill Impacted Communities on 96052A. Thank you.

MS. WILLIAMS: Thank you, Ms. Vlasoff. Any questions or comments?

MR. RUE: A quick comment.

MS. WILLIAMS: Commissioner Rue.

MR. RUE: Yeah. I don't know if you can hear me.

I'll take a real hard look at this project, and I don't want the department to be inappropriately competing with the local entity when you are better qualified to do the work. There may be something complimentary that the two of us can do. I don't know.

I'll take a hard look at it because we shouldn't be competing if you can do it better.

MS. VLASOFF: Thank you.

MS. WILLIAMS: Again, thank you, Ms. Vlasoff. Our next testifier is Monica Ridel.

MS. RIDEL: Good afternoon -- put this on?

(Referring to microphone)

MS. WILLIAMS: Please.

MS. RIDEL: Good afternoon, my name is Monica Ridel, and I am from Cordova. I'd just briefly like to clarify what our elder Julia talked about earlier. She was referring to Project No. 96205, the Eyak subsistence recovery camp planning project, and I think -- are for participating. There are several proposals I'd like to comment on today, most of them pertaining to the newly formed Native Harbor Seal Commission. On May 4th, 1995, representatives of the communities which harvest harbor seals to maintain their subsistence way of life met to form the

Alaska Native Harbor Seal Commission. The group approved bylaws and elected myself, Monica Ridel from Cordova, as chairperson, Harold Martin of Juneau as vice chairperson, and Alfred Podansy (ph) of Seldovia, secretary-treasurer. The new Alaska Native Harbor Seal Commission has been organized to address the concerns of the rapidly declining numbers of harbor seals in the Gulf of Alaska and deal with the stewardship of these marine mammals from the Aleutian Chain to the southeast corner of the state. For a number of years there's been a concern about having an Alaska Native organization to participate on behalf of the traditional use of harbor seals. The unknown impact of the Exxon Valdez oil spill on this population raised additional questions as to the status of the stock. Most recently, the federal requirement to complete an assessment of the species of marine mammal has brought to question the exact range of the animal and its fluctuations in population dynamics over the area. The Alaska Native Harbor Seal Commission is currently made up of five commissioners. These individuals will be selected by the communities in the regions which harvest harbor seals, with one representative from each coastal Alaska Native region along the animals' range. With that introduction, I would like to speak in behalf of four proposals, number one, 96213, submitted under BAA, it's funding for the Alaska Native Harbor Seal Commission, and some of the objectives are, one -- well, first of all, it was developed from projects 94244 and 95244, which was a project that brought all the entities dealing with harbor seals for the first

time -- you know -- without the university-type symposiums that brought all the biologists, agencies, subsistence users together in one room to discuss the harbor seal decline, and that was done with Jim Farr (ph) at ADF&G Subsistence Division. This project will directly involve Alaska Native communities in the spill impacted area and will have a statewide ecosystem approach. It will fill the gap for addressing subsistence users and lost resources related to us. It will utilize subsistence users and users for traditional ecological knowledge. It will and has been coordinating with the state and federal agencies, Institute of Marine Science in Seward, UAF, and other successful marine mammal commissions such as the Indigenous Peoples Council for Marine Mammals, the Walrus Commission, the Whaling Commission, and so on. It's actually based after the Alaska Sea Otter Commission. It will help find solutions to determine the decline of the harbor seals by involving hunters with training, by training them to take biological sampling, doing surveys, haul-outs, ground surveys -- not only air, mind you -- because air -- aerial surveys seems to be quite a bit inadequate due to the tides and all the different variations that you have, the time of day, the time of season, and everything. So, we believe subsistence users can be utilized because we're out on the ground anyway. It will help educate the public, (indiscernible) scientists, rural subsistence users more effectively. It will involve Natives who have a long-standing, customary and traditional use of history on -- in conservation plans, as well as developing co-management

plans. Also, I'd to note here that it was submitted under BIA and there was a mistake in the draft that ADF&G would be our lead agency. That still needs to be worked out.

The next project I'd like to speak on is 96244, it's called the harbor seal cooperative assistance. This one was proposed by Jim Fall (ph) again at ADF&G, who has been helpful and a very good administrator in gathering all the agencies together for this one specie. It will accommodate for two workshops for collection and application of traditional knowledge and development of traditional knowledge data base, it will contribute to a meaningful role for customary and traditional users and research and restoration activities. Also, number two, it will continue collaboration between the hunters and research management agencies. It also will help provide the Alaska Native Harbor Seal Commission with technical support and additional information for community reviews, and the participation will be expanded to include hunters from oil spill impacted areas.

The next project I'd like to talk on is 96211 . . .

MS. WILLIAMS: And Ms. Ridel, if you could . . .

MS. RIDEL: Okay.

MS. WILLIAMS: . . . make it as brief as possible, please.

MS. RIDEL: I'll make this very brief. The other one is the community-based harbor seal biological sampling program, which, in a nutshell, will cooperate with the marine -- well, Kate Wynn (ph) at the University of Alaska Marine Advisory

who will actually come and help train us -- train the hunters in biological sampling.

The last one I'd like to talk on is the No. 96220, submitted under BIA. It's the Prince William Sound wild stock salmon habitat restoration. This is the only Eyak subsistence restoration project to date. Other communities have had salmon-related projects funded. It will utilize student interns, involve village members in restoration process, and it will restore lost subsistence resources. It will not have any heavy equipment used, no hatcheries used, only wild stock, and there will be no negative environmental impacts. And thank you for your time, I'm sorry it went over just a little bit.

MS. WILLIAMS: Thank you, Ms. Ridel. Any questions or comments for Ms. Ridel? Very much appreciate your testifying today. Our next witness is David Harrison, and while Mr. Harrison comes to the podium, I would like to check to see if we have Anchorage and Juneau on line now. Anchorage are you on line? (No response) Juneau, are you on line? (No response) Keep trying. (Inaudible comments from staff about teleconference hookup) All right, thank you. Mr. Harrison, please.

MR. HARRISON: My name is David Harrison. The last name is H-A-R-R-I-S-O-N. I'm from the Village of Chickaloon, and we're down to support the traditional Eyak position on this Trustees Council and the decisions that you have before you to make. But I also would like to remind the Department of Interior and the State of Alaska that they have a fiduciary obligation to

the indigenous peoples of Alaska, stemming from the United Nations Article 73 under the non-self governing territories. The State of Alaska has not carried out the United States' obligation under that law. As government officials, you have all sworn an oath to uphold the Constitution of the United States, which, in Alaska, has not been -- being done. Because of the perpetuation of the lie that the United States bought Alaska, that is not true. They bought the Russian-American Trading Company, which is alive and well in Cordova, called the AC Company, and many other villages as well. I hear talk about the management, and I'm really glad that Mr. Rue says that he will look at the project that was mentioned about having indigenous people do these studies, because every study or every management technique that the State of Alaska Fish & Game has used has depleted the populations of our animals that we subsist off of, the moose, the caribou, the sheep, the fish. Whatever the State of Alaska touches, we lose because of their mismanagement. They do not know how to manage in our territory, they do not look to the indigenous people who are the caretakers of this territory that you are occupying, that you are claiming as yours. We have not consented to your assertions, we do not agree with them, and we would ask this body to talk to the traditional peoples. The state-chartered corporations are not the traditional peoples. They are the money-grubbers that want to go out and fill their pockets full of money and leave their children dying on the beach because they don't have no food. These are the issues that you

are faced with. Very hard decisions. But before you can make the correct decision, you have to go back to the beginning of your history, the beginning of the occupation of the Russians here in our country and later the occupation of the United States in our country. You have to show us, the indigenous people, the consenting documents that gave you your authority here to try and dictate policy to indigenous peoples. Many of you may not know that July 8th of 1994 Chickaloon Village was recognized as a sovereign tribe by your judiciary, by the State of Alaska court system, but your Department of Law does not like the ruling, so they have attacked every federally recognized tribe across what is considered the United States to undermine our authority to further the complicity of genocide against peoples in Alaska, primarily Alaska Natives. Because the laws are specific -- they are in black and white -- we are not dreaming these things up. Your government wrote these laws. We are implementing them the way they should be, not how some of your attorneys (indiscernible) laws, make an assumption and implement their assumption. If the laws were implemented the way they are written, we wouldn't have this problem today. We wouldn't have the problem with oil still sitting out there in Prince William Sound, nor in the Interior of Alaska, from the spill. Many of our people have seen the damage that this spill has done to our animals, our very food. We don't go to grocery stores like you, many of us. Our grocery store is the water and the forest, the animals that live in those places. We don't have a 60 or \$70,000

a year job. Our job is out there managing and taking care of our resources, our subsistence way of life, our culture -- and trying to stop the genocidal practices from affecting our children the way they have affected us. We want to educate you so you have a grasp for life, rather than a grasp for death. The system in which it is being operated in this country today knows death more than it does life. I hear people talk about their children and their future generations within your western society, but words are far different than their action. They say they love their children and they want to see them grow and be healthy and all of that, but yet they are still digging the resources out from underneath the surface of the earth, promoting death for all life, for us and for you. Because those resources, the oil and the gas, is the blood of our mother, the Mother Earth. The coal is the liver, the uranium is the lungs, and so on and so forth. So, continue to take these resources out of our Mother Earth, and she will die and we will perish with her. I want all of you guys' wisdom and understanding that you have a fiduciary obligation and that you swore an oath to uphold the United States Constitution as state and federal government officials. We ask and we pray to our Creator that we have touched your heart and that the indigenous people across this country have touched your heart to maybe change your way of doing things so that people can survive, whether it's yellow people, white people, black people or red people, because the environmental damages that you are allowing to happen as state and federal government officials is

genocide, not only against us but against your own children that you say that you love so much. Thank you.

MS. WILLIAMS: Thank you, Mr. Harrison.

(Audience applause)

Are there any questions or comments? This is the last time I'm trying, Anchorage, are you on line?

ANCHORAGE LIO: Yes, we are.

MS. WILLIAMS: Juneau, are you on line?

JUNEAU LIO: Yes, we are.

MS. WILLIAMS: Excellent. Anchorage, do you have anyone who wishes to testify?

ANCHORAGE LIO: Not at this time.

MS. WILLIAMS: Thank you. Juneau, do you have anyone who wishes to testify?

JUNEAU LIO: Not at this time.

MS. WILLIAMS: Thank you both for being patient, we are proceeding with the public testimony here in Cordova. The next witness is Michelle Wilson.

MS. WILSON: Hello, my name is Michelle Wilson, and I come from the San Francisco Bay area, and I'm here today to represent but rather speak for the 70,000 acres of rainforest that are presently being -- that are at threat right now to being clear-cut, and I am just encouraging you to follow your mission statement which I just read a few moments ago, which says that you are, among other things, here today to encourage habitat acquisition and protection. So, I'd like to ask to give the rest

of my time to Dune Lankard, and I would like to encourage you to really consider the timber rights purchase plan proposed by the Alaska Coastal Coalition and the Eyak Rainforest Preservation Fund.

MS. WILLIAMS: Thank you, Ms. Wilson. Are there any questions or comments for Ms. Wilson? Thank you for joining us all the way from San Francisco. Our next witness is Dune Lankard, please.

MR. LANKARD: Good afternoon. My name is Dune Lankard. It's L-A-N-K-A-R-D. I represent the Eyak Rainforest Preservation Fund here in Cordova. It's really wonderful to see you here in Cordova and in the spill zone, meeting with the citizens and the people who were affected by the oil spill. The only thing that I see missing here is the table right over here for the Eyak Corporation board members and leaders. I would like to encourage that, before you leave here, that you sit down with these people and negotiate in the best interests of the public, the people, the forest and the animals. I'm extremely upset that the negotiations have broken down once again. This process has gone on for four years too long. Thousands of acres in Prince William Sound have been clear-cut and are continuing to be clear-cut while you negotiate. The problems that I see is the details. Every time the negotiations have broken down, it's been on some detail that could be worked out at a later time. There's three active Native corporations in the region that are currently clear-cutting -- Koncor with Chugach Alaska Corporation, the Eyak

Corporation, and Tatitlek Corporation. Thousands of acres of land can be saved by you, if you would sit down with these Native corporations and do two things, and I think they're really simple and I don't think it's asking a lot from anybody. Is one -- if you set it up in phases where the timber rights were to be purchased in perpetuity right off the bat -- protect the forest from being clear-cut, remove the imminent threat from the situation. What would happen is then if you rationally decide on what the moratorium -- excuse me -- on what the definitions are of the development restrictions, the public access issues, and the subsistence hunting and fishing issues that seem to keep coming up over and over again. So, phase two, if there was a moratorium on the definitions of at least a minimum of three years, this would give you and Eyak Corporation, including the other corporations, ample time to figure this out in a rational manner -- and do it quickly because I -- I think that it's really sad that we cannot come to an agreement and save this forest. The imminent threat of clear-cutting in the view shed of Orca Narrows is no longer an imminent threat. It is a reality. The bulldozers have turned around and built a road in the Orca Narrows, and they are going to commence clear-cutting in the next couple of days in every direction if you cannot come to an agreement. These are public monies, this is in the best interests of the public. I think for the sake of the region we have done enough -- we've had enough catastrophes and change that we've had to deal with over the last six years since the Exxon

Valdez oil spill. You represent all of America. You represent all of the citizens, all of the people. You even represent me. The Eyak Corporation numerous times does not represent me. They have made that quite clear. So, as Trustees, I would like you to take the position that you represent everyone equally and fairly and go out there and do your job as trustees because I think the people in Prince William Sound are some of the most amazing, creative, artistic, talented people I've ever met, and we are dealing with a lot of pain and we would like that to end as quickly as possible. I would like to encourage you to set aside your indifferences, your egos, and reconvene the negotiations immediately. If you have to stay an extra day here, I wish you would do that because this is -- this is all we have -- this is our home. Last, but not least, there has been a few articles about the Eyak people and who exactly make up the Eyak Corporation, and again I would like to point out that there is three tribes represented by the Eyak Corporation. There are Aleuts, there's Tlingits, and there's Eyaks. We make up ten percent, the Tlingits are approximately five percent. The 85 percent that remain are Aleut descent. The nine board of directors that you are dealing with are of Aleut descent. You do not hear the Eyak voice, you do not hear the Eyak people unless you are sitting here in front of me today. This is the Eyak voice. We want to live here for another 3,500 years in a rainforest that has provided our subsistence way of life, and if it remains intact, then so will we. You have an opportunity to

keep a living, in tact forest reserve out there. Right now I understand you are socking away \$12 million annually into a restoration reserve. The living restoration reserve is out there. You can protect it right now. We have approximately a thousand signatures here of people who are urging you to negotiate in the best interests of the Eyak rainforest, and it says this: We, the undersigned, urge the Exxon Valdez Oil Spill Trustee Council to buy protection of the Eyak rainforest under the conditions of the Forest Forever Plan proposed by the Eyak Rainforest Preservation Fund -- which is Phase 1 and Phase 2 that I just described earlier -- and the Coastal Coalition. Phase 1 seeks permanent protection of the forest through the purchase of timber rights. Phase 2 sets up a three year moratorium, enabling all parties time to work out the management issues on the conservation easement. I can make these available to you right now, which I have copies of. These I can make copies this afternoon -- I would be happy to deliver them to you this afternoon. And, finally, we have set up a tour of the Eyak rainforest for the Indigo Girls who are in town to do a concert this evening, which you are all invited to, and we are hoping to shove off in about 45 minutes. What I'd like to do is -- I don't know who's following me, but I would like to have Winona LaDuke and the Indigo Girls speak before we have to go out on the tour.

Thank you very much.

(Mr. Lankard submitted petition cards to the Trustee Council for the record.)

MS. WILLIAMS: Thank you very much.

(Audience applause)

Thank you, Mr. Lankard. Thank you also for the petition, which we, of course, will put into the record and review, and for the other documents that you provided. Are there any questions or comments for Mr. Lankard? Thank you.

Our next -- would the Indigo Girls like to go next? Winona? Yes, please, and please come to the microphone -- and we do thank you for joining us today.

MS. RAY: My name's Amy Ray. I'm from Georgia -- Atlanta, Georgia. I'm part of the Indigo Girls. We're currently on a three week tour in the United States to raise money for different Native American grassroots organizations that are trying to do things for the environment -- land recovery projects, language recovery projects, sacred site defense, and basically we believe in cultural and biological diversity. I'm here in support of Dune Lankard and the rainforest -- the Eyak Rainforest Preservation Fund -- because I believe you can't have a culture without a piece of land to subsist on. I think buying the timber rights and the moratorium that would be put in place would give time to talk about the other issues going on with the different people's jobs -- you know, I don't live here, I don't work here, I know there's a lot of things that are gray areas that need to be discussed. I feel that this plan that we've signed a petition on would be a good one, and I want to support it as a citizen of the United States and as a voter. So, thank

you.

MS. WILLIAMS: Thank you very much.

MS. RAY: And you're invited to the show tonight.

MS. WILLIAMS: I'm looking forward to it (laughter) -- you better believe it.

MS. SALIERS: Hi, my name is Emily Saliers. S-A-L-I-E-R-S. I'm one of the Indigo Girls. I live in Atlanta, Georgia, and we are here on the aforementioned tour that Amy spoke about.

