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TRUSTEE COUNCIL MEETING  
Thursday, August 29, 1996  
8:00 o'clock a.m.

First Floor Conference Room  
654 G Street  
Anchorage, Alaska

**TRUSTEE COUNCIL MEMBERS PRESENT:**

STATE OF ALASKA - DEPARTMENT OF LAW:	MR. CRAIG TILLERY (Chair) Trustee Representative for the Attorney General
STATE OF ALASKA - DEPARTMENT OF FISH AND GAME:	MR. FRANK RUE Commissioner
U.S. DEPARTMENT OF THE INTERIOR:	MS. DEBORAH WILLIAMS Special Assistant to the Assistant Secretary
U.S. DEPARTMENT OF AGRICULTURE - U.S. FOREST SERVICE:	MR. PHIL JANIK Regional Forester
U.S. DEPARTMENT OF COMMERCE - NMFS:	MR. STEVE PENNOYER Director, Alaska Region
STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION:	MR. ERNIE PIPER for MICHELE BROWN Commissioner

**TRUSTEE COUNCIL STAFF PRESENT:**

	MS. MOLLY McCAMMON	Executive Director EVOS Trustee Council
1	MS. TRACI CRAMER	Director of Administration EVOS Trustee Council
2	MS. REBECCA WILLIAMS	Executive Secretary EVOS Trustee Council
3		
4	MS. VERONICA CHRISTMAN	EVOS Staff
5	MS. SANDRA SCHUBERT	EVOS Staff
6	DR. BOB SPIES	Chief Scientist
7	MR. STAN SENNER	Science Coordinator
8	MR. ALEX SWIDERSKI	State of Alaska Department of Law
9	MR. BUD RICE	National Park Service
10	MS. MARTHA VLASOFF	
11	MR. VERN McCORKLE	Chairman Public Advisory Group
12		
13	MR. JOE SULLIVAN	State of Alaska Department of Fish and Game
14	MR. KIM SUNDBERG	State of Alaska Department of Fish and Game
15		
16	MR. DAVE GIBBONS	U.S. Forest Service
17	MR. JOHN HARMENING	U.S. Forest Service
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21		
22		
23		
24		
25		

**PUBLIC TESTIMONY**

**PAGE**

MR. BOB HENRICHS ..... 79

MS. PAMELA BRODIE ..... 82

1 MR. BRUCE WRIGHT ..... 83

2 MAYOR JEROME SELBY ..... 85

3 MS. BRENDA SCHWANTES ..... 87

4 MR. RICK STEINER ..... 91

5 MR. GARY THOMAS ..... 97

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(Tape No. 1 of 6)

1 (On record at 8:10 a.m.)

2 CHAIRMAN TILLERY: We can bring this meeting of the  
3 Exxon Valdez Trustee Council to order, this meeting of August  
4 29th. The first item I believe we have before us is the  
5 approval of the agenda. Is there a motion related to that?

6 MS. WILLIAMS: So moved.

7 MR. PIPER: Second.

8 CHAIRMAN TILLERY: Any questions or discussions?

9 (No audible response)

10 CHAIRMAN TILLERY: All in favor of approving the  
11 agenda as provided in the meeting packet?

12 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

13 CHAIRMAN TILLERY: The second item of business has to  
14 do with the approval of the June 28th, 1996 meeting notes and  
15 the June 15th public hearing summary. Is there a motion on  
16 that?

17 COMMISSIONER RUE: Move to approve.

18 MR. PENNOYER: Second.

19 CHAIRMAN TILLERY: Any discussion?

20 (No audible response)

21 CHAIRMAN TILLERY: Anyone opposed?

22 (No audible response)

23 CHAIRMAN TILLERY: It is approved. The first  
24 substantive item on our agenda will be a report from the Public  
25 Advisory Group. Vern, I believe you're up.

MR. McCORKLE: Use the table mike or the lapel mike?

MS. REBECCA WILLIAMS: The lapel.

MR. McCORKLE: Okay. Thank you. Good morning ladies and gentlemen. My report this morning is on the minutes --  
1 actually, the summary of the meeting of the Public Advisory  
2 Group of August 7, 1996. The meeting was opened at 8:15, and  
3 we heard a report from the Executive Director, which was able  
4 to bring us up to date on all the actions that had taken place  
5 on the approval of the work plan since we had last met.

6 The minutes that you have really do explain in detail  
7 the kinds of things that were accomplished at that meeting, but  
8 I would like to just maybe stress three or four points that are  
9 important.

10 First of all, we passed unanimously the approval of  
11 the fiscal '97 work plan as recommended by the Executive  
12 Director. That was after a great deal of excellent  
13 presentation by members of staff, which elicited from the  
14 Public Advisory Group a round of applause and a unanimous atta  
15 boys and girls for their good work. We really have appreciated  
16 the work the staff has presented to the Public Advisory Group  
17 in the last couple of years because it's -- as time has moved  
18 on, I guess everybody's gotten better at their jobs, and we  
19 really have appreciated the information given to us by the  
20 staff.

21 I would like to call attention to a resolution which  
22 we unanimously passed, having to do with the idea that the  
23 Trustee Council should strive to eliminate court fees for  
24 management of the Exxon Valdez oil spill funds, and there is a  
25 resolution which was passed unanimously that the -- you be  
reimbursed for all past fees and waive all future fees paid by

the Trustee Council to the court registry investment system, and I hope that will be of some benefit and value to you in achieving that goal.

1           There was again discussion on how we might view the  
2 restoration fund, and a great deal of discussion centered on  
3 whether or not there should be funded chairs at the University  
4 of Alaska, and there was a long discussion on whether or not we  
5 should invite the member -- or the presidents of the University  
6 to work with others to prepare a study on the benefits and  
7 feasibility of the use of the restoration reserve. However,  
8 after that long discussion, the motion was defeated, four in  
9 favor, seven opposed and one to abstain. The underlying score  
10 here is that the Trustees, I'm sure, are aware that the  
11 restoration reserve is a vital interest to the Public Advisory  
12 Group and we always take an opportunity to talk about how that  
13 might be used.

14           I've saved until the last topics that have appeared  
15 in our meeting three times, which is something that I think the  
16 advisory council is coming to grips with and will eventually, I  
17 guess, come to the advisory -- the Trustees, and that is, is  
18 how the Public Advisory Group is structured. We've discussed  
19 this a number of times in the past, but our minutes record that  
20 we discussed options on changing the group size and  
21 composition.

22           One of those has to do with the numbers of members  
23 necessary for a quorum, particularly with the activities of  
24 members of a group in the summer or fall seasons. They often  
25 times can't get to the PAG meetings because of their work, so  
it's been increasingly difficult to get a quorum of 12, and we

recommend to you, and I think there will be presented later, a proposed action to revise that quorum from 12 to 10, which will be a great accommodation to being able to get business done.

1 The last two or three meetings, we've missed one person along  
2 the way to achieve a quorum. We finally did achieve that last  
3 meeting and were able to ratify a number of minutes and so  
4 forth.

5 But beyond that, the Public Advisory Group is  
6 becoming increasingly concerned with the representation of  
7 rural communities on the Public Advisory Group, and a great  
8 deal of discussion has been entered into with respect to  
9 outreach, with the smaller communities in the spill area to get  
10 participation on the Public Advisory Group. The -- there were  
11 a couple of motions in an attempt to reach an action on  
12 restructuring, all of which failed because of, I guess, not  
13 really having studied it long enough.

14 There are five members of the public-at-large on that  
15 group, and then the others represent other interests. One by  
16 one, the public-at-large membership is being changed. We now  
17 have a person who represents conservation as a public  
18 advisory -- public-at-large group, and a local indigenous  
19 advocacy group, and then there are three or four -- there are  
20 two or three others of us that represent the general public-at-  
21 large. The reason for this discussion is that it's felt that  
22 the villages don't have an adequate opportunity to be heard and  
23 to vote on the Public Advisory Group, so we had a motion that  
24 the Public Advisory Group recommend the Trustee Council  
25 restructure the Public Advisory Group to include two village  
representatives. After discussion, that motion was tabled and

1 in spite of the efforts of the chair to table also a motion to  
2 reconsider, the members of the group said no, they would like  
3 to have that reconsidered, so that motion will be coming back  
4 in the future to be discussed.

5 So I -- the message I wish to, I think, leave with  
6 the Trustees is that the changing face of the Public Advisory  
7 Group is something that should be dealt with, and depending  
8 upon how much representation the public-at-large, who  
9 represents perhaps just the public policy aspects on that  
10 group, should have is something that will be coming for you to  
11 see again and again.

12 In close, I guess I should mention that the Public  
13 Advisory Group will be having one of its field trips. It will  
14 be visiting Homer, Port Graham, Seldovia, and fly over Port  
15 Dick on September 18 and 19, in attempt to become more familiar  
16 with the progress being made in those communities -- so we are  
17 also in a position now where we are coming to the end of the  
18 present term of the Public Advisory Group, and that's why this  
19 discussion of membership and composition of the group is  
20 important because that will be on the agenda in the next couple  
21 of months, I think.

22 I'd be glad to respond to any questions if there are  
23 any.

24 CHAIRMAN TILLERY: Vern, before I -- we do have some  
25 questions, I know. Before I get to that, I would -- we should  
note that this is going to be a very long meeting. That's one  
of the reasons we started early and one of the reasons we're  
probably going to move through pretty quickly, but I think for  
the benefit of people who are on the line, I did forget to note

1 the Council members who are present today. Just for the  
2 record, that is Phil Janik with the Forest Service. Ernie  
3 Piper is representing Alaska Department of Environmental  
4 Conservation. Commissioner Brown is out of the country, I  
5 believe, today. Steve Pennoyer, from NOAA, and Frank Rue from  
6 the Department of Fish and Game, and Deborah Williams from the  
7 Department of Interior, and I'm the chair, Craig Tillery, from  
8 the Department of Law. With that out of the way, Mr. Pennoyer,  
9 I believe you have a.....

10 MR. PENNOYER: Yeah.

11 CHAIRMAN TILLERY: .....question.

12 MR. PENNOYER: Thank you. Vern, thank you for a good  
13 report. Your vote on endowed chairs. I know you've been up  
14 and done that a number of times. Your vote wasn't against  
15 endowed chairs or against -- addressing a piecemeal, waiting  
16 until we have a comprehensive look, and were you giving a time  
17 at which we would do that?

18 MR. McCORKLE: We voted it down because it didn't  
19 seem that it -- enough staff work had been done either on our  
20 behalf or on the staff, or perhaps the Council's position as to  
21 know if this was the right time to do that. I think probably,  
22 and I don't have authorization to speak to this, and it's not  
23 in the minutes, but I think if we were to poll the Public  
24 Advisory Group, there would not be a majority in favor of  
25 funding chairs at the University at least at this time.....

MR. PENNOYER: Thank you.

MR. McCORKLE: ....although there are strong voices  
in favor of.

MR. PENNOYER: Thank you.

CHAIRMAN TILLERY: Are there further questions of Mr. McCorkle?

(No audible response)

1 CHAIRMAN TILLERY: Does the -- does anyone on the  
2 Council have a motion or which to address the issue of the  
3 forum that was brought up by the Public Advisory Group?

4 MS. WILLIAMS: I would move to reduce the quorum  
5 requirement -- and was the recommendation 10?

6 MR. McCORKLE: Yes, ma'am.

7 MS. WILLIAMS: To 10, for the Public Advisory quorum.

8 MR. PENNOYER: Second.

9 CHAIRMAN TILLERY: Is there any discussion? Mr.  
10 Pennoyer?

11 MR. PENNOYER: Refresh my memory of how many people  
12 are on the Public Advisory Group now.

13 MS. McCAMMON: Seventeen.

14 MR. PENNOYER: Seventeen?

15 MS. McCAMMON: Yes.

16 MR. PENNOYER: So 10 is still the majority?

17 MS. McCAMMON: Yes.

18 CHAIRMAN TILLERY: I guess I certainly would have to  
19 agree this is, I mean, I have seen these meeting where -- and  
20 there won't be quite that many show up. It is a difficult task  
21 and people are -- this is volunteer and it's not -- it's  
22 understandable, and -- that that is happening, but I think to  
23 me, that is a good motion. It should be reduced so that  
24 business can go forward. Is there any further discussion?

(No audible response)

CHAIRMAN TILLERY: Is anyone opposed to such a

change?

1

(No audible response)

CHAIRMAN TILLERY: Hearing no opposing, the motion  
1 passes. And is there any -- is anybody -- I guess I would --  
2 if no one else has any comments, I would like to address just  
3 briefly the rural representation issue. Is it the sense of the  
4 Public Advisory Group that the way to address this would be to  
5 designate, say, two of the five, at least two of the five at-  
6 large members should be from rural communities, or something  
7 like that, or are you intending that we should enlarge the  
8 Public Advisory Group?

9 MR. McCORKLE: No. I don't believe there was any  
10 thought to enlarge the group. It was that within the group,  
11 there should be a provision made for rural representation,  
12 particularly of indigenous villages. If one looks at the  
13 composition of the Public Advisory Group now, you'll see that  
14 there are -- in addition to the five public-at-large groups,  
15 there are five people who have specific interests which could  
16 be addressed by members of the rural villages. However, only  
17 one of those chairs is held by a person who is an Alaskan  
18 Native or who resides in a rural village, and my suggestion is,  
19 and of course this was not voted upon by the group but was  
20 discussed, is that some of those chairs that are presently held  
21 by people such as environment, subsistence, native landowners,  
22 conservation. All of those are topics which are of great  
23 interest to people in the rural villages, and some of those  
24 seats might also be considered for replacement.

25 My particular concern is that if we lose the  
opportunity for people who come close -- not quite a third of

the membership, to comment on the activities and  
 recommendations of the Public Advisory Group from a standpoint  
 of broad public policy which extends the breadth and length of  
 1 the spill area, that we then may not have the benefit of  
 2 looking at things from a broad view. Many folks do a splendid  
 3 job of representing their specific interest or perhaps even  
 4 their locality on the Public Advisory Group. There needs to be  
 5 a strong voice, I think, for a view across the broad spectrum  
 6 that looks at things from the north to the south and east and  
 7 west of the spill group. That might not occur the more narrow  
 8 focus becomes to local and indigenous arguments particularly or  
 9 only.

10 MS. McCAMMON: Mr. Chairman, if I could just comment.

11 Currently on the current PAG we have three Alaskan Natives  
 12 sitting in the subsistency, native landowners, and one of the  
 13 public-at-large. We also have representatives from Chenega,  
 14 Cordova, Valdez and Kodiak. In the past -- two years ago, we  
 15 did try to get more representation from the smaller  
 16 communities, either the smaller Kodiak villages, or from  
 17 Tatitlek or Port Graham or Nanwaluk. We were not successful in  
 18 doing so.

19 Our intent with the nomination period this year would  
 20 be to work with the community facilitators and our community  
 21 involvement coordinator and try to do more outreach, and try to  
 22 get additional nominations for any of the seats. We had -- as  
 23 Mr. McCorkle mentioned, we did have a lengthy discussion on  
 24 whether the whole composition of the PAG should be changed, and  
 25 kind of going back and forth, there was no real consensus on  
 how to change it, and so it was kind of left at the end of just

trying to do a better job of additional outreach and trying to get more nominations to those seats, and that's exactly what we plan to do in this next round.

1 MR. PIPER: Mr. Chairman?

2 CHAIRMAN TILLERY: Mr. Piper.

3 MR. PIPER: One thing -- I think the PAG has operated  
4 very well. One thing that I think it's important for the  
5 Council to keep in mind too, is that the Public Advisory Group  
6 isn't the only place that we reach out to the public and work  
7 with the public, particularly in rural communities. There have  
8 been special work shops on specific issues such as traditional  
9 knowledge, residual oiling -- (cough) excuse me -- and we have  
10 an outreach coordinator on the staff in the office, and so  
11 we -- I think that the Trustee Council has worked pretty well  
12 to try to reach out to rural communities without commenting on  
13 the benefit of having a change in the PAG, but I think that's  
14 important to keep in mind.

15 MR. McCORKLE: Mr. Chairman?

16 CHAIRMAN TILLERY: Mr. McCorkle.

17 MR. McCORKLE: There was discussion on our group, and  
18 I think it's very meaningful, but just having representation is  
19 not quite the same as having a vote or, you know, sitting at  
20 the table. It was my suggestion that we try and bring in as  
21 many of the public facilitators as we could to make sure that  
22 communications takes place, but it was recommended even beyond  
23 that, and it's at the point that I just in fairness must  
24 mention, that sitting in the audience and having information  
25 available or having contact in other ways as Mr. Piper mentions  
is still not the same as getting there to vote your point of

view. I think that's a thread that is going more and more through the Public Advisory Group, is the feeling that empowerment is something that at least needs to be considered.

1 How that should proceed may be open to discussion, but some  
2 speakers have been very eloquent in the fact that, well, yeah,  
3 we show up but we really do want to vote, and I think that's  
4 the consideration that needs to be made.

