

TRUSTEE COUNCIL MEETING
Monday, December 11, 1995
9:00 o'clock a.m.

645 G Street
First Floor Conference Room
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

U.S. DEPARTMENT OF THE INTERIOR: **MS. DEBORAH WILLIAMS (Chair)**
Special Assistant to the
Assistant Secretary

STATE OF ALASKA: **MR. CRAIG TILLERY**
Trustee Representatives
for the Attorney General

STATE OF ALASKA - DEPARTMENT
OF FISH AND GAME: **MR. FRANK RUE**
Commissioner

U.S. DEPARTMENT OF AGRICULTURE -
U.S. FOREST SERVICE: **MR. PHIL JANIK**
Regional Forester
MR. JAMES WOLFE, Alternate

U.S. DEPARTMENT OF
COMMERCE - NOAA: **MR. STEVE PENNOYER**
Director, Alaska Region

STATE OF ALASKA - DEPARTMENT
OF ENVIRONMENTAL CONSERVATION: **MR. ERNIE PIPER**
Alternate for
Commissioner Gene Burden

TRUSTEE COUNCIL STAFF PRESENT:

MS. MOLLY McCAMMON

Executive Director
EVOS Trustee Council

MS. REBECCA WILLIAMS

Executive Secretary
EVOS Trustee Council

MS. L. J. EVANS

Public Information Specialist
EVOS Trustee Council

MR. STAN SENNER

Science Liaison
EVOS Trustee Council

DR. ROBERT SPIES

Chief Scientist
EVOS Trustee Council

OTHER PARTICIPANTS:

MS. GINA BELT

U.S. Department of Justice

MR. JOHN FRENCH

Public Advisory Group

MS. CARRIE HOLBA

Director, Oil Spill Public
Information Center

MR. BARRY ROTH

U.S. Department of Interior

MR. DAVE GIBBONS

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MR. BRAD MEIKLEJOHN (Anchorage) 84
MR. DAVID GRIMES (Anchorage) 86
MR. DUNE LANKARD (Anchorage) 91
MS. MARIE SMITH (Anchorage) 96
MS. TABITHA GREGORY (Anchorage) 99
MR. GARY C. PATTON (Anchorage) 102
MS. PATTY BROWN-SCHWALENBERG (Anchorage) 103

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(Tape No. 1 of 4)

(On record at 9:00 a.m.)

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CHAIR WILLIAMS: Good thank you. Good morning. I would like to call the December 11th, 1995, meeting of the Exxon Valdez Oil Spill Trustee Council to order. Let me begin by introducing the members of the Council who are with us today:

We have Jim Wolfe, representing the Forest Service. We have Ernie Piper, representing the Alaska Department of Environmental Conservation. We have Commissioner Frank Rue, representing the Alaska Department of Fish and Game. We have Steve Pennoyer, representing NOAA and NMFS. And we have Craig Tillery, representing the Attorney General's Office. My name is Deborah Williams. I'm representing the Department of Interior, and I will be chairing the meeting today.

We will begin by reviewing and approving the agenda. Have all the Trustee Council members had an opportunity to review the agenda?

(No audible response)

CHAIR WILLIAMS: Are there any additions or corrections to the agenda?

(No audible response)

CHAIR WILLIAMS: If not, do I hear a motion to approve?

MR. PENNOYER: So move.

CHAIR WILLIAMS: A second?

COMMISSIONER RUE: Second.

1 CHAIR WILLIAMS: It's been moved by Mr. Pennoyer,
2 seconded by Commissioner Rue to approve the agenda as written.

3 Are there any objections to approving the agenda as written?

4 (No audible response)

5 CHAIR WILLIAMS: It is so approved.

6 MR. PENNOYER: Madam Chair?

7 CHAIR WILLIAMS: Yes. Mr. Pennoyer.

8 MR. PENNOYER: I'd like to simply announce that I'll
9 probably have to leave by about 3:00 o'clock this afternoon,
10 and my alternate, Bill Hines, may have to sit in. I'm not sure
11 of that yet, but I have another meeting I know I have to go to
12 at that time.

13 CHAIR WILLIAMS: Okay.

14 MR. PENNOYER: If we're still in session.

15 CHAIR WILLIAMS: Good. Thank you, Mr. Pennoyer. We
16 will strive to be done by 3:00 o'clock. Right, Ms. McCammon?

17 MS. MCCAMMON: Absolutely.

18 CHAIR WILLIAMS: Yes. All right. The second item is
19 the approval of the November 20th, 1995, meeting notes. Have
20 all the Trustee Council members had a chance to review those?

21 (No audible response)

22 CHAIR WILLIAMS: Are there any additions or
23 corrections to the meeting notes?

24 (No audible response)

25 CHAIR WILLIAMS: Hearing none, do I -- I will

entertain a motion to approve the meeting notes for November
20th, 1995.

COMMISSIONER RUE: So moved.

CHAIR WILLIAMS: And do I hear a second?

MR. PENNOYER: Second.

CHAIR WILLIAMS: It's been moved by Commissioner Rue
and seconded by Mr. Pennoyer that the meeting notes of November
20th, 1995, be approved as written. Are there any objections?

(No audible response)

CHAIR WILLIAMS: Hearing none, they are approved.

The next item on our agenda is the Public Advisory
Group report of Vern McCorkle. Do I see Vern in the audience?

MS. McCAMMON: Madam Chair, it's actually going to be
given by John French, who is Vice Chair.

CHAIR WILLIAMS: Excellent. Mr.....

MS. McCAMMON: And he's via teleconference.

CHAIR WILLIAMS: Oh, very good. Mr. French, are you
on the teleconference at this time?

MR. FRENCH: Yes, I am.

CHAIR WILLIAMS: Thank you so much. We're looking
forward to hearing your report.

MR. FRENCH: The Public Advisory Group met on
December 6th, and unfortunately, well, I had to chair because
Vern McCorkle was ill and absent. Unfortunately, also a number
of the other Public Advisory Group members were not able to
attend the meeting, so we ended up short of a quorum, which
forced us to simply work as an informational meeting as opposed

to being able to take any action on any items.

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We did, however, have a good discussion relating to a sub-group that we had working, chaired by Chris Beck on information, particularly the positive aspects of EVOS restoration activities out to the public. His main emphasis -- or the main emphasis of the sub-group really focused down on the general public as opposed to scientific groups or agency technical type people.

And I think that after the suggestions, it also became very apparent that especially L. J. Evans and the communications group are doing a lot of things that we, in general, were not as aware of as we should be. And I think that the two may work very well together to kind of help balance improvements in that area. I think an awful lot of things, positive things, have been done in the last year, and I don't think we, as the Public Advisory Group, were really giving the appropriate people enough credit.

With respect to the '96 Work Plan, we went through the whole proposed edition for the December meeting's actions, and there were a curious concerns expressed by a few PAG members, but generally, I'd have to say the consensus was to support the Executive Director's recommendation, with a little bit of discussion particularly by two PAG members with respect to concern over -- further concern over the pink salmon issues and the fact that the pink salmon returns weren't anywhere near as good as they were when we had met previously in July.

One of the PAG members, particularly, was

questioning, well, the project that I think many of us refer to⁸
as the PWSSC project. I can get the number out of the file if
necessary, although Molly can probably get it faster than I
can.

MS. McCAMMON: 093.

MR. FRENCH: With respect to the other group's
project, I think, generally, there was a good consensus on the
recommendations of the Executive Director. I don't see
anything that really stands out in my notes as major points of
concern. There was continuing concern as to the lack of
quality of business projects that are being submitted. That's
not really a problem for this Work Plan. We did concur, I
think, with the Executive Director's recommendations on those
specific projects that were under consideration. I think many
of us are a little disappointed that there aren't more quality
consistent projects and that maybe it'll be remedied in the
future.

(Pause)

MR. FRENCH: In general, there was good concurrence
with the recommendations, and there really was not as much
discussion as there had been in many previous PAG meetings. I
think part of that was due to the small number of members in
attendance. Part of that may have been due to the extensive
discussion we went through in July, and much of this was kind
of a reiteration of those recommendations at that point. We
did mostly continue to concur with our recommendations as well
as the Executive Director's recommendation sheet, at least,

that was given to us.

1 And then we adjourned early, mid-afternoon, on the
2 first day. So it was a relatively short meeting. And I think
3 rather than to try to dig more information out of my notes
4 here, I can just answer questions from the Trustee Council.

5 CHAIR WILLIAMS: Thank you. Are there any questions
6 regarding the Public Advisory Group report from the Trustee
7 Council members.

8 MR. PENNOYER: Yes, Madam Chair.

9 CHAIR WILLIAMS: Mr. Pennoyer?

10 MR. PENNOYER: What was the PWSSC project number that
11 was.....

12 MS. McCAMMON: 093.

13 MR. PENNOYER: 093? Okay.

14 MS. McCAMMON: A., B., and C.

15 MR. PENNOYER: Thank you.

16 (Pause)

17 CHAIR WILLIAMS: Any other questions from the Trustee
18 Council members?

19 (No audible response)

20 CHAIR WILLIAMS: When do you expect the next PAG
21 meeting?

22 MR. FRENCH: The next PAG meeting should be -- I lost
23 my notes here. I think we ended up scheduling it not till the
24 first week of March, if I remember right. Is that correct,
25 Molly?

MS. McCAMMON: It's scheduled for mid-March.

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MR. FRENCH: Mid-March. That's right. Here it is. The 13th and 14th of March. I expect that many of the PAG members will be present at the Restoration Workshop in January, and if there seem to be some action items that need discussing at that point, I imagine we could get at least an informal working group together. But our next official meeting is scheduled for March 13 and 14.

CHAIR WILLIAMS: Very good. I had just one last question. As you, I'm sure, recall, based on a recommendation from the PAG, we asked staff to look at the question of defining "normal agency management." Did the PAG have an opportunity to look at the draft language that has been prepared, and did you have comments on it?

MR. FRENCH: Yes, we did look at the draft language that had been prepared, but we recognized it did come from a request from us. In that context, Martha Vlasoff felt that it was a positive step forward. I'd have to admit that several of us, including myself, felt that the language itself probably allowed as many loopholes as the language that's in the Restoration Plan right now, and that perhaps we should continue to work on defining that, but rather than adopt further language that's still somewhat flawed, maybe we should live with the fairly broad statement that's in the Restoration Plan.

CHAIR WILLIAMS: Okay. Good. Thank you. And thank you for your input on that.

Ms. McCammon, you had a comment, a question?

MS. MCCAMMON: Madam Chair, I just wanted to make one

point, and that is that before the Council takes any major action on a land acquisition or some item like that, that I have been scheduling an informal briefing session, by teleconference, of the PAG. So if any major actions happen between now and the March meeting, then they will be briefed on it.

CHAIR WILLIAMS: Great. Okay. Any further questions or comments?

(No audible response)

CHAIR WILLIAMS: Well, thank you very much, and we, again, continue to appreciate the work of the PAG very much.

MR. FRENCH: Thank you.

CHAIR WILLIAMS: Our next item is a report on OSPIC. Carrie Holba?

(Pause - Side comment)

MS. HOLBA: Good morning. I'm Carrie Holba. I'm the Director of the Oil Spill Public Information Center. Last August, at the Trustee Council meeting, Commissioner Rue requested some statistics about the usage of the OSPIC. So I provided a report giving an overview of the OSPIC, some background, history of its establishment, staffing, current projects, and some statistics from the FY '95 and an overview of a comparison of the statistics from fiscal year '92 through '95, with information on to-date for fiscal year '96.

At this point, two of our current projects, aside from providing reference to the public, is the administration of the Trustee Council administrative record. That collection

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of documents is currently containing approximately 3,000 documents. In FY '95, we added over 1,000 documents to that collection. The OSPIC staff is also responsible for the collection and distribution of the final reports for the damage assessment studies and restoration annual and final reports. We have 38 final reports and 8 annual reports currently in the OSPIC, and we are participating in a format review for those.

In April the OSPIC staff established a World Wide Web home page to provide on-line access to information on the spill, restoration activities, and Trustee Council activities.

That home page contains, at this time, some information from the '95 status report, a bibliography of currently available final reports and annual reports, and information on what the Trustees are doing. We've linked that site with 32 other related sites on the Web, and then have had a number of other sites, you know, link their pages to us as well.

We've started tracking those statistics in May. Through fiscal year '95, we were averaging about three requests a week related to the home page. Now, these are requests where people would look at the home page, send us an e-mail or a phone call asking for additional information. Since October 1st, we've been averaging 23 requests a week. Up until Thursday, we weren't able to track the number of statistics, the usage of the home page, unless people contacted afterwards.

In other words, where people would go on line, look at what was available there, and then move on.

On Thursday, Jeff Lawrence, our library technician,

installed some statistical hardware that -- or software that's¹³
been able to track the number of hits that the home page
receives, and since Thursday, we've received 240 hits. So
that's -- we ex-.....

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2 CHAIR WILLIAMS: Hmm. Almost as many as Doonesbury;
3 right?

4 MS. HOLBA: Right. We expected it to be a lot, but
5 it was more than we even expected.

6 Right now, at the end of fiscal year '95, the OSPIC
7 receives about 33 visitors a week. We get an average of 72
8 phone calls a week. Total reference requests, 63 a week; now,
9 that includes on-site and off-site. I should note that the
10 number of visitors does not equal the number of on-site
11 requests because about a third of the people coming into the
12 OSPIC do their own research. They don't require the assistance
13 of a librarian, so we don't count those as reference requests
14 requiring our help.

15 We're currently getting 22 off-site reque- -- on-site
16 requests a week, 41 off-site requests a week. There's been a
17 jump in statistics -- a slight jump in statistics since the
18 beginning of FY '96, mostly due to the activity of the Web home
19 page.

20 CHAIR WILLIAMS: Very good. Are there any questions
21 or comments for Ms. Holba?

22 COMMISSIONER RUE: I'm interested in the future. I
23 thought that was an interesting section of.....

24 MS. HOLBA: Mm hmm (affirmative).
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MS. HOLBA: Currently, I've been meeting weekly with
the librarians in Anchorage who are involved in natural
resource related libraries. This includes Minerals Management
Service, Alaska Resources Library in the Bureau of Land
Management. It also includes the Department of Fish and Game
Habitat Library, AEIDC, which is affiliated with the
University, and it includes the OSPIC.

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What precipitated this move was that the Interior
libraries were facing down-sizing, budget cuts, and possible
closure. And the library -- these libraries, which have been
meeting to share resources for quite some time, began looking
at the possibility of combining collections to reduce operating
costs and yet provide expanded staff services to agencies and
the general public.

To that end, the Department of Interior granted this
group reinvention laboratory status. What this allows us to do
is take the reinvention laboratory training that will give us
the techniques to put together a business plan, and that that
business plan, once written, will be presented to the parent
agencies of these libraries. They'll look it over, see if it
meets their needs, and make decisions or request modifications.

At this time, as of 8:00 o'clock this morning, the
reinvention lab training began, so as soon as I'm done here,
I'm going to rush over to the Federal Building and take part in
that. We began with one session last week, and then we'll have
the training all this week. And then a business plan will be

written up, and it will be presented to the agencies within six months.

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MR. PENNOYER: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Pennoyer.

MR. PENNOYER: So the time table is six months for a presentation of a plan? Any idea how this all plays out in terms of timing?

MS. HOLBA: At this time, I don't. Because of the combination of State agencies involved, federal agencies, and the University, there will need to be possibly a memorandum of understanding put into place, and there are a lot of details to work out, so that's my best guess at this time. We've been meeting all this time, so we figure we're ahead of the game and that we've worked out a lot of the library related details. So we're hoping that the business plan will be put in place ahead of schedule.

MR. PENNOYER: Thank you.

CHAIR WILLIAMS: Yes. Ms. Piper.

MR. PIPER: Madam Chair. Just one thing is, as most of you know, DEC doesn't have as active a role in the day-to-day management of the restoration as some of the other agencies because we don't have a resource or a land base in the same way that some of the other agencies do. And the OSPIC and the resources there have turned out to be the place that we participate in a lot.

The Exxon Valdez oil spill, as you might expect, was a real touchstone for response techniques and other things.

And what the library gets in, we can relate back to what happened during the Exxon spill, and that helps us build on our work -- everyday work at DEC in Spill Response.

1 And I know that may not have a direct restoration
2 benefit, and I don't intend to argue that it does, but just so
3 that people know, it's a very, very valuable collection to the
4 state, and we hope that you find a good home that works out for
5 all of us.

6 CHAIR WILLIAMS: Good. Any other questions or
7 comments?

8 (No audible response)

9 CHAIR WILLIAMS: I just want to thank you very much,
10 Ms. Holba, and I'm very pleased you're participating in the
11 reinvention lab. We're looking forward to seeing the results
12 of that effort, and good luck.

13 MS. HOLBA: Thank you.

14 MR. PIPER: Thank you.

15 CHAIR WILLIAMS: Thank you.

16 MS. McCAMMON: Madam Chair?

17 CHAIR WILLIAMS: Yes. Ms. McCammon.

18 MS. McCAMMON: As part of this effort in trying to
19 figure out the future of OSPIC, we've also been doing a lot of
20 internal work and work with the Public Advisory Group on our
21 communications plan and various efforts at public information.

22 And one of the handouts that you have before you this morning
23 is entitled, "Public Information and Communications Analysis."

24 One of the benefits of having the PAG interested in this is
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that it forced us to actually sit down and draft a plan and describe all of the efforts that we currently have underway. And that's the first document in this group.

1 The second part of it, we then went through a further
2 analysis of the various sectors of the general public that we
3 spend efforts on. This is, I think, going to be an ongoing
4 effort as we figure out the future of OSPIC. Certainly, if
5 this new consortium library goes forward, that may be the home
6 for the collection. But this also leaves a lot of questions
7 about what to do with the Web site, what to do with just the
8 general requests for information.

9 We've been spending a lot of time in trying to figure
10 out what are the most commonly asked questions, and can we
11 prepare handouts that would be easy to distribute.....

12 CHAIR WILLIAMS: Mm hmm (affirmative).

13 MS. McCAMMON:and reduce staff time.

14 CHAIR WILLIAMS: Mm hmm (affirmative).

15 MS. McCAMMON: And we'll be -- in conjunction with
16 the OSPIC plan, we'll also be presenting a plan later in this
17 year on kind of further communications efforts.

18 CHAIR WILLIAMS: Good. Any questions or comments
19 from the Council members on the memo or Molly's presentation?
20 Yes. Commissioner Rue?

21 COMMISSIONER RUE: Madam Chair, just one quick
22 comment. I applaud this sort of effort. I think it's good to
23 be thinking in these terms, and help to make the best use of
24 our resource that way. Thanks.
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CHAIR WILLIAMS: Good. All right. Thank you again,¹⁸
Ms. Holba. The next item on our agenda is the Executive
Director's report. Ms. McCammon?

1 MS. McCAMMON: Madam Chair, under the tab labeled
2 "Financial Report," you'll see a statement as of November 30th,
3 1995, which indicates the joint trust fund account balance is
4 \$106-1/2 million, approximately. Less the current year
5 commitments and less the restoration reserve balance, there's a
6 total of approximately \$46 million available for expenditure
7 that's uncommitted.

8 We're hopeful that when the audit -- we get the
9 results of the audit, that we'll be 100 percent certain of
10 these numbers, whereas right now I think we're 95 percent
11 certain of them. The audit is on schedule; we're still
12 expecting the draft report February 1st.

13 The audit team and myself and Traci Cramer will be
14 meeting in Houston on Thursday with the Court Registry
15 Investment System. We have not been successful to this date in
16 having the long-term investment structure put in place. At the
17 last meeting, there was a suggestion that the Council may want
18 to do a resolution or a letter or something to that effect.

19 I think at this point, until we've had the meeting
20 with CRIS, that it would be my recommendation to defer on that
21 until we've had the opportunity to meet face to face with the
22 CRIS. We're not -- I think we're still establishing a
23 relationship directly there, and it may be more beneficial just
24 to meet with them directly. But I think that's up to the
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Another tab in your binder is "Past and Future Estimated Expenses," and this was actually handed out separately, and it's a one-page sheet that looks like this. And this is just for planning purposes, but at the last meeting in August, there was a request to be a little bit more specific about some of the items on here. For example, the items that I think in our old chart said "reimbursements," and there was also a very confusing one that said "adjustments."

This is very rough; it's not specific. We don't have final audited numbers for prior years. So the numbers that we have used in -- especially in the Work Plan items and in the administration, are all authorized numbers. These are not actual expenditures. I would expect after the audit is completed, we'll have a lot firmer numbers to put in here.

But basically, this shows that the original \$214 million for the reimbursements to the governments and to Exxon, habitat protection is still estimated at approximately \$375 million, the restoration reserve at \$108 million, public information/science management and administration at \$35 million, research monitoring and general restoration, \$180 million, for a total of \$912 million. This includes the \$900 million in Exxon payments plus the accumulated interest, minus the port fees.

So I hope this is a little bit clearer presentation.

This is one of those charts that we keep looking at and tweaking and trying to find the best way of presenting

information to the public. And if you have any comments or suggestions on this, we'd be happy to hear them because this has been a very dynamic document here.

1 CHAIR WILLIAMS: Any questions or comments from the
2 Council members?

3 (No audible response)

4 MS. McCAMMON: Madam Chairman, since the last
5 meeting, there's been some activity on the habitat protection
6 front. As you know, at the November 20th meeting, the Council
7 took action on the first.....

8 CHAIR WILLIAMS: Actually, Ms. McCammon, I'm sorry.
9 Before we go on, as you know, I have been very interested in
10 our return we make on the money -- and concerned. What -- tell
11 me what you hope, ideally, to achieve at your meeting down in
12 Houston with the CRIS fund folks. What would you hope to walk
13 away with, and what would our -- how quickly do we think we
14 could implement it?

15 MS. McCAMMON: What I'm hoping that will come from
16 the meeting, first of all, is the fact that no one from the
17 Council has met with any of the CRIS folks face to face since
18 the Council's inception. What I'd like to do is impress upon
19 them the importance of -- from the Trustees' perspective, on
20 maximizing the value of the dollar that's invested with CRIS.
21 And somehow, I think that message has not quite gotten through.

22 I'd like to come back with a firm commitment and a
23 firm time line on when the long-term accounts will be
24 established. I'd like to come back with some kind of a plan on
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having electronic deposits so that we don't have checks going back and forth through the mail system and losing interest. Those are the two major things that I'd like to see accomplished.

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CHAIR WILLIAMS: And in terms of our goals for a long-term investment strategy, what is the most we can hope for, do you think? Or do you have that fairly clearly defined in your mind?

MS. McCAMMON: Well, if the -- given the fact that we're pretty much -- have to live with keeping the funds in CRIS, then we're somewhat limited on how they can be invested. And I guess my personal recommendation would be to find some way to get them out of CRIS and have them invested in some other account that would attain a higher interest rate. But the ruling from -- or at least the interpretation from Department of Justice has been that that's not possible.

So if we live -- if we have to live with investments in the CRIS account, probably the best that we can hope for is 6 or 7 percent.

CHAIR WILLIAMS: And right now we're making?

MS. McCAMMON: Three and a half, four percent.

CHAIR WILLIAMS: And do we expect fees to go down with the longer term strategy, or would the fees be about the same?

MS. McCAMMON: I don't believe the fees go down, but I'd have to check on that. They're based on the actual amount of cash that's in the account. But I'd have to check on that.

MR. TILLERY: I think they -- well, I think we hope they do go down.

1 CHAIR WILLIAMS: I thought we were hoping for that
2 also.

3 MR. TILLERY: But it's going to -- until they get
4 their contract with that new bank, and they're in -- have been
5 in some competitive bid process or something, then we're not
6 going to know exactly what they're going to be. The fees will
7 stay the same for the regular account.

8 CHAIR WILLIAMS: Okay. Well, I just -- you know,
9 you've suggested you don't want a resolution from the Board,
10 and I will defer to that suggestion, but boy, I just want you
11 to impress upon them that -- how frustrating this has been, how
12 much money we have lost that we could be applying to
13 restoration. This is very, very frustrating.

14 And again, keep in mind that I think this Board's
15 willing to do whatever you think appropriate to help this
16 process along. But I just have, you know, seen millions of
17 dollars not be available to us because of these problems we've
18 had. And I just hope that the people in Houston can help us.

19 MS. McCAMMON: I think this is something the audit
20 team is definitely going to highlight in their management
21 letter also.

22 CHAIR WILLIAMS: Yes. Yeah. Not, it is -- you know,
23 it's a real shame. Okay. Any other questions or comments
24 before we go to habitat protection status report?

(No audible response)

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MS. McCAMMON: There's a separate report under habitat protection. At the November 20th meeting, the Council took action on the first package of small parcels, and attached to the November 20th meeting notes is a copy of that final resolution.

Since that time, six landowners have indicated they're willing to sell their parcels at appraised value; two others are likely; others are in various stages of discussion but look promising. Appraisals for the remaining parcels under consideration are either under review or are still being completed. Although we have -- I do have a recommendation later this afternoon for action on three additional parcels. Those appraisals were completed, and the reviews were completed last Friday.