I encourage the Council to please resume immediately your talks with the Eyak Corporation. We support the purchase of timber rights of the Eyak lands, and we support the moratorium that Dune Lankard mentioned earlier. This is not just a local issue, it's truly an international and I believe a spiritual issue, and you have a chance to make a difference, and I know that the eyes of the world are going to be on you all, and that Amy and I are going to do as much as we can to stay on top of these issues to watch what happens subsequently and to tell everybody we can around the world about because it is a chance to save the rainforest, a chance to save the work and lives of the fishermen of the indigenous people. It's a very powerful opportunity to stand up and do the right thing at a critical time. I believe this with all my heart. I'm not going to go home to Atlanta and forget about it, and I encourage you all to resume your talks immediately and save the rainforest here. Thanks a lot.

MS. WILLIAMS: Thank you.

(Audience applause)

Any questions or comments for Amy or Emily? Okay, thank you again for testifying, we appreciate it greatly. The next witness said "maybe." Henry Makarka, would you like to testify?

MR. MAKARKA: Hi. My name is Henry Makarka. Last name is spelled M-A-K-A-R-K-A. I speak for myself and testify as far as all of you, I recognize some of you and I see some new faces also. But with what Copeland had mentioned as far as out in the Sound, I have been involved (indiscernible) a member of the Eyak Corporation board and the Village Council and the AFN board. From Day One from the spill out there, I was appointed to -- for the village to look at some of the things and meet with the Oiled Mayors of Prince William Sound and the Oiled Mayors and Friends. We met in Valdez shortly after the spill. With what we had seen out there, a tour of what the damage was to the animals and the oil with what Copeland was mentioning, I had flown several times throughout the whole oil spilled area, from Bligh Island to the entrance of where the oil leaves the Sound, and having one day to fly out there on a clear day from Bligh Island being out on a straight line. With what Copeland has mentioned, I am sure is true, was a black line on the bottom of the ocean, the way the tide flows. Other things that I have noticed since the oil spill as far as the damages to the resources, mainly the wildlife, the animals, the seals, which what our people subsist off of, I have sampled some of the seals. The livers are perforated, bloodshot -- in fact, last year while sporting fishing a deformed seal -- one of my friends and I happened to

see this deformed seal, and we thought it was a platypus. With a little more closer look, it was a deformed seal with a long nose, a long head, sadly to say, and the only thing that we could attribute these things to was the oil spill. Since '89 now, we're going on six years, and we're still seeing the after effects of what the damages are out there. The deer also, their livers are, as far as I'm concerned, are bloodshot, tough. The seal liver is one of the choice livers of all the Native people - - in fact, a lot of the white people -- you could cut it with a fork, but now it's tough, bloodshot, perforated -- and other wildlife as far as I'm concerned throughout the oil spilled area.

I have lived in Tatitlek for 14 years, I have two sisters over there and they have big families also. I also keep in touch with them and as far as what the subsistence foods there are or any at all returning -- very little herring spawn for them, fish and the wildlife and the seals and all -- very little. I know, I see, I go out there quite often. So, with what, you know, just you folks -- not to be repetitious with what some of the testimonies has already been, I think we all recognize that you do have that fiduciary responsibility and as far as with what you are charged to do, and I truly hope that you do continue and try and do your job. Thank you.

(Audience applause)

MS. WILLIAMS: Thank you, Mr. Makarka. Mr. Markaka -- Mr. Makarka, I actually have a question. I don't know if any other Trustee Council members do. I certainly appreciate your

observation about both appearance and liver characteristics of the animals that you have harvested and observed. Did you have an opportunity to talk the Alaska Department of Fish & Game or give them samples of the liver or the observations or Forest Service or the Prince William Sound Science Center, by any chance?

MR. MAKARKA: I'm not a biologist or anything, but I've often thought that those people like you here, you have the knowledge to know with what you're doing. I, myself, am self-taught with what having to live out there. I have always taken for granted that those people who are biologists or scientists or what have you are far more educated than I am to the point of with what all of you are charged to do and how you did it. But maybe you are right. You shook your head. Maybe they do not know everything that is out there. I certainly have seen and tried to sample it, the seal liver, and looked at it. I have an interest in that. I've always taken an interest in it, from Day One from the oil spill. The day of the oil spill, my cousin over there called me up because of my relatives over there and told me. He said, "It's happened." "What's happened?" "What we always thought would happen some day, the oil spill." And he said he ran to it, two foot of oil, and just like hitting a wall and having to see with what -- let alone the toxicity of the oil spill itself when it began in the village people, I was concerned with all my relatives over at the village, and they became ill, and I told my sister at the time it may be the way the wind is

blowing and the toxicity of the air from the oil is affecting you. Everyone was become nauseated at that time. Still here nor there as far as what you mentioned about the wildlife -- I have seen it. I've been there.

MS. WILLIAMS: And I can't speak for Commissioner Rue or even Mr. Pennoyer, but I would -- I would assume that some of your folks would love to chat with Mr. Makarka about his observations and follow up on the condition -- yes.

MR. RUE: Yes, that's a good assumption. We'll follow up.

MS. WILLIAMS: Excellent. Thank you very much. And anyone else that has in-the-field observations, please share those with us because they will help in restoration analysis and, of course, in the assessment of the damage. Thank you so much, Mr. Makarka. I understand that Winona LaDuke would like to testify next.

MS. LaDUKE: Can you hear me okay?

MS. WILLIAMS: Yes.

MS. LADUKE: Thank you. Me gwitch (ph). Winona LaDuke is my name. L-A- -- capital D-U-K-E. Aniin indinawayvuqunitok. Indigo Bennaasay equay. Makwa niin dodaen. Gah bah sah ga aygoning indoon jibaa. I am from the White Earth (ph) Reservation in northern Minnesota and I'm a Mississippi band person, Bear Clan, but I'm here because I'm concerned about these issues. I also represent an indigenous women's organization called the Indigenous Women's Network, and it is my feeling as an

indigenous person that I am a mother of my nation, and that all issues of concern to my nation are of concern to me, and that as a women and as a mother I have a right to be concerned about these issues, and that is why I am here. I want to thank you very much for this opportunity to speak with you, and I believe that you have a very sacred responsibility as trustees, and I realize that you have a very difficult job in what you need to do. I encourage you to always think about the seventh generation from now when you do these things that you do, because that is how sacred your responsibility is because of the caretaking that is in your hands. We have a saying in my language, which is, "Bimaadiziiwin a'aw Nibi." It means water is life. Water is life -- and that is what we believe. I live in an area that is full of water as well, but it is inland water. And our relatives are in the water and we come from the water, and we have ceremony about the water, and it is of concern to us when there is a problem with the water because the water is the center of us, and in most indigenous cultures we have that belief, and that is why what has happened here is so devastating to cultures -- indigenous cultures -- because water is the life blood of Mother Earth, is our belief, and that is why it is so essential that we protect and preserve the water. I find that indigenous communities in which I work, in my reservation as well as other reservations we suffer from a problem, which is unresolved historical grief -- in that what has happened to us is not recognized as having happened, and that whether it is the

bayonetting of our grandparents or it is the destruction of our land or it is our forest removal or it is forcing us to speak someone else's language, it is something that is not recognized as having caused the grief which it causes in our communities, and the problem is is that in many indigenous communities the same circumstances continue in that we do not have the ability to control our destiny and that there is always someone who is trying to control that upon which we rely. In my reservation, most of our land was taken and most of our trees were cut, and the consequence was widespread social and economic and health problems in our community and a great deal of things which had been carried inter-generationally. We are only now healing. But, today, in my own community we face some of the problems in that they are coming back to clear-cut our area, and it causes us stress in -- not unlike stress in animals. When there is no security of where you are going to be or if your land will be okay for the next year or for your children, because that is, as indigenous people, all we have to pass on is our cultural practices and our land. The land is our spiritual resonance. That is where we get our relationship to the Creator from. That is also where we get our food from, and it is not the same to buy it at the store. You do not have that spiritual relationship with something, some meat that has a stamp on it. It is not the same. Nor do you have that same relationship to fish that you do not know where it came from. And that is why it is important to protect the forests. I am, of course, here to support the

negotiations to protect the Orca Narrows land of the Eyak people.

That is because they are my relatives because we are indigenous peoples, and I can feel what they have gone through because we have had the same experience. We would like to see it protected because the only way that their community will be able to be restored and to be alive is if their land is protected, and if they do not have to wake up every day in all of these communities and wonder what is going to be destroyed next, that level of stress which causes that social impact on communities is what causes social disfunctionality and a lot of the problems we have.

We are unable to heal unless our land is healed. So, for us in our area and as well as the people here, we look to folks like you who have the ability to do something to try as hard as you can. You do have a fiduciary responsibility, those of you who are from federal agencies, to indigenous peoples, and we encourage you to utilize that in the way that you should, and in this case we are here and I'm here to ask you to continue and really work diligently on the negotiations to secure the timber rights to protect the land. Do not ask them for the land. Do not take their land. Do not try to buy their land, they need their land, but you need to protect the trees because the trees are what protects the water and the fish, and it is also what protects the people. Those are their ancestors and those are our ancestors, so, please, do not give up your negotiations, and please use your influence and position and your responsibility as best as you can. Ni gwitch (ph).

MS. WILLIAMS: Thank you very much.

(Audience applause.)

Any questions or comments? Thank you again. The next person on the list also indicated a "maybe," and so would Ken Hill like to testify at this time?

MR. HILL: Not at this time, thank you.

MS. WILLIAMS: Okay, thank you. The next witness also indicated a "maybe" -- Andrea Postos?

MS. POSTOS: Not at this time, thank you.

MS. WILLIAMS: Thank you. The next witness also indicated a possibility, and that's Karen Button.

MS. BUTTON: Hi, my name is Karen Button, and that's B-U-T-T-O-N, and I'm visiting here from Anchorage and would like to say thanks for meeting with everybody and welcome here, and I am glad to see that you're here and taking the testimony of people in the area of where the spill most impacted people's lives. In Anchorage, it didn't affect my livelihood, it didn't affect my life in relationship to the land, but it affected my heart really deeply, and it still does, and it causes me great pain to think of the continuation of the degradation of this earth by clear-cutting 70,000 acres. So, I would really also encourage you -- not to be redundant -- but to please pick up your negotiations with the Eyak Corporation and to recognize that those that sit on the board are not necessarily the voice of all of the people, and -- just one other comment is -- meaning no disrespect to the man who spoke first, but it really -- it causes

me great pain to think that we have to think about what we're going to do for the next oil spill. I would like to think that we don't have to be in that position, and although it's not any of your responsibility but I think it's all of our responsibility to continue to work with our Congress so that we can have safeguards in place, such as double-hulled tankers and so forth, where we don't have to worry about having a state of readiness, where we just can live a little bit more at peace with that. Thanks.

MS. WILLIAMS: Thank you very much, Ms. Button.

(Audience applause)

MR. KOMPKOFF: Can I say a few words next?

MS. WILLIAMS: Please.

MR. KOMPKOFF: Carroll Kompkoff. I'm the President of the Tatitlek Corporation, and we are in the process of negotiating with you people.

(Interruption by recorder about microphone).

MS. WILLIAMS: And, Mr. Kompkoff, if you could spell your last name for the record, please.

MR. KOMPKOFF: K-O-M-P-K-O-F-F. First name is Carroll, C-A-R-R-O-L-L, and I'm the President of the Tatitlek Native Corporation -- Tatitlek Corporation -- and we are in the process of negotiating with you people right now, through our attorneys, and I'm sure you all realize that -- trying to selling our conservation easements and some fee. I'd like to speak just for myself, not for the corporation. I've been a commercial

fisherman all my life. I started fishing with my dad when I was four years old, and up until, what, about ten years ago -- ten or twelve years ago, you used to get a steady run, a real good run of wild stock salmon in Port Fidalgo, namely pink salmon and chum salmon, also in Valdez Arm. That's been on a steady decline for the last ten -- twelve -- years. Now, I'm not a scientist but I kind of blame logging operations in Port Fidalgo as part of the reason for the decline. We used to get a lot of chum salmon in Port Fidalgo, also pinks and others. There's hardly anything in there any more. There's no fish nowhere, not of any kind, and I think a lot of that -- some of that has to do with the oil spill.

And, like you say, we are in the process of trying to selling some of our lands, conservation easement and fee simple, to you people, and I sure hope things work out for us. So that's --.

(Audience applause)

MS. WILLIAMS: Mr. Kompkoff, thank you. And, Mr. Kompkoff, let me say, although I'm not part of the negotiating team I understand that the discussions are going very well with Tatitlek, and we thank you for that. Any other questions or comments for Mr. Kompkoff? Thank you very much. The next witness is -- we've already heard from Monica Ridel -- so, it's David Grimes, please.

MR. GRIMES: Good afternoon. My name's David Grimes -- G-R-I-M-E-S -- and I'm also an adopted member of the Eyak Tribe with the name "Yakadalyshliyaki" (ph), which I can't spell, but it means literally "he who causes his mind to involuntarily

roam in an indeterminate direction." (Laughter) And I will try to stay on -- in direction. I want to thank you guys very much for being here and welcome you. I think this is the first time that you've all been able to be here in Cordova, and I also think that were we all able to be in the same place more often that a lot of the problems that we have in this restoration process would not be so great because we really aren't able to see each other near enough that -- as our problems warrant. You folks are, as trustees, are our healers, you are our protectors and restorers. This is your -- this is your mission on our behalf. There are numerous times that I wish that it hadn't been you folks or your predecessors, that it had been people who live in this area because, given a billion dollars and the love that we have for this place, there would be no chainsaws operating in a negative fashion in Prince William Sound today. This is -- this is the truth. And history is going to judge us, not on what we learn from studying the oil spill, but more importantly how we took action based on what we know and learned. All of the science that we learn from this and what we already know in our hearts, it's incredibly important that we know that, but it doesn't matter at all if we don't act on that. We already know that since the oil spill hundreds of thousands of forest have been clear-cut in the oil spill region to an already severely injured ecosystem. We know that continuing this clear-cutting in the oil spill region will be completely counter to all of our restoration objectives. This, we know. Will we act on this

knowledge? Again, what good is the science without the will to act on it? I don't have to tell you folks, you know salmon are forest animals as much as they are ocean animals. They are born in these forest streams and they return to spawn and die in them, and whether we spill oil in the water and kill or whether we kill the forest, the salmon will go. I don't have the billion dollars, Eyak Corporation doesn't have the billion dollars, you folks have the billion dollars, and, in that sense, whatever happens to this region, the degree to which we are able to protect it, is on all of our heads, but most of all I believe it's on your heads, those of you who are sworn on my behalf and on everyone here's behalf and on the injured ecosystem and the animals, you are the most who are given the trust responsibility.

And -- I -- we love you guys, we want to welcome you to our community. We hope you will stick around here and become a part of us, and I hope there is a way we can all work together, but I really want to encourage you from the bottom of my heart to stay in with these negotiations and find a way to protect our forests.

It's the single biggest act that you could do to help restore the oil spill is to protect some of this habitat, and I wish you great good luck with it. Thank you.

(Audience applause.)

MS. WILLIAMS: Thank you, Mr. Grimes. Questions or comments for Mr. Grimes? Thank you again very much. I have two witnesses who did not indicate -- or two names of people who did not indicate whether they want to testify or not, so I'll

specifically now. John Branshaw? No? And Scott McKinney? All right. The next person who indicated they wished to testify was Allison Nyholm.

MS. NYHOLM: My name is Allison Nyholm. N-Y-H-O-L-M.

I am here representing Chugachmiut, the regional non-profit, and I'm sorry to have to bring the public testimony back to proposals, but I would just like to let the community know and be aware of a specific proposal that our natural resource arm has put forth, called the Prince William Sound Youth Area Watch Proposal. It's a proposal that we're really excited about. Basically, it involves getting the kids within the region out there, working on some of the research that's going on. In the proposal process, we worked with the folks at Prince William Sound Science Center in identifying specific research that they could be involved in, but we would also like to incorporate traditional knowledge in that process. Again, we're real excited about it, and we would like the support of the community and those out -- and definitely the Trustee Council. It -- it's proposed as a pilot project, but we would hopefully like to expand it and get every youth out there involved -- within the region. Basically, the -- it stemmed from concerns over long-term planning and the need to -- to bring youth into the process in terms of the big projects that are out there, like the Prince William Sound Science Center and the Seward Sea Life Center that's going to be going in in Seward, and that they need to be involved in the planning process, and we hope that you look

favorably on this proposal. Thank you.

MS. WILLIAMS: Thank you, Ms. Nyholm. Are there are questions or comments for Ms. Nyholm? Thank you for testifying today. The next person who indicated that he wished to testify was Ted Achilles.

MR. ACHILLES: Good afternoon.

MS. WILLIAMS: And Mr. Achilles, if you could put on the microphone, please.

MR. ACHILLES: My name is Ted Achilles. A-C-H-I-double-L-E-S. I'd like to speak very briefly on behalf of resolution -- excuse me -- Fleming project Spit -- number 95080.