5 MS. WILLIAMS: Mr. Chairman?

6 CHAIRMAN TILLERY: Ms. Williams.

7 MS. WILLIAMS: Following up on Ms. McCammon's  
8 comments, and of course Mr. McCorkle's comments, let me say, I  
9 am supportive of the idea that we do better average to try  
10 within the existing PAG structure to get more village  
11 representation, and Mr. McCorkle, what you might do at your  
12 next meeting, if you would, is talk about the average efforts  
13 more and get comments from PAG and share them with Ms. McCammon  
14 and the EVOS staff on how we can do a better job letting people  
15 know that we have PAG position openings and encouraging them to  
16 apply. And then after a year, if that has not succeeded, then  
17 I think revisiting a restructure of the PAG makes sense, but I  
18 think it would make most sense as a first order of business to  
19 do a fuller outreach and see if we can address village  
20 representations through that mechanism.

21 MR. McCORKLE: Thank you. I think that's very  
22 encouraging to know that that has Council support. Of course,  
23 Ms. McCammon has already begun, and I should say that two or  
24 three correspondences have taken place within the last couple  
25 of weeks addressing the outreach, to expand the opportunities  
to participate in Public Advisory Council. A number of Council

members -- or pardon me, a public -- a number of group members who have been on the group a number of years have expressed their willingness to step aside and let new folks take those seats, so I think that there is going to be an opportunity in the next couple of months to fulfill the outreach mission. It certainly is something that I think we're becoming increasingly aware must be done.

CHAIRMAN TILLERY: Is there any further comment from the Council? Questions?

(No audible response)

CHAIRMAN TILLERY: Thank you, Mr. McCorkle.

MR. McCORKLE: Thank you very much.

CHAIRMAN TILLERY: The next order of business is the Executive Director's report. Ms. McCammon?

MS. McCAMMON: Thank you, Mr. Chairman. In your packet, you'll note financial reports as of July 31st and June 30th. I guess the bottom line as of July 31st is that there are a total of \$357.9 million that remain uncommitted through the life of the settlement. This number is somewhat fluid in that it includes an estimate of the interest we anticipate earned over the life of the income stream, however, that depends on interest rates and such. This does not include \$34 million for Chenega, which is still subject to shareholder vote -- so if that does get approved by the shareholders, we are at about \$324 million of uncommitted funds.

Regarding the station of CRIS fees, there is nothing new to report at this time. Since this does involve somewhat some legal strategy, I would like to defer it and bring it up during our executive session at the noon hour.

Also in your packet there is a project status report  
which goes through the status of all the projects funded by the  
Council since 1992. This is as of June 30th, 1996. There has  
even been more progress since that time. I think the good news  
is that we continue to make progress on getting final reports  
done, getting them reviewed and having them made available in  
the Oil Spill Public Information Center. These are available  
not only in OSPIC, but they're available at other libraries  
throughout the state and also throughout the nation. And I  
guess I -- even though there are a number of projects that the  
reports are still pending, I think there are very few that have  
presented some significant problem that we have not been able  
to resolve.

I think last year's decision by the Council to not  
fund current projects if there was a late report was very  
successful in bringing a lot of these past reports in, so --  
Mr. Chairman?

MR. PENNOYER: Mr. Chairman?

MS. McCAMMON: Mr. Pennoyer?

MR. PENNOYER: My question is, Molly, are any of  
these now that are outstanding affecting the funding decisions  
we're going to make at this meeting? Are there any projects  
that are not -- that we don't reports today that affect the  
decisions we have to make at this meeting? Will you outline  
those when we get to the projects if there are any?

MR. McCAMMON: Mr. Chairman, the answer is yes.  
There are a number of reports that are still outstanding, and  
if you look in the large spreadsheet, there are several  
projects that are fund-contingent on receipt of a final report,

and the process is that if the Council were to take action on that particular project, the actual funding is not released until receipt of that report.

1 CHAIRMAN TILLERY: Ms. Williams -- or Mr. Pennoyer,  
2 excuse me.

3 MR. PENNOYER: Can I follow up on that? So when you  
4 make your recommendation, you think you've got enough  
5 discussion with PIs and in work shops and so forth, to decide  
6 that the project is proceeding and the results justify  
7 continuing it or expanding it, or whatever, but this is a  
8 formal report mechanism enforcing that custom in essence?

9 MS. McCAMMON: That's correct.

10 MR. PENNOYER: Okay. Thank you.

11 CHAIRMAN TILLERY: Ms. Williams?

12 MS. WILLIAMS: As the Trustee Council knows, we  
13 discussed at some length in our last several meetings the  
14 importance of publishing and peer review periodicals, our  
15 reports that we fund, and Ms. McCammon, is -- I know in some  
16 instances we discussed whether things had been submitted for  
17 publication and so forth. Do we have anything like a tally  
18 sheet for that, how many reports have been published in peer  
19 review periodicals, how many are submitted at this point and so  
20 forth, and if not, is that something that could be done?

21 MS. McCAMMON: Mr. Chairman, we have been collecting  
22 a list of those. The requirement that the Trustee Council puts  
23 on this is to have a report under our process that gets put in  
24 OSPIC, and so we can track those. That's a requirement of  
25 funding.

CHAIRMAN TILLERY: Right.

MS. McCAMMON: In the past, we have not required that there also be published a manuscript in a peer review -- some peer review literature, so in the past we have not necessarily received copies or been informed of what publications might have occurred. Mr. Senner, the science coordinator, and Mr. Spies have been working with all of the PIs over the last year to do that, to collect all of the reports. We do have a bibliography of those that's been put together. We are encouraging PIs to submit copies to us and to the library so we have -- so we know exactly where things have been published, and that will be put on our Internet when we get that a little bit further advanced.

MS. WILLIAMS: Mr. Chairman, if I could direct this perhaps to Mr. Senner and Dr. Spies. What's our batting percentage, would you say, and I know that may be hard because -- let me say it this way. Of the amount of money we have spent on res- -- no. I don't know whether we had talked about project per project or whatever, but give me a -- give, if you would, the Council a sense of where we are in terms of both -- maybe a number on actually published and then currently submitted -- just ball park percentage.

MR. SENNER: That's almost -- I don't think I can even give you a ballpark on that. What I can say is that the list of publications in peer reviewed outlets, including our own 1993 symposium series, which was peer reviewed, will -- is in the dozens of publications, and certainly we know of a number that have been submitted but not yet made it through the process. If you take away the publications in our own symposium proceedings, which is now in print I think as of this

week, then you're talking only maybe a couple dozen articles that have appeared in a, you know, an external scientific peer reviewed journal. I think that's going to change dramatically.

1 Let's say at this meeting a year from now, we should be able  
2 to double that number.

3 It's also fair -- and jump in, Bob, here -- but it's  
4 also fair to say that the publication record from the Exxon  
5 studies is very strong.

6 MS. WILLIAMS: Yes, I know.

7 MR. SENNER: They've got a number of them in print.  
8 There are more appearing all the time. We're a little behind  
9 that curve, but I think it's picking up steam, and one of the  
10 things you'll see in the work plan that we'll describe today is  
11 that we have a number of projects for which we are explicitly  
12 approving some expenses to provide for publication in a peer  
13 review journal, so that's going to improve dramatically.

14 DR. SPIES: And as you know, the process of  
15 submitting manuscripts, getting it peer reviewed and so forth,  
16 is -- can be fairly lengthy.....

17 MS. WILLIAMS: Mm hmm (affirmative).

18 DR. SPIES: .....so I think that we're still seeing  
19 the results of early efforts now, although in the case of the  
20 symposium, I think there are some other manuscripts as well out  
21 there, but in terms of damage assessment, the symposium pretty  
22 much did most of that, and there are some other things that are  
23 coming through, and some of those are noted in the work plan --  
24 those efforts, but I think Stan's correct in saying that the  
25 studies that have been sponsored by Exxon are -- they're making  
a very strong effort now to get those out. There's a

couple that just came out last week, and.....

2

MS. WILLIAMS: I know. Mr. Chairman, I don't think we have to address it now, but I would like -- and Ms. 1  
McCammon, I would like the staff, and particularly the 2  
scientific consultants and staff, to focus on this even a 3  
little more, and I think we've become increasingly concerned as 4  
we approach the tenth anniversary, knowing that Exxon studies 5  
are being published, how we can do a better job in that regard.

6 What incentives, and we're going to, as you say, talk about 7  
some of that in our work plans, but what incentives, what sort 8  
of status reports we can publish, how we can between now and 9  
our tenth anniversary maximize the number of published in peer 10  
reviewed publications pieces of work, and maybe come up -- 11  
maybe not do it again today, but ask the staff to come up with 12  
a strategy for maximizing publications in between now and our 13  
tenth anniversary. Does that make sense?

14 DR. SPIES: It sure does.

15 CHAIRMAN TILLERY: Is there further discussion on 16  
this issue before we proceed with the Executive Director's -- 17  
Mr. Pennoyer.

18 MR. PENNOYER: Not further discussion -- I'm trying 19  
to decide exactly what that means in terms of instructions. As 20  
far as I know, we left the formal publication process up to 21  
individual agencies, and this isn't something we funded or 22  
sponsored, and probably there's not a one-to-one relationship 23  
to the type of reports we're getting on the projects to what's 24  
published because people take pieces of something they've done 25  
and published them in articles, so I'm not totally sure how we  
equate -- don't get me wrong. I think it's desirable.....

MS. WILLIAMS: Mm hmm (affirmative).

2

MR. PENNOYER: .....to get this out and make sure the  
information's available to the scientific community in general,  
1 rather than more closely than just our "family," but I'm not  
2 exactly sure how we evidence that, or we tell PIs or agencies  
3 they ought to do. In our agency, for example, our scientific  
4 community is supposed to publish, but often one of the  
5 difficulties is that more pressure that is put on people to  
6 stay up with their work and get things done, and tend to get  
7 the business that they're being paid for done, the harder it is  
8 to set aside the time to do some of these things that take a  
9 lot of time, so I'm not clear -- I think it's a worthwhile  
10 instruction. I'm not clear exactly how you're going to do it,  
11 and I'm looking forward to seeing your.....

12 MS. WILLIAMS: That's why I think that.....

13 MR. PENNOYER: .....instruction.

14 CHAIRMAN TILLERY: Mr. Senner?

15 MR. SENNER: Well, I can just add, Mr. Chairman, that  
16 the one specific thing we're doing in the '97 work plan is that  
17 we allowed in budgets to include up to a month and a half of  
18 time for the PI to prepare a manuscript, and what we asked for  
19 was the title of that manuscript and the journal to which they  
20 expected to submit it, and allowed also a modest amount, I  
21 think it was a thousand dollars, for page costs, which as you  
22 know are often asked for, and a number of people have taken  
23 advantage of that opportunity and that's why I'm pretty  
24 confident that a year from now we're going to see a number of  
25 articles in print that perhaps would have made it eventually  
but not in such a timely way, and that's what we're interested

in is getting this material out in a timely way.

2

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: One follow-up to that. I know  
1 personally people who have taken rather small projects and run  
2 50 publications out of them. I know others that have worked on  
3 ecosystem-wide huge things and have managed maybe one  
4 publication, and in the case that the 50 were run out you'd  
5 have a hard time picking up anyone of the 50 and figuring out  
6 what the overall thing was about, so I don't know you've  
7 addressed that, but somehow what gets out also needs to be a  
8 meaningful thing that people can use -- the purposes of this  
9 Council originally dedicated its research, not just individuals  
10 putting out some obscure article on some piece of something,  
11 so.....

MR. SENNER: If I may follow up to that. We can't be  
12 sort of traffic cops in.....

MR. PENNOYER: Oh yeah, sure.

MR. SENNER: .....every sense there, but the one  
16 thing we have done, Mr. Pennoyer, is that in some cases a PI  
17 asked for support for several publications and in view of the  
18 need to keep an eye on the budget targets and everything else,  
19 in those cases we were able to say well, you've asked for three  
20 of them here but two of these really are not terribly germane  
21 to the main point of the research, it's not, you know, a focus  
22 of interest for the Trustee Council, we're only going to  
23 support, you know, one of these three that really is on target  
24 here, so we've been able to exercise some guidance there in  
25 just choosing which ones to support.

MR. PENNOYER: Good.

MR. SENNER: Ultimately, we hope they all appear in print, but some are perhaps not so important for us to actively encourage.

1 CHAIRMAN TILLERY: Thank you. Mr. Janik?

2 DR. SPIES: I might comment very briefly that one of  
3 the reasons I think that the Exxon studies are a little bit  
4 ahead of the curve is that some of those have wound down and I  
5 think the investigators have had time to sit back and look at  
6 their data, interpret it and write the manuscripts, where a lot  
7 of our PIs are still pretty fully engaged in the projects and  
8 have not come to logical ends of the projects, so -- and so  
9 we'll see much better representation of the balance I think in  
10 the future.

11 CHAIRMAN TILLERY: Mr. Janik?

12 MR. JANIK: Yeah. Listening to this discussion, it  
13 seems to me that we're really in a sense talking about  
14 accountability as far as reporting out results funded by the  
15 Council, and I tend to agree with the recommendations that have  
16 been brought forward here, and also I recognize the reality of  
17 what Mr. Pennoyer pointed out in terms of the agencies  
18 basically being responsible ultimately for this. Someone  
19 mentioned a tally sheet earlier. I don't know if that already  
20 exists or if it maybe needs more profile, but, you know, maybe  
21 that at a minimum is something that we could use to update  
22 periodically and track, and that would help the agencies focus  
23 in on things that might appear tardy, and have us take some  
24 independent action within our agencies to check into why or  
25 whatever, because I do think the timely reporting of results is  
important and something we all.....

MR. SENNER: Mr. Chairman, we do have a draft of that sheet. We'll have a -- with your encouragement, we'll have a more polished version to give you here not too far down the road. The problem has been, as the Executive Director mentioned, that for the first several years of this program no one bothered to keep a list of these things, so we're now having to go back and try and recapture stuff that's already out there. Some of the PIs have moved on. We're trying to get that up to speed, and then our regular quarterly reporting mechanism can be the vehicle for bringing to our attention new material that appears in print, so once we have the backlog taken care of then we should be able to use the regular mechanism to keep it updated.

CHAIRMAN TILLERY: Thank you. Ms. McCammon?

MS. McCAMMON: Mr. Chairman, I should also note that what you see here is the status of the reports funded by the Trustee Council for restoration efforts. What we are not dealing with are the NRDA reports, and we have had some internal discussion on what to do with those. There are a number of damage assessment projects that the final reports were never completed and that's something we really haven't totally resolved. It's not really a direct function of the Trustee Council, however, it directly relates to the work that the Council is currently doing, so there is an outstanding issue there with those reports also. I don't have an obvious solution to give you at the moment.

MR. PENNOYER: Well, I don't know. The way the Executive Director is looking at me, I feel obliged to.....

MS. McCAMMON: No. I.....

MR. PENNOYER: .....to smile. I'm not sure.....

2

MS. McCAMMON: I'm not looking at no one in particular.

1 MR. PENNOYER: I'm not sure what the tally is, but I  
2 think it's something that -- well, it's not maybe directly this  
3 Trustee Council's "responsibility" -- we'd be interested in,  
4 and I think if you produce something like that, the agencies  
5 involved would probably get behind encouraging those to bring  
6 the reports in, so.....

7 MS. McCAMMON: I'll do a report on that for the next  
8 meeting.

9 MR. PENNOYER: Thank you.

10 CHAIRMAN TILLERY: Being mindful of the lengthy day  
11 we have ahead of us, is there any further discussion on this  
12 issue?

13 (No audible response)

14 CHAIRMAN TILLERY: Ms. McCammon, could you continue  
15 with your report?

16 MS. McCAMMON: Going onto habitat protection and the  
17 status of our current efforts there, you do have in your packet  
18 a status report as of August 16th for both the large parcel  
19 program and the small parcel program. There's not too much new  
20 to report in terms of the large parcel program. The most  
21 recent offer that the Council made to Chenega Corporation is  
22 still going through the process of having a detailed purchase  
23 agreement written and all of the final details being ironed  
24 out.

25 We are very close to having that purchase agreement  
completed. At that time, Chenega will go out for a proxy vote.

They are anticipating that that vote to the shareholders will occur no later than mid-October.

2

CHAIRMAN TILLERY: Mm hmm (affirmative).

1 MS. McCAMMON: It does require two-thirds approval of  
2 the shareholders; there are 67 shareholders in Chenega  
3 Corporation. I think most of you -- I did send around a copy  
4 of the letter from four members of the Chenega IRA Council who  
5 are supporting the proposed acquisition. The reports that we  
6 have have been fairly positive, so we're hopeful that that will  
7 be accepted by the shareholders.

8 We do still have active negotiations continuing with  
9 Afognak Joint Venture, English Bay, Eyak, Koniag, Port Graham  
10 and Tatitlek. The Tatitlek Board is meeting this morning and  
11 we may have something on our agenda this afternoon; we're  
12 hopeful on that.

13 For Afognak Joint Venture, the timber appraisal is  
14 currently underway. As of yesterday, 25 percent of the timber  
15 crews has completed. Five days of work were lost last week  
16 because of weather, however, they have extra -- a larger work  
17 force than they had anticipated, so they're hoping -- and they  
18 plan to work over the Labor Day weekend which they had  
19 originally not scheduled, so they're hoping to catch up on  
20 those extra days. They're focusing right now on the remote  
21 plots that require helicopter access, and then using those that  
22 they can get to by boat or road maybe as the weather  
23 deteriorates a little bit into September.