Koniag, as you'll recall, was signed; Phase 1 was signed in November. Since that time, the corporation has indicated they're anxious to begin negotiations on Phase 2 as soon as possible. This would include long-term protection of the Karluk and Sturgeon Rivers.

For Shuyak, agreement was reached conceptually at the November 20th meeting with the Kodiak Island Borough for a price of \$33.32 million plus interest over a multi-year payout period, for a total of \$42 million. In the packet -- well, actually, not in the packet, but a more detailed resolution and purchase agreement have been under extensive review over the past week. I believe all of the attorneys have finally seen

them and signed off on them, and we do have copies here that will be distributed for your consideration later this afternoon.

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On Chenega, the data obtained during the additional field work in October is still being assessed, and this will be discussed during Executive session.

On Tatitlek, the expected date for the preliminary draft of the timber appraisal is late December. Tatitlek is very anxious to have this completed, and we have tentatively targeted a January 30th Council meeting for action on the Tatitlek acquisition, or possible action.

For Eyak, we're still trying to set up, at the Board President's request, an informal meeting with several Board members. We have still not been able to find a date that works for everyone, but we will continue to pursue this. In addition, I'm drafting a letter to the full Eyak Board expressing that the Trustee Council is still interested in continued discussions, and suggesting that we possibly meet in January.

The Forest Service, in the meantime, is reviewing the timber cruise data, and will be -- and is developing a schedule for finalizing that appraisal. And we hope to have that schedule work done in the next few weeks.

On Afognak Joint Venture, Alaska Department of Natural Resources is preparing to issue an RFP for this appraisal in January, and we would expect work would commence as early as possible in the spring.

And for Kenai Fiords, there's been no further action recently in Kenai Fiords.

(Pause)

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CHAIR WILLIAMS: Any questions or comments on the habitat protection acquisition report?

(No audible response)

CHAIR WILLIAMS: Ms. McCammon, could you just list, very quickly, the six landowners for small parcels that indicated they're willing to sell their parcels?

MS. McCAMMON: Madam Chair, Grouse Lake with the Forest Service; they have accepted. And I'm going to ask Mr. Tillery, if I forget any here, to -- the Tulin parcel, the Hayward parcel, Ellamar, Kobylarz. I'm trying to think of which one's the sixth one now. I believe it was a Kenai River parcel.

MR. TILLERY: It was another Kenai River one.

MS. McCAMMON: Yeah. Not River Ridge.

(Pause - Side comments)

MR. TILLERY: Was it the Cone one?

MS. McCAMMON: The Cone one.

MR. TILLERY: No, there was.....

MS. McCAMMON: No, Coal Creek moorage. I'm sorry.

MR. TILLERY: Yeah, Coal Creek. Yeah.

MS. McCAMMON: It was Coal Creek moorage. Yeah. And then we're real hopeful on the Cone parcel and the Girves parcel.

CHAIR WILLIAMS: Good. Thank you. And thank you,

landowners, for the six parcels who have agreed. That's great. 26

Any questions or comments?

(No audible response)

1 CHAIR WILLIAMS: All right. Research, monitoring,
2 and general restoration?

3 MS. McCAMMON: Madam Chair, this has been -- this
4 part of the program has been the major focus this fall. Last
5 summer the Council voted to add several species to the injured
6 species list. You also asked that we review cormorants and
7 scoters for possible consideration, and in addition, we were
8 awaiting further information on black-legged kittiwakes.

9 Since that time, staff has undertaken a total review
10 and rewrite of Chapter 5 in the Restoration Plan. This is the
11 chapter that describes, species by species, the status of the
12 injured species and the recovery objective and suggests several
13 strategies to aid in restoration. The main focus of this
14 review has been looking at the recovery objectives and
15 strategies based on the information that has come to light from
16 all of the research programs in the last few years.

17 A draft of this revised chapter will be sent around
18 to the agencies for their review probably in mid- to late
19 December. The goal here is to have a draft that is acceptable
20 to the agencies, present -- and then present that to the annual
21 workshop in January, and based on comments following then, it
22 will be sent out for public review and comment at the same time
23 that the FY '97 invitation is sent out. We would expect that
24 to be in mid-February.

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1 Our initial look at it is that there won't be
2 anything real major. There will be some species that we're
3 recommending go onto the recovering list, as opposed to the not
4 recovered. And there'll be some minor -- quite a bit of
5 revision, actually, in the recovery objectives based on new
6 information that has come up.

7 In addition, we've been working extensively on the
8 1996 restoration workshop, and I believe there's a copy of the
9 draft agenda in your packet, as well as an updated version
10 that's been distributed to everyone -- oh, is being distributed
11 to everyone.

12 (Pause)

13 MS. McCAMMON: This workshop is scheduled for January
14 16th through 18th at the Captain Cook Hotel. It is considered
15 a mandatory workshop for all of the principal investigators and
16 researchers that are funded through the Trustee Council. Last
17 year we had over 150 people attend, and we expect at least that
18 many this year.

19 But it provides a really excellent opportunity to
20 hear exactly what's going on with all of the elements of the
21 Restoration Program and a real good opportunity for scientists
22 across disciplines to exchange information and to really help
23 us focus on where we're going with this program.

24 And I would strongly encourage all of you to attend
25 if you could. And if any of you would like to attend and say
something to the group assembled, I'd be happy to put that into
the agenda.

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CHAIR WILLIAMS: That was an observation I was going to make. I know last year, Mr. Tillery and I spoke briefly to the assemblage, and I thought that was very helpful. I think people enjoyed that, and I think it might be useful again to go ahead and actually identify and include in the agenda a statement from a Trustee from the State and a statement from a Trustee from the federal government.

I don't know if we have volunteers. Maybe Commissioner Rue this year and.....

(Laughter)

COMMISSIONER RUE: That sounds like a volunteer to me.

CHAIR WILLIAMS:either Mr. Pennoyer or Mr. Janik. But since Mr. Janik's not here, I think Mr. Pennoyer, if this wouldn't be too inconvenient for your schedules.

MR. PENNOYER: I thought since Mr. Janik wasn't here, it was automatically.....

(Laughter, side comments)

MR. PENNOYER:volunteer.

COMMISSIONER RUE: Maybe he did volunteer. I thought I heard him volunteer.

MR. PENNOYER: Mr. Janik or I will be pleased to do it.

CHAIR WILLIAMS: Good. I think that'll.....

MR. PENNOYER: And I'll talk with him.

CHAIR WILLIAMS:work very nicely.

COMMISSIONER RUE: I would too.

CHAIR WILLIAMS: Good.

COMMISSIONER RUE: I would too.

1 CHAIR WILLIAMS: Good. I do recommend we include
2 that then.

3 MS. McCAMMON: It will be added. And so Mr. Janik,
4 was that it or.....

5 MR. PENNOYER: Either he or I will.

6 (Side comments)

7 MS. McCAMMON: Okay.

8 MR. PENNOYER: We'll arm wrestle.

9 MS. McCAMMON: Right.

10 (Pause)

11 CHAIR WILLIAMS: Any other questions or comments
12 about the draft agenda? Yes, Mr. Pennoyer?

13 MR. PENNOYER: Yeah. Well, I assume it's 1996, by
14 the way, that you're going to hold the meeting.....

15 CHAIR WILLIAMS: Yes.

16 MR. PENNOYER:not in 1995, but.....

17 MS. McCAMMON: Good point. That's why it's marked
18 "Draft."

19 MR. PENNOYER: Again, would you again reiterate the
20 purpose of the workshop and how it relates to the '97 Work
21 Plan?

22 MS. McCAMMON: The main purpose of the workshop is
23 for all of the PI's from FY '95 to report on the results of
24 last year's field season. It -- we've tried to set up the
25 sessions so they're cross-disciplinary and bring folks together

who will then -- based on that, we will be able to map out exactly what additional work needs to be done in the future as part of our adaptive management process. So it's a continual write and rewrite and review kind of process that we have.

This will be the first opportunity, other than the mini-review sessions we've had this fall, where all of the PI's will actually present their data from last year.

MR. PENNOYER: I just -- I guess why I asked is I note the time on your sessions is very brief, or each of them.

Are they going to be held separately contiguously, or are they -- for all the PI's under fisheries management, for example, to present their results of their works in an hour and a half, and do anything about, it seems to be a rather heroic task.

MS. McCAMMON: Not everyone is going to be giving a paper at this workshop, because there is some projects that it was felt are either just close-out projects or there's nothing real -- very significant about the findings from '95. And so the session Chairs have been working with all of the PI's in their group, and they've been identifying who exactly will be speaking at the workshop.

Last year we had sessions that ran concurrently, and there were a lot of complaints from people; they really wanted to hear everything. And on that basis, we decided just to do it this way instead of running sessions concurrently.

In addition to these papers, most of the major groups have been subject to major reviews this fall. And in addition,

each presenter will also do a one-page abstract that we'll publish into a separate document and distribute.

CHAIR WILLIAMS: Yes, Mr. Pennoyer?

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MR. PENNOYER: Well, as a follow-up, then, I was just trying to -- you've des- -- you have passed out the time line on the '97 Restoration Work Plan, with us meeting sometime in late January to take the first shot at looking at what an invitation might look like for that Work Plan. I'm trying to see how this fits in with other things you've done to get us to that point.

At that point when we send the invitation out or -- and, of course, even later when we have to approve the Work Plan, those questions of, 'Where are we?' and 'How do we figure out how this comes together, and how much is appropriate to start to come into focus?' And the workshop is brief presentation, but obviously, it's backed up by all these other cyclic events you undertake for workshops by species. And I'm just trying to see how all these come into focus on January 30th or whatever that is.

MS. McCAMMON: We actually have a draft of the Work Plan that's being written right now, and that will be ready for agency review probably in early January. And this is based on the action that the Council has taken for this year.

And when we get into the Work Plan, what you can see is that by taking action on these \$18 million worth of projects this year, you are, in effect, committing to nearly \$14 million of actions in FY '97. And so if we're -- if we continue to

1 maintain that goal of a gradual reduction of the overall work
2 plan, getting to the year 2002 at a level that could be
3 sustained by the restoration reserve, then that leaves about
4 \$2 million worth of new projects for FY '97.

5 And so part of the focus will be on, first of all,
6 looking at what's been committed this year and seeing if there
7 should be any modification to it, because in some cases, maybe
8 the field work has indicated that this is not a good effort to
9 pursue. And so maybe there -- some of these projects might
10 close out early. Or it might show that some other areas that
11 were discovered during the field season had a lot of promise,
12 and the project should be modified and may actually cost more.

13 In addition, we have a couple of different sessions
14 with the PI's where we want to start talking about the future
15 of especially the major -- the three major ecosystem projects.

16 After the review of the forage fish project last week, or two
17 weeks ago, the core reviewers sat down for an afternoon and
18 discussed what they would like to see in the future. And they
19 believe that the time is now ripe in this next year to begin a
20 major integration synthesis effort of the three ecosystem
21 projects. And so this will probably be one of the major
22 sections in the draft invitation when it goes out.

23 MR. PENNOYER: So, Madam Chair?

24 CHAIR WILLIAMS: Yes, Mr. Pennoyer.

25 MR. PENNOYER: So in essence, the workshop, then, is
a chance for some cross-review by all these people that have
been meeting separately to hear what's happening, but in

effect, the '97 Work Plan is based on an awful lot of other --33
it's not based on these presentations.

MS. McCAMMON: Absolutely. Correct.

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2 MR. PENNOYER: All right. I just wanted to get
that.....

3 MS. McCAMMON: Correct.

4 MR. PENNOYER:in context. And just as a
5 comment, I don't feel like we're committed to \$16 million worth
6 of continuation of projects. I feel that, basically, it is
7 looking at what we have, and particularly in the areas of bird
8 nature expenditure, like the coordination of these ecosystem
9 studies. We heard for the first year and a half we really
10 couldn't do much 'cause there were no results yet to evaluate.

11 So I don't feel like we've just sort of blindly
12 committed ourselves to \$16 million worth of projects in '97.
13 It's going to presumably be a review of the results obtained to
14 date. And I think that's how you're proceeding, but it isn't
15 just the workshop. The workshop is sort of a.....

16 MS. McCAMMON: Absolutely. Yes, that's correct.

17 MR. PENNOYER:formal combination of a lot of
18 other work when people come together. Thank you.

19 MS. McCAMMON: And following the workshop, on January
20 19th and 20th will be the first major review of the SEA
21 program. It will have been in the field for two major -- for
22 two full years, and this will be the first really extensive
23 review of that program.

24 CHAIR WILLIAMS: Good.
25

MS. McCAMMON: So where that programs goes is -- we should have a better idea after that review.

MR. PENNOYER: Okay. Thank you.

CHAIR WILLIAMS: Any other questions or comments about the workshop or the Work Plan?

(No audible response)

CHAIR WILLIAMS: All right. Anything else, Ms. McCammon?

MS. McCAMMON: I think the only thing else I'd like to mention is that last year you asked staff to start drafting a long-range plan. And the closest we came to that was the FY '96 invitation for FY '96 and beyond, where we actually started to map out kind of the future and where these projects were going. And I see that as almost an annual event. It's very difficult to foresee things beyond about three years in terms of where some of these projects are headed. But one of the -- there are a number of things that we intend to focus on this coming year, and it seems like the time is right for these items.

One of them is really starting to focus on this whole concept of integration and synthesis of the ecosystem projects.

And we'll be spending a lot of time with agency staff and with PI's at the workshop and with others to figure out how exactly to go forward with that, whether we do it as a separate call for proposals or how exactly.

In addition, another major effort that we intend to make, we have spent a lot of time in the last year haranguing

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PI's to get their final reports in and to ensure that the report status and the accountability to the public is updated.

1 And I think there has been great progress made on that. But
2 there has been -- one of the things that has concern to the
3 Chief Scientist and to others is that there are a number of
4 projects that, after the last three or four years, have really
5 shown very -- I don't know -- in their words, "brilliant work."

6 And it's time to get some of those results into the peer-
7 reviewed scientific literature.

8 And so we also will be making a major effort this
9 next year to encourage PI's to publish and to get the story out
10 more. We've been talking about various ways to do that and to
11 encourage people to do this. For folks in a university setting
12 or maybe even national biological service, where it's your job
13 to publish, it seems to be easier. I think it's much more
14 difficult when you have PI's that are in management agencies
15 like Fish and Game or NOAA where it may not be part of their
16 job description, actually, to publish in the scientific
17 literature.

18 So we've been looking at various ways, and in the
19 near future, we'll have some proposed ideas to come back to you
20 on that.

21 In addition, after almost seven years after the
22 spill, it seems like we're getting to the point of having to --
23 to be in a position to tell "the story." And we've had a
24 number of discussions about this, and there are actually a
25 number of stories to be told. The effects of oil on the

various resources, for some resources, is actually coming not to a close, but at least to a point where it's time to get that report out to the public and out to the greater scientific community.

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So the story of the damage, actual damage, from the oil spill, I think, needs to be focused on in the next year.

In addition, we've talked a lot, I know, with Mr. Pennoyer about trying to capture some description of the process that has been underway for the last six years, kind of the interplay of science, litigation, policy, and describe that since this effort is being viewed as a model for future oil spills. And I think in terms of trying to capture lessons learned and how to do things in the future, this is an opportune time to do that.

So between those two efforts and then trying to pull together the three major ecosystem projects and, in addition, trying, species by species, to tell what exactly has happened from the oil spill and from restoration and recovery, or on the way to recovery, we have a lot of work ahead of us in the next year. We've been talking about having an agency retreat in the next month where we'd focus on these efforts and really try to brainstorm and lay out a plan of attack for a number of these items and then come back to you, maybe at the end of January, with some recommendations there.

CHAIR WILLIAMS: Questions or comments?

MR. PENNOYER: Madam Chair?

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: I think that's excellent. I guess my comments on the restoration workshop is we come to these meetings sometimes, and this sort of appears as a single item, and it really is in the context of an awful lot of other stuff.

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And several meetings ago you presented the adaptive management cycle that outlined some of the workshops that occur, but too often, I think we in the public come to these meetings and don't see all this background and things that are going on in the meeting you're going to have on looking at the ecosystem studies and combining them.

And it might be just great to have an ongoing chart that you present showing these things so people will realize. When we get to this -- your recommendations on this Work Plan, for example, one of the things I'm going to talk about is the fact that you have a process, and we have engaged that process with you, and we're happy and satisfied with it. But it might be helpful for others to see this background and the things leading up to this workshop.

For example, when you go to this workshop, you're going to have the '97 Work Plan partially worked out anyhow, based on all these other individual.....

MS. McCAMMON: Right.

MR. PENNOYER:sessions you've had. And it might just be nice to just lay those out and have an ongoing chart that we can look at that shows them, because I don't think everybody from the public, and I'm not sure all of us even, remember them from session to session. So that might be

helpful.

MS. McCAMMON: I'd be happy to do that.

MR. PENNOYER: Thank you.

CHAIR WILLIAMS: Other questions or comments?

(No audible response)

CHAIR WILLIAMS: Ms. McCammon, with respect to the "telling the story," which I think is an exciting prospect, is there some hope of having that effort completed by March of next year to coincide with the seventh anniversary, or is that something you see taking longer? And if you don't see it coinciding with the seventh anniversary, have you started developing any thoughts on how we're going to mark the seventh anniversary?

MS. McCAMMON: I'd say the eighth anniversary is more likely. And at this point, we haven't made any plans for the seventh anniversary. Last year we did hold a public meeting here at the Restoration Office and invited the public and held it by teleconference, and I think we had a grand total of maybe three or four people at that.

Trying to get something that -- you know, I'm not sure if this is because the public isn't as interested in it, because it is getting farther away from the actual spill event and the public has moved on to other things, or if we aren't just presenting something in an interesting and exciting enough fashion. But I'd be happy to hear any kind of suggestions or comments from people about anything they'd like to see.

CHAIR WILLIAMS: Seven seems to be a magical number,

Something sexy about that number, I don't know. Ernie?

1 MR. PIPER: Well, I think that Molly correctly
2 identifies that there are different stories, as opposed to in
3 "the story." And they can come -- they're going to come to a
4 conclusion at different times. For example, one that I feel
5 that we're fairly close to telling "the story" about is
6 residual oiling. I think what we know now -- and particularly
7 from what came out of the workshop, we have a pretty good sense
8 of where -- what the rest of the story is likely to be in terms
9 of its fate and persistence and those kinds of things.

10 And other ones, like associated with the ecosystem
11 work, are less likely to come to a conclusion more quickly. So
12 perhaps in thinking of telling "the story," we think about
13 releasing chapters of it as opposed to the whole story at one
14 fell swoop.

15 CHAIR WILLIAMS: Any Council members have other
16 ideas, either about the seventh anniversary or "the story," or
17 chapters of "the story"? I think that's a good perspective.

18 (No audible response)

19 CHAIR WILLIAMS: Okay. Let's do think about it. I
20 do think, again, you know, there are magical numbers sort of:
21 five, I see seven as possibly one, ten, and so forth. And I
22 think on those numbers that seem to have more appeal for
23 whatever reason, people may expect something. I think people
24 may expect something on the seventh anniversary.

25 (Pause)

CHAIR WILLIAMS: Okay? Anything else, Ms. McCammon? 40

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MS. McCAMMON: Madam Chair, the only other thing I'd like to just mention is that in your binder, and I believe it's in the -- kind of the pocket in the back, is a copy of the report from the subsistence conference held in late September, as well as a copy of the response that I sent back to all of the participants.

This was a very beneficial conference, very well attended, with representatives from every community, except for Tatitlek; they were weathered out. And I think they had a lot of good suggestions. I'm pleased to say that a number of them -- of the suggestions were things that we already had underway, but I think it makes for -- it's a very interesting document.

And kind of in line with that, too, I would also like to mention that Martha Vlasoff has been hired by the Chugach Regional Resources Commission as the Community Involvement Coordinator. This is through Project 96-052. Martha is in the audience there. As part of the project, she is actually housed in this building and is working closely with staff here, and her job is to form a liaison to the communities and to work with the community facilitators and improve that two-way communication between the Trustee Council and the communities in the spill area.

So I think she's a very welcome addition to the program.

CHAIR WILLIAMS: Great. And, Martha, all the Council

members do welcome you in your -- in this role.

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Anything else, Ms. McCammon?

MS. McCAMMON: That's it for today.

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CHAIR WILLIAMS: All right. Let's proceed, then, with the report by Stan Senner on definition of "normal agency management." Where did Stan go? There he is.

MS. McCAMMON: There is a tab in your binder on this, too.

(Pause)

MR. SENNER: I've got to find the tab myself. Just bear with me a moment.

(Pause)

MR. SENNER: Madam Chair, you've already had a brief discussion with John French about this, but at the request of the Public Advisory Group and then the Trustees, we took a look at the policy that's in the Restoration Plan in regard to "normal agency management," and this is reproduced in the memorandum from Bob Loeffler and me, dated November 22nd. It's on the first page of that memo, just the line beginning,

"Government agencies will be funded only for restoration projects that they would not have conducted had the spill not occurred."

And then it goes on from there and amplifies that.

At your request, we looked over that policy and looked how we could amplify on that to see if there were some more firm criteria that might help make decisions about what is "normal agency management" and what is not. We made some

suggestions, which are on the last page of that same memorandum. But as John French indicated, from the Public Advisory Group, we really didn't come up with a smoking gun, if you will, that, 'Here are some firm criteria that if you read them and apply them, you will just automatically make a great decision.'

Our best judgment is that there's no way to avoid making a judgment call, and which is -- still has a substantial subjective element to it. The problems are really pretty simple, and that -- these are such things as the fact that agencies have mandates but don't necessarily have funds to carry out those mandates. And they -- thus, defining what is "normal" and what is not with respect to the oil spill just simply is not a clear-cut decision.

It's also further complicated by the fact that, in our view, for many resources, some of the most appropriate stuff that can be done for restoration falls in that category of agency management. Fisheries management, in particular, is an area where we think we're having an impact on the restoration of species and its stuff -- or for its projects, activities that, at least arguably, are normal agency management.

I'm happy to discuss the language we did suggest, which is, again, on that third page of the memo, but our bottom line was that it was sort of arguable whether it helped or not.

And at least a couple of people argued that if we were to follow these factors or criteria literally, it might in fact

open more doors rather than close them.

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CHAIR WILLIAMS: Mr. Senner, am I correct in understanding, though, that you're recommending that we put back into the project proposals a section that asks agencies to sort of verify it's not normal agency management and explain that? Could you.....

MR. SENNER: We are do-.....

CHAIR WILLIAMS:elaborate on that?

MR. SENNER: Yes. We are doing that; I should have mentioned it. In the instructions for what we call detailed project descriptions, we are putting back in a section which simply asks a principal investigator to outline what it is that their agency has been doing in the area that this project is and how their project goes beyond normal agency management.

Mr. Pennoyer, you probably remember, in the early days of the oil spill proposals, we had a similar provision in there for a while. It was useful, but again, it did not get us away from the need to bring some judgment to bear about what's what. But yes, we will put that in.

CHAIR WILLIAMS: I think I strongly concur with putting that in. I think that will be helpful for us to have the agencies actually explain in their own words why they do not believe it's normal agency management, and then we can apply judgment to that explanation.

Mr. Pennoyer?

MR. PENNOYER: Yeah, I fully concur with that. I guess my only question was the memo that you wrote versus the

1 memo, Molly, you wrote are somewhat different. And Molly's
2 memo really indicates there's going to be a section in there
3 and they have to explain it. Your memo goes into a little more
4 detail of the type of things they might include in their
5 explanation.

6 MS. McCAMMON: Right.

7 MR. PENNOYER: And I think things like.....

8 MS. McCAMMON: That's correct.

9 MR. PENNOYER:as we've talked before, like
10 previous expenditures in the area or what you have done in the
11 pa- -- now, that may not be pertinent. Maybe it ended for some
12 reason, but that -- not related to anything, but the fact it
13 was decided to be normal. But, you know, some qualification to
14 the PI's as to what type things, other than just saying, 'Well,
15 we don't normally do this.'

16 MR. SENNER: Right. We.....

17 MR. PENNOYER: You know, it's kind of.....

18 MR. SENNER: We're working on the paragraph now that
19 will go in the request for project descriptions, and we'll get
20 the right language in there.

21 CHAIR WILLIAMS: Yes. Mr. Wolfe?

22 MR. WOLFE: Yeah. Somehow I'm losing this because
23 most of the people sitting around this Trustee Council table
24 are Trustees, and they have Trustee responsibility for the
25 injured resources. And so one could conclude that anything
they do is a normal agency activity for those resources. So
really, we've lost sight, or we may be trying to lose sight, of

the fact that the reason for the restoration activities are to restore some resources that were injured, not that we don't have Trust responsibilities for our management and ensuring that those resources continue in the future.