I am speaking on behalf of Prince William Sound Aquaculture Corporation. A resolution was passed on the 24th of May by our executive committee and reads: "Whereas, it is the mission of the Prince William Sound Aquaculture Corporation to provide salmon for the benefit of all user groups in Prince William Sound; and, whereas, since 1990, Prince William Sound Aquaculture Corporation has assumed from ADF&G the responsibility for releasing chinook and coho smolt at the Fleming Spit for the enjoyed of recreational fishermen and the community of Cordova; therefore, be it resolved, that the Prince William Sound Aquaculture Corporation hereby supports EVOS Trustee Council project 95088 to restore and improve salmon fishing opportunities at the Fleming Spit area." I would like to leave that resolution with you, and I would also like to add my thanks to those who earlier expressed their appreciation for your coming. You can't

hear the kind of feeling that represents a community like this unless you're here, and we're real pleased that you came. Thank you.

MS. WILLIAMS: Thank you so much, Mr. Achilles.

(Audience applause)

Mr. Achilles, there is at least one question for you. Mr. Tillery?

MR. TILLERY: Please. You provide the smolt?

MR. ACHILLES: That's correct.

MR. TILLERY: You -- am I correct in thinking that you will continue to provide those smolt?

MR. ACHILLES: That is correct. We will continue to provide them to the extent that we can, rearing conditions, biological conditions, and so on, being available to us, but the answer is yes.

MR. TILLERY: And we're probably not going to be seeing a request come back to the Council to fund the smolt -- that's just part of your mission that you are doing -- that you and city and the sportsmen are probably working on?

MR. ACHILLES: That's correct.

MS. WILLIAMS: Any other questions, Mr. Tillery? Any other questions from any other Council members? Thank you very much, Mr. Achilles. The next witness is Riki Ott.

DR. OTT: I am Riki Ott, and I am involved with so many projects that it would take up my whole three minutes to tell everybody about them, so I'll just say that I am testifying

for myself. I would like to echo Kelley Weaverling's earlier comments about the Eyak timber negotiations, and that I feel a little bit like we're in Ground Hog Day, and I would really like this movie to end. The timber obviously is for sale. ITT-Rayonier is actively trying to purchase it. It seems to me that there are three obstacles to closing, at least from my perspective. First, as mentioned earlier, the timber cruising has not been completed, and as a result the appraisals haven't been completed so there's actually no money value there that can be pinned on this timber. So I would really urge this Council to take all steps necessary to prioritize these timber cruises. The second obstacle seems to be the development rights, and my fear of development rights is actually a lot less than my fear of clear-cutting and the resulting damage to the ecosystem and the future economic base of the Native corporation and this community. Unlike the timber rights, which are held by one person, Luke Borer, who unfortunately isn't accountable to any party because he owns the timber rights, the development rights are controlled by the owner of the timber and Eyak Corporation -- at least, that's what I believe -- and so I ask this Council to have some faith that the future development will benefit all the shareholders and this community. I believe that the fear over the future projects is jeopardizing at this point the Eyak negotiations. This fear needs to be overcome for the spiritual and economic well-being of all the people in this area. This brings me to my -- to the third obstacle that I see which is that

it really takes two to tango, and it's going to take give and take by both sides, not only the Eyak -- not only the Trustee Council, but also Luke Borer, the primary holder of the timber. So, I ask that both of you -- the timber rights.

MR. BORER: (From the audience) I don't own timber.

DR. OTT: Well --

MR. BORER: Not the timber rights.

DR. OTT: I'm led to believe that you do. All right, well, then, let me re-phrase that and say the negotiators, both sides -- there needs to be give and take on both sides. It isn't all a one-way street. And so, I ask that all parties involved get back to the table immediately and work for a comprehensive deal, including the Other Lands as well. And I wish everybody good luck.

MS. WILLIAMS: Thank you, Ms. Ott.

(Audience applause)

Any questions or comments of Ms. Ott? Thank you. I am having a little trouble reading the next person's name. It Ed Zooney (ph) perhaps? So, sorry.

MR. ZEINE: Ed Zeine. Z-E-I-N-E.

MS. WILLIAMS: And I particularly apologize because I met Mr. Zeine earlier today, but my ears were still a little plugged up from the airplane ride, I don't know if other people had that problem on the airplane.

MR. ZEINE: I won't comment about the ears being plugged up, believe me. I'm here in support of the Fleming Spit

project, number 95080. I'm a 16 year, full-time resident of Cordova. When I first came here, I started a kids derby going, and we did that on Eyak River. We got a lot of complaints about it because in one day we'd take quite a few fish off that river, which is a wild fish run. Fish & Game started planning silver fry at the Fleming Spit -- the Department of Fish & Game for Alaska -- and following that they started getting out of the hatchery business and turning over the hatcheries to the Prince William Sound Aquaculture Corporation, and they took over the plant. I am very, very pleased at the word that you just heard from the Prince William Sound Aquaculture Corporation that they're going to continue to see that we get our fish there.

During the oil spill, we had a lot of people in our community, a lot of them, going out to the oil spill to work and they were coming back in off the oil spill after they either quit work for one reason or another and they were transits in our community, and you wouldn't believe how many people can live down in Fleming Spit. There were a lot of them down there. And they were fishing and non-fishing, and they fished the stock that was down there at the time. It was silver fry -- that's all we had.

And so it has been impacted tremendously by the oil spill. This, I believe, is one of the most non -- non-controversial items that you can talk about in Cordova. It seems that everyone I speak to has supported this work that we're doing at Fleming Spit. I wish you could be here when we hold our kid's derby. We have about 170 little children down fishing, and they do catch

fish and big

fish. It's a lot of fun. It's sponsored by a local fraternal organization. I believe we have wide community support. The City of Cordova supports the Fleming Spit project. Of course, you know the Prince William Sound does -- the aquaculture corporation does -- and the commercial fishermen support us very strongly. They are the ones that actually vote to provide the smolt and the fry to the plant out there, so I think that one of the projects that you can feel very happy on discussing and approving, I hope, is the Fleming Spit project. Thank you very much.

MS. WILLIAMS: Thank you, Mr. Zeine. Any questions or comments for Mr. Zeine. (Audience applause) The next name on the list -- that did not indicate, however, whether they want to testify or not, but I'll ask now -- is Jean and Charlotte Debrugger (ph)? The next witness is -- we've already heard from Julia. Karl Becker, would you like to testify? (Mr. Becker declines). Riki Ott has testified. The next witness is Caryl Boehnert.

MS. BOEHNERT: Hello, my name is Caryl Boehnert -- can you hear me? -- and I'm representing Alaska Center for the Environment in Anchorage, and I'm speaking as a clinical psychologist who has been doing negotiations for about 20 years now, and I want to make a couple of observations on the Eyak process. I think one thing that I've found is it's -- it's almost never seen that one side is particularly responsible for how things are going in one direction or another. Responsibility

is shared by both sides on both ends of the table, and because of this you may get speed, you may get a real slowdown, but the negotiation process is two-sided, with two-sided responsibility.

I think, however, in some ways that's good, because what we find is, if you can find a threat that threatens both sides equally, often you get an increase in momentum, and, by George, I think we've found a mutual threat, and that is the philosophy and the laws that right now are sweeping the Lower 48 in terms of the hostility toward the idea of federal lands and what will become of our federal lands. It's not here yet, but if we're looking at what's going to happen in the next year and a half, I, for one, feel that the politics that we're seeing, like examining the Tongass Timber Reform Act, which is happening today in Wrangell, that kind of attitude could well affect the Trustee Council and could well affect the money and the deals that are going to be done in the next year and a half. What this translates to is it's no longer just a vague threat out there that, hey, the money may run out, get your deal. There's also the time factor of if your deal isn't far enough in the pipeline, far enough to appraisal, far enough agreed upon, it may never get done, never mind the money, and I think this is something that threatens you and threatens Eyak Corporation equally if both sides want to do a deal and want to see some money on the table and want to see some benefit. So, I -- I guess I wanted this to be out there very clearly. On behalf of ACE, especially, I also wanted to make a very strong request about the timber cruise for the Other Lands

for Eyak. I understand that there is more to be done on it, but there has been done some already, and it seems that the appraisal process for the Other Lands just can't go ahead if timber cruise is incomplete. So, I would ask whoever handles that to show extra attention to making sure all that stuff is done. If you need more personnel, if you need more money, if you need more attention, get it done this summer, because it seems like deals that wait too long may just never get done, not because of money but because of legislation and the federal climate. I thank you for the opportunity to speak.

MS. WILLIAMS: Thank you, Mr. Boehnert? Thank you for testifying today. Our next witness -- or the next person on the list did not indicate whether she wished to testify or not, so I'll give that option now -- Tania Vincent?

MS. VINCENT: Yes, I will.

MS. WILLIAMS: Thank you.

MS. VINCENT: My name is Tania Vincent. That's T-A-N-I-A. I'm trained as a biologist, but I'm going to speak from the heart because while I know that clear-cutting -- all the horrible things that it does to the environment -- I had the opportunity to fly in front of Montague Island this morning, and -- on the front end -- and I saw miles and miles and miles of driftwood from the clear-cutting that's been going on, and that just really struck me right here (chest) and probably took five years off my life. So, if there's more clear-cutting going on, I may not last much longer. I just wanted to speak from the heart, so, thank

you.

MS. WILLIAMS: Thank you, Ms. Vincent. Any questions or comments for Ms. Vincent? Thank you again. The next person I have who indicated that she wished to testify was Marcey Burgos (ph)?

MS. BARDUSK: Bardusk. My name is Marcey Bardusk, and I'm with the Director of Mental Health & Alcohol in our community here, and I first want to indicate that I do not have a proposal before you, and the reason for that is because I called about a year and you said -- well, not you particularly -- but I was told that you would not be funding anything to do with mental health, but I do have some comments. I am gravely concerned about the ongoing impact of the Exxon Valdez oil spill upon our community members. Data collected by independent social scientists, including Steve Picou, as well as by my clinic, Sound Alternatives, strongly suggest that a chronic pattern of work, family and community disruption has resulted in continuing and elevated stress levels of Cordovians. One doesn't have to be a social scientist or a mental health clinician to see this. All you do is have to come into town and start a conversation about the oil spill, and you'll watch the body language, you'll see the anger that is still there and the grief and the pain. What we have found at Sound Alternatives is that traditional mental health services are not typically being used to relieve mental health issues related to the oil spill. Alternative methods of service delivery are needed. I'm reminded of the counsellors

working with the people of Oklahoma City, who went out into the areas, into the schools, into the work place and delivered mental health services so that the trauma and grief may be processed. We believe that by employing such a worker, one outreach worker, here in Cordova would greatly alleviate the ongoing trauma, the personal trauma, the stress, the anxiety and the continuing depression. At present, Sound Alternatives has one and a half mental health clinicians. We are full-time, treating, traditional mental health issues in our community, and we do not have, bluntly, enough time to go out and do the really skilled outreach that would be so productive for our community. The State of Alaska -- I requested funds for such an outreach worker -- and they actually, as you probably know, are cutting back at least a million dollars from community mental health centers, and they said that while they support us in our need, that they have no funds. And so, I am requesting that you consider just our area of Cordova, which I believe, and again other social sciences -- scientists -- like Steve Picou believe, that Cordova has been the most impacted community from the oil spill. So, I am requesting that you consider funding one outreach worker for our community. Thank you very much.

MS. WILLIAMS: Ms. Bardusk, I have a question -- (audience applause) -- I don't know if anybody else does. Thank you for your testimony. Actually, I am going to ask this question of the person sitting on my left. We, of course, hear a lot about the Mental Health Trust Fund and so forth -- Mr.

Tillery, is there any way the Mental Health Trust Fund could be looked to for an important project such as this?

MR. TILLERY: I don't know. I don't work in that area. I don't know how it works, but I made a note here and (indiscernible) to find out.

MS. WILLIAMS: Oh, yes, he did, even before I asked the question.

MS. BARDUSK: Shall -- how do I communicate with you? Do you want my phone number right now?

MS. WILLIAMS: Yes, okay.

MR. TILLERY: Well --.

MS. WILLIAMS: If you feel comfortable putting it on the record, please give it to Mr. Tillery, and he will call you back.

MS. BARDUSK: Sure. Today. It's Marcey Bardusk. B-A-R-D-U-S-K -- and Sound Alternatives, and our number is 424-8300, and I would appreciate your help.

MS. WILLIAMS: I can't imagine a more perfect project for the Mental Health Trust Fund, unless there's some concern I'm not aware of.

MS. BARDUSK: Okay. Thank you so much.

MS. WILLIAMS: Any other questions or comments? Thank you very much. Our next testifier is Cheryl Lettich -- Lettich?

MS. LETTICH: My name is Cheryl Lettich. L-E-T-T-I-C-H. I'm a Tribal Council member for the Native Village of Eyak. The Native Village of Eyak is in support of project number 96152.

On page 89 of the Draft Restoration Program FY96 and Beyond, quote, "Archaeological resources are non-renewal. They cannot recover in the same sense as biological resources. Archaeological resources will be considered recovered when spill related injury ends. Looting and devolution are at or below pre-spill levels, and artifacts and data are typically preserved through excavation or other forms of documentation or science stabilization, depending on the nature of the injury and the characteristics of the site." Because artifacts are listed as an injured resource of the oil impacted areas, in order to protect them we need to facilitate this process. Project No. 96152 first originated by myself with USFS office in Cordova. During a teleconference with Chugach (indiscernible) Communities Consortium, we came to a consensus that this proposal should be region-wide. The oil spill destroyed archaeological sites and the subsequent removal of cultural artifacts, including displacement and dislocation of traditional ways for preservation of cultural historical sites. This project will help facilitate steps towards future archaeological (indiscernible) in the regional oil spill communities and to provide training necessary to recover the displaced and dislocated artifacts. Project No. 96152 will train individuals locally and comply with federal regulations, see Code 36, Part 79. This project will achieve the training, curatorship, and site stewardship that is necessary to facilitate and acquire artifacts throughout the oil inhabited region.

(Audience applause)

MS. WILLIAMS: Whoa -- (as the microphone is pulled by Ms. Lettich) I was waiting for someone to do that! Any questions or comments for Ms. Lettich? Thank you so much for your testimony. The next witness is Bob Smith? (Mr. Smith did not identify himself) Umm -- and the final person I have indicated on this list, but we will give people an opportunity to testify who did not get their name on this list, is Willy Hamilton. Mr. Hamilton? (Mr. Hamilton did not identify himself) Is there anyone else in Cordova who would like to testify? Please.

MR. KEENEY: My name's George Keeney. I'm with the City of Cordova here, and I have several things I'd like to comment on. I'm on a SWAMP Committee -- the Solid Waste Management for Prince William Sounds. One thing I'd like to do is thank you guys very much for sponsoring this or helping us out on this. This group of people will help identify problems in the Sound and solutions. The other thing I'd like to talk about is the Fleming Spit project. We've got about six years of paperwork on this project. Everybody in Cordova seems to be behind it, and I'd like to see this thing work through. I've got five kids. They love to catch fish, and hopefully tonight, if you get through, we'd love to take you down there and we'll catch some. If you have any questions on it? If you do, I'll be glad to answer them.

MS. WILLIAMS: Yes. Mr. Tillery.

MR. TILLERY: Unfortunately, we had a hearing once, where there were a number of people testified about it, but the tape of that was unintelligible. We were unable to make a transcript to be able to share it with the rest of the Council members. There was a lot of testimony at that time about the use people put Fleming Spit in terms of using the fish for a food source, as opposed to simply sport fishing or recreation or so forth. Could you speak to that a little bit.

MR. KEENEY: As far as my family is concerned, with seven of us in the family, we use fish quite a bit in our meals, so -- if that would help you. But as far as sports fishing itself, it will enhance Cordova in that terms too. To be a sports fisherman, I love going down there and just throwing the lure in there and see if I can catch one. I do it quite a few times a week, and as far as the food source, you know, I don't see anybody wasting food out there. It's not for the big fish. It's for just catching the fish itself, taking it home, and having it for the family. So, would that answer your question or -- (indiscernible -- coughing)

MR. TILLERY: The thing I'm trying to figure out whether this is a fishery is sort of a catch and release or whether people rely on it as something they put fish up for the winter -- where does it fit in this pattern?

MR. KEENEY: It is a catch and release -- or catch area. In other words, when we put the smelt (sic) out, we do catch 'em -- catch 'em and take them home. We don't usually

release them, most of us. I know my two year old sure doesn't. The only problem I've got with him is that I've got tie him to the rocks so the fish doesn't take him.

MS. WILLIAMS: Are there any other questions? Thank you very much.

MR. KEENEY: I do have one other one. I'd like to see us do protect our view shed with Eyak Corporation. I'd like to see that progress. I'd like to see that quite a bit, but the big event is the Fleming Spit. If I can see that go through, I'd be real happy. I know quite a few people in town would. The one other thing is the 88 rules and stuff that we look at all the time in the public, I'm looking at buildings and stuff that I've got to fix up, but as an EMT on the rescue squad here, I've even gone down to the Fleming Spit -- and if you go down there you'll see the rock edges -- if you put these ramps in, these boardwalks, it will actually take care of a lot of that problem. We'll be able to get the people down that want to fish. While they're sitting over here in Sunset View, which is the older folks home, or the handicapped -- making it available for them. That's what's really impressed us. If you can see them get down there and actually catch those fish too. That's part of their livelihood; that's part of their entertainment, you know, to be able to go out there and spend a few hours throwing a lure in. If they don't get one, fine, but if they do, they've got the excitement, and that smile on their face is what makes it nice. So, that's the best I can pass on.