24 The anticipated completion date of this appraisal is  
25 mid-November, and we have been following this on a weekly  
basis. It is -- it ended up being about a week off of

schedule. We're hoping they'll make up that time over this  
Labor Day weekend, weather permitting.

2

1 In addition, we've been having discussions with  
2 English Bay. There's nothing new to report there. With Eyak,  
3 a number of the Council Members met with a few members of the  
4 Eyak Board in the past -- the recent month -- recent weeks. We  
5 also had the opportunity to fly over the core lands which had  
6 been helicopter-logged in the spring, and to see those, and  
7 we're hopeful that this fall we might -- those negotiations  
8 might pick up.

8 Nothing new to report on Koniag at this time.  
9 Nothing new to report on Port Graham, and I'd be happy to  
10 answer any questions on those.

11 CHAIRMAN TILLERY: Mr. Pennoyer?

12 MR. PENNOYER: I have a question. In your  
13 observations of helicopter-logging of the core lands, would you  
14 care to share those with us?

15 MS. McCAMMON: Mr. Chairman, I was -- it was very  
16 difficult to see where the actual logging had occurred from the  
17 air. Of the 10,000 acres of the core lands, apparently 1,000  
18 acres had been logged. Of those 1,000 acres, approximately one  
19 out of every five trees have been removed. It looked pretty  
20 good from the air.

21 CHAIRMAN TILLERY: Thank you. Mr. Rue?

22 COMMISSIONER RUE: Yeah, Mr. Chairman, thank you. I  
23 had wanted to reemphasize the importance of the AJV purchase.  
24 I had a chance to fly over that area when I went down to Kodiak  
25 and was once again impressed by it, and I know that the Council  
acted in '94 by resolution to get things going on it. It has

gone back and forth and back and forth, and I'm glad to hear that we're beginning to make progress on it it looks like, and I guess I had drafted up a resolution -- asked Ms. McCammon to draft up a resolution simply reemphasizing the Council's interest in the ports of this area, asking that we put it -- continuing having it as a high priority to try and purchase this area, and that sort of to show this interest, asked that we get a report fairly frequently from the Executive Director and -- on the status of negotiations. Certainly it is one of the most productive areas that will provide some of the best benefits for restoration of the species injured by the spill, and it's also an area that I think there is truly a risk of it being lost because of the other values on the parcel sale.

Just to reemphasize our interest -- it's been a couple of years since we've made a statement about it -- and to spur folks onto trying to get a resolution, so I've drafted it here. I don't know when we'd want to -- or I haven't drafted it; I asked the Executive Director to draft it, and.....

CHAIRMAN TILLERY: Do you wish to move it?

COMMISSIONER RUE: I would like to move that we adopt this resolution.

CHAIRMAN TILLERY: Is there a second?

MR. PIPER: Second.

CHAIRMAN TILLERY: Second by Mr. Piper. Is there discussion of the resolution? Mr. Pennoyer?

MR. PENNOYER: I really have no disagreement with Commissioner Rue's observations of the value of the area. I'm wondering, relative to the other outstanding negotiations we're still in, does this -- what is the affect of singling one out

and why we're singling this one out as opposed to the not very -- the off again/on again Eyak or any other -- Kenai Fjords or anything else. I'm not against this, believe me. I think it's necessary to get on with it and I think the piece of property, as you said, is a high restoration value. I'm just wondering why this one and not something else.

COMMISSIONER RUE: One thing that I would say is I think the public has felt -- some public have felt that this has been languishing, and so part of it is to just make a statement to the public that yes, we continue to be concerned about it and we do have a strong interest in consummating a deal, so I think it's more public expression of a desire to get this property purchased and protected, so you could say it for anyone of them, but it's been a couple of years since we've said anything formally about this one.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: I guess the one I had in mind -- we had had a lot of public expressions about Eyak, for example, and lots of public expressions about the fact that we're not really interested or on the other hand, we're too interested, or one way or the other, and that's of course at a different stage obviously than this is. I don't know how you distinguish between those and these, and that there is a distinction. I'm not against doing this at all. I just am wondering whether it should be for other places too or that it should be a more encompassing thing that emphasizes certain places more than others, or something like that.

CHAIRMAN TILLERY: Just to briefly address that myself if I may. I think that I agree with Mr. Rue that this

is a very important issue for the Council and it's a very important acquisition. It's probably the -- certainly the largest one that we have left that's outstanding. As I read this resolution, what it provides is for the Executive Director -- or for the lead negotiators to provide through the Executive Director an ongoing report on the status of the appraisal and to assist the negotiators -- assistants from the Executive Director as requested.

I believe that that is particularly appropriate for AJV, and perhaps not for some others because following up on what -- the lengthy appraisal we did in Tatitlek, this is kind of the same process. That one finally got going and got consummated when there was just a lot of follow-up and a lot of watching and reporting that went on, and I think that that's a lesson that we learned, and I think this is an entirely appropriate response to that lesson, and AJV is the one that's left that really -- that will, I think, make a difference on, and for that reason I think this is somewhat different. It is appropriate to do a resolution such as this at this time.

COMMISSIONER RUE: Thank you.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: I agree with the importance of the AJV parcel. I have a similar struggle with this, however, singling out in a separate resolution, as I understand Mr. Pennoyer does. What I guess I would rather see is looking at this section here on your large parcel status report, Molly, on page 2, where it says negotiations are continuing, and somehow if we are trying to serve two purposes here, one being informing the public number 1, that we are very much interested and

aggressively addressing each of these as best we can with the resources available and the appraisal's resources available to us somehow reinforce all of these as a preference of the Council, and that we're highly interested in all these parcels.

And in terms of the actual appraisal subject addressed here in the last paragraph, and I'm not sure I understand the total of the focus here, but I know we have had discussions on the appraisal process with AJV trying to see how that can be expedited, and I know everyone's committed to that and maybe that can be handled separately. I'm not sure about that part, but if sending a signal to the public about continued interest in all of these, and they're all very important, I would tend to agree with Mr. Pennoyer on this. I'd have trouble with a single resolution.

CHAIRMAN TILLERY: Mr. Rue?

COMMISSIONER RUE: Yeah, Mr. Chairman. Thank you. My original purpose here was to bring attention to the (indiscernible), and as Mr. Tillery said, make sure we dedicated the effort that's needed to get it done. A resolution is one way to do that; there may be other ways to make that known to people, and I don't particularly care how the Council expresses its concern and intent and interest, so I'm open to any method of expressing that.

MR. JANIK: You know, I don't know if it's timely, for instance, to issue a press release or something that would simply update the public in where we're at; I think some of that's been done.

CHAIRMAN TILLERY: Ms. McCammon?

MS. McCAMMON: Mr. Chairman, usually the press isn't

as much interested in kind of what might be as to when  
 something actually happens. I think the only difference here,  
 I mean, it's certainly my goal to have all of these done by  
 1 January. I'd like to see all of these, being the acquisitions,  
 2 complete or at least have some conclusion to these by January,  
 3 so that's the goal the staff has right now is to see a  
 4 conclusion by that time.

I think the only difference with Afognak Joint  
 5 Venture is that it's the only one that has a major appraisal  
 6 that's current underway. Appraisals can often be lengthy; they  
 7 often require, you know, more oversight than other portions of  
 8 the negotiations, and it's also the only one that is -- the  
 9 areas at least close to prime interest are being actively  
 10 logged, and so there's more of an imminent threat feature, I  
 11 think, to this acquisition than to any of the others, so I  
 12 think that's the only thing that really differentiates it from  
 13 the other ones that are currently underway.

14  
 15 CHAIRMAN TILLERY: Mr. Pennoyer?

16 MR. PENNOYER: Is there a way to do that in this --  
 17 say something like that in this resolution, that this does not  
 18 diminish the Trustee Council's interest in these other parcels,  
 19 however, this one is at a stage and needed -- I don't know.  
 20 Maybe it's self-evident, but as other people get out there,  
 21 somebody in Cordova looks at this and said oh, okay, they're  
 22 going -- they're really going for the Kodiak thing, they've  
 23 kind of dropped interest in our area, or some feeling like that  
 24 by us singling out this. This is a priority statement; it can  
 25 stand by itself, and it doesn't necessar- -- we all recognize  
 it doesn't have to. We all are interested in the other areas,

but other people who look at this may not, and I just wonder if there's a way to say this -- what you just said, relative to the urgency in this case or at a certain stage but it doesn't diminish our interest in other parcels or -- I don't -- I'm not.....

CHAIRMAN TILLERY: Are you offering an amendment to the motion? It sounds like it.

MR. PENNOYER: Why don't you just -- why don't you put it off until this afternoon and I'll think about it.

MR. JANIK: Yeah.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: I'm sorry. I'll defer to Deborah.

MS. WILLIAMS: I concur with Mr. Janik and Mr. Pennoyer's comments, and I do think it would do a disservice to our efforts at Eyak, Kenai Fjords areas and other acquisitions, including Koniag, that we're looking at, to single out AJV in this manner. I think we could -- I do think it is appropriate at this point to reaffirm to the public that we are committed to the large parcel acquisition process, and so my proposal would be just to expand this resolution to refer to the other large parcel areas that we are pursuing, to affirm our support, if appropriate, and Ms. McCammon you know this better, you know, areas we can highlight, like you've highlighted the appraisal process here.

We actually have an appraisal issue with Eyak. We have -- we are in an appraisal process with Eyak that I think needs to be diligently pursued, and with Port Graham, we can highlight a few things as we can with Koniag, so my recommendation would be between now and this afternoon that

some effort be made at expanding this to be all inclusive, that we don't short-change any of the processes, but that we continue -- I wouldn't remove any of the language here with respect to AJV and Afognak because I do think that's important to highlight the appraisal process and let the public know that we are very committed to being diligent about appraising this property and pursuing our acquisition efforts in this area, but to expand it to include the other areas.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: It's sort of like a press release. I guess I'd do the same thing Commissioner Rue did when he said he drafted this motion and then corrected himself and said oh, I asked the Executive Director to do it. You've heard the discussion, Ms. McCammon, could you.....

MS. McCAMMON: I'm looking at my staff right now.

MR. PENNOYER: Can you give us some ideas by this afternoon?

MR. McCAMMON: Yes.

MR. PENNOYER: I think that would be appropriate.....

MS. McCAMMON: Yes.

MR. PENNOYER: .....if you could.

CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER RUE: Well, I was just going to say one -- I believe one other reason we ought to think about AJV -- didn't it rank number one on the restoration value?

CHAIRMAN TILLERY: I believe that's correct.

COMMISSIONER RUE: I think it was number one on the parcel, so I mean it's.....

MS. WILLIAMS: Mr. Wolfe is shaking his head quite

adamantly.

COMMISSIONER RUE: No?

1 MS. McCAMMON: It has a number of the sub-parcels  
2 ranked very highly, but it's comparable to Jackpot, Eshamy, and  
3 Two Moon Bay, and.....

4 COMMISSIONER RUE: Okay. Okay.

5 MS. McCAMMON: .....some others in Prince William  
6 Sound.

7 COMMISSIONER RUE: The other point is, I'm at this  
8 point wondering whether it's worth the effort.....

9 MS. WILLIAMS: I think it is.

10 COMMISSIONER RUE: .....we like it all, it's great,  
11 let's go for it, and that's fine. I guess I'm not going  
12 to.....

13 MR. PENNOYER: Mr. Chairman, I didn't mean to dilute  
14 what you were trying to do by the comments at all, and I don't  
15 think we need to do that. I think it's simply a matter of  
16 emphasis. This is, as was brought out earlier, at a stage of  
17 development and need that it might get emphasized, but I simply  
18 don't like a news release going out that says.....

19 CHAIRMAN TILLERY: Okay.

20 MR. PENNOYER: .....the focus, and we kind of -- it  
21 implies that the rest of the stuff is not important, and I  
22 don't think that's the case. This seems to be the next place  
23 that's on the list. It needs the emphasis, but I think as some  
24 type of an addendum we ought to be adding an oh, by the way, so  
25 by January we intend to, you know, this type of thing, so  
people don't.....

CHAIRMAN TILLERY: Okay.

MR. PENNOYER: .....feel like we've oh, dropped everything and focused.....

CHAIRMAN TILLERY: Mr. Janik?

1 MR. JANIK: Just an add-on. Regardless of how we may  
2 treat this eventually, the subject of priority and use of  
3 appraisal resources, I think that's something we need to follow  
4 up on from this discussion, and I think other folks need to be  
5 involved in that discussion so that we have a true sense of how  
6 we're most efficiently using those resources that are available  
7 to us, and the Council pretty much is aware of those  
8 priorities, and I don't think it has as much to do with  
9 "importance" or our interest in these as maybe some of the  
10 urgencies that have been described here, and simply the  
11 efficiencies of how to use those appraisers -- so that part I  
12 think we need a technical follow-up to.

13 CHAIRMAN TILLERY: Is there any -- yeah, I think  
14 where we are procedurally is that perhaps we can move --  
15 someone has moved somehow to table this motion; is that.....

16 MS. WILLIAMS: So moved.

17 MR. PENNOYER: Vote to a time certain, Mr. Chairman?

18 CHAIRMAN TILLERY: To -- following the executive  
19 session this afternoon.

20 MR. PENNOYER: Thank you.

21 CHAIRMAN TILLERY: I believe we can bring it back,  
22 and that will -- should give your staff time to look into this.

23 MR. RUE: I move that.

24 CHAIRMAN TILLERY: I believe Ms. Williams already  
25 moved, and Mr. Pennoyer has seconded it. Is there further  
discussion?

(No audible response)

3

CHAIRMAN TILLERY: Is anyone opposed to tabling this motion?

1 (No audible response)

2 CHAIRMAN TILLERY: The motion is tabled until later  
3 this afternoon. Ms. McCammon, could you move onto the next  
4 non-controversial issue?

5 MS. McCAMMON: Moving onto the small parcel program,  
6 you also have a status report as of August 16th in your packet,  
7 and you can note from this that of the small parcels that are  
8 under active consideration that seven have actually been  
9 completed. We have another probably four or five that are very  
10 close to being completed and we anticipate those being done in  
11 the next couple of weeks.

12 Between the acquisitions completed, offers accepted  
13 and offers under review, the total potential protection is over  
14 15,000 acres for a total of over \$8 million.

15 Under table 3, you can also see that we are still  
16 continuing to receive small parcel nominations. A number of  
17 these were reviewed last week. At this point, when we were  
18 setting up the agenda for this meeting I had asked the agencies  
19 if there were any small parcels that were ready to go for final  
20 approval from Council. A week ago there weren't any; a couple  
21 of days ago there were. Rather than put something before you  
22 at the last minute without the proper maps and backup and such,  
23 what I would like to suggest is that the Council have a meeting  
24 probably in late September on small parcels, and this is  
25 something that could be done by teleconference and would be a  
fairly short meeting, but it would give us time to pull

together all of the backup material and get it to you, but these would be small parcels that are already on the active consideration list but the appraisals have been completed and now they're ready to come before the Council for active consideration. So with your permission, what we would be doing is working with staff to try to set a date for something like that, but I would suggest late September.

As you can see, things are moving along. The next big appraisal for small parcels that we're hoping to do is Termination Point, and the intent is to have that rolled into the appraisal being done by Afognak Joint Venture. It would be done by the same company; they'll be doing it at the same time as time permits.

The next thing I would like to highlight is the work we've been doing on the tenth anniversary symposium. We have been working with SEA grant to be a co-sponsor and to be the actual kind of facilitator of the symposium. We've actually set dates; we have meeting space booked at the Egan Center. This is anticipated to be a five-day symposium starting March 23rd, 1999. We are working with various groups now to try to figure out who would publish the symposium proceedings, to get that underway now.

The problem we have with the symposium proceedings from the prior symposium is that it's been almost three years since the symposium occurred before the time the proceedings actually get published. Our goal by starting the planning early is to have those proceedings published within the year following the symposium, but things are actively underway there. We have invited the involvement of the Prince William

Sound Regional Citizens Advisory Council. We've talked to the  
Public Advisory Group about this.

3

1 There is also interest in doing some other events,  
2 and with this, perhaps not just that week but throughout the  
3 entire tenth year, it's our intent to work with some public  
4 members and some PAG members in September, kind of after the  
5 summer season is over, to start preliminary discussion on  
6 those.

7 We've also met with the University of Alaska at  
8 Anchorage and with the Institute of Social and Economic  
9 Research about the possibility of doing a symposium or some  
10 kind of a workshop or -- on the process of the Trustee Council.

11 That would include a documentation, some kind of a report,  
12 analysis of the process, probably some kind of an event, and  
13 we're in the very preliminary discussions of that and I would  
14 hope within the next three to four months to have a proposal  
15 come back to you for your consideration for that, and I'd be  
16 happy to answer any questions on that.

17 CHAIRMAN TILLERY: Mr. Pennoyer?

18 MR. PENNOYER: Oh, just one. This is sort of  
19 wrapping a lot of things up type of event. I think there would  
20 be a great interest in where the whole thing's going from here  
21 at that time, so the restoration reserve and where we're going  
22 down the pipe with various research centers and so forth, and  
23 how this all fits together, I think would be a clear area. I  
24 don't know if we'll have it done by then or what, but  
25 something -- certainly reporting on that is going to be  
something of major interest to people, so I'm just throwing  
that in. If we're doing the anniversary, we need to have made

up our mind by that time of where we are going.