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But so it is cloudy, and we've recognized that for years. And I think where Stan and Molly are coming from is great, but to link to the spill and why the resource needs restoration or enhancement or replacement as a result of the spill is what we should be emphasizing, not how it relates to normal agency responsibilities, in my view.

CHAIR WILLIAMS: Well, I guess I would only comment on this to -- comment on that to this extent: I think we have limited Trustee dollars, and part of our Trustee responsibility is to use those dollars wisely. And I -- because there are so many good proposals before us, we have to make hard decisions.

And I think one of the decisions we can make up front is, Is this something that would have been ordinarily funded by the entity that is bringing the proposal?

If we answer yes to that, then I think given the competition for the limited Trustee dollars, we should say, 'Well, you know, ideally the agency should continue funding that, and we should use our Trustee dollars for things that agencies wouldn't have done but for the spill, or that other organizations wouldn't have done but for the spill. I still believe there is a purpose to asking and answering this question because, again, we're only going to face tougher and tougher decisions in the future, and I hope we, you know, to

the extent possible, don't fund projects that agencies would have otherwise been doing so that we can maximize the return on the dollars we have.

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Ernie?

MR. PIPER: I would hope, though, that what would -- whatever the outcome is of what the policy is, that it not put people in a position where they have an all or nothing situation. I think just an observer -- as an observer of the process over the last five or six years, from damage assessment right through to this, as Jim is pointing out, the reality is that sometimes it's not an all or nothing proposition.

And particularly as we get further out from the event and the complexity becomes more apparent to us in some of the studies that we do, that I think it's certainly conceivable that projects are going to come in that have a 20- or 30-percent link to restoration. And in that case, I could see the Trustees making a judgment about whether that 20 or 30 percent is so significant that it's worthy of all Trustee funding, or that perhaps it's worthy of part Trustee funding if somebody else can show that they're anteing up.

But again, I would just hope that whatever the policy is recognizes the complexity that Stan's pointing out, the real -- the realities of normal agency management, that Jim's pointing out, and that we don't put the PI's in a position of trying to shoehorn an explanation into a project, rather than being up front about its partial link.

CHAIR WILLIAMS: I certainly concur with that. Mr.

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MR. PENNOYER: Well, I think that's exactly right. I'm just anxious that enough of a database be there so the judgments can be made as to whether those factors you brought in are really there or not. I mean, obviously, there are things we all do that we may not be doing anymore, just because without the spill, there wasn't a reason to do it or because we couldn't see an actual avenue that this was getting us anywhere in our agency management.

And if the Trustee Council comes along and looks at a methodology to do a better job of management, that they -- nobody was -- had the ability to go after, or maybe the reason to go after, then you do that. And then the question starts to come in, if we've done something, is it going to be picked up and used? There's that element, too.

So I think there's a lot of pieces to this, and I just think you need the informa- -- and the other thing is I'm not sure this all comes out of the PI's. These PI's work for agencies. Now, many times a PI person out there is doing research, can't judge what agency management responsibility is. So the PI's going to have to work with their agency reps; this isn't just a PI question.

MR. SENNER: Mr. Pennoyer, in fact, in the draft of the language we're putting in the detailed project description request, it's -- the suggestion is that the investigator work with their agency liaison to craft that language.

MR. PENNOYER: I assumed.....

CHAIR WILLIAMS: That's.....

MR. PENNOYER:they would anyway, but I just wanted to make.....

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CHAIR WILLIAMS: Yes, that's very important.

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MR. PENNOYER:that point.

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CHAIR WILLIAMS: And again, I'll say one more thing why I think this is important. Occasionally people have suggested that agencies are feathering their nests with this process, and we just have to be careful that, you know, that does not occur. I mean, I really do think we have to meet this test that this is something that is responsive to the spill and not just a feathering our nest exercise, as our funds from Congress and State legislature go down.

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And so I think we have to be more rigorous in this analysis. So I commend putting it back into the proposal process.

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Yes, Mr. Wolfe?

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MR. WOLFE: Okay.

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(Laughter)

17

MR. WOLFE: Given that I prompted several reactions there, I think whatever we do, we have to be prudent in what we're doing to not be just funding organizations to -- and the agencies to do things that they would like to do. It needs to be linked to the spill, and that was my key point.

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CHAIR WILLIAMS: Yes.

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MR. WOLFE: Because we all have normal agency things that we are going to be doing that relate to spill activities,

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and it would be a very cloudy line at best, but we do need to 49
be prudent.

1 The second thing is if we're -- are we proposing to
2 accept.....

3 CHAIR WILLIAMS: No.

4 MR. WOLFE:this language at this point.....

5 CHAIR WILLIAMS: No.

6 MR. WOLFE:in time? Okay.

7 CHAIR WILLIAMS: No. We're not. I don't think
8 we.....

9 MS. McCAMMON: The actual criteria will be submitted
10 for agency review, actually, I think tomorrow it's going to go
11 out. So.....

12 CHAIR WILLIAMS: Good.

13 MR. WOLFE: I have some suggestions for revising the
14 language, but I would prefer not to get into it.....

15 CHAIR WILLIAMS: Right. I think you can give that to
16 Molly or.....

17 MS. McCAMMON: Yeah.

18 CHAIR WILLIAMS:Stan directly.

19 Any other questions or comments on this item?

20 (No audible response)

21 CHAIR WILLIAMS: Okay. What I'd like to propose, in
22 that we have these large cups, is to take a ten-minute break
23 now, and then when we -- and, of course, we have to go to the
24 second or third floor to go to the bathrooms, so that's why I'm
25 giving us ten minutes instead of five minutes. When we come

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back at 10:20, I never like starting the public comment period before it's been announced, and so what I would propose is that we proceed with some of the explanations on policy on habitat acquisitions and maybe additional small parcel recommendations, but not take action on any items until after the public comment period.

And we'll just go ahead with the background informational sections on those, and then start public comment at 11:00, and then take action on the items after the public comment. Is that agreeable to everyone?

COMMISSIONER RUE: Sounds good.

MS. McCAMMON: Yeah.

CHAIR WILLIAMS: Okay. Ms. McCammon?

MS. McCAMMON: Madam Chair, I would like to make -- as people go up to the second and third floor, they'll notice that the building is under extensive renovation. We're not paying for that.

(Laughter)

MR. PENNOYER: I was going to ask you about that.

MS. McCAMMON: I thought somebody might ask. The building was recently sold, and the new owner is doing a total revamping of the -- it's going to be all redone. The one thing we are paying for is that the bathrooms are being brought up to ADA standards on the first and fourth floors, and that is something that was included in our renegotiated lease. Fortunately, in spite of all these new renovations, we're locked into a five-year lease, so I think we got a pretty good

deal.

CHAIR WILLIAMS: Good.

MR. PENNOYER: Good.

1 CHAIR WILLIAMS: Can you take the stairs to the
2 second and third floors?

3 MS. McCAMMON: Yes.

4 CHAIR WILLIAMS: Okay. Very good.

5 MS. McCAMMON: You can. Right there.

6 CHAIR WILLIAMS: Okay. We'll see everyone at 20
7 after.

8 (Off record at 10:10 a.m.)

9 (Tape Change - Tape No. 2 of 4)

10 (On record at 10:25 a.m.)

11 CHAIR WILLIAMS: I'd like to call the Trustee Council
12 session back into order. And as we described before the break,
13 we will defer the public comment period until 11:00 a.m. when
14 it was scheduled and go forward with Item 8, but the Council
15 will not vote on any items we get to before 11:00 until after
16 the public comment period. But we'll go ahead with the
17 background explanation.

18 Ms. McCammon, if you'd like to talk about policy on
19 habitat acquisition, please.

20 MS. McCAMMON: Madam Chair, at the November 20th
21 meeting, you had before you a discussion paper on this issue,
22 and at your request, I brought this back to you in the form of
23 a draft policy on habitat acquisition costs, logistics, and
24 processes. This has been circulated for agency and legal
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review. Since this most recent draft was distributed, there is one recommended change by the attorneys, and this is in the section on title evidence, line 6, to delete the word

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"reasonable" before "compliance." So the sentence would read:

"The title evidence to the land or interest in land must be in compliance with the standards."

Otherwise, I believe that everyone has who has -- everyone has reviewed this and has agreed to this language, and the agency.....

CHAIR WILLIAMS: Any Trustee questions or comments? Yes. Commissioner Rue?

COMMISSIONER RUE: Madam Chair. Are we going to discuss the idea of changes to this.....

CHAIR WILLIAMS: Mm hmm (affirmative).

COMMISSIONER RUE:language right now?

MS. McCAMMON: Yeah.

COMMISSIONER RUE: Yeah.

CHAIR WILLIAMS: I think we can.

COMMISSIONER RUE: Okay. I think one suggestion I would make is, under the large parcel resolutions and offers, it says,

"Landowners for personal various interests in lands."

I'd be interested in other people's thought on the words "based on" versus "at."

CHAIR WILLIAMS: Okay. So this is.....

COMMISSIONER RUE: I negotiated.....

CHAIR WILLIAMS:in the first sentence
(indiscernible).

COMMISSIONER RUE: Right.

(Pause)

MR. PENNOYER: I'm sorry. Where would.....

COMMISSIONER RUE: Put the word.....

CHAIR WILLIAMS: In the third line.

COMMISSIONER RUE: "based on" versus "at."

(Pause)

COMMISSIONER RUE: Just as a matter of discussion,
that's the point of departure you discussed, you deba- -- I'm
not sure we've gone below.

(Pause)

COMMISSIONER RUE: I don't know if anyone has a
reaction to that suggestion, but I'd be curious. Or if you
believe it makes any difference.

(Pause)

CHAIR WILLIAMS: Are there Council reactions to that?
Mr. Tillery?

MR. TILLERY: That sentence is a -- I think it's a
statement of history, as I read it. Is that right? What it's
intended to be?

MS. McCAMMON: I'm not sure which sentence you're on.
I'm still trying.....

MR. TILLERY: The first one on.....

MS. McCAMMON:to find it.

COMMISSIONER RUE: The first sentence of.....

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CHAIR WILLIAMS: First sentence.....

COMMISSIONER RUE:large parcels.

1 CHAIR WILLIAMS:under large parcel. So the
2 proposed change, it now.....

3 MS. McCAMMON: Oh.

4 CHAIR WILLIAMS:reads: "The Trustee
5 Council....."

6 COMMISSIONER RUE: If it's simply a statement of
7 history, then maybe it's not -- we can't rewrite history,
8 so.....

9 MS. McCAMMON: Yes, it was a statement of what -- I
10 think.....

11 COMMISSIONER RUE: Okay.

12 MS. McCAMMON:that's correct.

13 COMMISSIONER RUE: Okay.

14 MR. PENNOYER: But I'm -- basically, I'm not sure
15 it's historically correct.

16 (Laughter)

17 COMMISSIONER RUE: Yeah. Well, that's why it.....

18 CHAIR WILLIAMS: Why don't we read it so.....

19 MR. PENNOYER: I think Mr. Rue made a point.

20 CHAIR WILLIAMS:people who don't have it in
21 front of you in the.....

22 MS. McCAMMON: These are the offers that are
23 currently.....

24 COMMISSIONER RUE: It's not worth spending a lot
25 of.....

MS. McCAMMON:ongoing.

COMMISSIONER RUE:time on, I don't think, with those.

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(Pause)

CHAIR WILLIAMS: Yeah, I think that is historically correct. Barry or Gina or Mario, anyone?

COMMISSIONER RUE: I'm not sure it's worth spending.....

CHAIR WILLIAMS: Okay. All right. So okay.

COMMISSIONER RUE: So it's simply a statement of history rather than a future policy.

CHAIR WILLIAMS: Okay.

MR. PENNOYER: Okay. Yeah.

CHAIR WILLIAMS: All right.

MR. PENNOYER: So you're leaving that?

CHAIR WILLIAMS: Keep it "at"?

COMMISSIONER RUE: Leave it "at." That's fine.

CHAIR WILLIAMS: Okay. Are there any other comments or questions about the policy on habitat acquisition?

MR. TILLERY: I would like to.....

CHAIR WILLIAMS: Yes, Mr. Tillery?

MR. TILLERY: Ms. Chair. Like to note under the restoration costs provision where it -- there is some discussion about additional restoration work on parcels. And I think this is a modification from one of the previous drafts, and I want to make sure that I understand the intent of it. That in the middle of that, it talks about,

"Any additional restoration work above and beyond compliance that is necessary to achieve restoration benefits should be addressed within the negotiation process or, at the very least, should be identified at the time of closing if known."

And my understanding is that that means if actual restoration work is needed to achieve the benefits for which we are buying the land, or to achieve the benefits that make it something that the Council wishes to buy, that those must be included and identified, to the extent possible, but that it is not necessary, at the time of acquisition, to identify any restoration projects that may necessarily occur on the land.

Simply because, you know, we want to do a fish project or something like that, we don't have to identify those at the time, only if doing that fish project is necessary for the land to achieve its restoration benefits. Am I -- did I make that clear?

MR. PENNOYER: Yeah, I -- Madam Chair? I think.....

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER:what you were saying was the basic -- that this is not something if, later on, you want to do a project that you identify, you don't have to identify that at the time of purchase. But if we say this land is worth X amount of dollars for restoration value and it includes something at that time, that needs to be clearly identified.

MR. TILLERY: Yeah. It has a high value, but only a

high value if you reseed it or something.....

MR. PENNOYER: Right.

1 MR. TILLERY:or if you, you know, put a fish
2 stock in or something like that. Then it's got to be
3 identified a the time, but if it's just that -- I mean, a year
4 down the road, we're not foreclosed from coming in and saying,
5 'Hey, we've just come up with a good restoration project,' and
6 there won't be any recriminations for, 'Why didn't you identify
7 that earlier?'

8 CHAIR WILLIAMS: Mmm. I believe that is the intent
9 here. I also think the language necessary for the land to
10 achieve the restoration benefits identified in the habitat
11 protection analysis confirm that analysis.

12 MR. PENNOYER: Well, Madam Chairman, I'm sure.....

13 CHAIR WILLIAMS: Yes, Mr. Pennoyer.

14 MR. PENNOYER:they do. It's sort of -- this is
15 sort of a question of value. It's a question of, Is the value
16 of the land that you're paying the money for dependent on doing
17 something restore.....

18 MR. TILLERY: Yes.

19 MR. PENNOYER:it?

20 CHAIR WILLIAMS: Right.

21 MR. PENNOYER: And if it is.....

22 CHAIR WILLIAMS: Right.

23 MR. PENNOYER:then that needs to be identified
24 in part.....

25 CHAIR WILLIAMS: Right.

1 I'm not sure what the benefits identified in the habitat
2 protection analysis means. I think it's open to some
3 interpretation, obviously, or Mr. Tillery wouldn't have had to
4 interpret it.

5 So does that mean when you've analyzed it that this
6 analysis says this property is a Grade 22 or something, and --
7 but to really be a Grade 22, you've got to go and reseed the
8 land, and that's something that doesn't work. I mean, if the
9 reason we're buying the land is because it's a Grade 22 based
10 on its restoration benefit to eagles and murrees and whatever,
11 then it doesn't really have that value unless you go ahead and
12 reseed it all. Then you've got a problem, and the cost of the
13 reseeding is -- detracts from the cost of the land. And I'm
14 not clear what that in the habitat protection analysis means.

15 CHAIR WILLIAMS: Ms. McCammon?

16 MS. MCCAMMON: Madam Chair, the intent of this
17 language was that -- was basically to identify, as much as
18 possible, what the actual cost of the acquisition is going to
19 be, for the Council's purposes and also for the public, so that
20 if the Council's spending twenty or thirty or forty million
21 dollars on a piece of land, but it's known at the time that
22 some substantial piece of restoration work is planned for that
23 property, then it becomes a \$22 million or \$32 million piece of
24 property, in effect, even though where the money is going may
25 be different.

And this was just to provide some impetus to be a

little bit more proactive about trying to identify those kinds of restoration needs and identify actually what was essential to getting maximum restoration benefit from the land. I mean, there's a whole other question of enhancement of it, too, which is almost in another piece to it. But I think that would come under just a regular restoration project.

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CHAIR WILLIAMS: Yes.

COMMISSIONER RUE: Madam Chair?

CHAIR WILLIAMS: Commissioner?

COMMISSIONER RUE: I can imagine an example would be a parcel that has a degraded bank on a river that's going to cost you some money to rehab the bank, and then at that point, it's very valuable. It seems to me this language covers that kind of a situation, something that's predictable, you can analyze, and it's up front. So I -- do you think there needs to be a change?

MR. TILLERY: No, I think the language does it, but I.....

COMMISSIONER RUE: Okay.

MR. TILLERY:think this is different language than we looked at the last time, and I think.....

COMMISSIONER RUE: Okay.

MR. TILLERY:it's important -- the change is important, and I wanted to.....

COMMISSIONER RUE: Okay.

CHAIR WILLIAMS: Okay.

MR. TILLERY:to point that out. And you're

right, then; the Kenai River parcel would be a pretty clear example.

1 CHAIR WILLIAMS: Actually, Barry Roth just gave to
2 me -- and I don't know who wrote this, but I think it is a good
3 change. Instead of -- looking at the second-to-the-last line
4 of the document, and looking at the phrase, "closing," really
5 to tie on what Ms. McCammon just said and Mr. Tillery and so
6 forth, it shouldn't be at closing. That's too late.

7 MR. PENNOYER: No, that's correct.

8 MS. McCAMMON: It should be at the approval.

9 CHAIR WILLIAMS: Yeah. It should be submitted
10 (sic) to the Trustee Council for final approval or -- the
11 language that's proposed here is to cross out "closing," and
12 "submission to the Trustee Council for final approval," and
13 then when it is intended to be paid -- with settlement funds?
14 Isn't that a given? Is it just enough to say, "submission to
15 the Trustee Council for final approval"? I think so.

16 MR. PENNOYER: I think that's adequate, yeah.

17 MS. McCAMMON: Yeah.

18 CHAIR WILLIAMS: I think so.

19 COMMISSIONER RUE: Yeah.

20 CHAIR WILLIAMS: That's a good change.

(Pause)

21 CHAIR WILLIAMS: I'll pass this to Ms. McCammon.

(Pause)

22 CHAIR WILLIAMS: Other questions or comments?

23
24 (No audible response)
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CHAIR WILLIAMS: All right. Let's proceed to small parcel, if you would like, or we can skip over that and go -- would you like to go all the way down to Work Plan?

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MR. PENNOYER: I think that's pretty specific relative to public comment, I would think.

MS. McCAMMON: Madam Chairman.

CHAIR WILLIAMS: Yes.

MS. McCAMMON: I would recommend that we go on to Shuyak if.....

MR. TILLERY: Are you going to take up that Ellamar one?

MS. McCAMMON: Well, we might as well do them all together and wait to see. We've got a -- some additional information that needs to be checked out before we do the small parcel.....

CHAIR WILLIAMS: Okay.

MS. McCAMMON:recommendations. So I'd suggest we go to Shuyak.

CHAIR WILLIAMS: Good. Let's go to Shuyak.

(Pause)

CHAIR WILLIAMS: Mr. Tillery, are you going to be leading the discussion?

MR. TILLERY: Apparently. I noticed that.....

(Laughter)

MR. TILLERY:in the agenda. Does everyone have a copy of the resolution?

CHAIR WILLIAMS: Everyone have a copy?

MR. TILLERY: Yeah.

MR. PENNOYER: Yes.

1 MR. TILLERY: This is a resolution for the
2 acquisition of Shuyak Island. It provides for the State to
3 receive title to the surface estate in it. The -- I believe we
4 went through -- everybody's pretty familiar with Shuyak; I
5 won't go through the restoration benefits unless someone has
6 some questions about them.

7 Suffice it to say that there are numerous injured
8 species on the island. It is one of the highest rated parcels
9 that we had at the Public Advisory Group meeting. And I'm not
10 sure who made this report, but it was noted that in the recent
11 oiling survey in the Kodiak area, Shuyak was the only place
12 that still had a significant oiling in evidence, that there
13 was -- it was fairly heavily hit along the northern portion.

14 The -- what we have done with this resolution is to
15 provide for acquisition at a price of \$33,320,000 in present
16 value, which is within the range that was given to us by the
17 appraisers. Because it will be over a number of years, the
18 ultimate amount of money that will be paid out is \$42,000,000,
19 and there is a schedule in here on page 6 that basically
20 provides for \$8,000,000 to be paid down upon closing and with
21 additional sums to follow. It's a change from the original
22 schedule, the original proposal, but that's to -- because we
23 ended up stretching the payments out over an additional year.

24 The conveyance to the -- there are certain conditions
25 on the purchase. The standard ones, that is: We've got to get

the money from Exxon; the court has to give the money to us; we have to be satisfied with title, which we are, but we will be doing an additional title abstract on it; and that there is nothing -- no activities on the land, such as timber harvesting or road development, prior to the time of acquisition -- or time of closing.

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In addition, there is a provision that conveyance of the land to the State will be subject to certain conditions. There will be a restrictive covenant in the deed that there will be no commercial timber harvest on the land or any other commercial use of the land, except in limited commercial use. This is language that we used for the Seal Bay deal, and it seemed to work well there.

There is also a covenant that public use of the island will be allowed. That appears to be an issue of some public confusion, at least as evidenced by an editorial in the "Voice of the Times" the other day where there was a question raised as to whether there would be public access. It makes this real clear here that it will include sport and subsistence hunting, fishing, trapping, and recreational uses insofar as they are consistent with public safety and permitted under laws and regulations of the Board of Fisheries and the Board of Game and the Department of Natural Resources.

Now, in addition to the protections that are provided for the land through the restrictive deed with the Borough, there will be a conservation easement that will be provided, granted by the Kodiak Island Borough prior to the closing, to

1 the United States. That easement is attached to the
2 resolution, and it is very similar to the one previously
3 approved by the Council for the AKI and Old Harbor
4 acquisitions.

5 The other item here that's a little bit unusual has
6 to do with the lands owned by the Kodiak Island Borough, within
7 the Kodiak National Wildlife Refuge.

8 I don't know if you want me to go through those or if
9 you'd like to speak to those?

10 CHAIR WILLIAMS: Oh. Go ahead, please.

11 MR. TILLERY: Yeah. Okay. The Kodiak Island Borough
12 owns the lands at certain waterfront locations in the Kodiak
13 Island Refuge. These are small parcels that have been
14 forfeited to the Borough through tax delinquency problems.
15 They are within the previous large parcel areas that we have
16 approved for acquisition. They have a high rating for
17 restoration purposes.

18 And what we have done through this resolution is to
19 authorize and provided funding not to exceed a million dollars
20 for the United States to acquire these lands at their approved
21 appraised values. So we would have to go out, we would
22 appraise them, we would purchase them from the Kodiak Island
23 Borough, then the Kodiak Island Borough would get that portion
24 of the appraised value that is equal to their -- what's due to
25 them under the taxing laws. The remainder would then go back
to the original owner.

The -- is -- my understanding is that, actually, on a

case-by-case basis, these parcels will be coming back to the Council, though, for approval. This is not the approval to buy them at a particular price, but simply really, I think, more of a statement of intent and commitment on the part of the Council that we're going to do this. We're going to spend up to a million dollars, but on a case-by-case basis, each parcel will have to come back to the Council again.

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Is that in accord with your.....

CHAIR WILLIAMS: Yes.

MR. TILLERY:understanding?

The agreement for sale and purchase is an attachment to the document. The -- in accordance with the Council's comments at the last meeting, it is a straightforward sale to the State. It will be held by the State; title, the State will be receiving title to the land directly.

The problems that we had that had required a more circuitous route previously related primarily to Mental Health Lands issues. We have discussed that with the attorneys who deal with the Mental Health Lands issues; they have indicated that there is a theoretical problem, but one they believe is so remote that a reasonable person would ignore it and go forward.

And therefore, on that basis, we are recommending just a straight fee acquisition by the State of Alaska.

The purchase price, again, the exact dollars are set out in the purchase agreement. These numbers are based on our conversations with the consultant we use for oil spill matters, who indicates that these represent a present value of

1 There is nothing else, I think, that is unusual about
2 this. The Kodiak Island Borough will be reserving all of its
3 claims it might have against Exxon based upon any damages to
4 this land. That is in accord with previous agreements we have
5 entered into. It is certainly in accord with the wishes of the
6 State of Alaska, which does not intend to get back into the
7 litigation with Exxon. Again, conditions of sale include the
8 fact that there is clear title; there's hazardous survey
9 inventory.

10 The -- another matter that there was some discussion
11 about this past week had to do with the unlikely event that
12 there was some kind of a default. As you know, when the
13 federal government has been doing its parcels, it's been doing
14 them as sequential closings. We would be doing one closing,
15 but in the event that an installment payment cannot be made
16 when it is due, then the Borough can terminate this agreement.