MS. WILLIAMS: Any other questions or comments? Thank you very much. Anyone else wish to testify? Yes.

MR. BORER: (From the audience) I'd like to ask before I testify, Donna Platt, President of Eyak Corporation, is on the south-bound plane. She has asked if I could possibly hold off until she gets here to read our statement from Sherstone-Eyak. I'd asked both Molly and Jim Wolfe about that prior to the meeting.

MS. WILLIAMS: Okay. That's fine. Who else would like to testify? Yes, please.

MS. SEITZ: Can you hear me, okay? My name is Jody Seitz. It's -- my last name is S-E-I-T-Z, and I would like to thank the Trustees for coming to Cordova. I think it's very important that you receive directly the input of people here. From 1991 to 1994, I was lead researcher for the Subsistence Division of Fish & Game in Prince William Sound. I conducted harbor surveys for the Division of Subsistence in Prince William Sound those three years in all the communities, and I conducted harbor seal traditional knowledge interviews for two years in Chenega, Cordova, and Tatitlek. My testimony is my personal impression from that experience. From that experience I would like to share with you that I feel that people have this very, very strong need to be allowed to do something. The Exxon Valdez oil spill took away the initiatives of local people to a large extent, and I feel from my experience that I can very strongly affirm that they want to help in the activities that are going

on, and I believe that you've seen that quite bit. I feel that they want to be part of research activities and to use their knowledge, and from my experience I believe they have a contribution to make to harbor seal research, and to that end I would like to speak in favor of the proposal to establish the Alaska Native Harbor Seal Commission. I think it's appropriate that it be based here in Prince William Sound and be statewide. I feel it's appropriate that it be based here because of the severe concern about harbor seals here, and statewide because of stock issues. Umm -- I feel that it is important to allow people to get together to decide how best to manage this resource. In my experience it is the quintessential, perhaps the very most symbolic resource of cultural survival here in Prince William Sound. And I would like to support as well two other proposals.

Proposal 94244 began prior to this year -- I believe it began two years ago when I began doing interviews. These workshops will allow hunters to get together with biologists, and there is a very strong need for them to be in the same room together, not just the hunters and the biologists, but the hunters from around this region, to talk to each other, to decide with each other how they want to use their resource, and I believe it is very important to establish a training program for collecting samples.

From my experience, people wanted to contribute samples from the harbor seals that they found that they considered to be abnormal.

The report from Henry Makarka was not uncommon. I believe these hunters are several who want to provide samples, and I know from

working within the Department of Fish & Game that biologists need them. Federal laws restrict who can harvest harbor seals. This makes all the sense in the world to allow the people who harvest to be part of research. And yet, during the years that I was a researcher here in Prince William Sound, there was no funding for programs that would routinely handle samples. There was no agreement on protocol for taking samples. It was not easy. People wanted to send them in, and yet there were hazards all down the road. It could not be done informally, there has to be formal protocol, there has to be funding, there has to be a system in place. So, I would like to support that to happen through the Native Harbor Seal Commission, if possible. I believe that people want to be part of this research, and it's important to allow them to do this under their own initiative, to let them be actors in their own lives, to let them do this job that they can do, and so, with technical assistance, I think it would be appropriate to do that through the Harbor Seal Commission. Thank you very much.

(Audience applause)

MS. WILLIAMS: Thank you. Are there any questions or comments for Ms. Seitz? Thank you. Who else would like to testify at this time? Yes -- thank you.

MR. ANDERSEN: Thank you. My name is Bob Andersen.

MS. WILLIAMS: Mr. Andersen, if you could put on the microphone, please.

MR. ANDERSEN: Thank you. My name is Bob Andersen. A-

N-D-E-R-S-E-N. I have no prepared remarks, but a couple of quick comments that I'd like to pass on. One is that being in my mid to late fifties, I have created a little bit of a public resume by serving in capacity (indiscernible -- extraneous noise). One of those was being the first president of Eyak Corporation, back when we were first authorized under the amendments to ANCSA. My background is I'm blessed with a Tlingit mother and a Aleut father. A mother who was born and raised in (indiscernible), and went there when she married my father back in the early 1900's. I just wanted to pass on to you that it was alluded to that there was some sort of collusion against -- within the three so-called tribal groups from the folks that have testified. I know there is no such activity. I'm on both sides of that, and I never seen that while I served on the corporation board, and (indiscernible -- extraneous noise) is entering it's sixteenth year serving the Eyak Corporation. I know of no such activity taking place at this time. Certainly, I think that board asks for reasonableness from its shareholders, as much as its shareholders ask for reasonableness from its board.

The other thing that I thought that I should make some comment on is the Fleming Spit project. One of the other things on my resume was I served at various times over the last 20 years on the Cordova City Council, most recently my term ended about a year ago, about nine months ago, or something like that. We held numerous public hearings on development out there, on what we wanted out there, and I can stand here before you and tell you

it's one of the few things that I've seen tremendous support out of the community on, and I think it would one that you should seriously consider funding. Thank you very much.

MS. WILLIAMS: Thank you, Mr. Andersen. Are there any questions or comments for Mr. Andersen. Thank you very much for testifying today. (Audience applause) Is there anyone else who wishes to testify at this time? Yes, please.

MS. HAWXHURST: Can you hear me?

MS. WILLIAMS: Yes.

MS. HAWXHURST: My name is Dorne Hawxhurst. That's H-A-W-X-H-U-R-S-T. I'm testifying for Cordova District Fishermen United. CDFU would like to thank you for your efforts to fund research, meaningful research in our area, particularly as they relate to the fisheries. We also would support the ongoing negotiations between you and the Eyak Corporation, and above all, thank you for coming. We've been asking for a while, I think.

MS. WILLIAMS: Thank you very much. Any questions or comments for Ms. Hawxhurst? Anyone else wish to testify at this time? Yes -- please.

MR. FERREN: Thank you. My name is Howard Ferren. F-E-R-R-E-N. I'm a Cordova resident. I'm here to offer a personal perspective. I wasn't going to testify, but when I heard that the transcript from previous Fleming Spit testimony wasn't available, I know that I testified at that time, particularly to speak to the amenities that the project would bring to the Fleming Spit area. I know that my folks visit every

summer, particularly during the coho return. Both my mother and father are avid sports fishing persons, and they're reaching an age where they're not as mobile as Fleming Spit requires a person to be. I know that last summer, my dad fell three times trying to have access to the water's edge, and I think that some boardwalks or stairways to provide better access would be helpful. But in addition, I'd like to provide a little lighter note about Fleming Spit, a recent anecdote. Over the weekend, the weather wasn't particularly good in Cordova, and I know that the chinooks are returning now. This week will probably be their peak of the return. So, I would drive down just to check the spit to see how many people were at the area, and I usually take my fishing rod, just in case there seemed to be activity. On Monday the weather was really pretty bad, and I drove down, and I had my dog in the car. My dog refused to get out with me because it was raining so bad, and I remember I saw Bob Behrends (ph) and his son from the Forest Service. They were fishing. And I my surprise, I really didn't expect to see so many people, but the water's edge was lined with folks, and there was someone who I have seen for awhile -- Dolores Crowley (ph) -- I don't if any of you might be familiar with her. She has lived in Cordova. The last few years she and her husband have lived in Israel and Egypt and Italy doing some theologic studies, and, by gosh, she caught a salmon. As I would expect, she has this close relationship with God, being a retired nun, and I thought, well, there's no point in my fishing. I knew Dolores previously -- she was on an

allocation task force that I facilitated, and though be it her religious background, she was able to hold her own with the best of the fishermen during these allocation battles. So, I thought, well, I'll put my fishing rod away and I'll just go chat with her for a bit to see how she's doing, and it turns out that she had just taken the ferry over from Valdez, she had to return that evening. She had come back from Italy earlier, specifically to come to Cordova to fish on the coho -- or the chinook. And, five or six minutes into the conversation, someone else walked up, and Dolores is still fishing while we're chatting, and I said, well, I'm just going to stay another minute here because Dolores is going to catch another fish and then I'll leave, and then I think it was three casts after that she hooked probably about a 32 lb. chinook, and she had her friend, Sister Peggy, who is another resident of Cordova, serves the community, and it is quite a thrill to watch Sister Peggy with a landing net and Dolores wading out into the water, trying to chase this large chinook up and down the beach. And I think that's what the Fleming Spit project is all about, and that's why PWSAC supports the project, but I do think some accommodations there to help people access the water's edge and improve the area a bit would be very helpful.

MS. WILLIAMS: Thank you very much, Mr. Ferren. Any questions or comments for Mr. Ferren? Is there anyone else who would like to testify at this time? (No response) All right.

STAFF: Do you want to try Anchorage or Juneau again?

MS. WILLIAMS: Yes, let's try Anchorage or Juneau again. Well, actually -- Mr. Copeland -- before you leave -- I actually do have a question, if you wouldn't mind.

MR. COPELAND: Okay.

MS. WILLIAMS: Are there any projects that have been submitted specifically to address the concerns you raised about underwater sedimentation of oil that is before the Council at this time?

MR. COPELAND: I don't believe so. I'm not very familiar with the current work plan. But I think now that this USGS survey is now finished, they're writing their report and we've got an advance copy of it, and so I do not think there is anything on the books right now. I'd like to stress again, that -- that that's a very limited survey, that USGS survey, and it mostly takes place north of the main track of the oil spill.

MS. WILLIAMS: Okay. Could I invite you to talk with USGS and see what future plans they think might be warranted, given their initial research. I would like to hear more about that.

MR. COPELAND: RCAC has a small project starting in that vicinity as well, and hopefully -- I know Molly wrote us a letter a couple of weeks ago, stressing the fact that perhaps we should coordinate some of our efforts, and I think this maybe an apropos place in which to do that.

MS. WILLIAMS: Terrific. Mr. Pennoyer.

MR. PENNOYER: Yeah, I -- I would say we had a lot of

projects on the fate of oil. We, at one time, tried to get a submarine study going. I don't think we were successful, and so we've tracked it a certain distance. I'm not sure -- I don't know -- initially, some member of NOAA said oil floated and didn't sink. Not all of us believed it, and so there was quite a tracking from the intertidal, up tidal to the subtidal and down, and I don't know where we broke off or why we broke off, or if in fact we did to the point to not follow it all the way. We did demersal fish work, looked at hydrocarbons in demersal fish at some depth with troll surveys, so there's other stuff there. I'd like to have some discussion on how it all comes together.

MS. WILLIAMS: Yeah --

MR. COPELAND: The most extensive survey of the bottom of Prince William Sound was done by Exxon Corporation in 1989, and just anecdotally from the people I know locally who took part in that experiment, they found a lot of oil on the bottom of Prince William Sound.

MS. MCCAMMON: Madam Chair, I've made a note on that and get some additional information back to you.

MS. WILLIAMS: Thank you again, Ms. McCammon, very much. Thank you again, Mr. Copeland. Would the Honorable Mayor wish to testify at this time?

MS. JOHNSON: Thank you, just to welcome you to Cordova.

MS. WILLIAMS: Okay, thank you. All right. Let me check one more time with Anchorage. Anchorage, are you still on

line? Anchorage?

ANCHORAGE LIO: Yes, we are.

MS. WILLIAMS: Is there anyone who would now like to testify?

ANCHORAGE LIO: No. There is no one that wants to testify.

MS. WILLIAMS: Thank you very much, I'll check with Juneau. Juneau, are you still on line?

JUNEAU LIO: Yes, we are.

MS. WILLIAMS: Is there anyone else in Juneau who would like to testify, or anyone in Juneau who would like to testify?

JUNEAU LIO: No, there is no one in Juneau to testify.

MS. WILLIAMS: Thank you very much. One last call. All right. What I would like to do then is propose a ten minute break, and if we could resume then at approximately 3:30. Thank you very much.

(Off record at 3:20 p.m.)

(On record at 3:36 p.m.)

MS. WILLIAMS: I would like, at this time, to call the Trustee Council meeting back into session, and I think we have probably two additional pieces of public testimony. If we could begin with Mike Anderson.

MR. ANDERSON: My name is Mike Anderson. A-N-D-E-R-S-O-N. I'm presently the Chairman of the Planning Commission, and I wanted to come in and, number one, testify about Fleming Spit.

It's been something that's been on the minds of those members of the Planning Commission for sometime. In fact, it was a -- situation that's had the eye of the planning commission for probably ten years, and in the last few years when they've worked on this salmon fisheries project and turned it into such a positive sport fishing area, that there is no question that the Planning Commission is fully behind trying to develop this so that it's safer and less of an impact environmentally and it also gives us an opportunity to make sure that we don't have -- human pollution of the streams that are running into it, and so it's a very good thing, I think. The other thing that I wanted to share with you is my frustration. After being part of Cordova's reaction to the oil spill originally, and I'm sure you've heard plenty of testimony on the fact that our fishing fleet derives a lot of its income out of the area where the heaviest impact of the spill went, but every time that project awards are made -- and the one that sticks in my mind is the one that very recently happened, I think the State Parks system had some kind of money coming out and they were trying to do park improvements and they had millions of dollars available, and millions of dollars went to other communities for projects that I'm sure are very good projects, and about \$150,000 came to Cordova out of that. And the frustrating part to me is not that the other communities are benefiting from this, is -- but it's that Cordova is such a poor, I don't know, politicking at a project-putting-together area. You people here don't have the time, and we don't have the paid

staff in the city to try to put together these projects and try to fit them into the guidelines that are presented to us. I know the one -- the major project that we got out of that was done by a volunteer -- from the ski hill -- basically, he just took a couple of days and worked on that one project. You know, he wasn't paid staff by any means. And I guess the frustration -- the frustrating thing to me is that to see all the monies that were available from this thing going to communities that in my mind were far less impacted than Cordova was and will bear the impacts down the road. They'll bear the positive impacts, while we continue to try to live with the negative impacts, whether they be psychological or somehow related to the screwy fish runs that we've had in the past. And I think that's probably enough.

MS. WILLIAMS: Any comments or questions for Mr. Anderson? All right, yes, Mr. Borer.

MR. BORER: I think I'll go forward (indiscernible -  
- out of range of microphone)

MS. WILLIAMS: All right. Thank you very much.

MR. BORER: I'm Luke Borer, President of Sherstone Corporation, a secondary subsidiary of Eyak Corporation. The board of directors of Eyak and Sherstone have asked me to come before the Trustee Council meeting here in Cordova today to express our grave disappointment with the lack of meaningful progress towards the final Orca Narrows timber exchange settlement. As you know, the Council and our corporation agreed three months ago today to an agreement whereby we would redirect

our timber harvest plan to areas not visible from the city. In exchange, we would harvest other Eyak lands less directly impacting the local citizenry and tourists. Eyak and Sherstone negotiated this agreement with Council over a period of several intense weeks, which followed four years of good faith negotiations with the Trustee Council because we support the mission of the Trustee Council in its efforts to restore resources and services injured or reduced by the Exxon Valdez oil spill. Now, after three months of waiting, the Council is attempting to add new provisions to the March 1st agreement, namely your raising the new issue of severability of the deal. As to that issue, we entered into the last agreement with the Trustee Council on a package basis. Its many provisions work together as a whole, they are all key to the success of the agreement. The Council is now asking us to assume the risk if any or all of these provisions are later ruled invalid, leaving a potential detrimental financial impact to Eyak and Sherstone and their shareholders. This is unacceptable to us as proposed. Despite a May 15 deadline for finalizing the agreement, the Council has continued to delay and raise new issues, damaging its already fragile credibility with our people, many of whom perceive this as further evidence of the federal government's attempt to unfairly appropriate Native lands and reverse the Alaska Native Claims Settlement Act. Were this the first time such delay or redirection had taken place, we might be able to dismiss it. However, there have been other notable issues in the

past year. One, our earlier deal with the Council on the Orca Subparcel was to have been completed by late summer '94, only to have it delayed until January of this year. Two, of even greater concern has been our discovery that appraisals conducted on behalf of the Council have been tampered with. An original, independent appraisal of the Orca Narrows Subparcel came in at 4.6 million, but it was reported to us that there was no appraisal. The federal government, through the U.S. Forest Service, then reduced the figure to 4.1 million. Subsequently, the state, in cooperation with the federal government, reduced it even further to 3.1 million to account for so-called market conditions. Eyak and Sherstone ultimately received 3.45 million as a result of the (indiscernible) point valuation adjustment. We learned of the earlier higher figures only through a recent freedom-of-information request. I would like to point out that we did a Freedom of Information Act in October and this document that had this information in it was not presented by the state or the federal government, and the document was prior to that Freedom of Information Act request. Our corporation is convinced it was short-changed nearly one million dollars. Is this not a breach of the federal government's trust responsibility to Alaska Natives and American Indians? All this might sound like historic detail -- we most concerned about the pattern of distrust that this creates towards the Council by our people. Eyak and Sherstone have made every attempt to complete negotiations on the Orca Narrows agreement. We have our logging operations

established and contractors in place. With the timber exchange now is serious jeopardy, we will very soon need to begin our harvest on the very acreage we were prepared to trade. We believe the proposed agreement still fits in the Trustee Council's and the community of Cordova's needs for restoration. We have proposed bringing in a third-party mediator or seeking a third-party legal opinion, but to date you have not agreed to that, and the Council has unofficially informed us it's unwilling to change its position. The point is, agreed upon deadlines have not been met, and we have no alternative but to move forward with our logging plan, unless, in a matter of days, maybe less, our corporations and the Trustee Council can come to an agreement. This Saturday the annual meeting of Eyak Corporation will be held and an advisory vote will be taken regarding our shareholders' interest in continuing discussions with the Trustee Council over these and other matters. Thank you.