4

MS. McCAMMON: That's correct, and one of the reasons that I told the Public Advisory Group that I oppose the motion to start an intensive planning research effort on the idea of endowed chairs was that I support doing that as a -- kind of on a comprehensive basis looking at a number of alternatives, putting those before the public, before the Public Advisory Group and before the Trustee Council. Given that this is a ten-year process and we're five years through it, in the past it has seemed a little premature to start that major of a planning effort on the future of the restoration reserve, but I would think in the next year, we do intend to have staff to start working on developing those alternatives, and then starting the public process on that.

MR. PENNOYER: I just -- what I meant is that it might be a major item too in here.....

MS. McCAMMON: And it would be a major item.

MR. PENNOYER: .....in this discussion -- part of the symposium.

MS. McCAMMON: Yes.

CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER RUE: Not to complexify (sic) things, but I'm wondering -- it's obviously a lot easier to do something like this in Anchorage, but I'm wondering have we even thought about the community inside the spill area, I mean, what a wonderful thing.

MS. McCAMMON: Mr. Chairman, we have -- the decision was to do the symposium in Anchorage. When we're looking at over a thousand people, you just can't do that anywhere else

but Anchorage. However, the idea of meeting with the communities, with a number of community representatives and the PAG representatives in the fall, is to start talking about some other kinds of events that could occur in the communities themselves in some kind of a coordinated fashion and to see if we could facilitate that, so I think the idea would be to have other things in the smaller communities.

COMMISSIONER RUE: Right. Right.

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: One minor issue, and then a large issue. Are we working with Anchorage Convention Visitor Bureau at this point?

MS. McCAMMON: Not on this, no.

MS. WILLIAMS: Okay. We should definitely talk with them, get it on the schedule, you know, block out the hotels. It's not too early to do that because we'll want them to know not to, you know, seek another major convention during that time period because it will be a large number of people. More importantly -- of course, at our last symposium, my recollection is it was pretty much 100 percent research. What are our plans in terms of highlighting habitat protection?

(Pause - Laughter)

CHAIRMAN TILLERY: Ms. McCammon is nodding her head for the record.

MS. McCAMMON: Stan, maybe you could offer -- at this point, we do intend to highlight it. How exactly, I mean, the focus here has been on the science, to highlight the science part of it, but certainly this also includes some other aspects which is habitat protection. It's also the socioeconomic

aspects of the spill. The first day was intended to be a more general session which would be something geared towards the general public, and at that time, certainly habitat protection would be highlighted. Now we're also looking at putting together some itineraries for field trips and things like that to highlight the research projects and the habitat protection, so habitat protection is definitely included in that, and I'm sure we'll do some other things.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: Just a suggestion. I think that broad spectrum is really going to be important because I think many people will be coming at the 10-year mark to say, what has happened, how has the money been spent, what are the payoffs that have been realized, and again, your comment, Steve, about, and where are we going from here in terms of where we're at at that point, and this has such national and international interest.

I really think we need to give some thought to some type of travel kit here, if I could call it that, where we would have a video or something associated with an event that could be held in D.C. or Seattle or wherever, and maybe that's already been given some thought. If not, I would encourage the group to do so because I do think that even though the focus here -- I have no problems with that being in Anchorage, the big event.

I think there really ought to be some satellite events throughout the country in points of interest, and I'm sure based on the history of this whole event and follow-up, we might be able to easily select where those locations might be.

MS. McCAMMON: Mr. Chairman, absolutely one of the things -- one of our -- the priorities of our new communications coordinator, and I think this is actually a good time to introduce him, the replacement to L.J. Evans is Joe Hunt, and Joe is in the back of the room, and one of Joe's primary tasks will be to develop a relationship with a number of the environmental media on a national level and start working on things of that nature, putting together a press kit about the program, working with various groups on a video, starting to get people interested in this whole concept.

I think this year it has really struck me that the program has matured to the level that -- this just really hit me this year that what the Council is doing is incredibly significant in two respects. First of all, there is not another habitat protection program like this underway anyway in the country to this level. I was at a conference in Berkeley in June talking about our program; people are astounded at what we're looking at. People elsewhere in the Lower 48 are fighting over 10,000 acres here, 35,000 acres here; they're talking levels of half a million dollars, a million dollars. We're looking at protecting more than 800,000 acres of land for over \$400 million total, so, I mean, the level of this program is truly of national significance.

The other nationally significant aspect is the science program that's currently underway. Nowhere else in the country is the level of spending and the level of attention and focus going into ecosystem research that the Trustee Council is putting on a spill area. This is not being done elsewhere. When this has been starting to get out at various conferences,

and as papers get published, people are truly astounded when they hear what the Council is doing up here, and I think again, this is a question of the program maturing to the point, and the studies maturing, that now people are going to conferences and reporting on the kind of work they've been doing. Publications are appearing, and I think what's happening here is really of national significance.

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: What Ms. McCammon just said underscored a couple of things. One, may I suggest that the group in thinking about tenth anniversary have a half-day on habitat protection, and it may be the second day, and it may be parallel or coincident with research, but it is nationally significant. I think we need a half-day to bring everyone in, talk about each area, and our accomplishments, and I think the media will be as interested in that as in the research, and may also need half a day, and you can be a better judge, on socioeconomic, subsistence impacts, psychological impacts and so forth, and what we've found in that area.

I -- we're going to have to address those issues in addition to the pure science and the pure research, and I think up front we ought to think about a half-day for each of those topics.

MS. McCAMMON: In preparation for that also, Mr. Hunt has been working on a number of publications that are in the works. One of them we have talked about is -- we refer to it as the synthesis reports, and this is something where we look back over the last five years and then also into the damage assessment days, and actually put into a three to five page

publication, a synthesis of all the work the Council has funded. We actually have the first one of those done. The intent is to have both a hard copy similar to Fish and Game's wildlife notebook series that you can easily Xerox and distribute, and then also this will go into our electronic data base on the Internet and will be available that way, and Joe has been working on this and wanted to show it to you today. The first one is on harbor seals. It's a little bit longer than three to five pages; it's actually eight.

And the process that we're using is that we're asking the PIs to write the first draft. This is then reviewed by the Chief Scientist and any other peer reviewers as needed, and then it's given to Joe to put into some kind of an interesting visual graphic format. This is still considered a draft; it has the draft stamp on it (indiscernible) on the front page, so if you have any feedback or comments on this -- but this is something the public has really asked us for because right now, you know, they come and say well, what do you know about harbor seals, and we can give them ten reports now, which is the good news. We have those reports, but for a public person to kind of pull it all together and what exactly does this mean is a pretty daunting task.

These would be -- these are easily updatable, and our intent -- some of them wouldn't need to be updated that frequently, but certainly on a, you know, every year or two years these would be updated to include any new information that was discovered, so I think this will go a long ways to -- to meeting that need for information from the public. Our goal is to have 20 or so of these done by January, February, March,

right around that time, so pink salmon will probably take a little longer than harbor seals took.

1 So this is the first then, and then Joe has also been  
2 working on more of a regional description of what the Council  
3 has underway to describe to the public the various efforts, and  
4 the first one that he's been working on is on the Kenai  
5 Peninsula, and this again has "draft," "draft," "draft,"  
6 "draft," "draft" all over it, so it's still subject to a lot of  
7 review and revision, but we're trying to look for a way of  
8 saying what exactly has the Council, and in this case I know  
9 most of you know that the public looks at the Council funds and  
10 they look at the criminal, whether its federal or state funds,  
11 it's all EVOS funds; it's all one pot of money, and so when we  
12 put this together, we've combined the federal criminal  
13 restitution efforts and the state criminal restitution efforts  
14 just because they do see it as one effort. But again, this is  
15 in draft; it's a description of the habitat protection on the  
16 Kenai River in the Kenai Peninsula, and then on the back, a  
17 summary of the research, monitoring and restoration projects  
18 that have been done there.

19 So again, kind of a, you know, an effort to get  
20 things out to the public -- the other aspect that Joe is  
21 working on is taking some of these materials and then putting  
22 together a national press kit. We have made contacts with the  
23 National Environmental Writers Association, the Outdoor Writers  
24 Association, making contacts with those and starting to get on  
25 their agendas to make presentations at their national  
anniversaries and part of our mission to give information out to

the public.

4

CHAIRMAN TILLERY: Question, Ms. Williams?

MS. WILLIAMS: It's my last broken record comment,  
1 but going back to the tenth anniversary and going back to, I  
2 think, the Trustee Council's directive to the staff to maximize  
3 publications, we sure don't want at the tenth anniversary -- I  
4 don't know how much money we'll have spent on research then --  
5 \$300 million, \$400 million -- and have that equate into 20  
6 published articles in peer reviewed literature outside of our  
7 symposium papers, and if that would -- and I can -- I'm sure  
8 someone will ask that question, so we should make sure that the  
9 amount of money we've spent is commensurate with a published  
10 bibliography in non-symposium -- outside of our own symposium  
11 papers, or I think that could be quite an embarrassment.

MS. McCAMMON: I think for the non-scientists -- I  
12 was not aware that the reports that the Council funds and  
13 produces are considered gray literature and are not eligible  
14 for citing for other purposes in other publications, and so I  
15 think in ord- -- they have a very limited distribution as a  
16 result, and so it really is critical to get it into their  
17 regular literature.....

DR. SPIES: I think.....

MS. WILLIAMS: .....the citable literature.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: My off, you know, kind of off-the-cuff  
22 estimate, we would expect probably at least a dozen  
23 publications to be out on each of the major ecosystems by that  
24 time and maybe as many as 20 or 25 from each one, and then  
25 many, many more publications from other aspects of the science

programs, so.....

4

CHAIRMAN TILLERY: Mr. Janik?

1 MR. JANIK: At the risk of, I hope not insulting the  
2 planning committee here and you, Joe, but, you know, these are  
3 very good, but they're going to be reaching a very limited  
4 audience and maybe other printed material as well. I would  
5 really encourage us, given the significance of this event, to  
6 really look at TV and radio.....

6 MS. McCAMMON: We are.

7 MR. JANIK: .....types of things.

8 MS. McCAMMON: We are.

9 MR. JANIK: I think that's where we're going to have  
10 some real payoffs in helping all of the people understand  
11 what's happened over the past 10 years.

12 MS. McCAMMON: As a matter of fact, one of the  
13 proposals before the Council that's -- recommendation is to  
14 defer until December, is a pilot TV program that would be --  
15 would go out to bid, competitive bid, and the idea that it  
16 would have national distribution, but I think there will also  
17 be interest from -- we intend to make contacts with others such  
18 as NOVA and other groups, National Geographic, to try to give  
19 them the information and get their interest in doing something  
20 on their own.

21 MR. JANIK: You may want to appear on the "Larry King  
22 Show," Molly.

23 (Laughter)

24 UNIDENTIFIED MALE SPEAKER: That's your job.

25 CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER RUE: Yeah, thank you. I don't want to

bog us down here, but I'm a little bit concerned that we just shifted gears. We had a discussion about the journals and how to encourage people to do it. I think -- I don't want to be unfair to PIs who had no expectation, in terms of the money that they were given to do a project, that they would then necessarily be required to make the effort to put it in a journal, so I don't want to give them a -- treat them with a double standard. If we -- I think it's great that we do it. It's a good idea that we get as much as possible in journals, but I think that we ought to be careful about what our expectations are and whether we ought to go back to people who may have finished projects some time ago, and if we want to encourage them to publish maybe give them time and money to do it.

12 MS. WILLIAMS: Oh, yes.

13 COMMISSIONER RUE: That kind of makes up.....

14 MS. WILLIAMS: Right, indeed.

15 COMMISSIONER RUE: That -- I'm just concerned about a pronouncement coming out of the Council saying go forth and publish, and people reacting to it, what.....

18 MS. WILLIAMS: Right.

19 COMMISSIONER RUE: .....I've got a real job, I don't have time to do that.

21 MS. WILLIAMS: That's why.....

22 COMMISSIONER RUE: So I just wanted to.....

23 MS. WILLIAMS: That's why we need a, you know, analysis.....

25 COMMISSIONER RUE: Right.

MS. WILLIAMS: .....by Molly and the scientists on

how we get from here to there.

MS. McCAMMON: I think the difference is, it's in some people's job descriptions to publish. The University researchers.....

1

COMMISSIONER RUE: Correct, okay. That's fine.....

2

MS. McCAMMON: .....are supposed to publish.

3

COMMISSIONER RUE: .....but it isn't in everyone's.

4

MS. McCAMMON: Others within some of the agencies are supposed to publish. There are others that aren't.

5

COMMISSIONER RUE: That's correct.

7

MS. McCAMMON: And I -- and we definitely take that into consideration.....

8

COMMISSIONER RUE: Good.

10

MS. McCAMMON: .....as we look at things.

11

COMMISSIONER RUE: Good.

12

CHAIRMAN TILLERY: Mr. Pennoyer?

13

MR. PENNOYER: One last time to comment, and I think this is excellent. I really like it, and it does quote the references and the citations and publications in here too for this species. Obviously this is a -- if we're going to do this for everything, it's a huge project, I mean, is this, you know, I think it ought to be done. Is this equated in the work plan stuff we're going to look at in terms.....

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MS. McCAMMON: Yes.

21

MR. PENNOYER: .....of synthesis and.....

22

MS. McCAMMON: Yes.

23

MR. PENNOYER: .....outreach and so forth. So you will.....

24

25

MS. McCAMMON: Yes.

MR. PENNOYER: .....cover that when we get to it?

5

MS. McCAMMON: Yup.

CHAIRMAN TILLERY: Is there any further discussion at  
1 this point on this?

2 (No audible response)

3 CHAIRMAN TILLERY: Thank you, Ms. McCammon. We're  
4 almost on time.....

5 MS. McCAMMON: And I only have one other item to  
6 bring up, and that is a personnel item, a change in personnel,  
7 and I know most of you know Dan Sakura, with Department of  
8 Interior, and I just wanted to let you know if you hadn't heard  
9 that Dan has left the Department of Interior to pursue other  
10 interests, and we do have a resolution honoring his dedication  
11 and commitment, and extending deep appreciation to Dan for his  
12 contribution to the restoration of the resources and services  
13 injured by the Exxon Valdez oil spill on behalf of the United  
14 States Department of Interior.

15 CHAIRMAN TILLERY: Thank you, Ms. McCammon. I will  
16 sign this with pleasure. Having worked with Dan for the past  
17 several years, it has been truly delightful. I have personally  
18 enjoyed working with him. I think professionally it's been  
19 good to work with him, and I'm going to miss his presence in  
20 this process.

21 MS. WILLIAMS: And on behalf of the Department, I  
22 just wanted to underscore what both Ms. McCammon and Mr.  
23 Tillery said. Dan has been essential, particularly to the  
24 habitat protection program that we have pursued, and he has  
25 been indispensable in communicating Trustee Council activities  
to Washington, D.C.

MR. JANIK: I'll add my compliment with regard to Dan's performance. Following up on Deborah, what she just said, you know, a lot of work has gone on, especially with the land acquisitions, in terms of coordination among the federal agencies, and not all that's very visible to the public, and Dan was very instrumental in helping with all that.

MR. PENNOYER: Yeah, I will too. Dan was an excellent communicator, and it often was a difficult task because the agencies between here and D.C. and the state -- it was a difficult communications task, and Dan was up to it and I think he was one of the reasons we did get as much done in this kind of mixed forum as we did, so I -- appreciation too.

CHAIRMAN TILLERY: The -- are we through.....

MS. McCAMMON: Mr. Chairman.....

CHAIRMAN TILLERY: .....with your.....

MS. McCAMMON: .....the only other thing I wanted to note in your packet was a report, community involvement report -- this is a copy of the report that Martha Vlasoff prepared and sent around to the communities, and also a summary of a teleconference that we had with them regarding the work plan that was held on August 5th, so I just wanted to note that in your packet. And with that, that concludes my report.

CHAIRMAN TILLERY: Thank you, Ms. McCammon. I actually did note that community -- or reviewed that community involvement stuff, and I thought that was very helpful and would hope that this information would show up in future -- will continue to show up in packets.

MS. McCAMMON: That is our intent.

CHAIRMAN TILLERY: (Indiscernible.) Are there any

questions, any further questions for Ms. McCammon on the Executive Director's report before we move on?

5

(No audible response)

1 CHAIRMAN TILLERY: Hearing none. The next item of  
2 business on the agenda, and like I said I believe we are on  
3 time, is the -- an update on injured resources and services.

4 MS. McCAMMON: Mr. Chairman, in the restoration plan  
5 there is a provision for periodically updating the status of  
6 injured resources and services based on the current  
7 information. Our scientific staff undertook that process over  
8 the winter. They produced a draft revision to the recovery  
9 status, and I also looked at the recovery objectives that have  
10 been included in prior years and tried to refine those.

11 Our goal was to make recovery objectives that were  
12 actually achievable at some point, and so there was some  
13 revisions, and I guess an example would be instead of for a  
14 recovery objective saying try to have the recovery of this  
15 species back to pre-spill levels when we didn't know what those  
16 pre-spill levels were, the recovery objective might be changed  
17 to the objective is to have the population stable and  
18 increasing, or something that actually staff felt was something  
19 that we could actually look at and see whether we had achieved  
20 or not.