17 And essentially, it will be a partition action that
18 would segregate out the properties, looking at restoration
19 value and looking at the economic development opportunities of
20 the Borough and essentially trying to maximize the interests of
21 both parties in the land that was to be partitioned. I --
22 there would be an arbitrator, would be used. It's a fairly
23 unlikely scenario, but I think this provision takes care of it
24 in a fairly reasonable manner, and one that would be the least
25 costly to the parties.

 Then in -- after the purchase agreement, there is

1 attached a conservation easement, which is Exhibit B. That is
2 the easement that goes to the United States of America. And
3 again, if you look on page 9, you will get the relevant -- or
4 the rest of it's the legal description, but when you get to
5 page 9, you get the relevant provisions.

6 Very similar to the AKI deal, it does prohibit the
7 cutting of trees and plants. It prohibits the placement of
8 buildings and so forth, with the exception -- recognizing that
9 this will likely become a state park -- with the exception of
10 the Division of Parks, the construction of public use cabins
11 and other kinds of necessary low-impact parks infrastructure.

12 And the last two attachments to it are the special
13 warranty deed and then a warranty deed. The difference is
14 occasioned by the fact that there is a -- I think just one
15 parcel, actually, that a patent is -- the Borough already has
16 patent to. With respect to the other parcels, the Borough has
17 an absolute right to it, but hasn't received patent because it
18 hasn't come -- just the whole process hasn't happened. It
19 hasn't been surveyed; it hasn't come from the federal
20 government. It's based on TAs. Therefore, it was necessary to
21 do two separate deeds. Those have been approved by the
22 Department of Justice and by the Department of Law.

23 And that is a summary of where we are.

24 CHAIR WILLIAMS: Very good. Thank you, Mr. Tillery.
25 Questions or comments?

(No audible response)

MR. PENNOYER: Good deal.

CHAIR WILLIAMS: And Department of Justice, Agriculture, Interior, attorneys are all satisfied with the agreement as written.

1 MS. BELT: Department of Justice will be reviewing
2 the deeds and the title abstract at some point in the coming
3 months.

4 MR. TILLERY: I would note that in each of these
5 cases, these attachments are -- the resolution provides that
6 the documents will be executed substantially in accord with
7 these. It has been our experience that we come back and find
8 that there's something in the legal description, a small change
9 that needs to be made or something like that, but that there
10 will not be any substantive changes to these documents without
11 coming back to the Council.

12 CHAIR WILLIAMS: And when would we hope to achieve
13 closing?

14 MR. TILLERY: February would be a nice month.

15 MS. McCAMMON: Madam Chair?

16 CHAIR WILLIAMS: Yes. Ms. McCammon?

17 MS. McCAMMON: This will be before Legislative Budget
18 and Audit Committee on January 8th. They'll be taking up the
19 expenditure for the full amount.

20 CHAIR WILLIAMS: Okay. We don't anticipate any
21 problem there, I expect?

22 MS. McCAMMON: According to Mr. Selby, no.

23 (Laughter, side comment)

24 CHAIR WILLIAMS: Any other questions or comments?
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CHAIR WILLIAMS: All right. What would the Council like to address now? Does it make sense to talk about Chenega, or to wait until after Executive session?

MS. McCAMMON: Madam Chair, I would recommend that be done in Executive session.

CHAIR WILLIAMS: Yes. Ms. McCammon, do you think it makes sense to give kind of overview about the Work Plan? I agree with our -- we have 10 minutes where you can at least start on that. I agree with the statement that I anticipate we're going to have public comment on that, but I think it wouldn't be inappropriate to just sort of talk about -- remind us all where we are and how we got here.

Mr. Tillery?

MR. TILLERY: Mmm, I guess my view would be that it might help to focus public comment to.....

CHAIR WILLIAMS: Exactly.

MR. TILLERY:some extent.

CHAIR WILLIAMS: Precisely.

MS. McCAMMON: Madam Chair, I'd be happy to do that. Let me just pull out my materials here.

MR. PIPER: While Molly's doing that, I'll just.....

CHAIR WILLIAMS: Yes, Mr. Piper?

MR. PIPER:add one thing. Since Craig brought it up, there -- the editorial by Lew Williams in the "Voice of the Times" the other day, I'd -- Mr. Williams is one -- a member of one of the royal families of the Southeast empire, a

very respected Alaskan, and his views on the forest products industry are well known, and I respect him.

I think he went overboard on one thing that affects the -- that makes reference to the reputation of people who have sat on this Council, which don't include me.....

(Laughter)

MR. PIPER:over the last two administrations, in that he made a comment that the Trustee Council took the high end of the appraisal in settling on a purchase price for the Kodiak Borough land. Quote:

"That doesn't say much for the fiduciary responsibility of the Trustees, but since they are appointees of democratic administrations, we guess it's appropriate."

Regardless of whether one is a Democrat or Republican, I would like to point out that of the 10 or 12 or 13 or 14 people that have served as Trustees or as alternates, I can't think of any of them who've been involved in partisan politics, except for myself, and that, for the most part, they are people who are professional managers, like professional foresters, professional biologists with long careers in the public resource management. And I didn't see huge shifts in policy among the administrations. I think it's been a fairly consistent group.

And throwing the political partisan, political red herring in there I didn't think was fair to the reputations of the people who've sat on the Council the last two terms and

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have done really good work.

1 CHAIR WILLIAMS: Well, and it's also not true
2 because, of course, the decision on Kodiak was made with the
3 previous Council that had.....

4 MR. PIPER: Previous.

5 CHAIR WILLIAMS:three people.....

6 MR. PIPER: But, you know, but the politics aren't
7 important to me; it's the fact that the people that have been
8 on it have, regardless of their political stripe, have shown a
9 lot of leadership that is not partisan in any way.

10 CHAIR WILLIAMS: Okay. Thank you. Ms. McCammon?

11 MS. MCCAMMON: Madam Chair, thank you. In talking
12 about the FY '96 Work Plan recommendations today, I think we
13 have to go back a couple of years to the direction from the
14 Council to begin some long-range planning for the Work Plan and
15 the science program.

16 Nearly two years ago, we held a series of workshops
17 here at the Restoration Office, bringing in members of the
18 Public Advisory Group, key members from various interest
19 groups, and agency folks, as well as a number of key peer
20 reviewers and the Chief Scientist, to begin mapping out a
21 strategy, a long-term strategy, for all of the injured
22 resources and injured spill area ecosystem.

23 We had initially, I think, three planning sessions.
24 This culminated nearly -- almost two years ago at what we
25 called the Church Group meeting, which was held in April of
1994. That Church Group meeting was put together into a

document that was largely written by NOAA and some of the staff here that actually started laying out some of the processes and strategies for the science part of the program.

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We used that document as the basis for the FY '95 invitation. Based on the FY '95 invitation and the process that we have set up, last year, in January, January of '95, we had the First Annual Restoration Workshop. That was considered mandatory attendance for all of the PI's. As I mentioned earlier, it was very well attended; we had more than 150 people there. And that provided a substantial review of all of the field results from the '94 field season, which resulted in the development of the FY '96 invitation and beyond.

For the first time, in the '96 invitation, we actually started looking at costs and activities down the road.

If, for example, in pink salmon we had six projects ongoing, when was the logical conclusion of some of those? Were there new ones that we anticipated to be started up? Exactly where were we going with various projects? How did they tie together? Were all of the questions being answered by the kinds of projects that were being undertaken?

The '96 invitation and beyond went out to the public last March. At the same time, we went around to most of the communities in the spill area and held public meetings on that document to get feedback from people as to what they thought was the most important -- what were the most important activities that the Council should be undertaking.

Based on that feedback, and based on public

comment -- let's see -- \$35 million worth of proposals were submitted last May. At that time, when those proposals were submitted, we knew -- in our first look at them, we knew that we were doing a better job in that the quality of the proposals had greatly increased, the number had greatly increased, and yet if we were to keep to our planning target of trying to transition into a long-term restoration reserve, we were going to have to make some tough decisions this year.

In May we held a week-long session with the core peer reviewers. And if you'll recall, at one time, we considered actually establishing formally a science review board that would actually hold public sessions and look at all the proposals, and it would be more of a formalized board. Because of some of the complications dealing with this, with the Federal Advisory Committee System and the fact that for some projects it was more appropriate to have some different kinds of peer reviewers, we decided to keep it a more informal type process.

But we do have some key peer reviewers that are of national stature that are familiar with all of the proposals that come before the Council. They basically read all of the proposals, have a really good idea of everything that's happening in each cluster, in each area, and then have recommendations on where the overall program is going.

This group met in May of last year, read through all of the proposals, and gave their advice to the Chief Scientist, Dr. Spies. At that time, Dr. Spies developed his

recommendation for which projects should go forward for FY '96⁷⁴

1 If you'll recall, at that time, there were a number of
2 proposals that seemed obvious that they should go forward based
3 on the information that was known. There were a number of
4 projects that required some additional work. And in most
5 cases, this was a review of the '95 field results before a
6 final decision could be made.

7 In addition, the one cluster that was particularly
8 troublesome was pink salmon. There was definitely, at that
9 time, no clear consensus among all of the folks involved,
10 whether they be the core reviewers or the agency personnel, as
11 to what the scope and direction of the pink salmon program
12 should be. So a good number of the pink salmon projects were
13 deferred until a more extensive review session could be held.

14 This draft of the '96 Work Plan then went out to
15 public review. The Public Advisory Group met twice during its
16 development and had a substantial involvement in its early
17 development. It went out for public comment during the month
18 of July; comment was received at -- literally until the day the
19 Council took action on August 25th.

20 On August 25th, the Council voted to approve
21 approximately \$14 million worth of projects for research,
22 restoration, and -- restoration, research, and monitoring.
23 There were an additional seven to eight million dollars worth
24 of projects that were deferred for further analysis.

25 Since August, I would -- I'm actually very pleased to
report that of those projects that were approved on August

25th, with the exception, I believe, of one, all of the projects received final Executive Director authorization and approval by the beginning of the fiscal year. So I think for the first time this year, we actually had the go-ahead at the very beginning of the fiscal year for projects to begin spending money.

We had already received -- the court request had already gone in; we'd received the money from the court. LBNA authority had been granted. NEPA had been complied with. Detailed project descriptions had been reviewed and approved by the Chief Scientist. So I think this was an incredible accomplishment in the past year.

Since September, we've been extremely busy in this office trying to get all of the technical review sessions underway. We've had a number of them, in addition to the Subsistence Conference and the Residual Oiling Conference and the Seabird Restoration put on by the Pacific Seabird Group. We also had technical review sessions on harlequin ducks, clams, the octopus project, and then on pink salmon, herring, sockeye, and the APEX project.

These have all involved having experts in these fields come to Anchorage, meet with all of the PI's involved, and in some cases, potential PI's. They, for the most part, have all been attended by at least some members of the Public Advisory Group and other members of the public if they were interested. We tried to get the word out on all of these sessions to -- through the newsletter and through other means.

1 And you will see in your packet, behind the draft
2 spreadsheet, some summary comments from those technical review
3 sessions. These are not the complete memos that will be coming
4 from Dr. Spies, especially for pink salmon, sockeye, herring,
5 and APEX. Those review sessions just concluded last week, and
6 we're still -- Dr. Spies is still putting together the final
7 memos.

8 But I think what this shows is that the entire
9 program has really undergone extensive scrutiny and review. I
10 don't think, in a situation like this, that you can come to
11 100-percent consensus on every issue. And in particular, I
12 would probably say pink salmon still continues to be the big
13 challenge in terms of where we're going with those efforts.
14 But I think it does reflect a continuing improvement over past
15 efforts.

16 And this is something, again, that is constantly
17 evolving, and we're very responsive to people's comments on
18 this and ways to improve it, and especially to get the public
19 involved in these kinds of things. It has been an incredible
20 effort on the part of the Chief Scientist to pull all of this
21 together and in this kind of a time period.

22 But what you see before you is a result of that
23 process: The summary of the Executive Director's
24 recommendation, including the August and December
25 recommendations here, for a total of \$18.2 million this year.
A pie chart here, which includes the projects approved in
August and recommended for December, which shows, by cluster,

how the \$18 million Work Plan is divided up.

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1 And then also a draft, which you saw for the first
2 time in August, that shows, on very -- in very rough terms,
3 where we are today in terms of the Work Plan, at approximately
4 \$18 million, and where we're looking at in the future, in 2002,
5 with the restoration reserve. And in addition, not firm
6 commitments, but at least some rough ideas of what, if these
7 projects were to continue along the lines they are today, we
8 would be expecting in terms of financial needs in the future.

9 So with that, that pretty much sums up until we have
10 Dr. Spies ready.

11 CHAIR WILLIAMS: Very good overview. What I'd like
12 to do, since it's 11:00 o'clock, is go into public comment. I
13 would like to remind everyone here to please sign up. The
14 sheet is at -- there we are.

15 MS. EVANS: Well, they can -- you know.

16 CHAIR WILLIAMS: Yes.

17 MS. EVANS: Just sign it.

18 CHAIR WILLIAMS: And let us begin by identifying who
19 is on the teleconference bridge. Who do we have on the
20 teleconference bridge, and do people want to testify at the
21 sites identified?

22 OPERATOR: At this time, we have Juneau, and that is
23 the only site on the bridge.

24 CHAIR WILLIAMS: Only Juneau. Not Seward and Valdez?

25 OPERATOR: They have not called in. They haven't.

CHAIR WILLIAMS: Fine. And is there anyone who

wishes to testify in Juneau?

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(No audible response)

MS. EVANS: There's no answer.

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CHAIR WILLIAMS: Okay. I'll check in with Juneau a little bit later. We do have at least four people who have indicated that they wish to testify here in Anchorage, and I'll begin with Brad Meiklejohn.

(Pause - Whispered conversation)

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

(Pause - Whispered conversation)

MR. MEIKLEJOHN: Can you hear that?

MS. EVANS: Yes.

MR. MEIKLEJOHN: Is that working?

PUBLIC TESTIMONY OF MR. BRAD MEIKLEJOHN

Brad Meiklejohn with the Conservation Fund. The last name is spelled M-e-i-k-l-e-j-o-h-n, and I'm with the Conservation Fund here in Alaska.

Madam Chair and Trustees, I'd like the record to show that in October of this year, the Conservation Fund purchased and donated 320 acres of land at the head of Uyak Bay on Kodiak Island. We donated this property to the U.S. Fish and Wildlife Service in October.

This tract of land was ranked moderate in the Trustees' small parcel evaluation process. The Conservation Fund made this donation to help stretch the Trustees' small parcel acquisition funds. We hope that the Trustees will fund

the acquisition of additional small parcels on Kodiak,
particularly in the Karluk and the Ayakulik Rivers.

That's all I have to say.

1 CHAIR WILLIAMS: Very good. Questions or comments
2 for Mr. Meiklejohn?

3 (No audible response)

4 CHAIR WILLIAMS: Mr. Meiklejohn, I personally want to
5 take the opportunity, on behalf of Fish and Wildlife Service,
6 and hopefully the Trustee Council, to thank Conservation Fund
7 for the donation of Uyak Bay. It's an extremely valuable piece
8 of property, and it will help us stretch our dollars here, and
9 we thank you very much.

10 MR. MEIKLEJOHN: Thank you.

11 CHAIR WILLIAMS: Any other questions or comments for
12 Mr. Meiklejohn?

13 (No audible response)

14 CHAIR WILLIAMS: The next person in Anchorage who has
15 indicated an interest in testifying is David Grimes.

16 (Pause)

17 MS. EVANS: Oh, the other way.

18 MR. GRIMES: Yeah. How about that?

19 MS. EVANS: Or on the other side.

20 CHAIR WILLIAMS: And again, Mr. Grimes, if you could
21 spell your last name for the record.

22 MR. GRIMES: Yeah.

23 **PUBLIC TESTIMONY OF MR. DAVID GRIMES**

24 Hi. I'm David Grimes from Cordova, and the last name
25

is spelled G-r-i-m-e-s. And I wanted to sing the first part of my little presentation:

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"Habitat, habitat, got to have some habitat. Forest is a habitat, very special habitat. The salmon and the eagles and the murrelets need this habitat. Habitat, habitat, got to have some habitat."

You'll be hearing that one on the radio soon, I'm sure.

(Laughter)

The -- in some of the current Trustee documents, I see that it looks like about near half a billion dollars will be spent on original damage assessment, research, monitoring, what we could generally call in quotations, "science." What I would like to -- being something of a scientist, I would like to point out that if that science is any good, it's going to tell us something that we already know, which is: Prevent oil spills and protect habitat -- protect habitat before it's damaged.

And just as in prevention of oil spills it's better to prevent oil spills than try to clean them up later, the same with habitat, it's much better to prevent it from being destroyed first. And -- or as in -- as we always like to say as physicians, with their hippocratic oath, the very first thing that they say is, First, do no harm. Second is trust in nature's own healing aptitude.

So as the Trustees are physicians for the -- for oil spill restoration, first your job is to prevent new harm to the

area while time and nature provide the healing. So I think that you should be looking at your restoration reserve. That's sort of a strange thing, in my book, to be putting \$108 million in the bank that's needed right now for protection of critical habitat that's threatened.

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In the original settlement, there's a \$100 million reopener clause if there's more money that's needed if you haven't met all your restoration needs at the end of Exxon's payments. Whether it's -- I think it's -- I think there's a lot more valuable things that could be done with that money than to be putting it in the bank.

The third thing I'd like to say is, in terms of particular habitat, Knight Island, which, as you all know, the oil went down both sides, and the little fiord arms of it open up to the north. Knight Island probably took more oil than any other place. There is a private in-holding there at Bay of Isles. Chugach Corporation, I believe Koncor, has the timber lease. It's unthinkable that that area would be clear-cut right in the heart of the oil spill. So I would encourage you to look at that one.

I'm fascinated by the way the oil spill went as far as Kodiak, and we're making acquisitions there and we're working our way back, back to the heart of the oil spill. So I see encouraging signs with your acquisition program.

I understand that you're hopefully getting closer with a possible acquisition deal in Tatitlek. I wanted to point out there that it's my understanding that, as you know,

1 some clear-cutting's been going on since just before the oil
2 spill at -- in Port Fidalgo, Two Moon Bay, Knowles Head. I
3 understanding you might be buying protection on those lands
4 that -- after they have been clear-cut, and I want to tell you
5 again, your science is going to tell you to protect those lands
6 before they're damaged.

7 There is lands on Tatit- -- there are Tatitlek lands
8 on the north side of Fidalgo, and Landlocked Bay and Fish Bay.

9 I would encourage you to use your funds to protect those
10 forests that haven't been damaged before you use your funds to
11 buy protections for lands that have already been clear-cut on
12 the south side of Fidalgo.

13 And the last thing is I also understand in Tatitlek
14 there's a -- I'm glad to see that it looks like there's a lot
15 of different techniques for protection that you've gotten
16 there, various schemes: some fee simple, some conservation
17 easements, some land that nothing is done at all, some that --
18 most has public access, some that doesn't. I'm glad to see
19 there's lots of different tools.

20 Some of those things that you're entertaining in
21 Tatitlek have been deal-breakers in Eyak. So I'm hoping that
22 the precedents that you set with these other deals as you get
23 closer to Eyak will help solve some of the recurring problems
24 at Eyak.

25 So habitat, habitat, got to have some habitat. Thank
you.

CHAIR WILLIAMS: Thank you, Mr. Grimes. Questions or

(No audible response)

1 CHAIR WILLIAMS: I have, actually, a question for Ms.
2 McCammon. The Bay of Isles parcel on Knight Island, what is
3 the status of that?

4 MS. McCAMMON: Madam Chair, Chugach Corporation has
5 indicated that they are not interested in selling any of their
6 lands within the spill area. However, they would entertain a
7 proposal to them for some form of the timber exchange. It --
8 the indications were that they weren't going to craft such an
9 exchange, but if one of the member agencies had something that
10 we wanted to go back and present to them. This may be one that
11 it might be appropriate for us to meet with the Forest Service
12 on this and to talk about the possibility of actually putting
13 together some kind of a proposal to take to them.

14 CHAIR WILLIAMS: Is that something you'd be willing
15 to do, Mr. Wolfe, sit down and talk about it?

16 MR. WOLFE: We can explore it.

17 CHAIR WILLIAMS: Yes. But I only meant the
18 exploration stage.

19 MS. McCAMMON: Right.

20 MR. WOLFE: If you.....

21 CHAIR WILLIAMS: Didn't want to commit you any
22 further down the line than that.

23 MR. WOLFE: If you need anybody on dark nights to
24 deliver bags of money anywhere, I'll volunteer for that also.

25 (Laughter)

MR. PENNOYER: I thought your revenues from your songs were going to carry you over.

(Laughter)

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CHAIR WILLIAMS: Well, very good. I think that is definitely worth exploring. So I hope we can proceed with that.

Any other questions or comments for Mr. Grimes?

(No audible response)

CHAIR WILLIAMS: Thank you very much, Mr. Grimes.

MR. GRIMES: Thank you.

CHAIR WILLIAMS: The next person I have on the list who's indicated an interest in testifying is Dune Lankard. Mr. Lankard?

MR. LANKARD: Yes. Marie is going to come up with me as well. Is that okay?

CHAIR WILLIAMS: Yes, please.

(Pause)

CHAIR WILLIAMS: Thank you. Please place the microphone on your lapel.

PUBLIC TESTIMONY OF MR. DUNE LANKARD

Again, Marie is the Chief of the Eyak people. It's nice to see everybody here today.

First off, I'd like to thank the Trustee Council for pursuing protecting land in the Prince William Sound region. And it sounds as if the Chenega and the Tatitlek deals are tracking well. It's finally nice to see that some areas in Prince William Sound, the site of the oil spill, will hopefully

be protected soon.

1 I'm a bit upset and concerned about the appraisal
2 process because in talking with the Eyak Corporation, they have
3 mentioned that the appraisal process has been quite slow, and
4 if there's any way to speed that up, it would be wonderful. I
5 think it would help all negotiating parties if people could
6 come together and try and speed up this process somewhat
7 because there's a lot of trees that are continuing to fall in
8 the spill zone.

9 I have a suggestion for the anniversary, the seven-
10 year anniversary, and the EVOS story. And the one idea that I
11 have on the seventh anniversary is that in order to increase
12 awareness and public participation and support of the EVOS
13 process, March 24th would be a good day to do the Eyak deal.
14 It sounds like you could very well do the Chenega deal here
15 real soon. It sounds like Tatitlek could happen in February.
16 And March would be the perfect time to protect Eyak lands.

17 And on the story, I think if you include Chapter 11
18 in your story, what you will find is that we've gone through a
19 great deal of physical bankruptcy that includes the damage to
20 the lands because of the spill. The people are in a state of
21 spiritual bankruptcy. We do not trust that this process is
22 moving along quickly enough or in the speed to protect what is
23 left in the spill zone.

24 Also, the financial bankruptcy of the EVOS process,
25 if you cannot protect the region, then I believe that it is a
financial bankruptcy for this committee for not taking the

responsibility and the steps to see that Prince William Sound 86
is protected. I feel that the Eyak Corporation meeting with
Sharestone and Eyak Corporation and the Trustee Council has to
happen in less than the next three weeks.

And the reason that I emphasize that is the Eyak
Corporation is going to enter new timber contract deals and buy
new logging equipment for helicopter logging along Eyak River,
Eyak Lake, and Power Creek. They anticipate starting in
February, and they anticipate taking 20 percent of what you
visually see.

This area is highly regarded as a culturally
significant region to the Eyak people. Now, to give you a
little bit of history of the area, in the late 1890s, the
region known as Eyak River once supported a return of a quarter
of a million sockeye to Eyak Lake alone. Now, this is one-
quarter, this is equal to one-quarter, of the returning run in
the Copper River delta. If this area was protected and none of
the old-growth habitat, which are the seedlings for the future
trees there, if those are taken out, I think it's going to be
very difficult to have a restoration process to be effective
for the salmon in that region.

The area is also the -- the lake area is also one of
the most polluted lakes in the country, and I think if this
area was -- the first step was to be taken was to protect the
region, then I think the restoration process would have a
chance of some sort of recovery, especially if more restoration
monies was put into cleaning up Eyak Lake. And it could very

well, in the future, support 250,000 sockeye into the future. 87

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Now, I understand that you've been busy protecting rocks and grass in Kodiak, that you've also been thinking about protecting Two Moon Bay and purchasing clear-cuts. Now, I think that as far as restoration goes, it makes more sense to buy living rain forests that are alive, and it would be in the best use of the public monies, as well as the public interest, of protecting the region in perpetuity.

The -- I would like to go on record once again as saying that fee simple acquisition does not make any sense. I've never supported it. If it goes to a shareholder vote, I will not support it. It makes more sense to purchase timber rights only or conservation easements. And even if Eyak River, Eyak Lake, and Power Creek were turned into super-restrictive easement areas where there wouldn't be any intrusive development, I would support that.

But I cannot support fee simple title, one, because I don't believe in it, and two, I think that you would have more money if you were to protect timber rights or conservation easements only. You would have more money to protect more land in the spill zone rather than buying fee simple from the Native people. And it's also -- it goes against the intent of the Alaska Native Claims Settlement Act.