MS. WILLIAMS: Thank you, Mr. Borer. I'm sure the Trustee Council members have questions or comments. Mr. Pennoyer.

MR. PENNOYER: I -- I don't know if its a question or not I want to make. This is -- (indiscernible) -- I think we need an executive session to talk about what we've heard here and discuss the elements of what's happened. I guess I'll speak to a little frustration in the fact that we seem to be moving forward in many areas, with many people. The Trustee Council has put land protection as a high priority and has dedicated a very large

share of the Trustee settlement to do that, and things seem to be happening elsewhere, and they don't seem to be happening here. I guess I'm not quite sure why, but I don't particularly care for the inference that we're not interested and that we don't -- aren't trying, because we certainly are in others -- have been successful in at least get -- bringing things along to a certain degree. So, we need to talk about that further, I think, based on what we've heard here, but I think the Trustee Council has shown a lot of effort in trying to protect habitat as a restoration activity and -- in the Sound and elsewhere -- and I've heard what you've said, and we'll have to take a look at it.

MR. BORER: Yeah, if any of the Council members wish to individually -- wish to talk and find out what we see as the problems within the process, they might be well enlightened.

MS. WILLIAMS: Mr. Borer, I actually do have a few questions that stem from the fact that I was not involved in this process, I think, when Sherstone and Eyak were making some initial deals. When did you first enter into your log cutting arrangement with -- with Rayonier.

MR. BORER: Prior to the Orca Subparcel transaction.

MS. WILLIAMS: Approximately when would that be?

MR. BORER: It was, I believe, that same year, a couple of months earlier, something like that.

MS. WILLIAMS: Did you, when you were looking at what you would do with your land, look at alternatives other than clear-cutting?

MR. BORER: I believe if you check the history, when I first started with Sherstone -- and by the way, I do not own the timber. I am -- I'm an employee at or contract person at Sherstone. I get paid a wage, I don't get a percentage of the profits or anything else. I don't own the trees, I don't own the timber rights, etc. But, when I formed Sherstone in 1986, we checked with the Sierra Club and others, trying to sell the trees to leave them standing. This is not a new idea. Have we looked at other things? We have talked with individuals from Department of Fish & Game, from your Habitat Working Group, and they said, well, why don't you go out and build eco-tourism lodges, and we said, certainly, that would be fine -- how big? Fifteen people. What do you think the income of that is? Maybe \$50,000 a year, net. There's 326 shareholders. It costs over \$500,000 to pay \$1,000 a piece. We have looked at numerous --

MS. WILLIAMS: Okay. Did you look at other forestry practices besides clear-cutting.

MR. BORER: Yes, we have looked at other forestry practices besides clear-cutting.

MS. WILLIAMS: And why did you choose clear-cutting?

MR. BORER: Because the others were not economically viable at the time that we looked at them. Selectively logging by helicopter, it is our understanding at this point in time -- and that is not only selectively logging by helicopter, but you ought to have a combination of clear-cuts and the selective logging, may be viable.

MS. WILLIAMS: May be viable at this time?

MR. BORER: Yes.

MS. WILLIAMS: Are you looking at that now with respect to your land instead of clear-cutting?

MR. BORER: No, I -- I -- you didn't hear me. I said helicopter logging in conjunction with clear-cutting.

MS. WILLIAMS: Yes.

MR. BORER: You have to have a road, you have a haul distance for the logs coming from the helicopter operation, you have to have landings to put them in, otherwise you're going to have to do water drops, and you know what the permitting nightmare is with that.

MS. WILLIAMS: Do you have an idea of what the difference in economic return would be between clear-cutting and practices that are now used in the Lower 48, which again are less destructive than clear-cutting?

MR. BORER: We have western hemlock -- that's the majority of the wood that we have on the property. We aren't talking about Douglas fir or items that can make a substantially greater return. Even Southeast timber makes a substantially greater return than ours. So we have checked out the different possibilities, and selectively logging has not been a viable option.

MS. WILLIAMS: Could you still make a profit, even though less of a profit, if you selectively cut as opposed to clear-cut?

MR. BORER: Are you suggesting that the government should determine what a reasonable profit is for a Native corporation?

MS. WILLIAMS: No. I'm just asking you a question, Mr. Borer.

MR. BORER: My job is to maximize the profits of the corporation.

MS. WILLIAMS: All right. Thank you. Are there any other questions? Yes, Mr. Wolfe, please.

MR. WOLFE: I think Steve had his hand up first, but let me ask my question first, if I could please. The issue of non-severability is the major issue on the table at this point with the timber exchange that we're dealing, and I think I pretty well understand your position, and probably Craig does, but some of the others may not understand your concern and the reason that it's so critical to you to keep that clause in there. Could you maybe go over it briefly.

MR. BORER: Sure. The transaction contemplated by the statement of intent that we entered into after those three days of being locked in a room together where we had the mediator, we came up with the idea of the timber trade. But that timber trade included a number of items. One of them was that we must be able to cut what we get. Another one was, you must not be able to cut what you get because the idea of thing is you get timber so it's left standing. The other thing was that we must be able to get through what you get to the timber on the other

side to build roads or facilities on that property in order to facilitate our timber operations on the other side of that property, and another item was that since you had to have the right to go in there and reforest in the event of blow-down or forest fire, potentially equipment could be on the land and potentially oil spills could happen and hazardous waste disposal could happen with or without your knowledge, so we had to -- and developed in the Orca Subparcel agreement -- balanced equal language. If we make a mess on the property, we clean it up. If you make a mess on the property, we clean it up. Those are five key provisions to the transaction. If any one of those provisions disappears for any reason, and both AG's Office and the Department of Justice have said we don't know any reasons that might make them, and so we've thrown it back, flopped it around, and said, well, what reason is it that you're looking at -- your problem with. Anyhow, what it comes down to is without all five provisions in there -- and going by Alaska law and some of the others, but -- those are minor provisions, the Alaska law, the other nit-picky detail stuff -- the main provisions are what have to stand as a group. If any one of them goes away, we wouldn't have made the deal with you in the first place. We wouldn't have been interested. So that's why we say that it has to be non-severable on the material provisions. And that was the original language, and we were told by the legal persons from side that that was not acceptable -- material is undefinable, that would have to go to court. Now, we're being asked to have

it totally severable. Any clause disappears, and we get it back.

The concern that's explained to us is that if we get the timber from you on the back of the Orca Subparcel and we harvest it, and then somebody makes a provision invalid and the agreement goes away and we get back the view shed parcel -- and I understand it was a misconception on some people's parts that we didn't intend for it if the deal fell apart for everybody to go back to ground zero -- well, that's what we intended and that's what we explained -- that we would be able to also harvest the view shed.

Well, what's come down is that the Council, through its negotiators, has come back to us and told us that you must have perpetuity on an equal amount of timber to whatever we cut on the subparcel or what's on the view shed if the deal falls apart. I says, cut, then we've got to put in the non-severability clause again because all of those other characteristics kick in again. Then you create a mirror -- two mirrors -- where you're standing in the middle, and you just see off to infinity. You create a loop agreement. So, we came up with an alternative. Your appraisers -- your appraisers, not ours -- said that there was no value to trees after 80 years. You paid us no value for trees after 80 years for the Orca Subparcel. You said there was no value for trees after 80. So, we said 80 years, a new crop of timber's there, we'll guarantee you we won't cut that timber in the view shed of equal value of whatever has been cut in Orca Subparcel -- if the deal falls apart -- for a period of 80 years. Then you've got the Orca Subparcel timber back, it's grown back.

That's the closest we can do to make it balanced, but both the Department of Justice and State AG's office have said it's not balanced, it's not fair, it's not a value for value trade. From a financial standpoint, we feel it is by using your own words.

MS. WILLIAMS: Mr. Pennoyer, you had a question.

MR. WOLFE: I --

MS. WILLIAMS: Oh, Mr. Wolfe.

MR. WOLFE: I'm going to follow a little bit with maybe a little bit of our -- the Trustee Council's -- side of this discussion, and our side of it is that this doesn't constitute an equal value for equal value exchange, since if something happened, and we realize there's low risk, but if something happened and the deal did go flat and the Orca land -- or the Orca Subparcel land -- reverted to the Trustee Council, we would have to actually, if I understand it right, have to go to court to get the quitclaim deed reverted to the federal government. But in either case, even if we were able to do that, we would still have land that you probably harvested already and it would be of less value to us unless Eyak has agreed to provide us with 80 years of timber in the view shed, and that at that point in time they would do whatever they chose to after 80 years on the view shed. Our position is that, even though there is very little monetary value, if you discount it back from 80 years versus perpetuity, there is a lot of resource habitat value there, and that's what key to us, and that's the reason we are acquiring it, not for the commodity value, and that's why it's

considered to be an unequal value exchange. It is the general consensus of the Trustee Council also that while Eyak perceives that this was a part of the original deal, the Council thinks this wasn't a part of the original deal, and that's where we have some differences about -- you say it's we're taking a new position, we say really we think you're taking a new position, and so we're at a little bit of a difference of opinion on that side of it. But I -- you know, I believe the Trustee Council is still agreeable and wants to work this through to closure, that's the reason why we entered into the negotiations with a mediator, and I think you did, and we recognize that you want to move it forward, and I guess we would like to adjourn and discuss this with the full Trustee Council in executive session, and I think maybe we would have -- maybe we can discuss further when we get out to the executive session.

MS. WILLIAMS: Mr. Pennoyer, and then Commissioner Rue.

MR. PENNOYER: Well, two things you said -- or one was that when you inquired about eco-tourism, you were told that you could have lodges of no more than 15 people. I'm not clear ....

MR. BORER: Kim Sundberg.

MR. PENNOYER: Okay. That was his best judgment of the size that could be supported ...

MR. BORER: Yeah, he's the one that told us we could ...

MR. PENNOYER: ... from the habitat standpoint?

MR. BORER: Yeah, he's the one that told us that we

could have Simpson Bay. I informed him we already owned it.

MR. PENNOYER: Have Simpson Bay, but you already own -- obviously own all that lands. So that's not the issue. The issue is that there's money paid, then what provisos would be there to protect the resources we're trying to protect. I guess what he was saying was a lodge larger than that would have too much of an impact? Is that what the Habitat Working Group was saying?

MR. BORER: They were down to you can't have more than eight homesites in this bay, you can't have more than 12 in that bay -- you know, no boats in this bay -- you know, too much restriction on -- as Miss LaDuke properly said, don't take the land away from the people. You can have the trees, but don't take the land away. If you go and do lodges around the state, even the fanciest, biggest and best ones don't make near what timber harvest is making. However, a permanent fund out of Trustee Council acquisition of the timber would make a wonderful dividend fund.

MR. PENNOYER: The other statement was, maybe while we're here we could talk to people and -- I thought that part of that mediation process that you were in before was just to do that, lock up in a room and lay out what really is there and what isn't there, and what needs to be settled and what doesn't, and what the real feelings are about things like keeping the land, not just in title but with some control over what happens to it.

MR. BORER: We have told to the negotiators, and

we're in the same -- we -- negotiators on behalf of Eyak and Sherstone are in the same boat as your negotiators. The negotiators have to know what their limits are and how far they can go, what the bottom lines are, before they enter the negotiating room, and the entities outside of the negotiating room, if they want to negotiate the agreement, they should be in the room negotiating the agreement, such as the Department of Justice, who came in at the 13th hour, basically, and these things have changed around, and the Department or the AG's Office the same. If people want to negotiate this thing, you guys give them your marching orders -- say, you want all the development rights, that's the bottom line, then we don't have to sit at the table any more, we don't have to spend -- I budgeted \$10,000 for this trade, it's \$20,000 in legal fees already. It's ludicrous.

This trade was supposed to be a simple, straightforward transaction. I think that the Council always understood that it was a package deal that we were talking about there. If we were trading for timber that we wouldn't get to log, why would we want it? You know, it doesn't make any sense. If you'd get to log the timber that you were getting from us, why would we want the deal? It doesn't make any sense. If it's going to be logged, we can go ahead and log it. The idea is to try and get it so that the timber is left standing and we derive the economic value out of it.

MS. WILLIAMS: Mr. Rue -- Commissioner.

MR. RUE: Thank you, Madam Chair. I don't really

have a question for Luke. I think that this is complex enough that we ought have -- and sensing that, we ought to figure out a time that we can adjourn into executive session and go through the details of the problems and see where we want to go with them. So, mine is more a logistics question -- when would we have time to do that in our schedule?

MS. WILLIAMS: What is the wish of the Council?

MR. RUE: Feel the same way?

MR. PENNOYER: Well, what time is our -- excuse me -- what time is our adjournment or dinner tonight, or what are we facing? (Aside comments) At 5:30? I suggest we do it pretty quick then.

MR. TILLERY: There is other business on the agenda. My own view is that we should finish with the other items on the agenda before we even think about -- there are a lot of people here who are here for other reasons, and I think we'd lose them all.

MR. PENNOYER: I'd agree with that, except most of the people here overwhelmingly testified on this particular topic.

MR. BORER: By the way, I support the Fleming Spit project too.

MR. PENNOYER: Okay. That's fine, maybe we can do it before 5:30.

MS. WILLIAMS: Okay, so -- yes, Mr. Wolfe.

MR. WOLFE: There are some items on the agenda that do not get into the projects, and I think maybe there are some

things that we could get through here and shorten up the time frame.

MS. WILLIAMS: Yes. I think that we can actually proceed through most of the items very quickly. Why don't we have that as a goal, and certainly to go into executive session no later than five o'clock. Does that sound reasonable?

MS. BROWN: 4:30.

MR. PENNOYER: Or earlier.

MS. WILLIAMS: 4:30. Obviously, we can be optimistic and say 4:30.

MR. PENNOYER: Okay.

MS. WILLIAMS: Are there any other questions of Mr. Borer at this time? Okay, thank you very much.

Let's proceed then through the agenda, with the expectation that towards the end of it we will go in executive session. Just to inform the members of the public, after we come out of executive session we will be -- of course we cannot make any decisions in executive session -- so we will be discussing the content of our executive session with the public in this public meeting, and if there are any votes to be taken at that time, they of course will be taken in public, so we will go back into public session after the executive session.

I believe our next item of business is the Executive Director's report.

MS. McCAMMON: Madam Chairman, I think this is where we can save a lot of time. Most of the materials that I was going

to talk about are actually in your packet and are also available to the public in those packets outside the door, but I would like to call your attention to just a few items. In the packet is the financial report as of April 30, 1995, as well as a quarterly report as of March 31, 1995. In addition, there is separate from the packet but on your table in front of you a memo from myself regarding the status of the audit, and basically we're in the process now of putting together a draft RFP for the audit. We have contracted with the Division of Audit Services with the Office of Management and Budget for the State of Alaska to provide assistance in doing that. This is kind of complex trying to -- we want to make sure that what we're asking for in the audit is what we really want to get from the audit, and when we get the draft done in the next couple of weeks, it will be circulated to all the Trustee agencies for their review and comment. We'll get that finalized, the RFP will go out in July, and hopefully we'll have the contract underway in August sometime.

MS. WILLIAMS: Thank you.

MS. McCAMMON: But that I think will be -- the other change that we've made is a decision to do one RFP for both the federal and state sides so that we can guarantee that one audit -- one accounting firm -- does both sides. If we were to do two audits -- or two RFPs -- then we couldn't guarantee we'd get the same firm. So, I think this will provide better consistency. And the purpose of the audit is to provide accountability to the

Council, to the public, on the use of the Trustee Council funds.

The next item is the status of investments, and if you recall last November the Council adopted an investment policy for the restoration reserve. Since that time, we have had -- it was basically -- the task was delivered to the Attorney General's Office and to the Department of Interior, Solicitor's Office, and they have had numerous discussions with the Court Registry system in Texas over implementing the investment policy adopted by the Council. The first version that came back from Texas was in such convoluted language that no one understood what they agreed to do, and it's gone back several times, and we think it's almost there. So, hopefully the investment policy will be underway within the next month.

There's also in your packet a quarterly project status summary, as of March 31, 1995. There's also a memo at the front of it that talks about the status of the '92, '93, '94 and '95 projects and their reports, and one of the things we're starting, beginning with the next quarterly report -- this focuses on the final reports and the status of the final reports -- what we'll be doing with the next quarterly report is actually tracking the status of ongoing projects so we will know on a regular basis where those projects are in terms of their milestones, whether they're behind, ahead, whether there are problems with them, and that will be reported to you on a quarterly basis.

MS. WILLIAMS: Yes, Mr. Pennoyer.