21 These changes went through multiple agency reviews.  
22 They went out for public comment on April 10th. Eight public  
23 comments were received; there are copies of those attached.  
24 Seven of the comments we received do not directly address any  
25 of these proposed changes. There was one comment that did  
regarding inter-tidal habitats, and as a result of that there

is a recommended change to this draft.

1 We also had the Forest Service look at this as to  
2 whether it -- from the standpoint of its compliance with the  
3 National Environmental Policy Act, and they have determined  
4 that no supplement to the EIS on the restoration plan is  
5 needed. We will be using -- if adopted by the Council, we  
6 would be using these as kind of our current operating list in  
7 terms of injury and recovery status and recovery objectives.

8 I don't know if you wanted to.....

9 CHAIRMAN TILLERY: Ms. Williams?

10 MS. McCAMMON: .....add anything to that, Stan?

11 (Off record)

12 (Tape Change - Tape No. 2 of 6)

13 (On record at 9:30 a.m.)

14 MR. SENNER: .....major changes, if you like; it's  
15 really at your pleasure. The material was provided you,  
16 particularly the key document in your notebooks has a blue  
17 cover and this is what was circulated for public comment.

18 CHAIRMAN TILLERY: Is the wish of the Council to have  
19 Mr. Senner take us through the major changes? Is there  
20 any.....

21 MR. PENNOYER: Mr. Chairman?

22 CHAIRMAN TILLERY: Mr. Pennoyer?

23 MR. PENNOYER: I'm sorry. The action item is to  
24 approve this document for publication?

25 CHAIRMAN TILLERY: That is my understanding.

MR. PENNOYER: Is that correct?

MS. McCAMMON: That's correct.

MR. PENNOYER: You're requesting that at this

meeting?

MS. McCAMMON: Yes.

1 COMMISSIONER RUE: I guess I'm interested in hearing  
2 what the major change is.

3 MR. PENNOYER: I am too.

4 CHAIRMAN TILLERY: Okay.

5 COMMISSIONER RUE: Major changes -- I don't think we  
6 need the whole.....

7 MS. WILLIAMS: Right.

8 CHAIRMAN TILLERY: Ms. Williams, before we start with  
9 that, did you have any.....

10 MS. WILLIAMS: No. I have two small modifications,  
11 and mayb- -- I could either make those -- if they coincide with  
12 a major change or at the end of the discussion.

13 CHAIRMAN TILLERY: Okay, thanks. Mr. Senner, why  
14 don't you go through with a brief description.....

15 MR. SENNER: I'll.....

16 CHAIRMAN TILLERY: .....with where we're headed.

17 MR. SENNER: I'll give you the short version. If you  
18 would open the blue-cover document to its last page, 23.

19 (Pause)

20 MR. SENNER: Everyone find that?

21 (No audible response)

22 MR. SENNER: Okay. What I'll simply do is quickly  
23 highlight the categories -- or the items that have changed in a  
24 significant way from their status as published in the  
25 restoration plan. The first one is that -- the bald eagle  
previously had been listed as a recovering species. We propose  
that it is now recovered, that we have met the recovery

objectives outlined in the restoration plan, and that the key facts are that within a couple of years after the spill productivity had returned to normal, and in 1995, the surveys of adult birds indicated that there were as many or more bald eagles in Prince William Sound as there had been pre-spill, and this is a case where the work supported by the Trustee Council is in close agreement with work supported by Exxon as well, and they might have declared them recovered a year or two before we did but I think it's a convergence here of our information, so that's a significant change.

In the category of recovering resources, we've been able, we feel, to recommend to you that several resources that previously were not -- considered not recovered can now be called recovering. I'll call your attention to archeological resources, which as we all know are non-renewable and in a strict sense can't recover, however, our recovery objective speaks to -- that recovery will have been achieved when there's no longer vandalism and looting at sites. That is our indication, that there's now been a recovery of information at these sites, excavations and other investigations at them; those are all well underway that we feel a recommendation or a classification of recovering is appropriate.

Common murre, again somewhat like bald eagles, productivity has returned to normal. We have surveys going on in '96 and '97 to see whether the counts of adult murre in fact are at pre-spill levels. We don't have that information yet, but quite clearly productivity is back to normal range, and on that basis, again, we recommend that this species is recovering.

Inter-tidal communities previously had been split between a recovering category and a not-recovered category, and it was kind of handled rather vaguely in the restoration plan.

1 We propose that inter-tidal communities are in fact at least  
2 recovering. This was the subject of one of the public  
3 comments. An individual from the University of Alaska campus  
4 at Juneau felt that it was more accurate to say that some parts  
5 of the inter-tidal community are recovering and that in fact we  
6 don't know the status of some of the other parts of the  
7 community. We're proposing to handle this through a footnote,  
8 which is not on your document, but what we would propose to say  
9 is that the status of inter-tidal communities is based largely  
10 on monitoring in sheltered rocky habitats in Prince William  
11 Sound, and that the status of other inter-tidal habitats is  
12 less certain or unknown, though some recovery is anticipated --  
13 so we would like to be able to have that caveat here associated  
14 with inter-tidal communities.

15 No change in the status of mussels. We are  
16 recommending, however, that pink salmon be shifted from the  
17 not-recovered category to the recovering, and this relates  
18 directly to very measurable recovery objectives that were in  
19 the restoration plan that -- specifically that the mortality --  
20 egg mortality in oiled and unoiled streams would not show a  
21 significant difference for two odd years and two even years,  
22 and we are well on the way to in fact demonstrating that that  
23 recovery objective is met, and on that basis we recommend that  
24 pink salmon be considered as recovering -- not recovered, but  
25 recovering.

I won't go through all the details on some of the

other sediments. Clearly our studies are showing that levels of oil detected in sediment samples is declining to the background levels. In most cases, recovering seems appropriate.

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Sockeye salmon is based on adult return to spawn ratios, and again, at least seems to be recovering and approaching being within normal bounds in the lakes that we have been following, and similarly, sub-tidal communities. All of our most recent data indicate recovery underway.

If I may, I'll just finish going through these, and then if you have questions let's just come back to them. Under the not-recovered category, you may recall that a year ago at this time we -- rather, you made the decision to add Kittlitz murrelets to the injured list and also the common loon, and at the same time, Dr. Spies and I had recommended not adding cormorants or scoters to the list. You asked us to take another look at those data and we did, and on that basis we do in fact recommend now that all three cormorant species be added as injured in the not-recovered category. We continue to believe that scoters do not -- that we do not have the information to justify adding them to the list.

What we learned in that -- the additional work we did on this is very simple, and that is, that in the case of scoters, our information last time, we believe, is correct, that we have a regional population of at least the three species of scoters, probably well in excess of a hundred thousand birds in the oil spill area, and that the indications of injury based on the morgue counts and other very limited data suggest only 2, 3, 4 percent kind of mortality, and that's

being generous to the mortality. We really don't know. The information are very limited.

1 In the case of the cormorants, however, our  
2 information is that there are probably a lot fewer of them out  
3 there than we thought there were last August when we talked  
4 with you, and that their populations may, for all three  
5 species, number only a few tens of thousands, and when you then  
6 look at the estimated mortality, we could be seeing mortalities  
7 as high as let's say on the order of 10 percent, so in fact it  
8 could have been a substantial injury to cormorants.

9 I want to add the caveat in both cases that  
10 background information are limited. This is a matter of sort  
11 of cobbling together estimates from different sources and just  
12 trying to establish orders of magnitude for what's out there in  
13 the way of a population and what we think the level of injury  
14 was, but our recommendation is that the cormorants be listed  
15 and not the scoters.

16 There was only one other change in this not-recovered  
17 category and that is, that killer whales had previously been  
18 listed as recovering, and we're recommending in fact that they  
19 are in the not-recovered category, and the basis for this is  
20 that at the time the restoration plan had been drafted there  
21 were a couple of years in a row where there had been the  
22 addition of a calf -- I guess that's the right term -- to the  
23 killer whale pod. It looked like at least something positive  
24 was happening. Those additions of a couple of animals have  
25 been wiped out essentially by the additional loss of adult  
animals, and there's always been the question of the killer  
whale, of how much -- how strong is the link to the oil spill

to begin with. We did not revisit the question of whether it should be on the injured species list or not. It was on there.

1 Our sort of deliberations were which category is the  
2 appropriate one given that it's on the list, and based on those  
3 additional loses of adult animals we think the not-recovered  
4 category is the most appropriate.

4 Then just lastly to finish up, under recovery  
5 unknown, we believe we simply don't have any current  
6 information on the black oyster catcher and that the recovery  
7 unknown category is the best place for that. Similarly,  
8 designated wilderness areas -- there's been no new information  
9 generated one way or another on oil residue or the public  
10 perception about whether wilderness areas have recovered, so we  
11 believe recovery unknown is simply the honest category to put  
12 those in.

13 We did not address changes in the status of lost or  
14 reduced services. You may recall these were not classified as  
15 to level of recovery in the original restoration plan and we  
16 did not revisit their status. So that's the overview, and I'd  
17 be happy to try and respond to questions.

18 CHAIRMAN TILLERY: Mr. Pennoyer?

19 MR. PENNOYER: Just a quick one, Stan. I think you  
20 covered this at the start and I missed it. Would you  
21 distinguish being recovering and not-recovered categories?

22 MR. SENNER: Okay. Recovering is the category where  
23 we feel there is measurable progress toward a recovery  
24 objective, that we have some substantial indication that in  
25 fact progress is being made toward the stated objective. Not-  
recovered is the absence of information -- affirmative

information that recovery is underway. Not-recovered is not to say that their status has necessarily worsened or anything, but we simply don't have affirmative information of recovery or that recovery is underway.

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CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER RUE: Yeah, just quickly. How many adult killer whales have we lost, do you know?

DR. SPIES: Initial losses were 13 adults and since that time we've been looking at how that particular A/B pod has progressed and that's the one we're -- that's where the losses were 13. There's some questions about some of the other pods, and some of those are more transient pods and there are resident pods, and it's more difficult to survey those and know that there's -- the same kind of cohesion, so the 13 adults came from the A/B pod which is one we've been focusing most of our attention on, and the -- I think reconsideration, as Stan said, of the status is based on the rate of calving, introduction of new calves into the pod, and that looked like a couple of years, as Stan said, like it was progressing pretty well, but now there's been some regression.

MR. SENNER: Five adults were lost in '94 and '95, and I have no information from the '96.....

COMMISSIONER RUE: Okay.

MR. SENNER: .....season.

DR. SPIES: That means they weren't seen for two years in a row.

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: Just a -- looking at harbor seals -- and I've been skimming through the harbor seal draft report and

I thought oh, boy, a graph. I can't wait to see a graph, but I realize I don't understand this graph at all on page 4. I can't figure it out at all, and.....

6

1 MR. SENNER: That's why it's in draft.

2 MS. WILLIAMS: That's why it's in draft. But I think  
3 the goal of having graphs on as many species as we can is most  
4 commendable. It shows a 13 percent annual decline before EVOS,  
5 and then gosh, it looks like, you know, the decline dropped  
6 after EVOS. I read in here that we lost 300 harbor seals, but  
7 I don't know where that's reflected, and then there's the  
8 molting period numbers and the pupping period numbers, and I  
9 realize I can't interpret this.

10 DR. SPIES: Most of the losses were based on the  
11 molting surveys; that's where the harbor seal biologists feel  
12 they can get the best count, so when we talk about losses and  
13 declines of harbor seals over this period, we're referring  
14 mainly to the molting. There is some discussion, and -- of the  
15 pupping data as well and what they tell us about the rate of  
16 reproduction of that species. Those are -- the main losses are  
17 based on the molting.

18 MS. WILLIAMS: Now why don't we see a big 300, and  
19 maybe the '89 reflect -- where is the loss of 300 harbor seals  
20 as a result -- immediate and direct result of the oil on this  
21 graph?

22 MS. McCAMMON: I think it says two blocks.....

23 MR. SENNER: You see this.....

24 MS. McCAMMON: .....between '88 and '89.

25 MR. SENNER: .....the steep decline in.....

MS. WILLIAMS: Okay. So '89.....

MR. SENNER: .....the midpoint.

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MS. WILLIAMS: .....the end of '89, and so the 13  
percent annual decline before EVOS, I see, is between '84 and  
1 '88, and then we've got -- and then a 6 percent annual decline  
2 since EVOS. Does that -- that doesn't reflect though the  
3 loss -- the immediate loss following the spill; right?

MR. SENNER: That's the rate of decline since the  
4 spill, so the -- kind of the take-home message is it was in  
5 steep decline to begin with, the decline went even steeper as a  
6 result of a spill event, and then post-spill it has continued  
7 to decline but not at the same level or rate of decline as  
8 previously.  
9

MS. WILLIAMS: Okay. I think what's -- if I'm  
10 confused, I hate to say that most people will be confused by  
11 this. Here's the spill da- -- yeah, you need some kind of  
12 thing that shows spill event; you need to highlight obviously  
13 the decline as an immediate result of the spill because  
14 otherwise, if I were Exxon, I would use this graph to say hey,  
15 oil.....  
16

DR. SPIES: That's one of the reasons it's stamped  
17 draft.  
18

MS. WILLIAMS: .....decreased.....  
19

DR. SPIES: It's the first time I've seen it in this  
20 particular form. In the other drafts we've been dealing with,  
21 the reports are a lot more complex and they show different  
22 rates of change through time, but Stan's right. There was a  
23 steep decline before the spill. The year following the spill  
24 there was an even steeper decline indifferential between the  
25 oiled and unoiled area and this is what's not shown here, is

the difference of decline between the oiled and unoiled areas.

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There was even a greater differential between the oil and unoiled areas after the spill relative to the pre-spill, and then there has been a tendency -- well, there still.....

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MS. WILLIAMS: And that.....

DR. SPIES: .....is a loss.

MS. WILLIAMS: .....is obviously what we want to show.

DR. SPIES: Since '90, there still is a decline. There is a tendency of that decline not to be as great as it was previously.

MS. WILLIAMS: Correct. That's what we want to show is.....

DR. SPIES: Right. Right.

MS. WILLIAMS: .....the difference between oiled and unoiled. All right. But this would be, you know, if we have intelligible graphs, that would be just wonderful information for the public. Mr. Tillery, I did have two small modifications that I want to discuss.

CHAIRMAN TILLERY: Could you go ahead and bring those to Stan, I assume, will address them.

MS. WILLIAMS: The Department of Interior folks who worked on EVOS activities brought two small modifications to the recovery plan to my attention which I'd like to discuss. The first one is on page 6, involving cormorants. Under recovery objectives at the very bottom of the page at page 6, Department of Interior believes that it would be a much better recovery objective statement to say an increasing population trend in the spill affected area will indicate that recovery is

underway.

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1 The reason we bring this to everyone's attention is  
2 that the bulk of the cormorants are actually outside of Prince  
3 William Sound in other parts of the spill-affected area. In  
4 fact, my notes here reflect that over 99 percent of the  
5 population as outside of Prince William Sound, and so to  
6 reflect, I believe, a better statement of recovery, we do want  
7 to include the entire spill-affected area and not just Prince  
8 William Sound.

9 MR. SENNER: I think -- the difficulty that that  
10 poses is, and just to explain the recovery objective. We tried  
11 in each case to have a statement of the objective, which is a  
12 return to the pre-spill levels in the oil spill area, and then  
13 secondly, we tried in a sentence to stage something that we  
14 thought was an indication that recovery was underway, and the  
15 focus there is on something we can measure where we have the  
16 data to make that judgment, and the key thing here is that  
17 we've got statistically robust boat surveys in Prince William  
18 Sound going back to 1972 and '73, '84, '85, '89 through '94.  
19 Those give us a rigorous basis to say the fact that a  
20 population is recovering, and that's why we specifically chose  
21 to make that second statement relate to the Prince William  
22 Sound situation where we actually have data to measure. We  
23 don't have comparable data outside the Sound; that's our  
24 problem.

25 MS. WILLIAMS: I understand. Bud, would you like to  
comment on that?

MR. RICE: Sure. For the record, this is Bud Rice of  
the National Park Service. We do -- I wouldn't say that we

have the statistically sound data that maybe you have in the Sound and not as many data, but there is data on the Kenai Peninsula that indicates that there was a -- we had survey data in '86 that I participated in with the Fish and Wildlife Service, and we can show that there was a 75 percent drop. We did several surveys, I should say in '89 after the spill, and we could detect -- what we determined to be a 75 percent drop in the red-faced cormorant population, about a 44 percent drop in the pelagic cormorant population, a drop of 10 percent for unknown identified cormorants and double-crested cormorants. But nevertheless, we thought we could detect a drop, and in reviewing the Alaska Sea Bird Colony atlases, if you look at where the primary cormorant colonies exist, the bulk of them are in the Gulf of Alaska, and that's where the information about 99 percent of that population in the spill-wide affected area are outside of Prince William Sound.