I wish that the environmental community as well would back off of fee simple acquisition. It makes sense that in some of the transactions that have transpired thus far, that fee simple has been a part of that negotiating process. I

understand that. But I think in the Eyak deal that it would make more sense if timber rights or conservation easements, again, were the only thing that were pursued.

1 As far as a comprehensive plan, what I've done is
2 I've just drawn a little map here, and I'd be happy to give it
3 to somebody to copy. And the pink area is the fee simple
4 acquisition area, which is known as the core tracts. I've
5 changed this to super-restrictive conservation easements
6 because I'm sure that you wouldn't go with limited ones. And
7 the orange is the Rainier contract, and that's the 13,700 acres
8 that approximately 500 to 1,000 acres are leveled right now.

9 The little yellow dot, that's the only 2,000-acre
10 parcel protected in Prince William Sound since 1991, I believe.

11 And then the black is the other lands, which is west of
12 Simpson Bay. And I think that that could be conservation
13 easements; the orange could be timber rights only; and
14 conservation easements in the core tract regions.

15 So you can pass that around and feel free to make
16 copies or however you have to.

17 In closing, I would like to emphasize this: The
18 process is not going to go to a shareholder vote, and we're not
19 going to be in the position to decide on the -- our future
20 until there is a deal on the table. I would encourage both
21 sides to come together and at least agree to a timber rights
22 purchase, in perpetuity, working out the conservation easements
23 over a period of time that allows the imminent threat to be
24 taken away from the region.
25

If timber rights or conservation easements were the only things protected, this right here is a picture of the Copper River delta region. It's part of the emergency conveyance lands and the existing 15,000-acre clear-cut in Prince William Sound. We do not want the rest of our land to look this way.

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The last thing I would like to say is that by protecting the land without fee simple title, in conservation easements or timber-rights-only purchases, what this would do, it would be the first time in American history that the American government has protected indigenous people's land without having to destroy it or buy it from them. So I would like to emphasize that, please, do not pursue fee simple acquisition of our lands. Thank you very much.

CHAIR WILLIAMS: Thank you. Marie, would you like to say anything?

PUBLIC TESTIMONY OF MS. MARIE SMITH

The only thing I want to say is I want my ancestral grounds to be protected. The last word my father said to me was, As long as you're able, please don't let no one bother our ancestral lands. And these -- what Dune is talking about is all our ancestral lands, spiritual lands. And I think you know in my heart, how I feel about this, and I want them all protected, please. Thank you.

CHAIR WILLIAMS: Thank you very much. Are there.....

MR. LANKARD: Is there any questions?

CHAIR WILLIAMS:questions or comments from the

(No audible response)

1 CHAIR WILLIAMS: I have a couple. Molly, you
2 mentioned earlier in your Executive Director's report, I
3 believe, that you were preparing a letter to go to the Eyak
4 Board of Directors stating that we were prepared to sit down
5 and talk with them. What's the status of that again?

6 MS. McCAMMON: That's correct, Madam Chair. In the
7 last month I sent letters to both Chenega and Tatitlek
8 Corporations basically indicating that some kind of coming to
9 some conclusion on those negotiations was a high priority of
10 the Trustee Council. And I would -- was planning on sending a
11 similar letter to Eyak, just to let them know that -- to let
12 the full Board know that the Council was still interested in
13 it.

14 CHAIR WILLIAMS: Is that something we can get out by
15 the end of this week?

16 MS. McCAMMON: Absolutely.

17 CHAIR WILLIAMS: Okay. Yes, Mr. Lankard?

18 MR. LANKARD: Could I make a comment on that?

19 CHAIR WILLIAMS: Please.

20 MR. LANKARD: I would like to emphasize that if
21 there's any way to meet with even a few of the Board members as
22 soon as possible, at least you can understand or maybe mitigate
23 the amount of monies that will be used to purchase away their
24 logging equipment that they plan on purchasing. And exactly
25 how much that is, I don't know, but I think the sooner you come

together, you might be able to plan a meeting in January and get them to hold off on purchasing that equipment, because that money gets deducted from the shareholders. That doesn't get deducted from anybody but that. So if that could be averted, that would be wonderful.

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CHAIR WILLIAMS: My second question, Mr. Lankard, is for you. I think the Trustee Council members would all be please with seeing this map and the concept of conservation easements instead of timber rights only for much of the land that's indicated here.

Is the idea of purchasing conservation easements one you think that the Board is now prepared to entertain?

MR. LANKARD: I -- I believe so. I know that they have emphasized timber rights as a priority. I think the deal-breaker issues on the conservation easements and development restrictions, whatever the coined phrase is now, I think that those areas that I think can be negotiated.

In talking with the Board, they said their door is open. I would like to see both sides come together and figure out, you know, what can be done as quickly as possible, because I know in February, by the time they start up clear-cutting again, you know, I'll probably be back in the courts trying to protect that land.

I think all of this could be averted. And it just seems that it's just negotiating, you know, some sort of a deal in perpetuity that you'll come to an agreement to protect the land, one, and then work on the development restrictions in the

future, 'cause I don't see any gas pipelines or nuclear waste
dump sites being built in the next year or two. And that'd
give us ample time to come up with those restrictions and put a
price on them.

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CHAIR WILLIAMS: Any other questions or comments?

(No audible response)

CHAIR WILLIAMS: All right. Thank you very.....

MR. LANKARD: All right.

CHAIR WILLIAMS:much, Marie and.....

MR. LANKARD: Thank you.

CHAIR WILLIAMS:Mr. Lankard.

(Pause)

CHAIR WILLIAMS: The next person who's indicated a
desire to testify is Ms. Gregory.

(Pause)

CHAIR WILLIAMS: And if you could please spell your
last name and place the microphone on, for the record.

MS. GREGORY: Sure.

(Pause)

MS. GREGORY: How's this? Is that going to work?

(No audible response)

MS. GREGORY: Great.

PUBLIC TESTIMONY OF MS. TABITHA GREGORY

My name is Tabitha Gregory, G-r-e-g-o-r-y, and I am
representing the Alaska Center for the Environment today. As
you may know, our members, most of our members, come from
Southcentral Alaska, from Anchorage, from Prince William Sound,

Kodiak Island area, and the Kenai Peninsula, but we also have 93
members spread out throughout the state.

1 We would like to express thanks for showing a good
2 faith effort towards spending the settlement money on
3 purchasing and protecting habitat in the oil spill region. Our
4 members have supported this direction since you began taking
5 input from the public about how you should spend the settlement
6 money. We also wish to applaud you today for -- you and the
7 Kodiak Island Borough, for your recent successes in protecting
8 habitat on Shuyak Island.

9 However, recently, a number of our members are
10 beginning to express serious concern that there has yet to be
11 substantial protection, permanent protection, of habitat at
12 ground zero in Prince William Sound. The population of the
13 fish and wildlife, and therefore, the people, in that region
14 continue to be impacted by the oil spill. In order to maintain
15 the integrity of this process, think it's vital that we start
16 to see some protection of habitat in Prince William Sound.

17 It looks like, you know, you are definitely moving in
18 that direction. According to the agenda, you're going to be
19 talking about your agreements with Chenega today. And we
20 definitely support that deal, or anything you can work out in
21 that regard in that region. And we do realize that the
22 agreements take an incredible amount of time and effort on
23 everyone's part. And we do wish to express strong support for
24 all of you, as well as the Chenega Corporation.

25 I also wish to convey that we do expect to see

continued concerted commitment by all of those on the Trustee Council and staff and in assuring that there is a deal worked out with the Eyak Corporation and Tatitlek Corporation in the near future to assure that there is protection of these vital habitat areas in Prince William Sound.

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Thanks for the time and for the opportunity to speak.

Any questions?

CHAIR WILLIAMS: Thank you, Ms. Gregory. Any questions for Ms. Gregory?

(No audible response)

CHAIR WILLIAMS: Thank you so much.

MS. GREGORY: Thanks a lot.

CHAIR WILLIAMS: The next person who's indicated an interest in testifying is Mr. Patton. Mr. Patton, if you would please come to the microphone, spell your last name for the record, and put on the microphone. Gary?

MR. PATTON: Oh.

(Laughter)

MR. PATTON: I missed out on that.

PUBLIC TESTIMONY OF MR. GARY C. PATTON

I'm interested in what's the recent decisions here on tribal -- the tribes being recognized up here in Alaska now. Until the tribes are down at the table, and you're just dealing with corporations, corporations, yes, they represent shareholders. Under the Clean Water Act, I believe that the tribes should be sat down with and discussed on things up here. And we would like to know if you are going to base things on

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There's a major concern there that all these dealings are going on. I don't see a lot of the tribes sitting here. And with the recent decision to drop the issue on tribes here by the State, we would like to make sure that the tribes are going to sit down at the bargaining table on any of this from now on, and that Clean Water Act is something we have to look at very closely. It's there.

And Indian Country may not be declared up here, but again, the tribes are now being recognized, and these hearings here should now be sat down with the tribes, drop the negotiations with the corporations, and get down to the tribal level.

That's all I have to say.

CHAIR WILLIAMS: Very good. Are there any questions or comments for Mr. Patton?

(No audible response)

CHAIR WILLIAMS: Thank you very much for your comments today. Is there anyone in Juneau who wishes to testify?

(No audible response)

CHAIR WILLIAMS: Juneau?

(No audible response)

MS. WILLIAMS: There was no one in the conference room when I called.

CHAIR WILLIAMS: Okay. Very good. Is there anyone else in Anchorage who wishes to testify? Yes, please. Come

(Pause)

MS. BROWN-SCHWALENBERG: Good morning. Is.....

1 MS. EVANS: Ma'am, could you attach it to your shirt,
2 please?

3 MS. BROWN-SCHWALENBERG: Well, I don't know where I'm
4 going to attach it.

5 (Pause)

6 MS. BROWN-SCHWALENBERG: Okay.

7 **PUBLIC TESTIMONY OF MS. PATTY BROWN-SCHWALENBERG**

8 My name is Patty Brown-Schwalenberg, and that's
9 spelled B-r-o-w-n -- S-c-h-a-l-e-n-b-e-r-g. And I hadn't
10 planned on testifying, but as I was sitting here, I thought of
11 a couple things that I might like to share with the Trustee
12 Council.

13 First of all, I'd like to express my appreciation for
14 the past support that we've received from the Trustee Council,
15 and request consideration -- positive consideration for the
16 projects that we have submitted for FY '96 Work Plan.

17 And just as an update, I was here at the last public
18 comment period, and I had discussed with the Trustee Council
19 about our clam restoration project. I had a meeting with Fish
20 and Game Commissioner Rue, and we had a very good meeting. The
21 plans for the construction of the mariculture technical center
22 are going forward now. Looks like they're going to be going
23 out for bid on the construction of the project in January, and
24 we hope to be -- have the facility completed by the fall.
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Economic Development District, and they're willing to, through a contract with the Fish and Game, the lead agency, subcontract with us to operate the hatchery. So that looks like those issues have been resolved, and the Katchuchak Native Tribe will be able to go forward with their operations.

A second point I'd like to make is in regards to the Public Advisory Group. With Martha Vlasoff serving as the new Oil Spill -- or -- yeah, Oil Spill Areawide Community Involvement Coordinator, through the Community Involvement TEK Project, I understand that her position is going to be vacant, so the Chugach Native Villages would request that consideration be given to filling that position with an individual who has a similar background as Martha and is familiar with subsistence issues in the affected communities. We'd like to maintain that kind of support on the PAG if we could.

Finally, I notice that there are some subsistence projects that did not get recommended for funding due to lack of technical merit. And I think this is due in part to the fact that when the community meetings were held with the Trustee Council and the communities, it left little time for them to put together good technically sound proposals. Now, we are working with them, and Martha is working with them, so I'd request that the Trustee Council give some special consideration to those subsistence proposals in FY '97.

And that's all I have to say, so thank you.

CHAIR WILLIAMS: Thank you. Are there questions or

(No audible response)

1 CHAIR WILLIAMS: I actually have two, I think. First
2 of all, with respect to Martha's PAG position, Ms. McCammon,
3 what's the status of that?

4 MS. MCCAMMON: The status of that, Madam Chair, is
5 that she has resigned; there is an opening there. We also
6 received another resignation from Carl Becker on Friday, who is
7 the aquaculture member. So there are actually two openings
8 now, and I've been discussing with Doug Mudder how to go
9 forward with those, and we'll be getting back to you in the
10 near future on that.

11 CHAIR WILLIAMS: Okay.

12 MS. MCCAMMON: Since we're more than one year into
13 the PAG's term, we're trying to do something as expeditiously
14 as possible.

15 CHAIR WILLIAMS: Good. Good. And in terms of the
16 clam restoration project, then, you are satisfied with the
17 restoration project as it's in the works right now?

18 MS. BROWN-SCHWALENBERG: Yes. We sat down with Molly
19 and Fish and Game representatives and we worked out a bunch,
20 and I think that's going to be beneficial to everyone, and
21 we'll still be able to complete the objectives of the project,
22 although it is still back a bit, but that'll be fine.

23 CHAIR WILLIAMS: Good.

24 MS. BROWN-SCHWALENBERG: So I appreciate your help.

25 CHAIR WILLIAMS: Thank you. Any other questions or

(No audible response)

1 CHAIR WILLIAMS: Thank you very much. Is there
2 anyone else who wishes to testify in Anchorage? Mr. Patton?

3 MR. PATTON: On that, filling that position, I
4 understand that there are only two Alaska Natives sitting on
5 there now, out of eighteen. We would like to make sure that
6 spot is filled with one of our Natives.

7 CHAIR WILLIAMS: I'm sure that will be one of our
8 goals.

9 Any other questions or comments?

10 (No audible response)

11 CHAIR WILLIAMS: All right. Then this closes the
12 public comment period. Thank you all for testifying. And I'm
13 correct in assuming there's no one else on the line who wishes
14 to testify; is that right?

15 (No audible response)

16 CHAIR WILLIAMS: Thank you very much. The -- we have
17 one of two things we can do now. We can either break for
18 Executive session, or we can go ahead and vote on the policy on
19 habitat acquisition and the Shuyak resolution, since we had
20 discussion on that. Would the Council like to go ahead and
21 vote on Items 8 and 10 and then go into Executive session?

22 (No audible response)

23 CHAIR WILLIAMS: Okay. Let's do that.

24 MR. PENNOYER: Yes. Thank you.

25 CHAIR WILLIAMS: Let's bring up, then, Item 8, which

1 is the policy on habitat acquisition. We did have a thorough¹⁰⁰
2 discussion of this item, and so I would entertain a motion to
3 adopt the policy on habitat acquisition with the modifications
4 that we discussed. Is there a motion to that effect?

5 MR. PENNOYER: So move.

6 MR. PIPER: Second.

7 CHAIR WILLIAMS: So moved by Mr. Pennoyer; seconded
8 by -- was that Commissioner Rue?

9 COMMISSIONER RUE: No.

10 CHAIR WILLIAMS: Or Mr. Piper, to adopt the policy on
11 habitat acquisition. And, Ms. McCammon, if you can just remind
12 us of the proposed changes that we made in the previous
13 discussion.

14 MS. McCAMMON: The two changes that were made is
15 under the section on title evidence. It removes the word
16 "reasonable" before "compliance" in line 6. And on the second
17 page, in the last section, on Restoration Costs, the next-to-
18 the-last sentence would end,

19 "...should be identified at the time of
20 submission to the Trustee Council for final
21 approval, if known."

22 CHAIR WILLIAMS: Very good. Is there any further
23 discussion or recommended changes?

24 (No audible response)

25 CHAIR WILLIAMS: Hearing none, all those in favor of
adopting the policy on habitat acquisitions as modified by
those two changes, indicate by saying aye.

(Unanimous audible affirmative response)

101

CHAIR WILLIAMS: All opposed?

(No audible response)

CHAIR WILLIAMS: It passes. Thank you very much.

Let us now move to the Shuyak resolution and purchase agreement. As you recall, Mr. Tillery went over the resolution and purchase agreement with care. I will entertain a motion to adopt the Shuyak resolution and purchase agreement as contained in our package, or as passed out this morning.

COMMISSIONER RUE: So move.

MR. WOLFE: Second it.

CHAIR WILLIAMS: It's been moved by Commissioner Rue and seconded by Mr. Wolfe to adopt the Shuyak resolution and purchase agreement as passed out this morning, described by Mr. Tillery. Is there any further discussion of the purchase agreement? Any recommended changes to the resolution or purchase agreement?

(No audible response)

CHAIR WILLIAMS: All right. Hearing none, all those in favor of adopting the Shuyak resolution and purchase agreement, indicate by saying aye.

(Unanimous audible affirmative response)

CHAIR WILLIAMS: Opposed?

(No audible response)

CHAIR WILLIAMS: It is so approved. Very good. Is there any other business that the Council would like to take up before going into Executive session?

CHAIR WILLIAMS: Okay. I'll entertain a motion to go into Executive session. Mr. Tillery?

1 MR. TILLERY: Madam Chairman, I would move we go into
2 Executive session for purposes of discussions of the Chenega
3 acquisition and the -- believe we're also going to have to have
4 a brief discussion on one of the small parcel acquisitions,
5 proposed acquisitions, and then the Executive Director
6 evaluation. And I believe that covers -- what's the last.....

7 CHAIR WILLIAMS: Is there some possibility we might
8 talk about any of the other large parcel.....

9 MS. McCAMMON: And other.....

10 CHAIR WILLIAMS:acquisitions?

11 MS. McCAMMON: And other habitat acquisitions.

12 CHAIR WILLIAMS: Yes. I think just to give us
13 flexibility in case we wish to discuss any other matters. Very
14 good.

15 MR. TILLERY: I so move.

16 CHAIR WILLIAMS: It's been moved by Mr. Tillery. Do
17 I hear a second?

18 MR. PENNOYER: Second.

19 CHAIR WILLIAMS: Okay. Moved by Mr. Tillery,
20 seconded by Mr. Pennoyer that we go into Executive session to
21 discuss Chenega acquisitions, small parcel acquisitions, and
22 other large parcel acquisitions as appropriate. All in favor,
23 indicate by saying aye.

24 (Unanimous audible affirmative response)

25

(No audible response)

CHAIR WILLIAMS: We will go into Executive session.
1 is it going to be upstairs?

2 MS. McCAMMON: Fourth floor.

3 CHAIR WILLIAMS: Oh, and also -- excuse me. For
4 clarification, also to talk about Ms. McCammon's evaluation.
5 Let -- why don't we have the Trustee Council members meet at 10
6 minutes to 12:00? That'll give us 10 minutes, and I believe
7 lunch will be served.

8 MS. McCAMMON: That's correct.

9 CHAIR WILLIAMS: And what do we estimate? Two hours?
10 Less than two hours? Hour and a half?

11 MS. McCAMMON: Hour and a half.

12 MR. TILLERY: Hour and a half to two hours.

13 MS. McCAMMON: Hour and a half.

14 MR. TILLERY: Two hours, to be safe, I think.

15 MS. McCAMMON: Two, maximum.

16 CHAIR WILLIAMS: Let's estimate that we'll be back in
17 public session sometime between 1:30 and 2:00. That will be
18 our goal. Is that reasonable?

19 MR. PENNOYER: We are going to have to make this
20 quick.

21 CHAIR WILLIAMS: Yes.

22 MR. PENNOYER: Because.....

23 MS. McCAMMON: I think it's going to be quicker
24 than.....
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CHAIR WILLIAMS: I think -- let's.....

MS. McCAMMON: It's.....

MR. PENNOYER: I don't think we want it to.....

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CHAIR WILLIAMS: Between 1:00 and 1:30?

MR. PENNOYER: 1:30, yeah.

CHAIR WILLIAMS: Okay. Our goal, we'll be back into public session between 1:00 and 1:30. Thank you very much. We'll see you then.

(Off record at 11:40 a.m.)

(Tape Change - Tape No. 3 of 4)

(On record at 1:40 p.m.)

CHAIR WILLIAMS: I'd like to call back into order the meeting of the Trustee Council for December 11th, 1995. We have finished our Executive session, and I believe that we are ready to go to Item No. 9 on the agenda, which is Additional Small Parcel Recommendations. Molly?

MS. McCAMMON: Madam Chairman, there are three additional parcels that are ready for your action. The appraisals have been completed, reviewed, and approved. These three are KAP 220, KAP 226, and four additional lots at the Ellamar Subdivision in Prince William Sound.

KAP 220 is a 56-acre parcel that's owned by Ayakulik Associates. It's second only to the -- the Ayakulik River is second only to the Karluk River for sockeye and chinook salmon production potential. This parcel consists of six lots and an adjacent tract at the mouth of the river. One of the lots contains a collection of four new buildings operated as a sport

fishing lodge. Fish and Game maintains a fish weir about a quarter-mile upstream from the mouth of the river.

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Public ownership of this parcel will protect salmon stocks and the fisheries that depend on them by ensuring continued operation of the weir. Acquisition would also provide public access to the beach so that recreationists can continue to fish, float the river, and camp while waiting to be picked up by air taxi operators.

Key habitat and other attributes of this parcel include cultural resources, subsistence fisheries, and recreation/tourism. The appraised value for KAP 220 is \$213,000.

KAP 226 is located on the Karluk River just upstream from the head of Karluk Lagoon. The parcel is in a village selection area, excluded from the Refuge. The Karluk River is world renowned for its highly productive fishery resources.

Public ownership of the parcel would ensure continued public access to lands along the lower river and lagoon for sport fishing and subsistence use. Acquisition would also allow agencies to protect fish habitat and archaeological sites from damage should the property be developed for commercial purposes in the future.

Key habitats and other attributes of this parcel include sockeye salmon, archaeological resources, subsistence, and recreation/tourism. The appraised value of this property is \$146,000.

The third parcel is actually the addition of four

lots to a core group of lots that were approved at the November 20th meeting. Block 10, Lots 1, 2, 3, and 12, and U.S.M.S. 556-A in the Ellamar Subdivision. The four sub-parcels are on Virgin Bay about two miles north of Tatitlek. The area is mostly flat, well forested, protected by Bligh and Busby Islands to the west, and surrounded by mountains to the east.

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Public ownership of these parcels will protect habitat for pink salmon, Pacific herring, intertidal/subtidal organisms, sea otters, and recreation/tourism by preventing further construction on these sub-parcels. Acquisition will also ensure public access to the uplands for camping and preserve the option to enhance public recreational opportunities, for example, by installing mooring buoys or similar facilities.

Key habitat and other attributes include pink salmon, herring, intertidal/subtidal organisms, and sea otters, and recreation/tourism. Prince William Sound 17-A, which is Lots 1 and 2, Block 10 was appraised at \$26,500. Prince William Sound 17-B, Lot 12 in Block 10, was appraised at \$29,000. Prince William Sound 17-C, which is Lot 3 in Block 10, was appraised at \$40,000. And Prince William Sound 17-D, which is referred to as the Central Alaska Mission Tract, was appraised at \$250,000.

The recommendation today is to offer to purchase, at appraised value, these lots, which total 88.9 acres, at a total appraised value of \$704,500.

CHAIR WILLIAMS: Very good. Are there questions or

comments regarding any of these three parcels? Mr. Wolfe? No² 107

MR. WOLFE: No.

1 CHAIR WILLIAMS: With respect to the Ellamar parcels,
2 would someone -- and I don't know, Mr. Tillery, whether you'd
3 like to do this or Ms. McCammon -- would you talk about the
4 intent of the State to achieve contiguity with these parcels
5 and how that will present itself?

6 MR. TILLERY: Thank you, Madam Chairman. The
7 State -- these parcels would be used for a -- set aside as a
8 State marine park; at least that was the current thought.
9 Division of Parks believes that it is necessary that they be
10 contiguous. They're not really interested in having some kind
11 of a split fee where they have fee on two sides of a tract that
12 they don't own or control along the coast here.

13 Currently, we have done that with the Phase 1 of
14 Ellamar, which is Lots 5 through 11 plus 30. Those we passed a
15 resolution ask -- suggesting we buy those as a unit. That is
16 being worked out with the landowner. Even though there are a
17 couple of landowners in the middle, the majority landowner is
18 working that out so that we will be able to get a contiguous
19 parcel.

20 As -- in order to really achieve the restoration
21 values here, we believe that for these Phase 2 tracts, it would
22 be necessary that they also be contiguous to that core tract.
23 And I guess what it would mean by this, there's a map that
24 everyone has on this draft resolution. It would be
25 appropriate -- if we do the Phase 1, if that works, it is

appropriate to buy Parcel D. If Parcel D can be acquired as well as Phase 1, then Parcels 1 and 2 become appropriate. But Parcels 1 and 2, we, you know, do not believe would be appropriate to buy unless D can be acquired.

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Similarly, on the other side, Parcel C, because it connects with the others, is appropriate, but Parcel B only becomes appropriate once we know that we can get Parcel C.

I guess in my view that if a motion is made to adopt this resolution, it should be recommended -- or the resolution should probably be modified to specify that these offers are to be contingent upon their being part of a contiguous acquisition.