MR. PENNOYER: Can I make a comment on that? I think

this is an excellent effort and something we've been asking for, you're updating each meeting and it's getting better all the time. Having said that, I notice there are some status reports for things like 1992 that indicate that of 76 reports, 41 were accepted, 32 were still in progress or not even submitted yet. The '93 work plan, out of 24, ten have been accepted, to 9 in progress, and then you also have an attachment about reports significantly behind schedule. Now, noticing that NOAA appears next to a couple, maybe I should temper my remarks before I go further, but I think there's some really good reasons outlined, like the hydrocarbon project obviously, the analysis of those samples has been very difficult to get done. But in other cases there are reasons given that, you know, PI's may have retired or gone elsewhere, lost interest, or something, and in some cases we've had them send out reports, that finally happened, then they were sent back to the PI and go into another long delay before the PI even responds, and I think it's one thing to tell people that we'll look that '96 work plan on continuation of projects, and that's kind of a hammer, you know, that you might not get a continuation unless you're up to date as we think you should, but it seems to me agencies bear a responsibility too, and because a PI may have left or gone onto something else, that threat of not continuing a project that might not continue anyway is not very large. I think, frankly, that agencies owe a responsibility to make sure these things get done, and unless we have a very good excuse our projects in total ought to be looked at somewhat

askance, if in fact we haven't gotten report on them. So, I don't know how we evince motivation, but I feel that for the next work plan approval every agency ought to also look at those things and recognize that we have to ensure that our PI are up to date.

MS. McCAMMON: Madam Chairman, Mr. Pennoyer, I agree with those comments, and we've had numerous discussions with the various agencies, and I think the one thing that I can report is that there's been a significant amount of progress made in the last year, and I think most of the agencies when we talk to the managers of these projects are actually pretty embarrassed if they see their agencies with any that are significantly behind and are making due efforts to catch up on them, but this will be one of the things we look at when we review the '96 work plan.

MS. WILLIAMS: Thank you. Any other questions? Ms. McCammon, if you'd like to proceed.

MS. McCAMMON: The next item in your book -- speaking of the '96 work plan -- is the time line for the process for the '96 work plan, which began with the annual workshop in January, went on with the draft invitation and draft restoration program, which we refer to as the raspberry book that went out on March 15th. On May 1st we received 128 proposals, totalling \$39 million. Since that time, they have been organized, circulated, they have gone out to all of the attorneys for legal review, they have gone -- they are undergoing staff review for such things as the status of reports, consistency with past Chief Scientist

recommendations, budget review, and in addition they -- last week -- underwent three days of review by the core peer reviewers. These core reviewers are five people, under contract, independent scientists from across the country who were in town last week, who reviewed all 128 proposals. They have developed a draft recommendation on these that we are taking next week with agency staff, two members of the Public Advisory Group, and folks representing some of the key areas, such as salmon, marine mammals and others, and will be developing a draft recommendation on -- for '96 funding.

Also on your table in front of you is a graphic that is called the Evolution of the Annual Restoration Plan, and I think that the kind of review that we're doing this year is really -- has been an evolving process that began more than a year ago in the winter and spring of 1994 with three work sessions that brought in researchers, agency people, community people, the Public Advisory Group, the Chief Scientist and others. It led to -- one of those groups, I think what Martha Vlasoff referred to as the "church group." I think what we're seeing now is a much more focused, targeted work plan with some real -- I think we're putting it in a better way of showing what we're doing and why and trying to explain to the public how this all fits together, and I think you'll be actually pretty pleased with some of the recommendations that are coming out through this review process.

MS. WILLIAMS: Mr. Pennoyer.

MR. PENNOYER: One question -- but, nevertheless, if I

read correctly from some of the backup material, we've got to get from \$38 million down to \$19 million?

MS. McCAMMON: That's correct.

MR. PENNOYER: Okay, thank you.

MS. McCAMMON: I think it's doable.

MR. PENNOYER: I trust you.

MS. McCAMMON: The next item in the packet. Well, actually, it's a separate item, is this spreadsheet which refers -- which is the Habitat Protection Process Large Parcel Status Summary, and this is the status report on all the various negotiations that are ongoing, and there are also copies of these available outside for the public. Last week, there was a signing in Washington, D.C., for the Ahkiok-Kaguyak and Old Harbor acquisitions. The Afognak Joint Venture, AJV, has agreed to have their lands appraised this summer, so that appraisal will be underway. The Chenega negotiations are going forward, and we hope to have some agreement to bring back to you in the next one to two months. English Bay and Port Graham, we have several discussions and meetings with those two communities, and so far have not reached any agreement on those but will be continuing contact with those communities and we'll be reporting back to you again. In Koniag, the Department of Interior is focusing on getting a purchase agreement with Koniag done in the next few months. That's Interior's next priority. With Tatitlek, those lands will be surveyed, appraised, this summer, and we hope to have an agreement on that by next fall, by this coming fall. And

on Eyak, I think -- Jim, did you want to add anything else on the status of Eyak?

MR. WOLFE: I could add just a little bit. We have generally agreed with Eyak that we would move ahead, just once we get past the current negotiations on the timber exchange and the work going on with the view shed, that we'll move into negotiations on the Other Lands, and I guess that may be subject to some discussion later, but at this point in time that's the plan -- is once we get through this first hurdle, we'll move onto the Other Lands. Chenega, I guess you didn't mention Chenega.

MS. McCAMMON: I just said they were on track.

MR. WOLFE: Yeah, that's probably good enough.

MS. McCAMMON: The other one I didn't mention was Shuyak, and we had a meeting last week with all of the appraisers and the borough on Shuyak, and we're hoping to come to some kind of a completion to the timber appraisal by the second week of June, is the target date there. So, I think for most of the large parcel negotiations the appraisal process is time-consuming because of the involvement of the landowner in the review process and because of the various levels of review, but I think for the most part they are on track. We've had two requests from other corporations or other entities for possible consideration under the large parcel process. One is from Chugach Corporation. They have expressed interest, not in selling their lands but in possibly doing some kind of a three-way exchange that would end up with the Trustee Council purchasing their lands. And I have

been in touch with the Mental Health Trust Lands Authority to see if they have some land that they might be interested in doing -- participating in an exchange of that nature, and we plan on meeting with them soon on that. In addition, the City of Kenai has offered -- has put forth -- about 2,000 acres of the Kenai River delta basically, and put that forward for consideration by the Trustee Council, and that's undergoing agency review right now, and I'll have a recommendation on that back to you probably at the next meeting.

MS. WILLIAMS: Ms. McCammon, is that scheduled to be appraised?

MS. McCAMMON: No. Not until the Council makes some decision on it.

MS. WILLIAMS: Mr. Pennoyer?

MS. McCAMMON: The next item in the book is a Status Report on the Small Parcel Program.

MS. WILLIAMS: Right, actually, Ms. McCammon, there is one document that if you or Mr. Myers or someone else could prepare that would be very helpful, and that is just a chronology of the appraisals that are scheduled this summer.

MS. McCAMMON: Yep, I'd be happy to put that together.

MS. WILLIAMS: Thank you.

MS. McCAMMON: The next item is the Status Report on the Small Parcel Program, and as you recall on February 13th the Council adopted a small parcel process and directed me to provide overall management for the small parcel program, to initiate a

second phase of the small parcel process to allow nomination of additional parcels, to direct the appropriate agencies to start the preliminary negotiations that were ranked as either high, moderate, or identified as having significant special merit, and to provide to you by June 15th an initial recommendation regarding those parcels that should be protected using joint settlement funds. Since that time, the additional phase 2 small parcel nominations have been received and evaluated. A total of 23 were received and evaluated. Of those 23, two were ranked high, 6 parcels scored 18, which is just below the current breaking point between moderate and low, and each of those 6 that received a score of 18 have been -- there's an agency request to have those considered as parcels meriting -- having special merit and to go forward into this pool of parcels that we're currently working on. Each of them has substantial interest to either the state or federal agency sponsors or for the Public Advisory Group or from other members of the public. Since February 13th, we have made contact with all of the high-moderates and parcels with special merit and done preliminary title work, preliminary hazardous materials surveys, requested them to give permission for an appraiser to come onto their land, and we have gotten a response back from all of those. So, all of these site visits and all of these surveys are underway. The appraisal services are being contracted out. Most of the appraisals are being done by the state for the Department of Natural Resources and they have let out RFP's to let out -- to contract those appraisal

services. These are being done on a regional basis for Prince William Sound, the Kenai River, Kodiak, the Kenai Peninsula. The Department of Interior is doing a couple of the appraisals in-house.

MS. WILLIAMS: Ms. McCammon, do you have a recommendation with respect to the cut-off point?

MS. McCAMMON: My recommendation actually is just to change the cut-off point between moderate and low from 20 to 18. We had a discussion about this in February and decided to keep it at 20. At that time, there were just two parcels at the 18 range, and it ended up that those two -- one of them was subsumed in another parcel that was ranked higher, and the other one was considered a special merit parcel. Since that time, with this second round, we've got six that scored 18, and all of those the agencies or the public feel are warranting of special attention. When we had this discussion before, since there were only two, there wasn't really a real obvious, kind of break there. But if you look at the chart now, there's a bigger clump at 18 than there was in the prior bar chart, and I think it was done fairly arbitrarily to begin with, and I think it just makes sense. It's an easier way to deal with us.

MS. WILLIAMS: Would any Council member like to make a motion to that effect?

MR. RUE: I would so move that we move the line down to 18.

MS. WILLIAMS: Okay. Commissioner Rue has moved that

the demarcation line from low and moderate be moved to 18. Is there a second to that motion.

MR. TILLERY: Second.

MS. WILLIAMS: Seconded by Mr. Tillery. Discussion please. Yes, Mr. Pennoyer.

MR. PENNOYER: We have a lot of things to do and this may be sort of a meaningless discussion anyhow, and I'm -- but I'd like to know what the effect of doing that is. We've all known that the ranking system is not perfect. In fact, if you have one piece of land that is just absolutely great for one specie that have to have it and no other reason, the ranking might actually end up rather low as opposed to being for all the species, so there would be special reasons to consider that. Given that, the ranking of 20 didn't mean we weren't going to consider something that was at 18. It simply said you had to come in and make a case for it. It might be a little more of a case if it was ranked moderate. And I don't know what the effect of moving it to 18 is. It may have no effect at all because we're probably not going to do all of these, we're going to prioritize them anyway. On the other hand, if it's an automatic thing and 20 more come through the door at 18, I'm not sure what that means. I'm not sure what you're proposing, how it meaningfully affects this process, or whether it makes any difference or not, and I'm not clear why 18 is better than 20, given the fact that things can come through the door that for other reasons would rank fairly high. And I think even in the

large parcel ranking we recognized that the numerical system was not perfect. In fact, it was a long way from it. We had discussions of whether you group things together and they interacted with something else -- there are a million different ways that the numbers could be modified, and so we thought that we had to look at it with an open mind. If we kept it at 20, does that mean these 18 automatically drop off, or if we make it 18, does it mean they are automatically on without further discussion? I don't know, and I guess I don't mind the further discussion if they have reasons they should be cranked up and accepted, then you do it. If they don't, then you don't have an automatic number that implies that all of a sudden they have merit. So, I'm not yet in favor of the change, to tell you the truth, unless I hear a reason why it's a good -- it makes a difference in this process.

MS. WILLIAMS: Would anyone like to respond to Mr. Pennoyer's comments?

MR. RUE: I'll give it a try. It's my understanding that what you basically achieve -- well, first of all, we all admitted that 18, I mean 20, was a fairly arbitrary number. I think we've seen that a number of parcels have come in at 18 that do have value merit that should be considered, discussed, negotiated to go out and see what kind of a deal you can make, and I see it this is simply an easier way to authorize that process to begin. We begin the discussions, negotiations, with the landowners, rather than having to go through a full

council discussion of each individual parcel. I think we're going to have to make a decision on each one at some point when we see the deal, but at this point, I mean 20 was an arbitrary number, 18 is an arbitrary number, we've seen a bunch of parcels come in at 18 that are valuable, they're worth further consideration in my mind that would provide benefits for restoration. This is just a simpler way to get them on the table.

MR. PENNOYER: A follow up question?

MS. WILLIAMS: Yes.

MR. PENNOYER: So, the difference to you is that if it's 18, anything 18 and above, without any further discussion, would go forward to negotiation with the landowner and then come back to us. If it's 20, then those have to be specifically approved by this Council before then went forward even to negotiation. That's the difference.

MS. McCAMMON: That's the difference.

MR. PENNOYER: And I'm not sure why we can't do -- you know we can't do all of these anyway, if that makes a major difference in the way we do business. If it's a matter of one meeting to say, well, this has a special reason to do it, and therefore it should go forward, rather than give the expectation to a whole -- there might be a whole bunch of people out there that they're automatically going to (indiscernible -- extraneous noise), and I don't understand the need to do what you're -- I don't know it's a big deal, frankly. I don't know that it makes

that much difference in the long run because we could still say no, but it raises an expectation to some people that may or may not be warranted without the Council talking about it.

MS. WILLIAMS: Mr. Pennoyer, let me tell you why I support this motion. I support this motion because, as Commissioner Rue said, 20 was at first arbitrary and it's kind of a hypothesis to be tested. I think what we want with a moderate rating is to feel some comfort that property that falls in moderate is property we're interested in. We've now sort of tested the hypothesis, and I think we've tested it to the point that found that everything 18 and above seems to fall in that category, because everything that is at 18 or above, or between 18 and 20, we wanted to elevate -- one or more people wanted to elevate and there was broad public support for. I do think we have limited time, I think we have tested the hypothesis about what is a good number for moderate and above, and I think, given the way the 18's have come in, that we can feel comfort that 18 and above is a good breaking point for further consideration, so some empirical evidence to suggest a good breaking point for the hypothesis. Oh, I thought that was a more interesting point to make.

MR. WOLFE: Madam Chair.

MS. WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: I -- I'm struggling with this because we had a long discussion about that 20 and it was arbitrary in my mind when we set the 20, and I understand that there have been

some discussions since those meetings where we set the 20 that indicates that maybe we should have set it somewhat differently, but we have not been presented with anything, and I think that's what Steve was getting that, that shows us or demonstrates to us, other than that we have another lump or the chart shows more parcels at the 18 than before. But in my mind we had a discussion that it was based -- it was locked into criteria, and I could understand that as a breaking point, and if we're using something else as a basis for drawing the line at moderate versus low, then I would like to see that established. And so, I would prefer -- I don't want to stop the activities and negotiations going with what's on the table at this point in time, but before we make a formal change in the number, I would prefer to see some staff work on how we got to the 18 now versus the 20.

MS. WILLIAMS: Mr. Tillery.

MR. TILLERY: Yeah. I think your analysis is correct.

I don't believe that we had an additional lump there at 18, but if we have that lump, we'd look at those, and without fail they have shown up to be parcels that we want to acquire. I think we now know, not on some theoretical, statistical plane, but in real life that study team's scores seem to be about where the parcels are that we want to look at. I think it will ease matters when ones come in that we know we can go forward and not wait two months for the next Trustee Council meeting or have to have a teleconference. We're not doing anything by this, we're making no commitments, we're simply saying go forward, do your hazardous

waste survey, do your preliminary title survey, and begin the negotiations. I feel fairly strongly that this is something we should do, to move this down to 18.

MS. WILLIAMS: Any further discussion? Yes, Mr. Pennoyer.

MR. PENNOYER: One last -- one last item. I'm not -- again, we've got a lot more important things to do, so I think we need to get on, but these six parcels now that you say now prove that 18 is an appropriate number, did we dissect those to the point that people are comfortable that they are, looked at them, send them out to the committees, come to us and said 18 is now the best line, but these six, should each one of them, there's a real reason to go forward. Maybe this is my lack of --

MS. WILLIAMS: Ms. McCammon or Mr. Tillery would you like to answer that?

MS. McCAMMON: I think the federal and state agencies that are interested in acquiring these parcels for restoration purposes have agreed that, yes, these are valuable and that these should be put into the pool with negotiations going forward and some of the preliminary work so that these can be part of the 28 that we look at, and as we go farther into the process then figure out which ones are of most importance. Several of these have generated a significant amount of public interest. So -- and I think all six have a lot of interest from the agencies.

MS. WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: Would it be best to amend the motion to

allow these parcels that have been put on the table at this point in time to proceed, and then maybe get some additional staff work and resolve the cut-off point for moderate versus low at a point where we've got more time. But I really do not want to stop these from proceeding in the preliminary stages, and if I understand it right, we would not go to a decision on acquisition until a later point that involves all the people here. So -- so I --

MS. WILLIAMS: I believe Mr. Wolfe has made an amendment, is there a second to that amendment?

MR. PENNOYER: Second.

MS. WILLIAMS: And Mr. Pennoyer has seconded. Is there discussion on the amendment? The amendment is not to change the threshold from 20 to 18, but rather simply to determine that all of these have special merit -- leave the threshold at 20, but to put all six of these properties into the process.

MR. PENNOYER: With the understanding though that there is no cut-off for special interests brought to the attention of the Council.

MS. WILLIAMS: That's correct.

MR. PENNOYER: So, something that's at 17, we can still go down and justify it.

MS. WILLIAMS: That is correct. Any further discussion of the amendment? All in favor of the amendment say, aye.

MR. RUE, MR. PENNOYER, MS. BROWN, MS. WILLIAMS, MR.

WOLFE: Aye.

MS. WILLIAMS: All opposed?

MR. TILLERY: No.