In particular, if you look at the Seward quadrangle, which was the -- which is the north -- which is the southwestern part of Prince William Sound -- covers most of that. There are only supposedly 20 nesting cormorants in that part of the Sound. Now if you look at the very southern part, or the exit, of Prince William Sound in the Bligh Sound quadrangle, you pick up a number of cormorant colonies there. Again, the number's not anywhere in the magnitude of the cormorant colonies in the nesting island areas, the Chiswells, the Barren, et cetera, where we have the large cormorant colony, so one reason why we thought we ought to expand the objectives -- we do have some information outside the Sound to indicate drops in cormorant populations, and that's where the

bulk of the population is.

1 One thing I might suggest though in thinking about  
2 this further is that we look at where cormorant carcasses are  
3 recovered from the spill. Were the bulk of them recovered  
4 outside the Sound or in the Sound? Although we don't know the  
5 origin of the death of that bird, maybe it died in the Sound  
6 and floated out and was recovered outside, but if we looked at  
7 the morgue counts and the origin of those carcasses that might  
8 give us an indication of where the impact to cormorants really  
9 occurred. Thank you.

8 CHAIRMAN TILLERY: Mr. -- well, before we move  
9 further, we have a public session -- public comment period  
10 coming up at 10:00. We're going to need to take a break for  
11 people and have an opportunity to get set up for it. I guess I  
12 don't think this is going to finish in time for that break, and  
13 my suggestion would be that we take a break now, that you can  
14 even have some of this discussion, perhaps with Stan, during  
15 the public comment period and then we rejoin this discussion  
16 following the public comment period, in an effort to keep the  
17 public comment period on time so people aren't inconvenienced.  
18 Is that.....

19 COMMISSIONER RUE: Then perhaps if you have another  
20 comment or suggestion.....

21 MS. WILLIAMS: Right.

22 COMMISSIONER RUE: .....you could bring that to their  
23 attention.....

24 MS. WILLIAMS: Exactly.

25 COMMISSIONER RUE: .....(indiscernible).

CHAIRMAN TILLERY: Bring that to Stan's attention.

MS. WILLIAMS: Exactly. Lisa, if you could talk with Stan about NVP.

LISA: Sure.

1 MS. WILLIAMS: Thank you.

2 MR. SENNER: Mr. Chairman, would it make sense for  
3 Ms. Williams to just mention the other -- did you have another  
4 item?

5 MS. WILLIAMS: Yes. That was it.

6 (Indiscernible - Multiple speech)

7 CHAIRMAN TILLERY: We'll entertain a motion to recess  
8 until 10:00 o'clock, if that's appropriate.

9 COMMISSIONER RUE: So moved.

10 MR. PENNOYER: Second.

11 CHAIRMAN TILLERY: Any discussion?

12 (No audible response)

13 CHAIRMAN TILLERY: We're in recess.

14 (In recess at 9:54 a.m.)

15 (On record at 10:04 a.m.)

16 CHAIRMAN TILLERY: We could begin the public comment  
17 period. I think we have all the Council Members here except  
18 for Mr. Janik, and Mr. Wolfe has indicated that we can move  
19 forward to take public comments at this time. We have people  
20 in Anchorage, people in Juneau, Kodiak, Homer, and there are  
21 people in Seward but apparently there's no one there who wishes  
22 to comment yet. I think what I'll do is -- want to start with  
23 Bob here in Anchorage?

24 MS. McCAMMON: Yes, Bob in Anchorage.

25 CHAIRMAN TILLERY: Okay. Bob Henrichs has indicated  
that he has a plane to catch or something and has requested

that he can go first, so why don't we do that, and then I think  
we'll start going around some of the other areas.

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PUBLIC TESTIMONY OF MR. BOB HENRICHS

1 My name is Bob Henrichs. I'm President of the Native  
2 Village of Eyak Traditional Council. I commented to Martha  
3 Vlasoff this morning that I was coming here to testify in front  
4 of you guys before you make your decisions, and I made the  
5 comment that it was about as effective as throwing snowballs in  
6 hell, but I know you guys will want to prove me wrong so one  
7 thing I'd like to touch on -- I'd like to see a Native Trustee  
8 on here because we do make up a very large segment of the  
9 population of Alaska and I don't believe anybody speaks for us.

10 We'd like to have a say in that restoration reserve,  
11 that those dollars -- there doesn't seem to be enough money to  
12 fund a lot of our projects; maybe there should be more money  
13 put in the criminal side there because the Justice Department  
14 seems to have problems with some of the things that we come up  
15 with.

16 I'd like to put a plug in for 97-286, elders/youth  
17 conference. I think that's important to our villages and that  
18 it should be funded. I'd like to put a plug in for the forest  
19 workshops, 97-281, where your -- the recommendations that the  
20 Executive Director and the Chief Scientists came up with were  
21 that the corporations come in with 50 percent of the dollars,  
22 yet you guys have settled your claims against Exxon a long time  
23 ago and we are still in the courts with our claims, which were  
24 just as valid as the state's and the United States'  
25 governments, yet you guys have settled yours and we're still in  
court but you want us to cough money up. If you would have

1 been standing with us shoulder-to-shoulder, we would have had  
 2 all these things done with Exxon now, but the fact that you  
 3 guys, you know, I'm not saying you guys as individuals but the  
 4 way the process went, so I think that should be funded 100  
 5 percent, that the corporations shouldn't have to come up with  
 6 anything because they haven't settled their cases yet. I think  
 7 that would go a long ways towards meeting some of the goals  
 8 that you guys have in mind, and that it would be good to have  
 9 the corporations talking as members of the community and it  
 10 would be money well spent. Let's see what else I have here.

11 We'd like to be involved in the tenth anniversary  
 12 that's coming up. The injured resources, crab and shrimp, you  
 13 know, but we don't see much being done on that, and that was --  
 14 a lot of that was used for subsistence in Prince William Sound.

15 And on the PAG, we'd like to see some seats set aside for the  
 16 villages.

17 And I know you guys don't feel bound by the Executive  
 18 Director and the Chief Scientist recommendation, and that you  
 19 guys have minds of your own. This would be a good chance for  
 20 you guys to prove it, and fund some of these things a little  
 21 differently than they were recommended, and give -- the natives  
 22 would see that there's actual people behind these faces here,  
 23 on these Trustees, instead of computers. That's all I have to  
 24 say. Any questions?

25 CHAIRMAN TILLERY: Thank you. Are there questions  
 from Council Members or comments?

(No audible response)

CHAIRMAN TILLERY: Thank you very much.

MR. HENRICHS: I got to go.

CHAIRMAN TILLERY: Well, let's move to -- is there someone in Homer who wishes to comment?

MS. BRODIE: Yes. This is Pamela Brodie. I'd like to comment.

CHAIRMAN TILLERY: Go ahead, please.

MS. BRODIE: Thank you.

PUBLIC TESTIMONY OF MS. PAMELA BRODIE

I'm Pamela Brodie. I represent the environmentalists on the Public Advisory Group. Molly McCammon remarked that habitat acquisition is truly of national significance, that is, that acquisition that the Trustee Council is doing, and we certainly agree with that, and the national press is growing more and more interested in this, as I believe, and especially when the Trustees complete this process there will -- they'll want press attention and will be recognized as a great legacy for the Clinton Administration, the Knowles Administration and (indiscernible) Administration.

I want to say to the Trustee Council, for your successful negotiations with Chenega leading to the recent offer, this is a very important area to conservationists and to Prince William Sound fishers and Prince William Sound residents. I think that this agreement, plus the tourist -- tourism development that Chenega is planning will provide for a potential -- for a very hopeful financial future for Chenega Village.

Regarding Eyak, we are very happy to see that there is once again some hope for habitat protection there, and I appreciate the fact that the Trustee Council was still open to working with Eyak.

We'd like to urge you to try to rapidly conclude agreements with English Bay and Tatitlek. We hope that the Trustee Council can be creative in its approach to English Bay, to come up with a mutually beneficial agreement.

And the last one I'll mention is Afognak Joint Venture, which is a very important place to conservationists, as you know, as well as to residents of Kodiak. We appreciate Commissioner Rue and Commissioner Tillery looking at this as an area with special needs. It's the one area where we're afraid that the flow process in itself could lead to lost opportunity, even before the parties get the disagreements on terms, and I'm afraid there will be disagreements on terms but even the process itself could lead to lost opportunity.

I don't mean to single out only the Trustee Council and staff as the reasons for the -- the delays because I know that the corporation has not always responded in a timely manner, but we want to urge both sides to really concentrate on coming to agreements as soon as possible with Afognak. Thank you very much.

CHAIRMAN TILLERY: Thank you, Ms. Brodie. Are there questions or comments from the Council Members?

(No audible response)

CHAIRMAN TILLERY: Thank you very much. Let us move to Juneau. Is there someone in Juneau who wishes to comment?

PUBLIC TESTIMONY OF MR. BRUCE WRIGHT

There's one person in Juneau. This is Bruce Wright. Actually, I -- I work for NOAA. I'd like to bring up just briefly the discussion you had earlier on old reports, old NRDA reports, what their -- these are '89 to '91, and some of these

reports were done only in '89 and then dropped. There's a fair amount of data involved in some of these, and some of the PIs have -- have left from their areas, retired, so there's a lot of data that could be useful if these reports were finalized. I think it would take -- it would take some financial help to -- to bring some people on board to finalize these, and -- and I think the Trustee Council should enforce this type of activity. That's all I have.

CHAIRMAN TILLERY: Thank you. Are there any questions or comments for Mr. Wright? Mr. Rue, Commissioner Rue?

COMMISSIONER RUE: A quick question of the Executive Director. Were you planning to look at the -- you were planning to look at the NRDA studies that had never been finished?

MS. McCAMMON: That's correct.

COMMISSIONER RUE: Good. Okay.

MS. McCAMMON: And we'll put together a recommendation on that.

COMMISSIONER RUE: All right, great.

CHAIRMAN TILLERY: Any additional questions?

(No audible response)

CHAIRMAN TILLERY: Thank you. Let us then move to Kodiak, and I understand there are two people there that wish to comment.

KODIAK TELECONFERENCE OPERATOR: Yes.

CHAIRMAN TILLERY: Okay. Please state your name and go ahead.

PUBLIC TESTIMONY OF MAYOR JEROME SELBY

Yeah. This is Jerome Selby, Mayor of the Kodiak Island Borough, and I appreciate the opportunity to comment. I would like to urge you to move ahead with the Afognak Joint Venture acquisition, which obviously you are. I think that's a very important acquisition for the Council to complete. I'd certainly like to encourage you to continue to press on the small parcel acquisitions. We're particularly interested in Termination Point obviously and would like for you to really take a close look at Long Island acquisition as well, but mainly I'm here this morning to talk about project 97-304, which is the master waste management plan primarily for the villages on Kodiak Island. We've put this together with the villages and the Kodiak Area Native Association. We think it will be an excellent project in terms of long-term impact for the species that were injured during the spill, and obviously (indiscernible) is it will upgrade what's going on in those villages in term of solid waste management hopefully for a long, long time into the future, and to good environmentally sound ways of dealing with that problem.

So it's kind of a win-win situation. I certainly would be glad to answer any questions that maybe you might have on the project, but would certainly ask you to please fund it today, and we're ready to go on the project.

CHAIRMAN TILLERY: Okay. Are there questions for Mayor Selby? Mr. Pennoyer?

MR. PENNOYER: I had a question for the Executive Director. Molly, in terms of -- the public or anybody refers to projects by number. Do you have a good key for how you go through this list to find the project and the explanation?

MS. McCAMMON: Mr. Chairman, we've gone through  
having one by numerical order and one by clusters, and the one  
with numerical order really gets used. It's on page B-55; it's  
1 under the cluster of marine pollution -- reducing marine  
2 pollution.....

3 MR. PENNOYER: Yes, you're right.

4 MS. McCAMMON: .....and our recommendation is to  
5 fund.....

6 MR. PENNOYER: I found the project. I just -- I  
7 couldn't find the last one that was brought up for quite a  
8 while though, and I just wondered is there a special way to do  
9 that or.....

10 MS. McCAMMON: No.

11 CHAIRMAN TILLERY: Over the years, that has been a  
12 source of continual wonderment I have with the Council.

13 MR. PENNOYER: It does keep you busy. Thank you.

14 MS. McCAMMON: It seems like one more spreadsheet to  
15 key into all of this, some kind of -- I don't know. If it  
16 would be useful, we'd be happy to provide that for you.

17 MR. PENNOYER: Well, maybe members of the public  
18 could refer to it -- well, they don't have the page numbers  
19 necessary or the detail, though, do they; right?

20 MS. McCAMMON: They were sent -- all of the  
21 legislative information offices were sent all of these  
22 materials last week.

23 MR. PENNOYER: It might be nice to reference the.....

24 MS. McCAMMON: So they should have.....

25 MR. PENNOYER: .....page number when the project  
is -- thank you.

CHAIRMAN TILLERY: Are there additional questions or  
comments relating to Mayor Selby's comments?

7

(No audible response)

1 CHAIRMAN TILLERY: Why don't -- thank you, Mayor  
2 Selby -- and why don't we go ahead and finish with Kodiak if  
3 there is one additional individual there.

4 PUBLIC TESTIMONY OF MS. BRENDA SCHWANTES

5 Hi. My name is Brenda Schwantes. I'm on the Public  
6 Advisory Group, and again, I would like to also thank the  
7 Trustee Council for considering the proposal that Mayor Selby  
8 just mentioned, on page B-55, project number 97-304, which is  
9 called the Kodiak Island Borough Master Waste Management Plan.

10 I -- I think it's going to be a very productive project, and  
11 I'd like to also encourage the Council to fund that.

12 The other -- the other idea that I wanted to -- to  
13 bring up, and we talked about this at our last Public Advisory  
14 Group meeting, is -- I'm interested because I've gotten a lot  
15 of the public feedback from the communities around Kodiak. I'm  
16 interested in informing and talking with the Trustee Council  
17 about possibly filling some of the new -- the Public Advisory  
18 Group seats with rural residents of Alaska. Currently, the  
19 seats that are being filled, they're all filled with basically  
20 urban areas -- Anchorage, Fairbanks and Juneau. Kodiak  
21 actually is considered rural, but I'd like to encourage the  
22 Trustee Council when the nominations come in for the -- the new  
23 Public Advisory Group, I'd like to encourage the Trustee  
24 Council to look strongly at the rural residents, and I'd like  
25 to see -- and I know that a lot of people around Kodiak Island  
in the villages have expressed interest in sitting on the

Public Advisory Group, to have some input into the process.

7

And that would be all that I have today. Thank you.

CHAIRMAN TILLERY: Thank you. Are there comments or  
1 questions from the Council? Ms. Williams?

2 MS. WILLIAMS: I thank you for those comments, and as  
3 we discussed earlier, we're going to make a concerted effort to  
4 do that. Is Mayor Selby still there? Jerome?

5 MAYOR SELBY: Yes, I'm still here.

6 MS. WILLIAMS: Oh, you know, I should have asked you  
7 this when you were testifying before, but every once in a while  
8 there are positive unintended consequences of the Trustee  
9 Council's actions, and if you wouldn't mind sharing the news  
10 about the nice little check you got the other day, I think the  
11 rest of the Council Members might like to hear about that.

12 MAYOR SELBY: Is this supposed to be a paid  
13 commercial or.....

14 MS. WILLIAMS: Yeah, exactly, exactly -- brought to  
15 you by Department of Interior, Fish and Wildlife Service, yes.

16 MAYOR SELBY: We really do appreciate the  
17 consequences, then basically because of the program -- our  
18 program receipts from Fish and Wildlife activities in refuges  
19 are shared back to the local government. The Kodiak Island  
20 Borough got a check a couple of weeks ago for \$238,000 for our  
21 program receipts portion of that, and the reason that changes  
22 is because lands that are acquired back into the refuge carry a  
23 computation that is a payment in lieu of tax in effect for  
24 those acquired lands, and it's different -- we don't get any  
25 money in effect for the land that was always owned by the  
federal government, but when lands are acquired back in from

private properties then they get -- under a different formula, there's a value that's calculated and that we will receive on an annual basis.

1           As Deborah indicated, it was kind of unexpected,  
2 quite frankly, (indiscernible) that section of wildlife. We've  
3 been working real hard under the old other payment  
4 (indiscernible) program, that I think most of you are familiar  
5 with, where because of large federal land holdings, primarily  
6 the Coast Guard base, that were all received monies under  
7 another program also through the Department of Interior, but  
8 this one was an unexpected bonus. It's a great bonus, and it's  
9 kind of a real nice payback to the community as an ongoing  
10 basis for the -- and as a result of what you folks have done on  
11 these acquisitions. Again, we really appreciate it. We -- it  
12 was an unexpected thing; it's going to be an ongoing thing.  
13 It's going to be a real big boost to us in times when budgets  
14 are declining, and you're all aware of that, and, you know, I  
15 can't say thanks enough because not only is the -- the refuge  
16 being put back into tact because of these acquisitions, but the  
17 community -- the island -- this community is going to benefit  
18 directly monetarily as well on an ongoing basis. It doesn't  
19 get any better than that, obviously we really.....

(Laughter)

20  
21           CHAIRMAN TILLERY: Is there additional comments from  
22 Council Members or.....

(No audible response)

23  
24           CHAIRMAN TILLERY: Thank you, Mayor Selby.