CHAIR WILLIAMS: Very good. Any other additional questions or comments?

(No audible response)

CHAIR WILLIAMS: Do I hear a motion to adopt the resolution before us, which would seek to purchase KAP 220, KAP 226, and the Ellamar Subdivision parcels as specified in the resolution now, with the modification that Mr. Tillery just described? Do I hear a motion to adopt that resolution?

COMMISSIONER RUE: So move.

CHAIR WILLIAMS: Is there a second?

MR. PENNOYER: Second.

CHAIR WILLIAMS: Okay. It's been moved by Commissioner Rue and seconded by Mr. Pennoyer to adopt the resolution in front of us on the three parcels, or two parcels and third grouping of parcels, with the modification as

described by Mr. Tillery. Any further discussion on the resolution?

(No audible response)

1 CHAIR WILLIAMS: Okay. All in favor, indicate by
2 saying aye.

3 (Unanimous audible affirmative response)

4 CHAIR WILLIAMS: Opposed?

5 (No audible response)

6 CHAIR WILLIAMS: Thank you. Ms. McCammon, I believe
7 that -- well, we have next on the agenda Chenega acquisition.
8 Would either you, Mr. Wolfe, or you, Ms. McCammon, like to say
9 anything about Chenega at this time?

10 MS. MCCAMMON: I think, Madam Chair, at this point,
11 we're not ready to make a formal offer, that there's still work
12 that needs to be done on the new information that was received.
13 It's still not finalized, and we'll just be working on that in
14 the next week to two weeks.

15 CHAIR WILLIAMS: Anything, Mr. Wolfe, you'd like to
16 add?

17 MR. WOLFE: I can't really add. Just we'd like to
18 keep it moving as fast as we can, so we will continue pushing
19 that.

20 CHAIR WILLIAMS: Okay. Any questions or comments
21 from the Trustee Council members on Chenega?

22 (No audible response)

23 CHAIR WILLIAMS: All right. Let's, then, move to the
24 deferred fiscal year '96 Work Plan projects. Ms. McCammon?
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MS. McCAMMON: Madam Chair, before we took our break earlier, I gave you an overview of where we were with the Work Plan. I think the documents that you have before you, first of all, is a summary spreadsheet that lists what was approved in August, what was deferred until December, the Executive Director's recommendation. This also, at the very head of each of the clusters, indicates the August PAG recommendation, if there was any new comment at this last meeting, and then also what kind of our response was to the PAG comments.

So the summary spreadsheet here, and then the more detailed spreadsheet goes through project by project, has an abstract of the project, the Chief Scientist's recommendation, and the Executive Director's recommendation. So we'll be working off of these, going cluster by cluster. And with that, I'll turn it over to Dr. Spies to start with pink salmon.

MR. PENNOYER: Could I.....

CHAIR WILLIAMS: Yes. Mr. Pennoyer, before.....

MR. PENNOYER: Could I say something first?

CHAIR WILLIAMS:Dr. Spies speaks?

MR. PENNOYER: I think that's a very appropriate way to proceed, and I just want to say that I'm looking at this as the culmination of a lot of experts reviewing these projects. So I'm -- by and large, I don't have questions of the nature of, you know, you take 10 samples or 15 samples type thing. It's not technical at this moment. I think that type of review has been carried out through a series of workshops and discussions in very fine fashion.

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There may be questions about why this is appropriate and this isn't appropriate, but basically, I'm -- want to commend you on the amount of work you've done on this and want you to understand that I -- it's not -- this is not, to me, technically reviewing the merits of these projects because, basically, I think they've done a wonderful job putting that together. So that is a preamble to going -- explaining them. I think that they've done a lot of good work here.

CHAIR WILLIAMS: Any other comments the Council members would like to make before Dr. Spies speaks?

(No audible response)

CHAIR WILLIAMS: All right. Dr. Spies?

DR. SPIES: Thank you, Madam Chairman. I'm pleased to be here to make some technical recommendations to the Trustee Council with regard to the many projects in the '96 Work Plan. To do this, as Dr. Pennoyer has pointed out, we've had a long series of workshops through the fall to address various clusters of projects.

And those included a meeting on -- to look at the clam restoration project and actually went down to that hatchery and looked at the operations there and brought some experts from outside the state who are very experienced with raising little-neck clams, and went through that. There was a meeting on the octopus project, a very interesting subsistence project that's going on. That was a half-day meeting.

We had a -- Dan had a meeting on herring. We had a two-day meeting on pink salmon strain and genetics proposals,

which the remaining projects mainly address those particular aspects of the pink salmon project. We had a two-day review of the APEX ecosystem project that we just completed less than a week ago.

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We had an informal meeting on the various harlequin duck, the principal investigators talking about what could be done there in terms of future coordination and, in particular, in relation to the proposal from the Park Service. And then the DEC, through the efforts of Ernie Piper and Bob Loeffler, organized a shoreline oiling workshop, which we also attended.

So there's been a lot of work that's gone on. I'd like to thank all the principal investigators that worked very, very hard to put their presentations together and, in some cases, analyzed their data under very tremendous pressure and time constraints. Also, the Trustee Council staff, particularly Stan Senner, the science liaison, worked very hard to put this all together, as well as the reviewers.

So what I'd like to do, then, for each cluster, is to present some of the -- what I -- it's kind of tidbits of really interesting information that are coming out of some of these projects, very briefly, just to give you a taste of what's going on, and then move on to the recommendations. And we can discuss each cluster if that would be satisfactory to you.

CHAIR WILLIAMS: Yes.

DR. SPIES: First, with pink salmon, let me just talk a little bit about the findings from Project 95-19A and B. As you'll recall, one of the main lingering effects associated

with the oil spill, with pink salmon, was the mortality that was consistently greater in oiled streams versus unoiled streams. And what this is, is a plot. You can't see it very well because of the screen, but there's a plot of low water to high water, and these are essentially intertidal spawners. And this is above the intertidal; this is super-tidal part of the streams. And the black circles are the oiled, and the open circles are the unoiled.

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And we can see that we have greater in 1989, '90, '91, '92, and '93, all significantly greater in all tidal zones of embryo mortality of pink salmon in oiled streams over unoiled streams. Now, '94 and '95 were the first two years where we've had that -- the differences are disappearing. There's no significant difference now between oil mortality rates in oiled and unoiled streams.

So I think that is a solid indication of a start of recovery for the species. We'd like to be able to do it for two years for an odd-year line and two years for the even-year line before we conclude that this effect is from the -- apparently associated with the spill is gone.

In association with that, there has been a laboratory effort at DeNowe Auke Bay Laboratories and National Marine Fisheries Services and has -- they have exposed the young eggs to oil and then raised up the young and released them into the wild and have got fish now returning that were exposed as young eggs to oil. And those fish have -- are now -- have now been spawned, and the egg -- growth of the embryos and the egg

mortality and so forth looked at and evaluated. And this is 114
the results of what we call the F-1.

1 These fish have never seen oil themselves, but their
2 parents were exposed to oil. And we do have an effect in the
3 high dose here of -- in the F-1 generation. And the -- kind of
4 the culmination of the experiment is to get into the F-2
5 generation. So the fish that have survived from this group are
6 going to be raised up, released next spring into the ocean;
7 when they come back for F-2, we're going to look at them.

8 MR. PENNOYER: Well, when you say "high dose," it's
9 part per billion. What's the.....

10 DR. SPIES: Well, there's a series of doses of oil
11 given to the gravel, and they measured the amount of pointed or
12 metacardial carbon disorders.

13 MR. PENNOYER: I had more in mind of whether 17.6 was
14 something like being in a sump tank somewhere or whether it's
15 a -- now, there's -- you said it's a high dose. It's high
16 relative to the others, but is it high relative to the.....

17 DR. SPIES: It's a relatively low dose, except that
18 if you can measure -- pH's are very diffi- -- they're very low
19 solubility in water. So this is on the edge of what's been
20 shown (indiscernible) for effects on marine organisms. Ten to
21 twenty parts a billion's about the lowest that have been shown.
22 So these are pretty sensitive animals.

23 MR. PENNOYER: Okay. Thank you.

24 DR. SPIES: We don't know how this corresponds to
25 what was seen in the field yet; we still have to get to that.

It's -- could be below this, but, you know, it's in the ball 115
park.

1 MR. SENNER: And, Mr. Pennoyer, that does, as I
2 recall, Bob, was actually close to what the State water quality
3 standard is.

4 DR. SPIES: Right.

5 MR. SENNER: And so there's -- that's not a heck of a
6 lot of oil, but that's what the -- is still considered at the
7 margin of acceptable.....

8 MR. PENNOYER: That's what I was trying -- going
9 back.

10 MR. SENNER:of the State standards. Yeah.

11 DR. SPIES: And to touch briefly on the -- another
12 project, this is the genetic stock identification work on
13 96190, I believe the number is. Lisa See presented some
14 information that came out of their laboratory on genetic stock
15 identification within Prince William Sound. And they analyzed
16 the fish, both with more traditional allozyme analysis, looking
17 at the muscle proteins and also the messenger RNA -- I mean,
18 the mitochondrial DNA -- excuse me -- approach.

19 And what they found was most of the variation was
20 within populations that were samples, a lot of variability
21 within a population. And -- but there were among different
22 regions. I mean, those regions that correspond roughly to the
23 management regions in Prince William Sound, there were
24 significant differences between those regions. We were, in a
25 few cases, one and five, getting upstream from a tidal spawner

1 difference. In other words, the upstream pink salmon were
2 different from the intertidal spawners. And there were
3 temporal differences in run timing in one of the six cases that
4 were looked at between early-run pink salmon and late-run pink
5 salmon to the same stream.

6 The -- in a general way, the mitochondrial DNA
7 work -- and this is -- only shows female inheritance because
8 the mitochondria of the male doesn't contribute anything in the
9 sperm in terms of mitochondrial DNA. So this is mother-to-
10 daughter type inheritance. Showed a similar -- generally
11 similar kind of thing with -- there is some heterogeneity
12 between regions, again. There's significant diversions between
13 tidal and upstream collections where a couple of -- for at
14 least one of the streams, and there also -- the upstream
15 portions of these streams were looked at and show a lot of
16 divergence relative to the tidal portions.

17 So those were some -- I think, some very interesting
18 results coming out of that particular project. In terms of the
19 overall recommendations that have -- that we're suggesting that
20 the -- in general, that the damage assessment projects, which
21 would include 96191A, 96191B, be continued kind of to their
22 logical conclusions.

23 And that would include wrapping up a lot of the
24 detailed genetic work that's going on at the present time, and
25 we think that the haplogenesis or androgenesis approach here
that's being taken -- and this is where the eggs are irradiated
and then it's fertilized with the sperm, and then what gets

expressed is the male component in the egg, and that has a greater chance of seeing kind of the recessive genetic damage -- that that work go on.

1 And the particular work on the -- oh, this is 191A.
2 The particular work on the damaged gene sequences has been
3 carried out very well. We haven't found anything; we're
4 literally kind of looking for a needle in a haystack here. We
5 knew it was a high-risk venture, but we thought it was worth at
6 least a couple of approaches. So the haplogenesis/androgenesis
7 work, we're recommending we do, as the most promising thing, to
8 continue on at this time.

9 The other damage assessment project is -- or
10 projects, was looking more at the damages from the oil, was
11 95076. This was initiated last year. It's looking at the
12 effects of oil on strain in pink salmon. It's also looking at
13 the effects of tag-shedding and strain in general. In '95,
14 there was new data gathered during this project that would
15 indicate that the costs of actually trying to measure some of
16 these things, in terms of field effort, to look at the strain
17 of fish is a little bit more than originally proposed.

18 I think there's some -- there was some question in my
19 mind, and some of the reviewers, whether this was worth
20 continuing on a large scale. The investigators have just, in
21 the last few days, come forward with some recommendations in
22 terms of savings that would be realized since 95076 and 191 are
23 both closely related. And the cost of actually -- and it
24 actually laid out in the review three different cost options
25

there. And we're looking at an overall cost increase of several hundred thousand dollars over the life of the project to really do it correctly, as indicated by the results from '95.

So the Executive Director is endorsing continuing on with that particular project. And so, in general, we're talking about continuing what we started in damage assessment, bringing it to a logical conclusion.

96093, which is a new proposal from PWSSC but has been revised several times -- that's the Prince William Sound Aquaculture Corporation -- has a couple of very good scientific studies in it, but since the overall orientation of the project has been to look at the possibility of run timing alteration or remote release, through the revisions of the proposal, the Prince William Sound Aquaculture Corporation continues to focus mostly on the run timing aspects of this.

And since the whole package is more pointed towards run timing, we feel that this is contrary to State and (indiscernible) policy at the present time, and we're not recommending that we go forward with this particular project. Although they had some good technical aspects in the supporting projects that were reviewed fairly favorably.

And 96196, the -- I just showed you some results on the allozyme and mitochondrial DNA work. That's the genetic stock identification project. The first results are just coming in; we need to continue this for at least another year, as originally proposed, and we're recommending that we continue

1 And finally, there's one new project that's fairly
2 ambitious and large, 96190, perhaps a little bit controversial
3 in terms of recommendations, but the reviewers were very
4 favorably impressed with it. And this was to build a linkage
5 map with the pink salmon geno. And this is a long-range
6 project; it'll probably take at least seven years to undertake.

7 It ha- -- we -- in our view, it has a very good chance of
8 getting complimentary funding from other sources once it's
9 started. And it is one of those long-term projects that's
10 going to, I think in 10 or 15 years, it's -- we're going to be
11 glad we have the knowledge, if we look forward and that is
12 funded at the present time.

13 Some of the advantages of the pink salmon geno
14 project would include the ability to identify new markers for
15 genetic stock identification, locating genes for disease
16 resistance and growth in pink salmon, so forth. And I think
17 they're also likely to be many, many dividends from this
18 project that we can't really foresee at the present time. But
19 it is a new and fairly substantial commitment. I think we're
20 somewhere in the range of \$200,000 for the first year, as
21 recently been adjusted.

22 So that is the -- well, there is one more project
23 that was looked at, and that was 96194, and that was a proposal
24 by DeNowe Auke Bay Laboratory to examine the existing samples
25 of gravel that were just -- that were taken after the spill by
the Response Division of Alaska Department of Fish and Game.

The kind of -- the institutional knowledge of the logistics of these things has somehow gotten lost, and it slipped through the cracks, and somebody was about to throw them out. And those samples, we think, will be very, very key to trying to interpret, eventually, this whole picture on pink salmon damage.

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And so we think that this project ought to be done now, but in order to meet the \$18 million, this is one that we're recommending delaying to -- for a year.

So that is the technical aspect of the pink salmon project and our recommendations.

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: Yeah. Thank you, Bob. But that last one you mentioned could be done next year? It was -- I note it says they're in their freezer. So we should highlight this as something we want to bring up firmly for next year?

MS. McCAMMON: Yeah.

DR. SPIES: Definitely.

MR. PENNOYER: Okay. Thank you.

CHAIR WILLIAMS: Any other questions about pink salmon? Any comments? Yes, Mr. Pennoyer?

MR. PENNOYER: One other question. The comment from the public was that we were keying more toward research than restoration by disapproving those genetic hatchery related projects. Would you care to elaborate on that distinction? The three we turned down that had genetics to do with hatchery production were called restoration projects on the chart. Now,

I'm not sure what the distinction is. And we disapproved those. Well, or you recommend disapproval of those while approving some of the others that have, as you say, long-term implications that might be national in importance.

DR. SPIES: Right.

MR. PENNOYER: Would you care to comment on the distinction?

DR. SPIES: Well, I think somebody was making a distinction between -- you know, talking about the hippocratic oath, and the first principle is to do no harm. And I think the -- what the reviewers are saying in this process is the alteration of run timing and release of large numbers of hatchery fish with altered run timing would -- with what we know now, is a considerable potential for risk there, genetic risk.

MR. PENNOYER: To wild stocks?

DR. SPIES: Yes, and to the wild stocks. And so that is the basis of that recommendation.

MR. PENNOYER: Thank you.

CHAIR WILLIAMS: Yes, Ms. McCammon?

MS. McCAMMON: Madam Chair, I think the other thing that we have to note here is that the whole SEA program is geared towards pink salmon and herring. And that's been a \$4.6 million commitment for the last three years. It will have its first really major review, from two years' worth of results, in January, and I think at that time, we don't really know what restoration potential there is that may come out of that

1 So I think that's still -- when you look at just
2 these projects for pink salmon, this isn't all that the Council
3 is doing for pink salmon. They're also doing a major
4 commitment with the SEA program.

5 DR. SPIES: There's also -- you remember that we've
6 been funding coded-wire tag studies for quite a few years in
7 Prince William Sound. And it's because of those coded --
8 implantation of those coded-wire tags in the fry that we're
9 able to a little close -- the Fish and Game is able to a little
10 closer manage the wild stock runs, and we're getting better
11 fulfilling of the escapement goals in the wild stock streams,
12 and I was just telling, because of that.

13 And they're also sponsoring the otolith mass marking
14 work in Prince William Sound. There's a lot of other things
15 that we're doing for pink salmon that are outside of what's
16 being considered particularly for this package at the time.

17 CHAIR WILLIAMS: Mr. Pennoyer?

18 MR. PENNOYER: I'm sorry.

19 COMMISSIONER RUE: Well, go ahead.

20 CHAIR WILLIAMS: Yes.

21 MR. PENNOYER: As a follow-up, then, but when you did
22 your pink salmon review, you did it with the background of all
23 these other studies and.....

24 MS. McCAMMON: Yes.

25 DR. SPIES: Yeah.

MR. PENNOYER: I mean, this is the total. Okay. And

1 the last item I had is -- that's not a criticism. We're glad¹²³
2 that you had the new pages, but if you would three-hole-punch
3 these before you give them to us, then I could stick it in the
4 book.

5 MS. McCAMMON: I saw that, too.

6 CHAIR WILLIAMS: Commissioner Rue?

7 COMMISSIONER RUE: And when you do the three-hole
8 punch, make sure you knock out the numbers again so that we can
9 be confused.

10 MR. PENNOYER: That helps, right.

11 COMMISSIONER RUE: Yeah. That way, we're unbiased
12 when we get your notes. I was actually going to get to some of
13 the same questions.

14 When we do the review of the SEA program -- you said
15 that was coming up this year -- we'll be relooking.....

16 MS. McCAMMON: January 19th and 20.

17 COMMISSIONER RUE:at all of these and seeing
18 how some of these things might be combined?

19 MS. McCAMMON: For FY '97, absolutely.

20 COMMISSIONER RUE: Right. Right.

21 MS. McCAMMON: Yeah.

22 COMMISSIONER RUE: Okay. Great. The only other
23 thing I'd say is I really appreciate the work you did to try
24 and force efficiencies and focus on the pink salmon effort. I
25 think it was good, and I think it was -- Mr. Pennoyer knows
that our genetics policy is to mimic the local situation. And
the reason our -- we had a problem with that one pink salmon

study -- is to import an early-run stock, which is what you have to do, from another place into this part of the Sound, is what gave us heartburn.

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And if we started doing it here, it sort of opens a door that we don't want to open because it's been the downfall, I think, of some of the hatchery programs in the rest of the world, that we've avoided. So that's what -- that was our serious concern with that project.

DR. SPIES: Yeah, I think if Fish and Game wanted to move in that direction that we -- I think we might have been a little bit more responsive.

COMMISSIONER RUE: Right. But it's a serious issue.

CHAIR WILLIAMS: Mr. Tillery?

MR. TILLERY: Yes. The -- one of the comments by Thea Thomas and the Public Advisory Group is that we -- it looks like she's suggesting we should be funding 96093B, which, do I understand that your recommendation is that that is actually a very good project, just not now?

DR. SPIES: Yes. That's correct. And we think it -- and the reviewers looked at it fairly favorable -- favorably, and because it is looking at actual gene flow between strains -- not only -- it goes beyond just the strain between strains, but it looks at putting genetic markers in fish in two streams and looking at how the genetic markers move back and forth. And the reviewers felt that has a lot of technical merit because nothing like that has been done in this area before.

MR. TILLERY: And how -- it talks about a significant commitment of funds. How much are they talking about over how long a period of time?

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DR. SPIES: For 093?

MR. TILLERY: B.

DR. SPIES: Oh, B. Well, it's difficult to say because the logistics for that were supported in 093C. It was being requested for about a hundred and -- a hundred, a hundred fifty thousand a year for seven years. And -- but the -- that was without the logistics. It would be significant.

MR. TILLERY: So it'd be more than that unless you do the other one.

DR. SPIES: Yeah.

MR. SENNER: Also, Mr. Tillery, the -- part of the concern was there that that project only addressed two streams. And if you really wanted to do that at a scale that would have significant management benefit, you then need to expand it to more than two streams, which then makes it even more expensive than it is presented right now.

(Pause)

CHAIR WILLIAMS: Any other questions on salmon, pink salmon?

(No audible response)

CHAIR WILLIAMS: Okay. Oh, yes, Molly?

MS. McCAMMON: Madam Chair, there was only one additional comment that I'd like to make to Project 96190, and that's in my recommendation. There's apparently currently some

work that's been done at the University of Alaska, Fairbanks, 126
in Juneau. And I would just add a sentence to that saying that
the proposers should coordinate efforts -- ongoing efforts
currently underway with the University.

CHAIR WILLIAMS: Okay. Anything else?

(No audible response)

CHAIR WILLIAMS: All right. Dr. Spies, herring?

DR. SPIES: Does the Council want to move through
each package and then come.....

MS. McCAMMON: Yeah.

DR. SPIES: Okay. The story with the overall state
of the resource in Prince William Sound is that it's still
depressed and is not showing much evidence of recovery at the
'92/'93 crash. This is a run biomass in tons, both anticipated
and actual, and you can see that between '92 and '93, we
dropped from 120,000 tons to 22,000 tons, and we're in the
range still of about 20,000 tons in the last two years. And,
of course, the fishery has been closed.

We're doing a number of different things to look at
herring, both within this package and within the SEA program,
which is -- herring's one of the focal species. One of the
things that's been done is evaluation. We had some indications
of reproductive impairment and -- both at the time of the spill
and later on. Some years of -- in '93, after the spill, Dick
Kosan, from the University of Washington, did cross some fish
from the oiled areas and apparently got some lower reproductive
success.

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And so there was a -- there's a laboratory study, it was follow-up, that was done exposing both the herring eggs directly to oil. And this is some of the results that were generated by Mark Carls of DeNowe Laboratory in Auke Bay in his laboratory experiments. And you can see that, again, we have a series of treatments here, and in the highest treatments, we had reduced hatching, and this was significant. Increased the number of dead eggs, and increased some embryos dying, and not dissimilar to some of the things we're seeing in pink salmon.

Now, the work that was followed on in that project with exposing adults first and then looking at and evaluating the eggs that were spawned didn't show any effect. So it's pretty much the direct exposure, seems to be the story here. So I'll get to how that -- what kind of implications that has for the overall program.

COMMISSIONER RUE: What was the level of exposure? Was it similar to what we saw in the pink salmon?

DR. SPIES: We're down in the less than 50 parts per billion, generally there. Yeah, again. And again, these are -- these compounds are sparingly soluble in seawater, so.....

In the herring disease project, 96162, '95 was the first big year that that has been carried out, that the project was -- took a while to get organized and pulled together. But the disease part is a very important part of this whole picture, this disease investigation. And the -- crucial to kind of resolve, was to look at some of the laboratory

exposures to resolve some of these questions. And the biohepticemi- -- the bioscepticemia and biohemorrhagic septicemia -- I always seem to have trouble with that one.

(Laughter)

MS. McCAMMON: BHS.

DR. SPIES: Virus was shown to be transmissible to -- isolated from fish from Prince William Sound, exposed to juvenile herring in laboratory. It did infect them; we did get a good rate of mortality in those exposed. And we've also got transmission between individuals. It got kind of a bimodal mortality curve, which strongly suggested kind of transmission, and we saw transmission from infected to non-infected individuals.

So all these things tend to keep the hypothesis alive that VHS may have had some role in this population crash. The story is a little bit complex because VHS occurrence now is only about 5 percent of the population and may have decreased since '93; we don't know. But the other organism that has been implicated in this is a fungus called *ichthyofonus hoferei*, and its incidence has jumped up to about 29 percent in the last two years, from less than 16 in previous years. And however, in the laboratory, the exposure to the fungus has not shown any morbidity, and it's not as easily transmitted as VHS.

So we don't understand exactly everything that's going on, but we are getting some -- I think, starting to get some answers here. And we're proposing that 9619 -- 162 be funded next year, to continue on with that multi-year program.

Again, with 96074 we saw effects on -- directly on eggs, but when the parents are exposed, that we did not find any effect on the progeny. The investigators and the reviewers agreed that we should close out the herring reproductive work in '96, not do any more field or laboratory work, and simply write up the results. And that's our recommendation.