MS. WILLIAMS: Okay, the amendment does not pass. For the public's information, action by the Council requires unanimity. Let's go back then to the main motion. Is there any further discussion on the main motion, and the main motion is to lower the threshold for moderate from 20 to 18. All in favor of the motion, say aye.

MR. RUE, MR. PENNOYER, MS. BROWN, MS. WILLIAMS, MR. TILLERY: Aye.

MS. WILLIAMS: All opposed?

MR. WOLFE: No. In fact, I don't have -- if you'd like a discussion, I could tell you I don't have enough basis to make that decision at this point. I'm not sure why -- on what basis I'm making it, so I don't like to make ...

MR. PENNOYER: If the motion fails, then we stay at the fact that these are approved and --

MS. WILLIAMS: No, we would -- we would have to go back to that motion.

MR. WOLFE: I would suggest -- I would make a motion that we proceed with the negotiations, preliminary work, on these six, and that we have the staff work, as I did in the proposal earlier, to discuss the benchmark for low versus moderate.

MR. PENNOYER: The original motion on the table that failed.

MS. WILLIAMS: I don't know what the parliamentary

procedure is, but we'll put that motion back on the table, not as an amendment but as a new motion, with the elaboration that there would be staff work to re-examine the threshold. Is there any further discussion on Mr. Wolfe's motion. Oh, is there second to that motion?

MR. PENNOYER: I second it again.

MS. WILLIAMS: Yes, Mr. Pennoyer seconds it.

MR. RUE: I think I will probably support the motion this time because I think it gets us to the same place, and I don't want to stand on sort of parliamentary silliness. I think we ought to just get on with the business here.

MS. WILLIAMS: All right. Any more discussion on the motion? All in favor of the motion, indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: Opposed? The motion passes. Ms. McCammon.

MS. McCAMMON: Madam Chairman, there's also one parcel, Horseshoe Bay, that DNR has requested be a -- considered a parcel meriting special consideration, and this parcel was evaluated by the Habitat Work Group, and I believe it received a score of 14, and Ron Crenshaw with the Department of Natural Resources, Division of Parks, is here to -- Ron, if you wanted to just say maybe just a couple of words about why DNR is requesting that this parcel --.

MS. WILLIAMS: Mr. Crenshaw.

MR. CRENSHAW: Horseshoe Bay is the first marine park

in Prince William Sound that you approach coming from the west. It's the only marine park in southwestern Prince William Sound. It's in a wonderful location. Unfortunately, the marine park has the least valuable part of Horseshoe Bay. The most valuable part, the best anchorage, the best upland access, habitat, historic, archaeological values is on private property, and to make the marine park whole to encompass all these additional values, we would strongly urge that this be considered for acquisition.

MS. WILLIAMS: Are there any questions of Mr. Crenshaw? Commissioner Rue.

MR. RUE: Yeah, Ron, is there imminent threat to this parcel? What's the timing on -- for you to deal with this.

MR. CRENSHAW: It's owned by one property owner, it has mineral value, subdivision value. The market would drive whatever might occur on these private lands.

MR. RUE: What does that mean?

MR. CRENSHAW: It could happen tomorrow.

MR. RUE: Thank you.

MS. WILLIAMS: Yes, Ms. McCammon.

MS. McCAMMON: Madam Chair, this was also a parcel that the Public Advisory Group was interested in seeing go forward into the pile.

MS. WILLIAMS: Is there a motion to elevate Horseshoe Bay into the category of special merit?

MR. TILLERY: So moved.

MS. WILLIAMS: Mr. Tillery so moves. Is there a

second? (Ms. Brown's second is inaudible) Ms. Brown seconds. Is there any further discussion of this motion? All in favor, indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: All opposed? The motion passes. Ms. McCammon.

MS. McCAMMON: That basically concludes the report on small parcels, other than to say that we have also gone out to the public for their comments on each of these parcels, and a number of them have generated a significant amount of interest, and as we go forward through the process, we will be bringing that forward to you and letting you know which ones. But at the public meetings that we held in the month of April, a number of these parcels were really -- generated a lot of interest. I should note for the benefit of people in Cordova, that it was very obvious through this process that there was a definite lack of parcels in Prince William Sound in this small parcel mix, and if anyone in Cordova knows of a parcel that you think may be appropriate for the Council's attention, I think it would be really -- we'd be glad to get you the information on how to put it forward.

MS. WILLIAMS: Yes, Mr. Pennoyer.

MR. PENNOYER: I don't want to do this at this time, because we don't have any time, but at some point on the small parcel acquisition the ranking on special merit, things that don't just have the high ranking for resource values, needs to be

discussed. What is our criteria? Is it access -- that at least access to recreation, rather than enhancing a resource is a question, so I think we need to look at that, and I'd like to -- at the time we bring these parcels up and talk about buying and the different priorities, we need to discuss what the criteria is, now that we've had that discussion, but for now I think we'll just leave that.

MS. McCAMMON: Madam Chair, absolutely. I agree with that statement, and that's one of the reasons why we're not ready at this time to actually give you an actual recommendation of what parcels should go forward and be acquired.

MS. WILLIAMS: Thank you. Ms. McCammon, anything else?

MS. McCAMMON: The only other thing, there is a report, a status report, here on the Alaska Sea Life Center. I know several people were in Seward for the ground-breaking of this facility. We are in the process of implementing all of the provisions that were included in the November Council resolution. The one that we're on primarily now is a review of the construction budget and operating plan. We had a meeting this week with the Alaska Industrial Development and Export Authority. I have also met with the State Department of Transportation to review the project. I believe that we will probably be contracting with AIDEA to provide an independent review of the design, development process, the construction estimate, the cash flow projection and the project schedule, and that will assist in making a final recommendation on that aspect of the project. In

addition, we are continuing to work with the University of Alaska regarding their role in the research operations at the center. So, that project is basically on target.

The other item in here is -- are the meeting notes from the Public Advisory Group, and we do have the chairman, Mr. Vern McCorkle here. The last couple of meetings, we either haven't had an active Public Advisory Group or, I think at the March meeting it was kind of a short meeting, so we didn't have a report from the PAG chair. But Mr. McCorkle kindly came to Cordova to give you a quick report on the activities of the PAG.

MS. WILLIAMS: Mr. McCorkle, if you would please give us your report, and thank you for being patient.

MR. McCORKLE: Madam Chairman, due to the lateness of the hour and the need that you have for executive session, we'd be pleased to file our report in writing.

MS. WILLIAMS: Thank you. Are there any questions though of those of us who had an opportunity to review the materials of Mr. McCorkle. Let me just say, Mr. McCorkle, that I've certainly heard from many PAG members that the PAG is going very well, and we thank you for your efforts and the other PAG members.

MR. McCORKLE: We can talk about that in the future because I think we're doing a great job.

MS. WILLIAMS: Excellent (Laughter)

MS. McCAMMON: Madam Chair.

MS. WILLIAMS: Yes.

MS. McCAMMON: I think Cordova should be very proud of the two active PAG members that they have, Karl Becker and Thea Thomas. I think they represent the -- the community's interest very well.

MS. WILLIAMS: Thank you, Mr. McCorkle. The next item of business on our agenda is the Fleming Spit project. Who would like to speak to that initially?

MS. McCAMMON: Madam Chairman, the Fleming Spit project was first before you on November 2nd. Action at that time was deferred until the December meeting. In December it was deferred again for further review. The project has been revised slightly since the original proposal. It focuses now, it includes several elements to it. The element of land acquisition for \$150,000, which acquire 5.39 acre parcel, fisheries improvements for \$170,000, which would enlarge and deepen the existing smolt release ponds, and construct permanent net pens, and a fishing boardwalk for \$300,000, which would provide safe access to the fishing area for a diverse mix of people. The City of Cordova supports these improvements, and there is a resolution from the city agreeing to operate, maintain, any facilities and use of the property. Prince William Sound Aquaculture Corporation has agreed to provide the smolts for the property -- for the project. Since that time, just today, I've received a couple of letters, additional letters in support of the project, as well as a nomination form from Sealaska Corporation, which is the owner of the property, submitting this parcel as part -- to be considered

as part of the small parcel process.

MS. WILLIAMS: Very good. Council members -- who would like to talk about this project? Mr. Tillery.

MR. TILLERY: Thank you, Madam Chairman. I have now been out to Cordova at the Fleming Spit twice on separate trips to Cordova, met with people from Cordova on many occasions. I have looked at the parcel in both summer and winter, I have heard a lot about the people who use it and the uses to which they put it. I am convinced that this is a outstanding project that the Council should support. I believe that it will, as many people testified, it relieves pressure on wild stocks on the Eyak River, but I think probably one of the most important things that it does is it allows sort of a restoration of services and a recreational experience for people who are not otherwise able to do it. We have preserved a lot of land, rugged, wild, pristine areas, where people can go and hike and so forth, and able-bodied people and fish and so forth, but to have a place that's in town where people who are older, people who may be disabled, people who are very young can go and have a recreational experience is something that we have not had an opportunity as a Council yet to do. I think it is important that -- that we do that. I also would note that the land itself, which is primarily wetlands, in itself has habitat value. It is adjacent to tidelands that support pink salmon spawning habitat. I would urge the Council to approve this project in its entirety and would so move.

MS. WILLIAMS: Okay, it has been moved by Mr. Tillery

that the Council adopted the Fleming Spit recreation area project as described in Project No. 95080. Is there a second to that motion?

MS. BROWN: Second.

MS. WILLIAMS: Seconded by Ms. Brown. Discussion on the motion -- yes, Mr. Pennoyer.

MR. PENNOYER: I listened to the testimony and read the written material, and I've no doubt, as Mr. Tillery said, that this a very valuable project and that it will serve a real function in the community and the community strongly wants it. I don't have any problem with many aspects of moving forward. We did deal with restoration of services for subsistence in Chenega by transportation of coho and chinook, even though they weren't specifically injured species, they were providing a substitute resource for a lost resource to subsistence users. So, I think we can enhance resources to improve services, but we have a problem in specific instruction relative to enhancing services, and I know early on NOAA and the Forest Service were particularly anxious to talk about enhancing recreation in the Sound by provision of cabins, trails, boat floats, things of that nature, and I know the Justice Department had a real problem with doing that. They had a real -- in looking at the terms of the settlement agreement, there was a major disagreement as to whether you could enhance facilities to provide enhanced services. And doing this in its entirety gives me some problem because of the boardwalk, and I have no doubt the boardwalk is a

desirable thing and people want it and it provides the type of service that you alluded to, but it seems to me that we ought to look for an alternate source of funds for that and talk about the rest of the project. I think that the smolt pens -- I'm not sure everybody's going to (indiscernible) smolt facilities, the dredging, the deepening, and perhaps the land itself can be accommodated under the terms of the settlement. I know -- Justice hasn't given me anything in writing, so I'm not sure they'll back me on that entirely, but I'm afraid the boardwalk and construction is going to hang them up. So, rather than have the project not go forward, perhaps we should approve what we think that we specifically could agree on being -- and I know all of us will agree to different parts of it -- if we could all agree on being a part of this and then seek the funding elsewhere for the parts that might not work. So, if Mr. Tillery will accept that as a friendly amendment, I'd say that we could put the land into the small parcel process, see what it comes out to -- cost versus how it ranks for habitat provision and view it in that fashion -- and then cost out the rest of it or proceed on working on the rest of it, approve going forward with the balance if acceptable to (indiscernible).

MR. TILLERY: Would it -- as I understand your motion to facilitate this would be to essentially go ahead and vote on this to be a project meriting special consideration so that we may move forward with it immediately.

MR. PENNOYER: The small parcel.

MR. TILLERY: For the small parcel process?

MR. PENNOYER: Yes, that's correct.

MS. WILLIAMS: It has been moved by Mr. Pennoyer that we consider this project as a project meriting -- this land acquisition as a land acquisition meriting special attention so that it can go forward with the small parcel process. Is there a second to that amendment? (Second in audible) Seconded by Ms. Brown. Discussion of the amendment?

MR. PENNOYER: Only that, obviously, when it came back we'd look at the cost and so forth, and we get that type of evaluation, when we get a chance to look at it, as with all the other parcels.

MS. WILLIAMS: Okay. It's been moved and seconded to go forward with the Fleming Spit recreation land acquisition component on the basis of putting it forward in as meriting special recognition in the small parcel process. All in favor, indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: All opposed? The amendment passes.

MR. TILLERY: Are we going to (indiscernible -- aside comments)

MR. PENNOYER: I'm not sure. I've not seen any cost-benefit analysis or, actually, I guess I haven't seen the project detail on these two projects, but I think -- is this '95 now, shall we kick this into the '96 work plan and consider it as a '96 work plan? Are we looking for additional funds now, or do we

-- were you going to put this in as a high priority of the '96 work plan? And that's -- the two things here, the -- well, the fisheries improvement, I guess, is another item -- \$170,000 fisheries improvement section. No, I think those are legitimate objectives of this Council, to provide enhanced recreational or other lost service opportunity to enhancing the resource. I don't have a problem with that. I don't -- and most of the testimony we've seen -- heard -- supports that strongly. I don't know if we're talking about taking it there in '95 or going in '96, or how we're going to do this.

MS. WILLIAMS: Who would like to respond to Mr. Pennoyer's question.

MR. TILLERY: We have been taking this out of one year and moving it to the next for a while now. It seems to me that we really need to try to get a decision on this. I appreciate actually what you're doing and wondering if maybe those areas that you are feeling more comfortable with, what do we need to move forward to a vote on them? Do we need a statement from the Department of Justice? I can tell you that the State of Alaska, Department of Law, is comfortable with the legal liability of those portions that you've identified. But, again, I have the same -- I know the Department of Justice sometimes looks at these a little differently, and I don't know whether they feel like they have enough information to support those yet or not.

MS. WILLIAMS: Gina Belt from the Department of Justice, could you please come to the mike? The question before

us is whether the fisheries improvement component of this project is approvable under the terms of the settlement agreement.

MS. BELT: Mr. Tillery is correct that the Department of Justice takes a different view from that of the State regarding direct restoration of services like sport fishing, but as far as answering your direct question, I'm not sure there was enough in the project description for -- for the Department of Justice to opine on whether this would actually enhance the -- the smolt themselves. This morning I was told when I (indiscernible -- extraneous noise) that there really wasn't a large mortality, but I think if we had more information on that, we'd be able to make a decision pretty quickly.

MS. WILLIAMS: Mr. Pennoyer.

MR. PENNOYER: That's sort of my next question. Has the Chief Scientist or have any of our PI's looked at this to the point that we feel comfortable with the improvement that we're going to see and the returns based on this. I mean, there's a legal question, obviously, whether they should do this; there's also the practical question whether for \$170,000 you are going to get a significant improvement in the return. The statements here say yes. Are we comfortable with that that our technical people have looked at it and that, in fact, we do believe that there would be a significant improvement in the return doing these projects.

MS. WILLIAMS: Ms. McCammon.

MS. McCAMMON: Madam Chair, both PWSAC, who would be

doing the work on the smolt planting, and the Department of Fish & Game have reviewed this and feel that it is justified and feel comfortable in having it go forward. I guess I sympathize with the community's desire to have some decision on this, and Mr. Tillery's decision. If -- it seems like action on this part of the project couldn't go forward until there was actual action on the land acquisition. So, I guess, I would just raise the question of whether it's necessary or whether it's even appropriate to do this right now.

MR. PENNOYER: Let me ask this -- are we on a time limit.

MS. WILLIAMS: Yes, Mr. Pennoyer, and then Mr. Rue -- Commissioner Rue.

MR. PENNOYER: I'm sorry, Frank. I guess in terms of the need to make this decision, when would this work take place? I mean, is this something that the smolts are ready to go into right now and therefore is it something that has to be ready for next spring's releases -- or when do we do this?

MS. McCAMMON: The smolts are going in next week for this year. So --

MR. PENNOYER: So, we won't dredge --

MS. McCAMMON: This won't be -- no.

MR. TILLERY: Several of the people who are involved in this project are here. Perhaps they might --

MS. WILLIAMS: Yes, please. Please come up to the podium -- but don't go away, Gina.

MR. RUE:           And if you would, Madam Chair, if you need further assurance on the viability and the improvement this might create to the smolt, I could ask Joe Sullivan to come up and give you some assurance there.

MR. KEENEY:       My name's George Keeney -- again. When -- right now, they've got their smolt ready to go out and be put into the water and so forth. This year, I guess, it would need to be almost done, like, in the fall, this construction, on this pond area, due to the fact that next year, by the time we get construction started again and get everything lined out, we would be stuck again with having a shallow area for the smolt. The problem we have over here in the ponds right now, they are shallow, and the deeper we have the better chance that the smolt does have to get out and into the water. So, we would be looking at, hopefully, doing something on it this winter. The problem that you two have, and you need to know about this, is that it does take permits. The Department -- the Corps of Engineers will have to get their permit, and that does take about six months. So, if you do approve it now, the first thing we'll be doing is jumping right in to getting permitting for this dredging to be taking place. We have talked to the Corps before and they are all for this project, and so I don't see a big problem in this. It's also in our comprehension plan and our waterfront master plan for the City of Cordova that this project be placed here.

MS. WILLIAMS:    Commissioner Rue, did you --?