25           MS. WILLIAMS: Thanks, Jerome, well done.

          CHAIRMAN TILLERY: That concludes everyone that I

know of that's currently from the rural areas. We will go to Anchorage right now, and then I'll come back after we finish here and see if anyone has any additional comments. And I -- at this point, the only person on the list in Anchorage who has indicated a desire to comment is Rick Steiner. Rick, if you can come on up, and if anybody else does wish to comment, I'll -- after Rick is through, I'll ask that question.

PUBLIC TESTIMONY OF MR. RICK STEINER

Good morning, folks. Rick Steiner, from Cordova. First of all, I'd just like to thank all of you sincerely for the progress it seems that you're making on habitat acquisitions. It's been a long time in coming; most of us feel it's about time. I'd encourage you to continue negotiations with Afognak, English Bay; renew negotiations with Port Graham; and certainly, in Prince Williams Sound, complete Tatitlek; and good luck on Eyak, and I -- we all wish you well there and hope -- hope that you can close on some sort of deal with the Eyak Corporation.

I would encourage you as well to look more favorably on less than fee title transfer in all these deals. That's a particularly sensitive issue for the native people, as you all know, and I think it's one that's going to come back to bite everybody ten years from now, so if -- if you can place more priority on restrictive conservation easements rather than going for fee title transfer on some of these lands, I think it's the more innovative and creative approach to this.

And lastly, I didn't come here just simply to compliment you and thank you this morning. As you know, there has yet to be a thorough comprehensive review of the

government's damage assessment and restoration program. It's  
 the most precedent setting program ever conducted by the  
 governments to assess damage to the environment and to conduct  
 a restoration program. My question to you is simply, why does  
 the Trustee Council oppose such a review? You're on the record  
 as opposing it, and I mean this with all sincerity and respect  
 and candor and friendship. I -- I would sincerely like to know  
 for the record why the governments oppose a review thoroughly  
 and comprehensively and independently of what has been done via  
 damage assessment and restoration to date.

CHAIRMAN TILLERY: To at least start from the  
 perspective of the Department of Law. The Department of Law,  
 and I believe the State of Alaska, and I believe I can include  
 the federal government, does not oppose review. We would  
 welcome a review; we have no problems with a review. We've  
 said that repeatedly, that our books are open, our documents  
 are open. Any individual, any agency, whoever, is welcome to  
 come in and look at those, and in fact, I -- there is several  
 groups, I believe, like U.S. News, at one point I gave  
 substantial, or access to substantial, numbers of documents  
 to -- I do this -- I give documents and so forth to people  
 almost on a -- well, it used to be a weekly basis; now it's  
 more probably like a monthly basis or something like that.

There has never been any -- it is incorrect to say  
 that, at least from the -- to state that we do not welcome a  
 review. We -- the books are open. If there are other Council  
 Members that wish to comment?

MS. McCAMMON: Mr. Chairman, I would.

CHAIRMAN TILLERY: Ms. McCammon?

MS. McCAMMON: The Council is not on record opposing any kind of a review, and if anything was underway, all of the Council Members have indicated they would be more than willing to help with such a thing. What we have indicated is -- Mr. Steiner, you have requested that the Council support a National Academy of Sciences review. The Council currently funds a National Academy of Sciences level review on an annual basis of all of its program. What we've also been doing is looking at ways to incorporate various reviews and assessments as we approach the tenth anniversary, and we're looking at various means of doing that, either through something at the science symposium or something a little bit broader from a policy perspective. So I would really, I guess, challenge your interpretation of what the Council's position is on that.

MR. STEINER: Mr. Chairman, if I might because my comments.....

CHAIRMAN TILLERY: Please, Mr. Steiner.

MR. STEINER: .....were contradicted by the Council. I'd just like to say that out of frustration with the Council's refusal to submit to a thorough -- completely thorough, over the seven-year review, which has yet to be done. We had gone to court a couple of years ago -- or in the spring of '95, I believe it was, simply asking that the court appoint a review commission. Both the state and federal government opposed that in court.

Subsequently -- actually, previous to that I had requested for Senator Stevens to investigate -- to take a look at whether the National Academy should or should not initiate a review. Both the state and the federal government, via this

Council, opposed that -- so you're on record as opposing a --  
the sort of review I am talking about, and that's pretty much  
all I have to say, and if you're -- if there is such a review  
or if you're willing to do it, then let's go, but if not, then  
I'd certainly like to know why, and that's all I have to say.

MS. McCAMMON: Mr. Chairman, just to clarify.....

CHAIRMAN TILLERY: Ms. McCammon?

MS. McCAMMON: .....one more thing. The Council, and  
I wrote the letter on behalf of the Council and submitted it to  
the Council for review. The Council is not on the record  
opposing such a review. In fact, if Senator Stevens or anyone  
else would like to initiate such a review, that is -- it's more  
than welcome, and all of the Council Members would join with  
it.

What we did say in that letter was that given the  
level of scientific review that the Council is currently paying  
for, that it didn't seem appropriate for the Council to pay for  
such a review at this time. We didn't think that it was  
needed, and that there might be other mechanisms in the future  
that would accommodate those kinds of concerns, so I think  
there is a difference there.

CHAIRMAN TILLERY: And to follow up on that, your  
words were that we have been unwilling to submit to review, and  
I believe -- it's been a while, but I believe in those papers  
that we emphasized the fact that we were more than willing to  
submit to a review, and I.....

MR. STEINER: That -- I.....

CHAIRMAN TILLERY: .....continue to state that.....

MR. STEINER: .....probably misstated that. You're

right. Yeah.

CHAIRMAN TILLERY: . . . .we are willing to submit to review. We -- our books are open, our business is open, our documents are open. If you want to review us, just come and ask.

MR. STEINER: Perhaps I should have restated that as, why doesn't the Council initiate such a review? It is in the public's interest, it's in the national interest, and I believe it's part and parcel of your public trust to not only submit to open your books but to initiate, to commission the National Academy or some truly independent body to look at the whole seven years. I, you know, it's risky. It can be a fearful thing to submit to review; all of us have to do it. But I think -- and this is such a precedential initiative. Never before has such a thing of this scale been done that I think it's clearly in the public's interest to do it, so that's all I have to say. Thank you.

CHAIRMAN TILLERY: Mr. Piper?

MR. PIPER: Just on that -- on the issue of the process for damage assessment and restoration. Under OPA '90, there's a new rule that exists now that takes some of the process that we used here, and uses that, but it doesn't use a lot of it, and I think that merely a historical review would be somewhat moot, I mean, the procedure that exists now under OPA '90 calls for a public process. It calls for a restoration plan. It has science-based restoration objectives in general, and I think that it was part of learning from our experience, both the good and the bad, that helped the creation of that rule.

So I'm not opposed to review either, but really a historical look at it has somewhat limited utility because we have a new rule in place that addresses some of those things, at least from the standpoint of damage assessment and restoration.

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CHAIRMAN TILLERY: Thank you. Is there further comments?

(No audible response)

CHAIRMAN TILLERY: Thank you, Rick.

MR. STEINER: Thank you.

CHAIRMAN TILLERY: Appreciate it. Is there anyone else in Anchorage who wishes to comment at this time? Yes, Gary?

PUBLIC TESTIMONY OF GARY THOMAS

My name is Gary Thomas. I'm the President of the Prince William Sound Science Center, and I didn't plan to make a comment until the last discussion. And coming from inside of the research program of the Sound Ecosystem Assessment Program, I think there's probably some work that's going on that isn't noticed as much as -- to the public, and maybe we could do something about it. They've -- when the Sound Ecosystem Assessment Program started, there was a panel of really world-renown scientists brought in to review the scientific process.

A few of these names are Bill Percy, Pete Peterson, George Rose, and several others. These are -- are world-renowned scientists, and -- and they have been a tremendous benefit to the program.

The reviews that we've got -- we've had reviews every year -- sometimes special workshops to bring in other experts,

and -- and we've really benefited by this, so -- so I'm in --  
 in the same spirit that -- that Rick has said; review may be  
 scary but it is also good, and -- and I just want to thank the  
 1 Trustees Council for -- for spending the money to bring the  
 2 kind of -- of people, and the caliber of people that we have  
 3 had in our program. Thank you.

4 CHAIRMAN TILLERY: Thank you. Mr. Pennoyer?

5 MR. PENNOYER: I wasn't getting into this discussion  
 6 either because I agree with Rick that a review in any program  
 7 is a good idea, and I guess the names you have mentioned I  
 8 think are names we brought in for peer review in all of our  
 9 programs and all the workshops, so I'm not clear what this  
 10 review and non-review is. It's true that like Bering Sea, it  
 11 goes (indiscernible) the National Academy undertake a study,  
 12 and these things do happen, and we're going to do some of that,  
 13 and we have a summation coming up, (indiscernible) synthesis  
 14 and review, and synthesis projects we have, their species under  
 15 that, but the names you have mentioned are names, I assume,  
 16 were in these workshops, had heard, had met with various  
 17 anniversary groups and were doing some of these program  
 18 reviews.

19 So I agree with you, but I think some of that's  
 20 happening already. Now whether enough is or not, we'll discuss  
 21 that every time we go over a work plan, I think, so as Craig  
 22 said, I think the books are open, and I don't think there's  
 23 been any secret. We're lagging on publication, and certainly a  
 24 review that occurs every time you publish something if it's in  
 25 a peer review journal, and so all of that still has to happen  
 and is being caught up on, so I'm -- I guess, Rick, I'm not

totally clear on where you want to go with this that makes it different than some of the things that we're doing now and anticipate doing in the future. And Gary, I think the workshops (indiscernible). I think that's happened across the board in a lot of areas.

MR. THOMAS: You know, I've -- I've heard they are, but I would just want to reflect my personal experience, I mean, I have really in -- in my experience not been under such close review by outside peers in any program -- research program that I have ever been in, and I was at the University of Washington doing research for 17 years prior to this.

CHAIRMAN TILLERY: Thank you. Mr. Janik?

MR. JANIK: I just want to add one comment because I -- what I hear Rick asking for is a complex reporting out on the total time period since all this started, and every conversation that I've ever been involved in in serving as a member of this Council has been one where the -- all the members have been very willing to subject that to whatever review is considered appropriate, and I think we are under the perception that that's happening to a level of sufficiency.

I do think, though, that the comments that we heard here might be something we want to look at as we prepare for the tenth anniversary because, as I mentioned earlier, I think that is an opportunity for the Council to demonstrate accountability, and maybe really look at how we can prepare material that'll provide assurances to the public in a very open-profiled way of just what has happened over the past seven years. That's different than a review, but nevertheless, it might satisfy the needs of some of the publics who don't seem

to think they have yet seen enough information on this.

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CHAIRMAN TILLERY: Is there additional comment or questions? Thank you, Gary. Is there anyone else in Anchorage?

(No audible response)

CHAIRMAN TILLERY: At this time, has anyone joined us other than Juneau, Kodiak, Homer and Seward?

(No audible response)

CHAIRMAN TILLERY: Okay. Is there anyone else in Juneau that would wish to comment?

JUNEAU TELECONFERENCE OPERATOR: No, thanks.

CHAIRMAN TILLERY: Anyone in Kodiak?

KODIAK TELECONFERENCE OPERATOR: No one else, thank you.

CHAIRMAN TILLERY: Anyone at Homer?

HOMER TELECONFERENCE OPERATOR: No, thank you.

CHAIRMAN TILLERY: And anyone in Seward?

(Pause)

SEWARD TELECONFERENCE OPERATOR: No, thank you.

CHAIRMAN TILLERY: That would then seem to end the public comment period. Thank you for your comments and for taking the time to come in today and to listen. I guess what we should do now is to go back and finish up with the restoration plan update, and Ms. -- perhaps Ms. Williams could give us a staff report of whether her problems have been solved or.....

MS. WILLIAMS: And I'm going to ask Mr. Senner whether he had the opportunity to discuss the two issues with Mr. Rice and Lisa, and whether you came to a resolution.

MR. SENNER: I think so.

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(Laughter)

MR. SENNER: On the matter of -- that you did not  
1 address, of in the pigeon guillemot account adding some  
2 language citing the near-shore bird a bird predator project,  
3 that's no problem at all. In the case of the cormorant, what  
4 Mr. Rice and I discussed, and I think this is acceptable to  
5 him, is that in the summary of injury and recovery, which is  
6 the more extended discussion, that we would make reference to  
7 the fact that there are some data from the Kenai Coast  
8 indicating population declines -- or indicating declines in  
9 numbers of breeding cormorants there, but that we would leave  
10 the recovery objective as -- the language in the recovery  
11 objective as it is, and I think that's what we discussed.

MS. WILLIAMS: Very good. And just for the Trustee  
12 Council and public's benefit, the other item that Mr. Senner  
13 referred briefly to was the desire, particularly  
14 (indiscernible) to expand the discussion, and I'll direct your  
15 attention to it quickly -- on page 13, injury and recovery  
16 under pigeon guillemot, of the fact that not only is the APEX  
17 project looking at this issue but also the MVP project, and to  
18 reap out that fact in the discussion there.

MR. SENNER: And that was an oversight on our part;  
20 that should have been in there. Mr. Chairman, I think I've  
21 done what I can.

CHAIRMAN TILLERY: Are there additional questions for  
23 Mr. Senner?  
24

(No audible response)

CHAIRMAN TILLERY: Does someone wish to.....

25

MS. WILLIAMS: Yeah. Mr. Chairman, with the two small modifications we've talked to, the cormorant section and the pigeon guillemot section as discussed, I would move that the Trustee Council approve the plan at this time.

MR. PENNOYER: Second.

CHAIRMAN TILLERY: Is there discussion on the motion?

(No audible response)

CHAIRMAN TILLERY: And I understand that the motions would include the oral changes that you indicated would be made but have not yet been made in a written.....

MR. SENNER: That's correct.

CHAIRMAN TILLERY: .....document. Is there further discussion of the motion?

(No audible response)

CHAIRMAN TILLERY: All in favor?

TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

CHAIRMAN TILLERY: Opposed?

(No audible response)

CHAIRMAN TILLERY: It's so moved and passed. The next item of business will be the operating and financial procedures. Ms. McCammon, are you going to bring that or is.....

MS. McCAMMON: Yes.

CHAIRMAN TILLERY: .....Ms. Cramer?

MS. McCAMMON: Mr. Chairman, in -- when the Council was -- began, following the settlement with Exxon in 1991, the Trustee Council adopted operating procedures on January 10th, and also adopted financial operating procedures on September 21st. Since that time, these procedures have become obsolete

over time partially due to a restructuring of the organization here, with an Executive Director and more of a central office, partially due to just -- more of a history with dealing with the process and trying to accommodate some of the issues and concerns with the agencies in terms of accounting.

And then also, a number of issues were brought up during our recent audit on how to better present information in terms of accountability by the various agencies. So with all of these things, we undertook last winter a review and started a revision of the operating procedures. What you see in front of you today has gone through multiple agency reviews. The agencies have all had a number of copies of these. We have been working with all six Trustee agencies to ensure that these procedures reflect something that is achievable -- and also respond to concerns that were raised by the auditors, by the public, and also reflect the current organizational structure.

In the memo to you, I did highlight a couple of items that, as we went through this revision, were ones that the agencies did not have consensus on. We, for the most part, kept those procedures as they have been in the past and did not recommend a change, but I did want to bring those to your attention.

One of them was the issue of emergency action. In the original procedures, the Council did adopt a provision for interim emergency action. To my knowledge, this has never been used. Given that the Council currently operates -- allows the use of alternates and allows the use of teleconferences, I don't anticipate the need to use this provision but we did leave it in there, and I don't know if the Trustees have a

problem with that or not, but we did leave that provision in there.

1 In addition, there was some concern presented by a  
2 couple of agencies about how far in advance briefing materials  
3 should be provided to the Council prior to any action, and  
4 again, we did not reach a consensus on that either, and so the  
5 question of whether that's actually putting in the materials is  
6 left silent.

7 The question of public notice was raised. The  
8 revised procedures require reasonable public notice be given  
9 for all meetings of the Trustee Council. This is the same as  
10 it was in the prior procedures. I did raise this particular  
11 issue with the Public Advisory Group to get their feedback on  
12 it. They felt comfortable with the term reasonable. They  
13 realize that in some cases it may not be possible to give two  
14 weeks or a month's notice, and they felt comfortable with the  
15 kind of notice that they have been given thus far.

16 The same is true with the issue of public review and  
17 comment, how much should be allowed in terms of a minimum  
18 review period. Certainly for any major action we try to give  
19 at least 60 days comment period, for example, on the work plan,  
20 on any changes to the restoration plan, any major item, on  
21 other items; it may be less than that. Some of it depends on  
22 whether the public comment period occurs during the summer when  
23 people are busier or during the winter. Again, the Public  
24 Advisory Group did not have a problem with past practices and  
25 believed that reasonable was appropriate.

Another issue that was raised was the question of general administration, and the current practice is to use for

agencies 15 percent general administration costs, 15 percent of personnel costs, and then 7 percent of the first \$250,000 of a contract, 2 percent of any amount over that. So basically you have two general administration, GA, prices there. There was some discussion about doing just one fixed amount across the board for each agency, and I did have staff kind of go back over the years and see if there was an average amount that might be appropriate. The amount averaged out to about 8 percent, and so we did have a discussion about whether we should just put an 8 percent GA on each of the projects.