The stock identification work, the contract for that was just let, and that's 96165. And we're recommending that that work, of course, go forward, but we don't have much to report in terms of results yet. But we will probably see some results by February or March on that.

Kind of the baseline natal habitat work on spawn deposition, 96166, is continuing to operate fairly successfully in tracking the state of the resource. And we're suggesting that that go on for another year, but we need to think about transferring back to Alaska Department of Fish and Game the management of this resource as kind of a baseline management program of the agency, in our view.

And finally, 96164, we've had a little bit of a reversing of our field here. We -- one of the reviewers and I felt last year that since we're sponsoring about a million dollars' worth of herring research, we ought to have somebody, put them in charge of the whole package to look at it. And conversations with Fish and Game and kind of the way the program's running, we think it's running reasonably well without leadership. And also, it's apparent that Fish and Game is not going to be able to take on this program after the

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1 So we don't see the sense of just doing this for a
2 yea or two and then having to drop it. So we're reversing our
3 field here and asking not to fund the herring leadership.

4 CHAIR WILLIAMS: Yes, Mr. Pennoyer?

5 MR. PENNOYER: Thank you, Madam Chair. Well, first,
6 Stan, my detailed project description jumps from page 7 to
7 page 10, which is why I was having trouble finding the herring
8 disease project.

9 MR. SENNER: You've got a great packet there.....

10 MS. McCAMMON: Yeah.

11 MR. SENNER:I'm afraid.

12 MS. McCAMMON: Why don't I just give you mine?

13 MR. SENNER: Take mine.

14 MR. PENNOYER: But in terms of the.....

15 MS. McCAMMON: Do we have any extras?

16 MR. PENNOYER:herring disease project.....

17 MS. McCAMMON: Do we have any extras in the audience?

18 MR. PENNOYER:what -- relative to restoration
19 results -- now, I can see genetics projects or even spawn
20 deposition that might lead to forecasts and better management.
21 How does this lead to better management, or how does that --
22 what is the role played.....

23 DR. SPIES: Yeah, we discussed this.....

24 MR. PENNOYER:by the herring disease project?

25 DR. SPIES:somewhat, and it was thought that
the -- there might be implications for the results of this in

the pound fishery for herring in that fish are often under fairly high levels of stress, and there's a chance for transmission of disease.

1 Now, whether the results of this project would
2 actually ever alter the way that fishery is carried out,
3 whether the information is certain enough to make those kind of
4 judgments, we're not sure. But there is that -- there is, I
5 think, that potential management benefit from the project.

6 But you are right. It is essentially trying to
7 reconstruct what happened, and there was a bit of a panic in
8 this whole process back in '93 when the fishery went out and it
9 hasn't recovered. And so there is some interest in trying to
10 understand what happened. And that's really where this whole
11 project's headed.

12 MR. PENNOYER: So this might lead to better forecasts
13 for management, then, or something like that?

14 (Pause)

15 DR. SPIES: I couldn't say that it would lead
16 necessarily to better forecasts. It could lead to a better
17 understanding of how these populations might cycle relative to
18 the role of disease. And that would have maybe some
19 implications for the future.

20 CHAIR WILLIAMS: Mr. Pennoyer?

21 MR. PENNOYER: Last comment. I noticed that this
22 project is predicted to be funded at about a half-million a
23 year through '98. And that is also essential to.....

24 DR. SPIES: If we're going to do the project
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correctly, I was quite concerned about the cost of this, too, and really got in with this one and tried to look at the figures and what was being done. And essentially, if you're going to do it correctly, it does need the level of support that is indicated in the Work Plan. Otherwise, you probably shouldn't have started it last year. So it is, in a sense, a multi-year commitment to do it correctly.

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COMMISSIONER RUE: I don't think I have it. Which one is this again?

MR. PENNOYER: 162. 96162.

COMMISSIONER RUE: What page?

MR. PENNOYER: Page 8.

(Side comments)

MS. McCAMMON: You may be missing page 8 also.

COMMISSIONER RUE: Page 8.

MR. PENNOYER: Yeah, I couldn't find it in my package.

(Pause)

CHAIR WILLIAMS: Any other questions or comments regarding herring? Mr. Tillery?

MR. TILLERY: On 96166 -- maybe I missed this -- which seems to be dependent on the Department of Fish and Game taking it over, is there such a commitment?

COMMISSIONER RUE: Which one is this now?

MR. TILLERY: 96166.

DR. SPIES: Herring spawn deposition. We're recommending one more year of support for that with ADF&G.

COMMISSIONER RUE: Yeah. We may not take it on the same level of sophistication. We may use different techniques to assess the biomass out there. We may not do spawn deposition.

DR. SPIES: There's a number of different techniques that are being used now. The aerial surveys of the -- extent of melt, there's these spawn deposition surveys. There's an acoustic program that's going on. There may also be coming some work out of SEA relative to looking at the abundance of juveniles in shallow water.

MR. TILLERY: Okay. I guess my point is, your recommendation is one more year of support, provided there's an explicit plan developed for transfer of the program back to ADF&G. Is there an explicit plan? Without it, it would seem like we shouldn't do this. Is that right?

COMMISSIONER RUE: If an explicit plan means yes, we'll be doing herring assessment, but we may be using a different technique. We may not be doing spawn deposition to assess the -- Molly, you want to add to that?

MS. McCAMMON: Well, Madam Chair, when we have a contingency like this, what happens is that through our -- the rest of our process, there has to be NEPA compliance and a final review of the detailed project description and a final review of the budget. And one of the final things would be getting from the Department some kind of a description of their plan for that transfer. So that wouldn't -- something like that would occur.

MR. TILLERY: So you menti- -- then this would be one of those that we would approve contingent upon there being.....

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COMMISSIONER RUE: Us having a.....

MR. TILLERY:an explicit plan for transfer.

COMMISSIONER RUE: Right.

MR. TILLERY: Is that.....

CHAIR WILLIAMS: Yes. Is that agreeable to everyone?

COMMISSIONER RUE: Right. But it's not a commitment to do the same level of.....

MS. McCAMMON: Right.

COMMISSIONER RUE:analysis that's being paid for here.

MR. TILLERY: But something that makes sense to Dr. Spies and.....

COMMISSIONER RUE: Right.

MS. McCAMMON: Mm hmm (affirmative).

COMMISSIONER RUE: Right.

MR. TILLERY:to the Executive Director.

COMMISSIONER RUE: It's going to be a less rigorous analysis technique. Okay?

DR. SPIES: I think that.....

COMMISSIONER RUE: I want to make it clear. I'm not.....

DR. SPIES: I think that the detailed program that was done under Trustee Council funding for the last several years is going to be useful in evaluating the.....

COMMISSIONER RUE: Right.

DR. SPIES:the role of various kinds of forecasting tools. So I think there will be some benefit; it won't be lost.

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CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: Yeah, just back on the disease project again. I hate to come back to that one too often, but you said we have to do it for at least two additional years to have resul- -- why? We've got to wait until the disease goes away and see if it rebounds, or what is the purpose for having to wait?

DR. SPIES: Well, it's a study that has both field components and laboratory components.

MR. PENNOYER: Okay.

DR. SPIES: The field monitoring of the occurrence and incidence of these two diseases in the population is important to do, I think, until the fishery recovers, and then we've got a series of laboratory experiments that are raising up disease-free fish, exposing them to the pathogens, and trying to look at Cook's postulates, which are kind of needed to do this rigorously to kind of pinpoint the cause of these things in terms of the organisms (indiscernible). And those will take a couple of years to complete.

MR. PENNOYER: Madam Chair?

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: I'm still a little concerned with the applicability to restoration. So if -- I mean, we got this; you've recommended approval. As we go ahead, though, in the

evaluation, maybe we look at one which we're getting something
 out of it and how it might be applied and what we're going to
 do with it when we get it. So before we have two more years --
 this comes along the line you mentioned earlier about we've
 bought off on certain projects, and if you continued them.
 Well, I think this one still needs to be looked at in terms of
 whether we continue, depending on where we're getting.

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MS. McCAMMON: Madam Chair, it's my understanding
 that the whole purpose of this project is to determine what
 kind of -- what the role of disease is in the crash of the
 herring population. And there is a strong indication, at least
 from the initial results, that the stress brought upon by the
 oil spill increased the rate of disease and the amount of
 disease, which result -- then ended up resulting in the crash
 of the population.

So I think this, in some ways, is a -- is almost a
 damage assessment type -- or at least trying to discover what
 the cause of the.....

MR. PENNOYER: Okay.

MS. McCAMMON:damage was, type of project.

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: But then that requires also drawing a
 link between the disease and the oil-induced stress, and I'm
 not clear.....

MS. McCAMMON: What do we do after that?

MR. PENNOYER:that we've shown we're going to
 get there. So I just -- whatever.

DR. SPIES: It's not entirely certain to me that we're going to have this story completely sewn up, but I think we're going to make a lot of progress. Even some of the results from the Auke Bay Laboratory have shown that herring exposed -- in their reproductive work, they.....

MR. PENNOYER: Right.

DR. SPIES:had adult herring, and they looked at disease incidents of VHS in those oil-exposed herring, and they got a dose-response relationship. So it is being expressed in the laboratory in relation to oil. I was quite surprised; I've been kind of skeptical about this one. And then when Dick Kosan did this work showing how it can be transmitted and it causes mortality by itself in disease-free -- it sounds like the idea is kind of holding together. I'm a lot less skeptical than I was at the beginning.

But you are right; it is mainly damage assessment, with some small potential for management of spills along the line.

MS. McCAMMON: Joe Sullivan from Fish and Game.

CHAIR WILLIAMS: Joe?

MS. McCAMMON: I want to ask him.

MR. SULLIVAN: There's a couple of other interesting things you need to be aware of. The -- one of the reasons Dick Kosan was able to get as far as he could already -- and he did get farther than I thought he would by now with VHS -- is that that's essentially an acute disease. The problem with ichthyofonus is not that it isn't just as deadly as VHS, but

it's a chronic disease. And so it takes a long, long time to 138
kill things.

1 And I know you're aware of BKD, for example, in
2 salmon. Real bad disease, but it takes forever to kill the
3 fish, but it will kill the fish. Our researchers think that
4 that is indeed what can be -- ichthyofonus may be doing as well
5 here. On the East Coast, ichthyofonus has had a major
6 documented impact on herring stocks there. Here we've got two
7 pathogens to worry about, and how they interface and how they
8 both relate to what's going on, is a little tough to find out.

9 One scenario that one of our researchers is looking
10 at -- and I don't -- and I'm not saying this is the way it is,
11 but this is one of the thing he's hypothesizing -- is that they
12 have the portion of fish that you see with ichthyofonus one
13 year may help account for that portion that's missing the next
14 year because if it -- if within a -- if a fish that's infected
15 this time this year is dead within a year, then that may help
16 account for the.....

17 MR. PENNOYER: So, Madam Chair?

18 MR. SULLIVAN: So there's some predictive value, is
19 what I'm saying.

20 MR. PENNOYER: Yeah, so there might be pre-.....

21 MR. SULLIVAN: Potentially. But we're not there yet.

22 MR. PENNOYER: Okay. All right. Thank you.

23 CHAIR WILLIAMS: Commissioner Rue?

24 COMMISSIONER RUE: Yeah. I have one other question;
25 this might be for Ernie. Are we seeing any beaches with

residual oiling that approach the levels of oil that we saw in some of these experimental situations? In other words, could we have continuing contamination anywhere, particularly where herring might be spawning or attempting to spawn?

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MR. PIPER: I can't give you a definite answer to it, but I would doubt it. I mean, the -- for the most part, the oil that's anywhere where it's a -- would be available normally is so weathered and so degraded that it's not.....

COMMISSIONER RUE: You're not seeing any then.

MR. PIPER:it's not likely to reach those.....

DR. SPIES: Yeah, these water-soluble.....

COMMISSIONER RUE: Yeah.

DR. SPIES:fractions are mainly with fresh oil, and so the toxic components are the (indiscernible) aromatics, and those are generally.....

MR. PIPER: They're gone.

DR. SPIES:evaporated very quickly. So.....

MR. PIPER: Even on some of those protected beaches.

DR. SPIES:probably not. Even if it were, it's fairly local and liable to be dispersed. I sound like a representative from industry now, but it's fairly well dispersed fairly quickly from these sources.

MR. PIPER: Right.

CHAIR WILLIAMS: Any other questions regarding herring?

(No audible response)

CHAIR WILLIAMS: All right. Now, I note it is 2:30,

and.....

MR. PENNOYER: I'm sorry.

CHAIR WILLIAMS: No, no, no, no. I'm just looking. I think, in some respects, going over, with some detail, pink salmon and herring was very important.

Does the Council wish to go over the other resource service clusters with the same level of detail at this time? Or -- yes, Mr. Pennoyer?

MR. PENNOYER: I was the one with the time bind. I guess if Dr. Spies put his little summary up there and could go through them, and if we didn't need it, we wouldn't ask questions, it wouldn't take so long. So.....

CHAIR WILLIAMS: That's.....

MR. PENNOYER:maybe I'll shut up, is what I'm saying.

(Laughter, side comments)

CHAIR WILLIAMS: Okay. Very good.

DR. SPIES: Well, perhaps it was a mistake to try to give you some of the technical results. I was trying to just give you a taste, but I guess it sometimes opens more doors than it closes.

CHAIR WILLIAMS: Well, I do think it was appropriate to go over with that care on pink salmon and herring, particularly because the Executive Director's recommendation is different than the number of projects we deferred. Some of these other ones, like cut-throat and marine mammals, your recommendation is the same as that which we deferred, so we

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probably, since we went over the projects before, don't need to go over them with that much detail.

Molly?

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MS. McCAMMON: Madam Chair, I just -- I think I recommended mainly just sockeye and APEX.

CHAIR WILLIAMS: Yes.

MS. McCAMMON: Was the major review of the APEX program, and then there's some major changes in.....

MR. PENNOYER: That'd be great.

MS. McCAMMON:the sockeye program.

MR. PENNOYER: Okay. Thank you.

CHAIR WILLIAMS: Good.

MS. McCAMMON: Otherwise, I think we can go through it.....

CHAIR WILLIAMS: Good.

MS. McCAMMON:pretty quickly.

CHAIR WILLIAMS: Let's do that.

DR. SPIES: Just to bring your attention, then, to SEA related proposals, there is one, 96195, looking at pristine, and we are recommending pristine as a monitoring tool, and we are recommending that the proposal be funded.

As I understand your comments, just a few technical comments on the sockeye and the APEX programs.

This is a fairly remarkable graph that was shown by Danny Schmidt in the sockeye salmon review. He's been looking through the data that's been collected in the limnological studies from Skilak Lake. And what this represents is a -- the

data from 1984 through 1995, looking essentially at a fall fry per spawner -- this is essentially egg survival -- versus the spring clock's biomass.

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What happens is that the ice in Skilak Lake melts in April or so, and before the summer bloom, there are fry that are coming up and need things to feed on. And what they have to feed on, essentially, is the carry-over in this lake system of these little cupa pods from the year before. And we're getting a very nice relationship that accounts for about 95 percent of the variance here between the amount of the zooplanktons around at the time the fry come out and, eventually, the survival of the fry.

And this may well explain these five-year cycles that go on in sockeye salmon lakes. This is a glacier lake; it's liable to be a little bit different than the clearwater systems that have other kinds of zooplankton. A kind of remarkable find, I think, and the -- something that is just very preliminary but very promising.

As far as the sockeye salmon recommendations are concerned, with relationship to 96255, I think that the Exxon Valdez Trustee Council funding which has supported genetic stock identification work and hydrocoustic work has essentially developed a couple of tools in those two that are being applied very, very practically and has improved the management of the stocks in upper Cook Inlet. That includes the Kenai River stock that we're concerned about, and the stocks in Kodiak as well.

1 developed now. The GSI, which was only used in '94 to a kind
2 of marginal degree, is now used in a major way in '95 to help
3 manage the fishery. The hydrocoustic sampling was the key in
4 reopening a fishery after closure and was very accurate in its
5 predictions based on some other fisheries data. So I think
6 that it -- we've done our job here, essentially, and we're
7 really recommending that we use '96 to transition this program
8 back to the Department of Fish and Game in '97.

9 95258, which is the limnological aspects of both in
10 the Kenai system and in some of the Kodiak systems, I just
11 showed you some data from that that indicates a very
12 interesting relationship. And we're suggesting that this next
13 year be used essentially to do some more data analysis.

14 We're suggesting kind of deleting and not funding any
15 of the Kodiak Island work any longer at Red and Akalura or
16 lakes of secondary production systems. In terms of the
17 zooplankton has returned to normal, there are some problems
18 with depressed fry production in Red Lake, but the -- it is the
19 considered opinion of the reviewers here that that is unrelated
20 to the spill. And so that's our recommendations for 258.

21 96048 is a proposal by the Natural Resource Company
22 in Seattle, and it's essentially looking at the growth of adult
23 sockeye salmon in a number of different systems based on
24 measurements of scales. And we think that this will provide
25 some interesting information on over-escapement in the Chignik
Lake systems and also some of the other system -- complimentary

data for some of the other systems that have been studied in 144
the last five years. And we're recommending that that proposal
be funded.

1 And finally, we're recommending continued funding of
2 the Coghill Lake fertilization. There is some concern about
3 the effects of the pretty small plants made in '95 by PWSSC and
4 the ability for us now to look at the relationship clearly
5 between fertilization and secondary production in that system.

6 And we need to have further discussion, objectives, and
7 methods of monitoring the program there. So that is the
8 sockeye salmon proposal package. Is there any.....

9 CHAIR WILLIAMS: Mr. Pennoyer can't help himself
10 (laugh).

11 MR. PENNOYER: Although I promised, I've got to ask
12 just one question. In a previous project, we talked about the
13 transition being somehow documented. And I don't -- I know the
14 long-term desire to develop a good stock separation methodology
15 in Cook Inlet and the fact that, now that we've got it, it's
16 very probably it's going to be used. But I think we're just
17 going to follow with interest how that occurs. So tell Frank
18 if we can just get updates periodically on how that
19 transition's occurring so we can see what good our money did in
20 benefitting management.

21 COMMISSIONER RUE: Yeah. I think it's my
22 understanding that the transition will be -- it'll end next
23 year, and then we'll use it as a tool.

24 MR. PENNOYER: Yeah. I mean to say.....
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COMMISSIONER RUE: Be happy.....

MR. PENNOYER:remain interested in.....

COMMISSIONER RUE:to come in.

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MR. PENNOYER:getting reports on how it's

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doing.....

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COMMISSIONER RUE: All right.

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MR. PENNOYER:'cause it's.....

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COMMISSIONER RUE: Okay.

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MR. PENNOYER:it sounds great.

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COMMISSIONER RUE: Okay.

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MR. PENNOYER: Thank you.

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CHAIR WILLIAMS: Very good. Any other questions or
10 comments on sockeye?

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(No audible response)

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CHAIR WILLIAMS: All right. APEX?

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DR. SPIES: Okay. The last big package here I think
14 that deserves a little bit of discussion is the results of
15 the -- and the proposals for the APEX program and the seabirds/
16 forage fish package in general for next year. Before I get to
17 the bottom line here, let me just -- I think there's been some
18 concern expressed, or some -- maybe a little bit of confusion
19 as to these various ecosystem programs that we've initiated in
20 the last several years and how they relate to one another, and
21 what kinds of questions are they trying to answer, and do they
22 overlap and are we realizing (inaudible) efficiencies.

23

I won't go through this diagram in a lot of detail,
24 but this is my attempt to try to conceptualize some of the

25

relationships here. And it's just one perspective on the system, but we've got essentially three projects here. The near-shore vertebrate predator project, which is looking at the questions about the effects of residual oil in the near-shore area, and toxicity and exposure, and what is actually constraining the populations of river otters, sea otters, harlequin ducks, and pigeon guillemots. So that is focused on this near-shore area.

The big and first program that we got going is the Sound ecosystem assessment in Prince William Sound, and that is looking at pink salmon and herring production and the relationship between predation and production, and the role that physical forcing may be having from year to year in changing these relationships. And I've tried to diagram, you know, the fact that it's dealing mainly with the water column, food chains, phytoplankton, zooplankton, and anecton, and their relationship to the fish and some of the complex interactions between the various species of fish, both juvenile and adults, that may occur here. Provide some kind of a predation refuge, and the system then oscillates depending on what the climate's doing in terms of currents and other kinds of physical forcing.

And APEX is closely related to that in that it is looking at the -- at a top-down, from the birds' point of view, on what this system looks like and what these -- what this fish part of the food web and the things that they depend on, and anectons, such as ufos, entados, how those things are interrelated, both in terms of the availability of food to

forage on and the quality of the food that is available to 147
them.

1 So I hope that that kind of relationship is useful to
2 us as we'd think about what sort of things we need to do in the
3 future of these programs and how they may be related to one
4 another.

5 We've carried out a very interesting review of the
6 APEX program. And I -- just let me show you one bit of data
7 here that I think that is extremely interesting. There was a
8 series of trawls taken in the Gulf of Alaska by National Marine
9 Fisheries Service starting in the early '70, and the data has
10 not been looked at. The APEX had a part of it that was looking
11 at the historical perspective here.

12 And what we have here is a plot of the composition of
13 those trawls. From 1972 to 1992, that includes crustaceans,
14 mainly shrimp here, that dove in '78 and then gadids fish, and
15 this include the pollock and then the flatfish. And what we
16 see is a tremendous change here in about 1979 -- 1978/1979,
17 where the shrimp are crashing like made. The -- we see a
18 build-up in flatfish subsequent to that date, and then a
19 tremendous dominance in the pollock fishery.

20 And we think that this kind of relationship, I think,
21 is very important, looking at the state of that ecosystem out
22 there and what it's doing. Interestingly enough, the North
23 Atlantic, one of our reviewers has been involved in the cod
24 fisheries out -- problems on -- off of the -- off Newfoundland,
25 where they've had a crash in cod populations, and they're

seeing now tremendous catches of shrimp. So it seems to be 148
doing kind of the opposite thing to what's happening here.

1 So I think that's the kind of perspective that we can
2 get from these sort of ecosystem projects. And I think that's
3 extremely valuable information to have about what this
4 ecosystem's doing.

5 So as far as the APEX project itself, 96163, it was
6 undertaken in a pilot mode this year, and very remarkable
7 progress was achieved, in our view. And we're beginning to
8 have links established between seabird productivity and
9 reproduction in the forage fish populations in this spill
10 areas, particularly in the Gulf Alaska. The inter-colony
11 comparisons have provided evidence of food limitation to
12 seabird colonies.

13 I've just mentioned the historical trawl data and the
14 value of this. We essentially recommend funding this project
15 in 1996 with a revised detailed project description as a result
16 of the review. And we intend to have another short round of
17 review in January to kind of focus in on what they should be
18 doing next year. They just did a remarkable job in getting out
19 of the field and getting some data analyzed in time for the
20 review.

21 Moving on to a couple of the other projects here, the
22 tufted puffin work, 96031, we've got some unexplained -- very
23 good results, but some unexplained mortality following
24 implantation of the satellite transmitters. And we're
25 suggesting that really need -- and our investigator agrees,

that we really need to get into the laboratory and make some observations, and that's really a bit beyond what I think the Trustee Council.....

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MR. SENNER: That one's 021, Bob, instead of 31.

DR. SPIES: 021? Okay. Sorry.

MR. SENNER: Yeah.

DR. SPIES: Yeah, 021. Sorry. And let's see.

(Pause)

DR. SPIES: As with the marbled murrelet project -- what's the number of that one?

MR. SENNER: That's 031.

DR. SPIES: 031, okay. The number was in the wrong place. We did have successful application of monitoring technique that relates to the early summer abundances of fledgling marbeled murrelets to the adults late in the season.

And they had requested an additional \$50,000 for secondary field work. We're essentially recommending \$10,000 to integrate this project with the APEX project and maybe go back out in the field in '97 and redo this -- that particular monitoring technique.

There's also money being asked for a seabird restoration symposium, help in publication costs of \$22,000. We're recommending that that go forward; I think it's a valuable contribution to the literature. Pulled together something that was not previously available in that subject area.

And 96144 was the murre colony proposal, for starting

another round of murre colony monitoring in the Gulf of Alaska 150

1 We think it may be a little bit premature, but there is a
2 component of APEX that's currently out in the Barren Islands
3 doing seabird productivity work, and we're recommending that
4 the -- at least on the Barren Islands, that this monitoring
5 project be carried out for next year.

6 So that is the forage fish/seabird package.

7 CHAIR WILLIAMS: Very good. Questions or comments on
8 forage fish?

9 (No audible response)

10 CHAIR WILLIAMS: All right. Are there any other
11 resources or service clusters that the Trustee Council would
12 like an overview on?