MR. RUE:           I was just going to say, I think the

point about wanting to get moving with the permits, we need an approval now to have any chance of doing it this fall, and, you know, I think that's important. Otherwise, we're off a whole another season, given the timing of the smolt release. So I would urge that we move ahead. I think maybe we can get the Corps to act more quickly than six months. That would be great.

MR. KEENEY: That's true, and then, like I said (indiscernible). If we don't do it now, it's not going to be actually next year, it will have to be the next year because you cannot get the permitting fast enough and you can't get your work done and then get in the pens in place and everything else because we'd be looking at another year. So, it's vital -- that's why it's real important to either do it or we're going to look at two years down the line before we do this.

MS. WILLIAMS: Can -- I don't know if anyone is able to answer this question. Can we apply for a Corps of Engineers permit if the ownership is not established, if we don't have it in either state ownership --?

MR. KEENEY: Can I address that too?

MS. WILLIAMS: Yes.

MR. KEENEY: I'm the City Planner and the Public Works Director. The land that you're looking at, we have -- the parcel that we're looking at is Sealaska's land. That will actually be the parking lot area, the bathroom area and stuff like that. The part of the lagoon itself is actually the tidelands. When we had the earthquake, what it did is it rose

the ground six feet. Well, this is now DNR's property right there where the pond's at ...

MS. WILLIAMS: Okay.

MR. KEENEY: So it's actually the State's property.

MS. WILLIAMS: That's fine, thank you. I think it's Mr. Pennoyer's turn.

MR. PENNOYER: Thank you, I think I'd like to hear Joe just drive the nail in the thing, so to speak, at some point here -- right away -- but I'm prepared, based on that, if it's justified, to tentatively go ahead and approve this, but I, again, will depend on Justice's review of this and the explanation, and then asking any questions they need to ask.

MR. WOLFE: Madam Chair.

MS. WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: If we have a Trustee Council meeting already scheduled for August, if I understand and remember my calendar, would that be too late for a decision on this? It would be.

DR. SULLIVAN: (From the audience) For this year it would be.

MS. McCAMMON: It would be for this year because money wouldn't be available (indiscernible) October.

MR. RUE: Joe, why don't you come on up.

MR. WOLFE: I guess the reason I raise that question is, I -- I'm a little unsure of how we're going to approve it but still get legal opinion. I guess it would be continued upon

legal -- review.

MS. WILLIAMS: Yes, Mr. Tillery.

MR. TILLERY: One of my questions is -- my concerns is whether by severing this and simply addressing the deepening of the pond and the pens, taking out the boardwalk and I think there was a small component in there for parking or something, putting in some signs or something, or whether those two things are something that Justice would be able to go with now, and we would simply not act on the other parts of the proposal at this time. And I don't know whether Justice can, whether there's adequate information yet or whether it's simply not something they could do at this point.

MS. WILLIAMS: Well, let me ask this question, do we feel that item 2, the fisheries improvement is potentially, or is, can be considered independent of land acquisition, so if for some reason, let's say we don't reach agreement, that you would still want to go forward with this -- the State would still want to go forward with this, even without the land acquisition?  
(Indiscernible aside comments) Yes. Yes? So, you want to go forward with it, even with that one. Fine. Joe, yes.

DR. SULLIVAN: Basically, my comment would be to reiterate everything that's just been said, and knowing -- I mean, basically, you want to be in the water next year, and if DOJ didn't like it, you would bring it to a halt before -- before you move any -- did any dredging and so forth. But, really, it does take so long to get some of these things together that I'd

really feel under the gun at the end of August.

MR. RUE: Can you describe the merits of deepening the ponds and how that might help smolt survive?

DR. SULLIVAN: Well, basically, it would -- it would give you a larger volume of water for the fish -- it would provide a better habitat for the fish to live. It would certainly give them a larger space to work in, make disease transmission a little bit more difficult from one fish to the next. Disease transmission is always a possibility anyway in a net pen, but it ups your -- everything that you can do to improve the environment of captive fish is going to improve their survival rate, or at least their chance at survival. I think that by deepening the net pen, you will have less likelihood of oxygen problems, for example, they will be able to get rid of waste more easily. Essentially, the carrying capacity of that area will be improved.

MS. WILLIAMS: Thank you. Mr. Pennoyer.

MR. PENNOYER: Unfair question, probably, but it's \$170,000. I mean is this ten more fish or 20 more fish or 500 more fish? What are we getting for \$170,000 that makes it worth that amount of money.

DR. SULLIVAN: It is an unfair question. I don't know the answer, but my off-the-cuff guess is, I have been to Fleming Spit once, I have seen it, is that I would say that the survival -- my perception is the survivability would be at least 50 percent greater. As a fish pathologist, okay, which is what I

did before I came to work here, anything that -- in my perception, most of the disease problems that you have in -- any hatchery situation, not all of them, but the vast majority of them, are essential fish culture related. Granted the EKD is a pathogen, and it's -- you know, you're better off not having it there to start with, and so forth, but the more you can do to improve the fish culture aspects of a -- a facility, a much better survival problem you will have, and 90 percent of the things that I saw as a fish pathologist were culture related, and that is what this is.

MS. WILLIAMS: Okay. Yes, Commissioner Rue, recognizing that it is five o'clock.

MR. RUE: If this helps Mr. Pennoyer, I would ask that perhaps Howard Ferren of PWSAC would -- might be able to address the last question that you had.

MS. WILLIAMS: Mr. Pennoyer, are you satisfied or would you like further.

MR. PENNOYER: Well, I would like to hear it -- it is  
(Interruption from audience)

MR. BARNES: (From the audience) Are we public  
(indiscernible) or what?

MS. WILLIAMS: No.

MR. PENNOYER: I think people are ...

MR. BARNES: (From audience) I have something to say, but I don't have all day, so I'm going to leave. I don't know when you guys are going to let us say anything, but I have

something important to say and ...

MS. WILLIAMS: We had two hours of public testimony, sir.

MR. BARNES: Yes, I understand that but I (indiscernible) again, a public statement, but I don't have time to sit around and ...

MS. WILLIAMS: Would the Council like to entertain ...?

MR. PENNOYER: Yes, sure.

MS. WILLIAMS: Yes, sir. You're free to testify at this time.

MR. BARNES: I want to say this anyway. This little package you got out here, should not even be on the table.

COURT REPORTER: Excuse me, sir, could you identify yourself and put on your microphone.

MR. BARNES: My name is Patrick Barnes and I'm looking at this Chilkat government thing that's on the table out here, and it upsets me because it shouldn't even be out here. Nobody has control of our lands except the Eyak Corporation and the Chugach Corporation on their lands, and we will not tolerate anybody else coming in there and trying to take our lands from us in any shape or form. These people are not recognized by Congress, and they're trying to speak for the lands that we own and our timber. It's out of line. And I have a lot to say about the Trustee Council and negotiation with Eyak, but I'm not going to say it now. I'll say it at the next meeting. But please don't allow this propaganda to be placed on your table at the

next meeting. That's all it is. It's propaganda, and nobody can speak for our land or our timber, except our corporation. Thank you.

MS. WILLIAMS: Thank you, sir. Any questions or comments? Ms. McCammon.

MS. McCAMMON: Madam Chair, I just wanted to say that the letter Mr. Barnes was referring to was included in the public comment section of your packet and was part of the public packet out there.

MR. PENNOYER: Yeah, I hate to take the time, but a \$170,000 request, I know people think it's going to improve their recreational opportunity, but I think we need to somehow know how much. I mean, any other project would answer that question.

MS. WILLIAMS: Yes. Mr. Ferren.

MR. FERREN: Thank you for my being recognized here for some technical support. I can't quantify for you what it may do in the way of survivals, but I can qualify that to a degree. We have protective measures over the net pens for bird predation. We usually screen those pens so that we can feed the fish, but nevertheless, the netting that we use would prevent birds from entering those pens to feed on the fish. We typically keep the smolts in the net pens for two weeks for rearing and imprinting, and then release them into the waters of the lagoon. They may volitionally out-migrate on the near-turned, outgoing tide, or they may stay in the lagoon for longer periods of time. We have a lot of birds in the area. I've often seen numerous blue

herons, wading in the shallows of that lagoon, and I suspect that if you tallied the mortality due to bird predation over a period of several weeks until all the smolts left the lagoon, you'd probably find that it at least was important enough to the sport angler that if we should have additional survival from that it would be helpful. That's the basis of the recommendation on expanding the depth of the lagoon. There is only one spot where the net pens are placed that's actually deep enough for the net pen to go. A good portion of the lagoon is tidally exposed on low tide, and so at least for consideration for the bird predation and its contribution to mortality, I think that increasing the depth of the lagoon is important.

MS. WILLIAMS: Any further questions or comments. I'm trying to refresh my recollection as to whether we have a motion on the floor with respect to the fisheries improvement project. Do we? (Indication is in the affirmative) Very good. Is there any further discussion of that motion.

MR. PENNOYER: Clarification of the motion was that we would approve it contingent upon Justice's examination of the appropriateness of the expansion (indiscernible -- simultaneous talking)

MS. WILLIAMS: That's correct. Any further discussion? All in favor of the motion that the Trustee Council at this time approve the fisheries improvements component of Project No. 95080, contingent upon the Department of Justice's approval of the project, say aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: Opposed? It is passed.

MR. WOLFE: Madam Chair.

MS. WILLIAMS: Yes.

MR. WOLFE: For the record now then, there needs to be some paper flow to make this happen fairly rapidly, and so I assume Craig or maybe, Frank, your staff were going to make sure something gets to us and Justice for Justice to review very soon.

MS. WILLIAMS: And let me just for the transcriber, let me sort of clarify procedurally what we've just done, but it could be confusing. What I'd like to suggest that we did was Mr. Tillery made a motion, and then I'd like to characterize Mr. Pennoyer's amendment as a substitute amendment. That passed, negated Mr. Tillery's motion, and then the second motion -- or this third motion, everyone thought it to be independent. All right? Yes, Mr. Tillery.

MR. TILLERY: By my tally of this entire project, we have approved or tentatively approved the land, or at least looking into the land, the ponds and the net pens. We have not acted on the boardwalk because of concern. In addition, there were some other parts of the project that the State of Alaska had previously agreed to fund out of criminal restitution funds in the amount of \$50,000. I know that this entire project is a priority of the Governor. I know that when the State of Alaska looked into the restitution, that it did the \$50,000 with the thought that we wanted to see what the Council was going to do

with the entire project. Mr. Crenshaw, who is here, from State Parks, is one of the people who was involved in that process, and I wonder if we could just give him a minute or two, perhaps, to tell the people of Cordova what position the State might take with regard to that \$300,000 that doesn't seem to have a place right now.

MS. WILLIAMS: Mr. Crenshaw.

MR. CRENSHAW: Thank you. I do have the good fortune of being here bringing good news. The Governor's Office and the State Park Director have authorized me to up the amount from the criminal settlement money to cover the gap between what will be required in the submittal by the city and what Justice approves and what the Council approved today. So, he has authorized an additional expenditure up to \$400,000 on that project, if it's necessary, to complete the project.

MS. WILLIAMS: Thank you. Excellent news. Mr. Pennoyer.

MR. PENNOYER: Oh, I thought -- I was going to make one observation. It's ten after five, we still have some important things to do, and it's my understanding that there are 5:30 commitments to a tour . . .

MS. McCAMMON: Six. It can be changed to six.

MR. PENNOYER: Fine, thank you.

MS. WILLIAMS: Okay, thank you. All right. I believe then that to summarize on the Fleming Spit project that the land acquisition will go forward with the small parcel process. We

have officially approved the fisheries improvement component, and the State has agreed to go forward with the boardwalk component, assuming that the land -- would that be independent of whether the land is acquired, so you go forward?

MR. TILLERY: No.

MS. WILLIAMS: No --

MR. TILLERY: That would assume the land ...

MS. WILLIAMS: Assuming the land is acquired. Thank you very much. Yes, sir.

(Speaker from audience, welcomes the Trustee Council to Cordova)

MS. WILLIAMS: Thank you so very much, and we'll look forward to participating to Children's Day in a year. It sounds like a wonderful event.

Now, Molly, can we just approve the technical amendments.

MS. McCAMMON: Please.

MS. WILLIAMS: Let me just say, has every board member read the technical amendments? Do we feel comfortable making a motion to approve the technical amendments as contained in the board package, which has been available to the public? Okay. Mr. Wolfe, do I have a motion to that effect.

MR. WOLFE: So made.

MS. WILLIAMS: Okay, is there a second to that? (Ms. Brown's second is inaudible) Okay. Moved by Mr. Wolfe, seconded by Ms. Brown that we approve the technical amendments to the fiscal year '95 budget as contained in the information package.

Any discussion for that motion? All in favor, indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: All opposed? (No opposition) Do I hear a motion to go into executive session?

MR. PENNOYER: So moved.

MS. WILLIAMS: For the purpose of?

MR. TILLERY: Madam Chair, may I state the purpose?

MS. WILLIAMS: Yes. And yes, and yes. Okay. It has been moved by Mr. Pennoyer, seconded by Mr. Tillery, to go into executive session. Mr. Tillery, would you please describe the nature of that executive session.

MR. TILLERY: The purpose of the executive session would be to discuss the confidential aspects of the Eyak negotiations.

MS. WILLIAMS: Thank you very much, all in favor of going into executive session, indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: Opposed? (No opposition) We will come back in public session, we hope, in approximately 15 minutes to a half hour.

(Off record: 5:10 p.m.)

(Executive Session: 5:10 p.m. to 5:30 p.m.)

(On record: 5:30 p.m.)

MS. WILLIAMS: The Exxon Valdez Oil Spill Settlement Trustees Council is ready to go back into public session. We

have completed our executive session in which we discussed only the Eyak status of negotiations. Council members, would anyone care to either summarize our executive session or make a motion at this time. Mr. Wolfe?

MR. WOLFE: I'm not sure I can summarize our executive session, but I would like to just relay that it is the sentiment of the Trustee Council that we continue to try to work to bring this deal to closure on the timber exchange that we started earlier, we are interested in doing -- taking whatever steps are necessary to keep the negotiations and Eyak and has offered to meet with a mediator to see if we can resolve this issue over this one clause of non-severability, and the Trustee Council then is willing to take that initiative and see if we can come to closure on that. So, I would make a motion that we bring back either Jerry Cormack, if he's available, or another mediator as quickly as we can and bring as many of the Trustee Council members together with us and Eyak representatives and negotiators, and do that as quickly as possible.

MS. WILLIAMS: Okay. It has been moved by Mr. Wolfe that we accept Eyak's offer to engage in mediation on the severability clause. Is there a second to that motion?

MR. PENNOYER: I second.

MS. WILLIAMS: Seconded by Mr. Pennoyer. Discussion on the motion. Mr. Wolfe?

MR. WOLFE: I have no further discussion. I wonder if we should give Eyak an opportunity to react to that motion at

this point.

MS. WILLIAMS: That would be fine. Mr. Borer.

MR. BORER: It's Eyak and Sherstone.

MR. WOLFE: And Sherstone.

MR. BORER: Number one, the offer of mediation was initially offered and it was cut off at the time your meeting started today. However, we are willing to go forward with mediation on the specific non-severability clause.

(Indiscernible) on the rest of it.

MS. WILLIAMS: That was the substance of the motion, Mr. Borer.

MR. BORER: Additionally, we are making no promises on slowing down any operations. The operations will proceed forward. When it's operationally sensible to be in the view shed, we'll be in the view shed. The sooner we get it done, the better off we are. As far as I know to date, there is no impact that has not been projected by the long-term transactions that have been looked at in the view shed. So, I just want to make sure that everybody understands that we're not promising by going to the mediation that we're going to stop our operations waiting for the mediation. Okay?

MS. WILLIAMS: Yes. We understand that.

MR. BORER: And we appreciate your motion.

MS. WILLIAMS: Thank you.

MS. WILLIAMS: Donna, is there anything you'd like to add?

MS. PLATT: No, that about sums it up.

MS. WILLIAMS: Okay.

MR. WOLFE: I -- Madam Chairman?

MS. WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: One other point, just so it's clear for the record and for those that are here, is the Forest Service is working with -- for the Trustee Council and moving ahead with conveyances, (indiscernible) conveyance of sections 15, 16, and 7 --

UNIDENTIFIED VOICE: Eight.

MR. WOLFE: Eight, okay. And that is still moving forward regardless of what transpires on the other issue, and I just wanted that understood. I didn't mention that earlier today when we were talking, but that is moving forward.

MS. WILLIAMS: Thank you, Mr. Wolfe. Any further discussion of the motion? Hearing none, all in favor of the motion indicate by saying aye.

ALL TRUSTEES: Aye.

MS. WILLIAMS: Opposed? The motion passes. And -- umm -- I believe that Molly McCammon and Jim Wolfe will be speaking with Eyak to arrange for the precise terms of the mediation. Is there any further business to bring before the Council this afternoon? Let me just thank all of the members of the public. It was really -- again -- terrific being here in Cordova. I'm glad to see some of the survivors of the whole meeting, but we do appreciate the tremendous participation by the people of Cordova,



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 139 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustees Council meeting taken electronically by me on June 1, 1995, commencing at approximately 1:00 p.m. at the Mt. Eccles Auditorium, Cordova, 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 \_\_\_\_ day of August, 1995.

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