13 I'd like one on subsistence, and I don't know, Dr.
14 Spies, if you would like to do that or Molly?

15 MS. McCAMMON: Do you want me to do it, Bob? Or
16 you?

17 DR. SPIES: Let's see. I can start it.

18 MS. McCAMMON: Okay.

19 DR. SPIES: If you want me to.

20 MS. McCAMMON: Why don't you go ahead.

21 DR. SPIES: Okay.

22 (Pause)

23 DR. SPIES: There's a number of subsistence projects
24 that are up for consideration. 96009D, which was the
25 preliminary work on looking at octopus in Prince William Sound
last year. David Shields, of Prince William Sound Science

Center, did this, a very favorable review. He did a very careful job of looking for octopus, intertidally and subtidally. We think that the further work is needed to realize the full benefits of this project, and we're recommending another year of funding in '96.

96212, which was the paralytic shellfish poisoning request for monitoring PSP in shellfish beds in the Kodiak Island area because of the recent problems we've had with PSP.

We thought that the -- there was some merit in the proposal. There's also some -- still some questions about how the technique would be able to actually produce usable results quickly.

And the main problem we found with it was more of a policy problem, that there seems to be no agency that's really willing to assume the funding of this beyond Trustee Council development. And I'm not sure the Trustees want to be funding this work forever, so there's some promise in the future there perhaps, but right now, we don't think it's something we want to necessarily get involved in.

And the Chenega Bay/Anderson Creek salmon restoration, the revised proposal has addressed concerns about the stocks of native species and wild and pink salmon in this area. We're recommending funding in '96. I think it's \$16,000.

And then finally, the Solf and Columbia Lakes proposal by the Forest Service. We think there's reasonable prospects for establishing successful self-sustained sockeye

runs. And at least Solf Lake, that used to have a sockeye run that's on the northern end of Knight Island, and perhaps Columbia Lakes, which is a -- recently there's been some shift in the glaciers there. It's made it perhaps more accessible to sockeye salmon; they apparently haven't colonized it yet. We don't know how good the food base is in Columbia Lakes; it probably it pretty good in Solf Lake.

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We recommended fuzzing (sic) -- funding a feasibility study in '96, which would go out and do -- gather some limnological data, look at the fish ladder at Solf Lakes, make sure it's in good repair and can be unblocked and opened up for use. And I think there's some environmental assessment work perhaps that needs to be done there as well.

CHAIR WILLIAMS: Okay. Ms. McCammon.....

DR. SPIES: I don't know if there are any other.....

CHAIR WILLIAMS:anything you'd like to add?

DR. SPIES:other ones in the subsistence package that we need to talk about.

MS. MCCAMMON: Yeah, Madam Chairman, the only thing I'd like to note is that in FY '95, I believe the Council funded approximately a million dollars of subsistence projects. And this year, in spite of bringing the total Work Plan down, the total funding for subsistence is going up.

Primarily, the projects that did not go forward due to technical concerns, other than the PSP project, were aquaculture enhancement type projects from the Kodiak region. And one of our plans this winter, through the Community

Involvement Project, is to go out -- we haven't done individual meetings in the communities of Kodiak for -- since the major Work Plan -- or Restoration Plan efforts several years ago. So we plan to go out there in February or March and meet with those communities and see if there are other projects that might be worthwhile there.

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CHAIR WILLIAMS: Good. Mr. Pennoyer?

MR. PENNOYER: Yeah, thank you, Madam Chair. The only -- maybe I missed it. I didn't hear you -- did you talk about 131, the clam project?

CHAIR WILLIAMS: Mm hmm (affirmative).

MR. PENNOYER: Was that in your -- okay, fine. I ju- -- I -- that was the -- your topic of discussion, I think. Okay.

CHAIR WILLIAMS: Any other projects or clusters or resources? Yes, Mr. Tillery?

MR. TILLERY: There was some comment in our packet about the landowner assistance program. And at the Public Advisory Group, I had the impression you were going to try to meet with some of those people.

MS. McCAMMON: That's correct, Madam Chair. On Friday I met with John Sturgeon of Koncor on -- specifically on the landowner assistance project. I think we both agreed that somehow, the project as its been designed in the past isn't quite meeting the mark. He had a number of good ideas that some of my staff are going to be pursuing.

These are things I need to discuss with Fish and Game

and the Forest Service before we go forward, but I think there's a different approach of taking this kind of effort, and we'll be pursuing that in the next few months.

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CHAIR WILLIAMS: Okay.

MR. WOLFE: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: Does this mean we won't be doing anything in this area at this point in time then? Or other than just exploring a different way of doing the project? I'm not sure I understand what you're.....

MS. McCAMMON: Well, the recommendation.....

MR. WOLFE:trying to do.

MS. McCAMMON:is to have this project not.....

COMMISSIONER RUE: Not do it.

MS. McCAMMON:go forward.

COMMISSIONER RUE: For now.

MS. McCAMMON: There are some specific targeted projects that Koncor would like to see come before the Council in the future, and we'll actually be working with them as to trying to get those specific.....

MR. WOLFE: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Wolfe?

MR. WOLFE: There were a number of public comments dealing with this project, and supporting this project. And I believe, if my count is right, it was 6 out of 22 who supported this, which is a pretty -- I think a strong indication that there's more than just Koncor that's interested in this

1 I don't mind deferring the funding for a period of
2 time, but I would like to keep it on the table such that when
3 we've had a chance to explore some of these other activities,
4 or other sources of concerns or ways to approach this, that we
5 can bring it back on the table at a later date because I think
6 there is an interest, and we definitely have. We, the
7 Departments of Agriculture, Forest Service, have an interest in
8 pursuing this because I see this as probably one of the best
9 ways we have of getting at some of the resources on the ground,
10 or habitats on the ground, without necessarily having to buy
11 the land to do something to help the injured resources.

12 So we'd like to see this stay alive yet this fiscal
13 year, but preferably for next field season.

14 CHAIR WILLIAMS: Mr. Tillery?

15 MR. TILLERY: Yeah. I also think -- I mean, I think
16 this project has good potential. I understand it's had
17 problems to date, and I would not be averse to having this
18 project come back before us at a later date when things have
19 been sorted out this year.

20 CHAIR WILLIAMS: Yes.

21 COMMISSIONER RUE: Yeah.

22 CHAIR WILLIAMS: Commissioner Rue?

23 COMMISSIONER RUE: I would agree with that, and I
24 thought that, in fact, was the intent. Wasn't it, Ms.
25 McCammon?

MS. McCAMMON: Well, the recommendation is actually

to not fund this project as it's.....

COMMISSIONER RUE: At this point.

1 MS. McCAMMON:as it is currently conceived and
2 proposed, but to come back to you with some suggestions for
3 some additional action items for your consideration.

4 COMMISSIONER RUE: Okay. Good. And.....

5 MS. McCAMMON: And if those would be.....

6 COMMISSIONER RUE: That's fine.

7 MS. McCAMMON:possible to do this field season,
8 we'd bring them back; otherwise, we'd just roll them into the
9 '97 invitation. But we'd try to do it for this field season if
10 it was possible.

11 MR. WOLFE: That -- Madam Chair, that was my concern,
12 is we try to get something on board and deal with it this field
13 season if there are people that really and truly do desire some
14 assistance. Thank you.

15 CHAIR WILLIAMS: Okay. Any other projects,
16 resources, or other issues that the Council would like to raise
17 at this time?

18 (No audible response)

19 CHAIR WILLIAMS: I would just like to make a couple
20 of observations. First of all, I want to congratulate the
21 Executive Director and staff and everyone who worked on this
22 for basically attaining the \$18 million budget goal for the '96
23 Work Plan. I know that was a very great effort, couldn't have
24 been accomplished without the cooperation of the restoration
25 work force, the Chief Scientist, the peer reviewers, the

principal investigators, and everyone else who worked on this effort. So thank you. The Council gave you direction in trying to bring it to 18, and you really did an excellent job.

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I also want to -- of course, this is something I raised, was the need and desirability of expanding our focus to include, of course, not only Prince William Sound but also other areas impacted by the oil spill. And I do want to thank everyone involved, the Chief Scientist, Stan and the work groups, for making sure that the harlequin duck study and the APEX program were funded to have a full perspective on the impacts of the spill.

And, Stan, I asked Katherine Berg to jot down some thanks, and she has on her list -- I'll just read it because:

"Express special appreciation of Stan Senner. He has been invaluable in maintaining coordination and communication with the Science Program."

So from all of us, thank you for your great work on this.

Other comments and observations?

MR. PENNOYER: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Pennoyer?

MR. PENNOYER: Yeah, I'd like to thank Dr. Spies, too. I think the peer review process has been carried through very well. And based on that, I would like to make a motion that we accept the Executive Director's recommendations as presented in these tables and carry forward with the balance of the '96 projects as recommended.

CHAIR WILLIAMS: Okay. It's been moved that we accept the recommendations as presented. Do I hear a second?

COMMISSIONER RUE: Second.

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CHAIR WILLIAMS: Seconded by Commissioner Rue. Moved by Mr. Pennoyer, seconded by Commissioner Rue. Any further discussion of the Work Plan?

COMMISSIONER RUE: Madam Chair?

CHAIR WILLIAMS: Yes, Commissioner?

COMMISSIONER RUE: I would just make a quick observation also. I think that the pressure to take a hard look at some of these projects has helped the overall Work Plan, and I know my own staff has felt that the way it was handled by Molly and her staff has been very professional and sort of has headed us in the right direction, even though some of it was painful.

CHAIR WILLIAMS: We really do appreciate the hard work, and we know it's going to have to continue as we continue to winnow down.....

COMMISSIONER RUE: Right.

CHAIR WILLIAMS:our expectations and go down the curve that Molly has drawn. But I think we're getting better projects, better focused projects, and again, thank you, Chief Scientist and Stan and everyone else who's worked on this to achieve that.

Other comments, questions?

(No audible response)

CHAIR WILLIAMS: I think, then, we will act on the

motion. All of those in favor of accepting the additions to the Work Plan as presented today, say aye.

(Unanimous audible affirmative response)

CHAIR WILLIAMS: Opposed?

(No audible response)

CHAIR WILLIAMS: It passes. Thank you.

MS. McCAMMON: One more item.

CHAIR WILLIAMS: All right. Ms. McCammon.

MS. McCAMMON: The last action item today is action on the budget for habitat protection and acquisition support. At the August meeting, as part of this review of the acquisition policy, you asked us to go back and look at the budget that was approved in August, look for cost savings, and report back to you with a modified budget.

Well, the good news is that we looked at the budget, and there were cost savings on the items that were identified, such as surveys and title insurance and things like that. The bad news was that the budget went up by more than \$800,000 -- well, actually, \$967.9 thousand as a result of additional appraisal costs.

And so the request today is for an additional \$967.9 thousand for additional appraisal costs. This is primarily to complete the appraisals for Chenega, Tatitlek; to pay for the additional work that was done on the Shuyak appraisal; and \$300,000 for the AJV appraisal.

MR. PENNOYER: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Pennoyer?

MR. PENNOYER: Do you suppose if we throw the additional appraisal costs into the deal, we can sweeten some of these deals and make them (laugh) quicker?

(Laughter)

CHAIR WILLIAMS: Ms. McCammon, do we have this broken out in our folders?

MS. McCAMMON: There is a separate budget here that indicates -- don't -- that the two major increases were in the Forest Service's budget and in DNR's budget. There's an additional \$300,000 in DNR's budget for the AJV appraisal, and then an additional \$657,000 or so in the Forest Service's under Contractual.

And then following that, there's a memo from Phil Janik describing what the original estimate was for each of these appraisals, what has been paid so far, and what the total amount of billing is. So you can see a number of them have gone over significantly the original estimate. And I think.....

CHAIR WILLIAMS: Commissioner Rue?

MS. McCAMMON:we have a very good timber appraiser right now, but he's expensive.

CHAIR WILLIAMS: Commissioner Rue?

COMMISSIONER RUE: Yeah. Thank you, Madam Chair. How much of this is to pay for work that has to be redone? And if so, are we going to collect from the folks who didn't perform under the contract?

MS. McCAMMON: Well, I -- Madam Chair, I don't have

an exact breakdown of that, but we could go back and just pull out the additional work that needed to be done, was work for -- actually, some for Eyak, Shuyak, and Chenega. I could break that out. But I know that the Forest Service is pursuing some kind of action under their contracting rules, but it's unclear whether they'll have any success with it.

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COMMISSIONER RUE: Okay. I'd be interested in hearing if you do have some success.

MR. WOLFE: Madam Chair?

CHAIR WILLIAMS: Yes, Mr. Wolfe.

MR. WOLFE: You know, we hired people for their technical expertise, and then we accept what they do, and then when we have questions, we go back and we find some differing opinions of value. And that's a lot of what we're dealing with here. So we are continuing to pursue it, but right now, our contracting officer is not real optimistic that we're going to have any avenue for recouping any of the costs.

(Pause)

MR. WOLFE: But we -- Madam Chair?

CHAIR WILLIAMS: Now, in -- looks like Tatitlek takes a -- I don't know if I'm reading this memo right. On page 3 of the memo from Mr. Janik. Can you just walk us through Tatitlek, Mr. Wolfe?

MR. WOLFE: I can do that, but Dave is here, and he's the one that keeps tabs on this.

CHAIR WILLIAMS: Okay. Dave.

MR. WOLFE: And I'd rather he do it, since he's.....

CHAIR WILLIAMS: That's fine. Dave, could you?

MR. WOLFE: Do you have your copy?

(Laughter, side comments - Pause)

MR. GIBBONS: Can you hear me?

CHAIR WILLIAMS: Mm hmm (affirmative).

MR. GIBBONS: Well, I'll try to walk you through it. The original Trustee Council authorized was for \$200,000.

CHAIR WILLIAMS: Now, when we authorized \$200,000 -- I'm trying to refresh my recollection.

MR. GIBBONS: That was based on estimate by Tim Manley, Pacific Forest Consultants.

CHAIR WILLIAMS: Okay. All right.

MR. GIBBONS: That's what that was based on.

CHAIR WILLIAMS: All right.

MR. GIBBONS: After his successful work at Shuyak and Chenega, we -- he's no longer under contract to the Forest Service. The new contractor, Cascade Appraisal Services, gave us an estimate of doing that same amount of work for \$570,000, and that estimate was provided to us on June 23rd, 1995. We thought it was very high. We touched base with the Executive Director; we talked about it and decided to move forward with it at that cost. We did that.

After he gave us that estimate, some of the land to be appraised was changed. There was some increased timber volumes in along Tatitlek for him to appraise that upped the cost both in aerial photography, flights needed to go over that area, and also due to the work, field work, involved with

collecting the additional information. So he revised that estimate to be \$680,000, and that was given to us on 11/95.

1 The non-timber appraisal portion of that by Black,
2 Smith & Richards is estim- -- is \$75,000 to do that. And what
3 that does is it takes the timber data, plugs it into an overall
4 appraisal looking at fee simple land values, those types of
5 things, to make it a complete appraisal. Timber is one partion
6 (sic) -- portion of an appraisal. So -- but it's a large
7 portion of it.

8 So that, then, has created an appraisal, overall
9 appraisal. The payments made as of 11/8 have been \$622,305.
10 Ray Granville of Cascade Appraisal Services has promised us the
11 timber appraisal; the last time I heard, it was around
12 Christmas. So that would give us the draft timber appraisal;
13 that would be reviewed by state and federal timber appraisers,
14 hopefully approved, and move forward.

(Pause)

15 COMMISSIONER RUE: Madam Chair?

16 CHAIR WILLIAMS: Yes. Commissioner Rue?

17 COMMISSIONER RUE: It has been your experience that
18 this is a typical appraisal cost? I'm not an appraiser.

19 MR. GIBBONS: No.

20 COMMISSIONER RUE: I have no idea what it takes
21 to.....

22 MR. GIBBONS: I'm not either.

23 COMMISSIONER RUE:cruise timber.

24 MR. GIBBONS: I didn't know what appraisals were two
25

years ago, and now I hope I don't hear about them again
(laugh). But Cascade Appraisal Services seems to be the only
one that some of the landowners will accept. We don't want to
make another mistake of going down south and picking up an
appraiser. That's what happened with Pacific Forest
Consultants, who is from Oregon; had no Alaska experience. And
so we don't want to do that.

It seems to me to be high. He seems to be high, but
he also seems to be the only one that can get the damned job
done. Excuse my English there, but it's frustrating. He's --
he seems to be the only one who can give us an acceptable
appraisal.

CHAIR WILLIAMS: Commissioner Rue?

COMMISSIONER RUE: Yeah, one last question. I don't
understand the estimated balance at minus \$555,000 on that one.

MR. GIBBONS: Well, what I did there is just the
Trustee Council authorized funding; that's what we have in
hand.

COMMISSIONER RUE: Gotcha.

MR. GIBBONS: And then the 745 cost.

COMMISSIONER RUE: Okay, \$10,000.

MR. GIBBONS: Whoops. There's \$10,000 missing there.
There is an error in it.

COMMISSIONER RUE: Okay, 45, 545.

CHAIR WILLIAMS: Yeah, it was confusing. Should be
545; right?

(No audible response)

CHAIR WILLIAMS: Okay. Then looking at the summary of expenditures on page 4, you indicate a deficit of \$650,000.

1 But if we fund the \$658,000 -- I'm now looking back at
2 Afognak. We authorized funding for 200 on that; we have a
3 remaining balance of 182. Does that 658 absorb that sort of
4 182 so, at.....

5 MR. GIBBONS: It does.

6 CHAIR WILLIAMS:Afognak, then, we're basically
7 starting from scratch.

8 MR. GIBBONS: Well, on Afognak, Cascade Appraisal
9 Services will provide a plan of attack for the appraisal for
10 the Afognak.

11 CHAIR WILLIAMS: So that could be a hundred -- it
12 could be a million dollars on top of this.

13 MR. GIBBONS: Well, I think what Ray Granville is
14 going to do is say, 'If I was going to do this appraisal, this
15 is the approach I would take to do it.'

16 MR. WOLFE: It's a proposal.

17 MR. GIBBONS: It's a proposal to do it. It's not any
18 cost associated with it. He -- you know, he'll say -- there's
19 a lot of timber data on AJV, and I would guess that he would
20 say he would use the existing cruise data, maybe do some check
21 cruise -- I'm guessing -- some check cruise on it, and do an
22 appraisal by early summer. That would be his approach. I'm
23 not saying he's going to be doing it, but I mean, that might be
24 his plan of attack.

25 MS. McCAMMON: Madam Chair?

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MS. McCAMMON: I think what happened is that a certain amount of money was authorized for certain appraisals, and as we went through the process and appraisals got more expensive, the money that was in that budget was used for those appraisals. And then Tatitlek was postponed, it was later, and so the existing money was used. And in order to complete these appraisals now, approximately \$658,000 is needed for the Forest Service. And then there's no funding for AJV, so an additional \$300,000 for AJV.

MR. GIBBONS: Madam Chair?

CHAIR WILLIAMS: Yes.

MR. GIBBONS: If I -- if you go through there, you can see that Eyak work and aerals went over by \$92,000, too. It's just not all in Shuyak/Chenega. And that was due to bringing Ray Granville in again and doing the timber exchange proposal, the work on that, those types of activities.

CHAIR WILLIAMS: Commissioner Rue?

COMMISSIONER RUE: Two questions. Are there other competing firms, or is this the only firm that has any expertise? And then second -- and I don't want to drag this on forever -- but it seems to me -- I'd be curious. And if someone's spending \$650,000 to appraise timber, is that mostly in personnel costs, people on the ground wandering around taking measurements, or is it in -- how do you spend that much money?

MR. GIBBONS: The best bulk of it is in field costs:

helicopters.....

COMMISSIONER RUE: Just on the ground.....

MR. GIBBONS:crews.....

COMMISSIONER RUE:walking.

MR. GIBBONS:doing transsex.

COMMISSIONER RUE: Mm hmm (affirmative).

(Pause)

MR. GIBBONS: It'd be nice to be an appraiser.

(Pause - Side comments)

COMMISSIONER RUE: How about the other question?

Other firms that.....

MR. GIBBONS: We -- when we looked at -- for -- initially, for Pacific Forest Consultants, there were some that were ruled out here, that had Alaska experience, due to the conflict of interest with Native corporations. And so we were pushed to go down south. Ray Granville surfaced; he was considered initially and thrown out for conflict of interest, but then brought back by popular demand.

(Laughter)

MR. GIBBONS: And so the State will have a real good handle on that here, I think, early in the year when they go out with an RFP to see what kind of people are still around.

MR. TILLERY: Madam Chair, we'll be doing a complete RFP this winter for the AJV, and we'll find out how many people are out there.

MR. PIPER: What seems wonderful about being -- to be an appraiser is not just that you -- the numbers are big, it's

that the data that you come up with at the end can be sort
of -- fairly subjective.

MR. PENNOYER: You can pick your own schedule.

MR. PIPER: Yeah.

MR. TILLERY: Yeah, I would -- you should note, to
date, I mean, we have -- a lot of this money's been spent going
back and fixing things. I mean, we had to bring -- we've kind
of brought Ray Granville in, and he got the Bomb Point deal
done. We had troubles with Shuyak; the appraisal wasn't right.
We brought in Granville; he put some more people on up there,
and we got the deal done.

The Tatitlek one he has done from the very beginning.
It's expensive, but it's a whole lot cheaper, in my view, than
having a bad appraisal out there, which has cost us not only
dollars, but a lot of grief and time and everything else. And
I think it's worth paying extra money up front to get the job
done right the first time, if in fact we're doing it now. If
the Tatitlek one blows up, then I don't know what to say.

(Side comments)

(Off record)

(Tape Change - Tape No. 4 of 4)

(On record)

CHAIR WILLIAMS:discussion. Who wants to make
this motion?

(Laughter)

MR. PENNOYER: Well, Madam Chair, I.....

(Laughter)

MR. PENNOYER: I move we approve the request for additional funding for the appraisal, with the commitment that we're going to get a better fix on who's available in appraisers in the future and some feedback on whether some of us recover from it. But I don't see a choice right now; we've got to get on with the job.

CHAIR WILLIAMS: Is there a second?

MR. PIPER: Second.

CHAIR WILLIAMS: Okay. It's been moved by Mr. Pennoyer, seconded by Mr. Piper, that we approve this additional payment to cover the appraisals as discussed. Any further discussion?

(No audible response)

CHAIR WILLIAMS: All in favor, indicate by saying aye.

(Unanimous audible affirmative response)

CHAIR WILLIAMS: Opposed?

(No audible response)

CHAIR WILLIAMS: It passes. Now, Mr. Tillery, you expressed an interest in recessing instead of adjourning. Is that still necessary?

MR. TILLERY: It is. We believe there may be at least two more small parcel proposals that could be ready within the next week, and rather than wait until the January meeting -- and we'll probably try to get the Council together pretty quickly on a teleconference during the holiday season. It'd be a lot easier if, rather than noticing it, we can just

recess and bring us back together in a week. And if it doesn't¹⁷⁰
happen, then we'll do something different.

1 CHAIR WILLIAMS: Okay. It's been moved that we
recess. Is there a second?

2 COMMISSIONER RUE: Second.

3 CHAIR WILLIAMS: Oh. Before we do that, let me see
4 if there are any last comments. I would just like to wish
5 everyone happy holidays. I think it's been -- no. I'll let
6 one of you guys do that.

7 COMMISSIONER RUE: Do what?

8 CHAIR WILLIAMS: Talk about Molly. Okay? Anyway,
9 let me wish you all happy holidays. Let me say that I think
10 1995 was a very successful year. Sometimes it was a
11 frustrating year, and I think we encountered more challenges
12 than we anticipated last year at this time, but I think we've
13 met many of those challenges successfully. And again, on
14 behalf of the Council, I want to thank staff for tremendous
15 work, consistently excellent work. And all the staff from our
16 respective agencies that work on this effort, thank you for
17 outstanding work. And we certainly look forward to 1996 being
18 a very successful year.

19 Commissioner Rue, would you like to add anything?

20 COMMISSIONER RUE: Yeah, Madam Chair. I guess I
21 would just say -- add to that though, I think the Executive
22 Director, as we've all said, has been doing a terrific job, and
23 I think she got a very good review from all of us, and we look
24 forward to another good year with the leadership of Molly
25

McCammon as the Executive Director and her very qualified staff.

1 So everything I heard from the other members was that
2 she's doing a terrific job; reflects the comments you just
3 made, and I'd like to thank her specifically for the fine job
4 she's done this past year. And we look forward to another
5 year.

6 MR. PENNOYER: Hear, hear.

7 CHAIR WILLIAMS: Hear, hear. Any other comments
8 before we recess?

9 (No audible response)

10 CHAIR WILLIAMS: Again, happy holidays, and all in
11 favor of recessing, indicate by saying aye.

12 (Unanimous audible affirmative response)

13 CHAIR WILLIAMS: Opposed?

14 (Laughter)

15 CHAIR WILLIAMS: Thank you.

16 (Whereupon, the teleconference meeting of the Exxon
17 Valdez Oil Spill Trustee Council was recessed at 3:10
18 p.m., to be reconvened at the call of the Chair at a
19 later date for the purpose above-mentioned.)
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