This does make -- we also broke down the impact this would have by project and by agency. It has a big impact on agencies that do most of the work in-house using their own staff. They would see a significant drop in general administration support. Those agencies that do a lot of contracts, a lot of pass-through type projects, would see a significant increase. And because there was such a shift there, and we had quite a discussion about that and there is no consensus on that at this point. There may be at some future point, and this may come back to you with a recommendation but at that point we haven't.

There was also a lot of discussion about requiring the lapse of funds after -- at the end of the fiscal year. Currently under Congressional authorization, the NRDA funds do not lapse at the end of the fiscal year. However, the current operating proced- -- the previous operating procedures and this proposal would require them to be lapsed and would clarify that those funds would be lapsed. I strongly recommend that this be adopted; the auditor strongly recommended. We are now in a

situation of trying to figure out exactly how much money has been lapsed over the prior three years.

1 There is about a million dollars of lapsed money that  
2 we're not certain of at this point. We're trying go clean up  
3 those numbers and make sure whether those are solid numbers,  
4 whether I can come to you with confidence and say yes, I am  
5 positive those -- this amount is available basically for  
6 reappropriation for new use, and this problem has been  
7 exacerbated by the fact that funds have not been lapsed at the  
8 end of fiscal years. And so I strongly recommend that the  
9 Council really affirm this in these operating procedures.

10 I did also want to note that one of the  
11 recommendations of the auditors was the question of segregating  
12 direct and indirect costs, and spending them accordingly. And  
13 this sounds kind of like, I don't know, administrative mumbo-  
14 jumbo, but the way it is now, an agency or a project gets X  
15 amount for -- to do the direct project, and then they get Y  
16 amount for the general administration or indirect support.  
17 What the auditors have recommended is that that Y amount be  
18 spent proportionately with the X amount.

19 So for example, you have a project and let's say  
20 nothing -- for some reason it doesn't go forward and you don't  
21 spend any of that money, then the auditors are saying none of  
22 the general administration should be spent also. In the past,  
23 the general administration has been considered pretty much gone  
24 into one pot and spent whether the project was actually fully  
25 expended or not.

All of the agencies have indicated they have the ability to segregate those costs and to do this, except for

1 Fish and Wildlife Service, which is the one entity within  
 2 Department of Interior. We have been working with Fish and  
 3 Wildlife Service to see if there is a way to be able to do  
 4 this. Folks in Washington, D.C. think there is; folks in  
 5 Anchorage don't think there is. We've been spending probably  
 6 the last three months trying to do this. I think it is still a  
 7 goal that we should be striving for. It may not be possible to  
 8 reach. We think it may be, but it may not be possible, and so  
 9 I do have a motion to address the fact that there may be in one  
 10 particular case not the ability to achieve these operating  
 11 procedures, to be in total compliance with them.

9 COMMISSIONER RUE: Molly?

10 MS. McCAMMON: Yeah.

11 CHAIRMAN TILLERY: Mr. Rue?

12 COMMISSIONER RUE: While you're on that -- how do you  
 13 deal with the problem of a project moving ahead, they won't  
 14 know how much they're going to lapse until a month after the  
 15 project and all the billing are done and when they figure out  
 16 the final amount. The general administration has gone on until  
 17 the end of the fiscal year and you'll have to commit general  
 18 administration dollars or lay someone off, you know, do  
 19 whatever you do to spend proportionately. Have you -- did you  
 20 address that problem?

21 MS. McCAMMON: Is Traci here? Traci, do you want to  
 22 address that? I think.....

23 COMMISSIONER RUE: I don't if you need -- just if you  
 24 guys.....

25 MS. McCAMMON: The idea.....

COMMISSIONER RUE: .....would address that.

MS. McCAMMON: .....is that it would be approximately proportional.

COMMISSIONER RUE: Okay.

1 MS. McCAMMON: So I don't think.....

2 COMMISSIONER RUE: (Indiscernible.)

3 MS. McCAMMON: .....it's exactly dollar-for-dollar  
4 because.....

5 COMMISSIONER RUE: Okay.

6 MS. McCAMMON: .....in some cases, the way the  
7 agencies use general administration is to support staff, that  
8 you kind of -- you have to commit up front.

9 MS. CRAMER: Yeah, and the procedures do allow for a  
10 closeout period of, I think it's four months, to allow the  
11 agencies to go in and make sure that they've taken care of  
12 everything they were supposed to have taken care of. In  
13 addition, there is another six-month period that they can come  
14 back and continue to adjust it with Molly's approval, within  
15 these revised procedures.

16 CHAIRMAN TILLERY: So you did address that question  
17 then?

18 MS. McCAMMON: Yeah.

19 CHAIRMAN TILLERY: Good. Thanks.

20 MS. McCAMMON: I'd be happy to answer any other  
21 questions. Traci Cramer, the Director of Administration, and  
22 Eric Myers have spent a lot of time working at the agencies on  
23 these and I think they reflect a number of the issues that were  
24 identified by the auditors, and a number of issues identified  
25 by the agency folks to clarify what procedures, so we're all  
working from a consistent set of rules.

Williams?

MS. WILLIAMS: I would like to talk just a little bit  
1 more about the lapsed fund situation. So going back to  
2 Commissioner Rue's statement, looking at lapse on page 13 to  
3 14, it says,

4 "However, an undisclosed obligation may be  
5 established and/or paid during the closeout  
6 period."

7 And then there's a section on the closeout period. So a  
8 project or a agency could come and say this is how much we have  
9 left over, this is how much we need for closeout.....

10 MS. CRAMER: No.

11 MS. WILLIAMS: .....and then they -- no? How would  
12 it work?

13 MS. CRAMER: No. During the closeout, they would  
14 report for the period ending September 30th of that fiscal  
15 year, what they think -- what they understand at that time to  
16 be their obligations.

17 MS. WILLIAMS: Mm hmm (affirmative).

18 MS. CRAMER: They would then report in their report  
19 for the period ending December 31st, the final prior year  
20 obligations. And during that period of time, they would have  
21 the ability to go in and say a phone bill comes in that they  
22 didn't know about.....

23 MS. WILLIAMS: Right.

24 MS. CRAMER: .....so they could -- even though  
25 September 30th has already passed, they have the ability to go  
in and take that bill and book it against that prior year.

MS. WILLIAMS: Mm hmm (affirmative).

MS. CRAMER: After December 31st, if they continue to have bills coming in, what the.....

1 MS. WILLIAMS: Mm hmm (affirmative).

2 MS. CRAMER: .....procedures allow is another six-  
3 month period that rather than simply adjust their books for  
4 current year activity relating to the prior year, they would be  
5 able to come back to Molly and say Molly, we didn't know this  
6 was out there, we have to pay it, Molly can give the nod. Once  
7 that six-month period has expired, that's the point in time in  
8 which I do the court request. I start working on the court  
9 request for determining how much of unobligated funds are  
10 available to offset the next work plan.

11 MS. WILLIAMS: Mm hmm (affirmative).

12 MS. CRAMER: If they come in after that point in  
13 time, after we've already scooped up that unobligated balance,  
14 they have to come back to the Trustee Council.

15 MS. WILLIAMS: Okay. So the unobligated balance is  
16 not scooped up then until the court requests essentially?

17 MS. CRAMER: Correct.

18 MS. WILLIAMS: All right.

19 MS. McCAMMON: I should clarify. An obligation  
20 doesn't mean it's something that's actually paid out at the  
21 time; an obligation could be a contract for a certain amount  
22 that you're still getting bills on too.

23 MS. WILLIAMS: And Molly, could you describe the  
24 million dollar lapsed fund issue?

25 MS. McCAMMON: I'll have Traci do that since she's  
been working on the numbers.

MS. WILLIAMS: Oh.

9

MS. CRAMER: Basically, Bob Baldauf in the Department of Interior, and I have been trying to determine how much money is truly out there. I have been receiving reports from the agencies that say they were authorized to expend X amount, and they have expended Y; the difference would be this number. When I compare the information that's being provided to me in the quarterly reports to the information that is coming out of the Department of Interior, the NRDA fund, we're getting a difference of a number. Now we have settled on a number of 1.2 million to offset the current '97 work plan, but we are -- we think there is more money out there, and we're not 100 percent positive what that amount is.

It could be that the information that's being provided by the agencies in the quarterly may need to change so that the numbers start to correspond a little bit more. It could be that the amount of transfers that have been coming out of the NRDA fund have been adjusted for offsets that need to be backed out so you can actually see the money going out, the money coming in -- so we're still working to do that, and probably in December we'll have another chunk of money for you.

MS. WILLIAMS: And is this solely a Department of Interior issue?

MS. CRAMER: No. The reason it's Department of Interior is because Department of Interior controls the NRDA fund. No.

MS. WILLIAMS: Okay. I see.

MS. CRAMER: And it's not, I mean, it's not solely, I should say, that the quarterly reports and the information

we're receiving is not solely a problem we're seeing with the federal government. We also occasionally -- I also occasionally have questions in relationship to the information coming to me from the agencies.

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(Pause - Whispered conversation)

CHAIRMAN TILLERY: Additional questions? Mr. Janik?

MR. JANIK: Is it time to give opinions?

CHAIRMAN TILLERY: All right. Additional questions or opinions?

(Laughter)

MR. JANIK: Based on our staffing of this lapsed language here, we have no problem with the annual kind of tracking with the provision here that's provided. We think that carries a certain level of additional accountability too that's healthy. We do, however, have a problem with the line item tracking. I think that's on page 15, the annual financial report, number 4 section, where it talks about,

"Reflect the total amount authorized by line item, any revision approved by the Trustee Council, any adjustment between projects and any adjustments between line items."

Again, with accountability as the primary focus we think this may be an overdose and cause some busyness that's unnecessary. I think the shifting of money to get a project done -- there should be flexibility associated with that to some degree anyway, and if in fact this is a provision that the Council seems to think needs to be included, where shifting among line items is necessary, then I think we need to put a tolerance limit on this, I don't know, 10, 15 percent or

1 something because if we're going to have to report or  
2 demonstrate a report on each shift of money from one block to  
3 another, we're going to really establish for ourselves a very  
4 difficult tracking process, unless I'm not understanding what's  
5 being proposed here.

6 MS. McCAMMON: Mr. Chairman, there would be no  
7 requirement that that had to come back for any Council  
8 approval, and at one point I believe that we had talked about  
9 actually doing that on a quart- -- I think it's required now on  
10 a quarterly basis, and this actually would make it only on an  
11 annual basis, so it would be cumulative transfer. It wouldn't  
12 require each individual transfer to come back. Is there.....

13 MS. CRAMER: Correct. Correct. The existing  
14 procedures require that the agencies provide the information  
15 variances and object classes, or line items, on a quarterly  
16 basis. That hasn't been taking place. It was a concern of the  
17 Restoration Work Force. What we did was we compromised in a  
18 sense and said okay, on an annual basis provide us with the  
19 final, and if we can call it the final, the final line item  
20 distribution which would be do after the closeout period. So  
21 if the Trustee Council approved a project with \$300 in  
22 contractual, and the agency actually expended that money in  
23 another line, they don't have to provide the justification for  
24 why they expended it in another line; they would provide a  
25 report that says this is what we were approved, 300 in  
26 contractual, this is how we expended it, 300 in commodities.

27 If when we look at that report we felt that there was  
28 a question that needed to asked, we could go back and ask well,  
29 why did you spend it in the commodities line, or why did you

spend it in equipment, you know, it's just a -- the final tying  
up of, the Trustee said this is your plan, this is what we  
approve, this is how we implemented it, and this is our final  
expenditures.

10

1  
2 MS. McCAMMON: Mr. Chairman, this kind of reporting  
3 actually gives the staff the ability that when we're reviewing  
4 proposed budgets -- we go back and look at what was approved  
5 for the prior year -- it gives you the ability to say okay,  
6 this is what was approved, this is what they're asking this  
7 year, this is actually how they spent it. Is there some  
8 question here, you know, that might arise in doing that kind of  
9 a review, so I think we tried to work with all of the staff to  
10 see something that was less onerous than the current procedure  
11 that still would provide some useful information.

12 MR. JANIK: And maybe I could call Dave Gibbons up  
13 here to explain the concern in a little more detail, but our  
14 impression is that we're moving into a busier process that may  
15 be unnecessary. Dave, why don't you describe the details on  
16 it?

17 MR. GIBBONS: Yeah. They can get a little history  
18 from my perspective of trying to deal with those budgets. We  
19 prepared '97 budgets, you know, four or five months ago, and  
20 the project wasn't really solidified, and we solidify them  
21 through the detail project description peer review and all  
22 kinds of things, and so you estimate in line item. You  
23 estimate how much time in personnel, how much time in travel,  
24 how much time in contractual, and then there's the GA  
25 associated with the personnel and the contractual, so in my  
view, if you move something from contractual that has a 7

percent GA associated with it you have to track the contractual  
amount that you moved and also the GA associated with that that  
you moved to a different line item, and it gets very, very  
1 busy.

2           You have to report it at the end of the year, but you  
3 need to track it during the year to know what you've got at the  
4 end of the year, so it becomes very, very complicated, and it  
5 just seems, you know, very -- too much tracking. The real job  
6 is, did the intent of the project change and did you get the  
7 project done with the allocated money, and that's really the  
8 goal, is to get the project done successfully. And if you move  
9 a lot, like I'm saying, if you got \$100 in travel and you move  
10 50 -- well, is that significant to the project? But if you got  
11 20,000 in travel and you move 15,000, then I think you need to  
12 track that -- so there needs to be some kind of a reasonable  
13 limit of movement between these line items, and that's my  
14 concern.

15           MS. CRAMER: Well, I guess I would say that what the  
16 procedures currently request is that at the end of the year  
17 when they do their final report, that they provided on a line  
18 item basis, or an object class basis, rather than a total  
19 amount basis.

20           MR. JANIK: That's -- excuse me. That's the current  
21 procedure?

22           MS. CRAMER: No, the current procedures.....

23           MS. McCAMMON: Current procedures are quarterly.

24           MS. CRAMER: .....say to report it.....

25           MR. JANIK: Quarter-.....

          MS. CRAMER: .....on a quarterly basis. But I do

have to say in all fairness that has not been submitted, and to  
the best of my knowledge it has never been submitted. I tried  
to get it but they told me no.

(Laughter)

CHAIRMAN TILLERY: Questions, further discussion?

MR. GIBBONS: That's my point. It's very hard to  
track that.

CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER RUE: I guess I see a reason to do it,  
and I think the Executive Director said why. It's particularly  
useful to see as the projects go from year to year why are  
people thinking one way one year and suddenly another year.  
One concern I would have is -- or a question I would have is,  
are people padding budgets in personnel because you get a  
higher G&As, and then they're really doing contractual, which  
is a lower rate of overhead or whatever, general  
administration? I mean, is that kind of a game going on? That  
seems to me, that we should avoid just by don't do it (sic).  
So is there -- are you trying to.....

MS. McCAMMON: Mr. Chairman, I don't think anything  
like that is going on, to my knowledge, at least on any large  
scale. I think this just provides more correct, accurate  
information for us to track and for the auditors to track. I  
mean, it's certainly not the goal of the operating procedures  
and the financial procedures to be so onerous that it requires  
the addition of, you know, multiple staff people to keep up  
with the various reporting requirements. We've tried to look  
at what was previously in place, whether it was complied with,  
why it wasn't complied with, and see if there was something

that made sense that the agencies could do.

10

What I would recommend is that we go ahead with this procedure and if a year from now it's still not being complied with for whatever reason, then we take another look at it.

1  
2 COMMISSIONER RUE: A quick question, follow up to  
3 what I was saying. Would we see an adjustment downward at the  
4 end of the year on general administration, then, if for  
5 instance.....

6 MS. McCAMMON: You're supposed to, yes.

7 COMMISSIONER RUE: Right -- so you may have.....

8 MS. McCAMMON: Yes.

9 COMMISSIONER RUE: You may have to eat some costs?

10 MS. McCAMMON: In the past, you did not see a  
11 reduction in the general administration; under the new  
12 procedures you would.

13 COMMISSIONER RUE: So that's a good reason for an  
14 agency to track it during the year and cut down on those costs  
15 or efforts, if in fact they're moving.....

16 MS. McCAMMON: That's correct.

17 COMMISSIONER RUE: .....large chunks of money between  
18 lines?

19 MS. McCAMMON: That's correct.

20 MR. JANIK: And I guess that's one of the points.

21 MS. McCAMMON: And it's primarily the difference, I  
22 mean, it's just personnel and contractual. It's not  
23 commodities or travel, those items. It would be whether you  
24 decided to do a project in-house or versus contractual.

25 MS. CRAMER: If I may say, the reporting by line item  
that we're discussing here is not the same as the GA issue.

The GA -- the general administration and the taking the proportional amount of general administration based upon the formula that is in the procedures is different than at the end of the year when you do your final report, rather than provide one number we want a number that tells us this is what the plan was by object class, this is what the final expended was.

Now how the agencies deal with the GA varies by agency, and will probably continue to vary by agency. Some agencies actually go in and on a quarterly basis evaluate the line item distribution and the expenditures that have been made, and make a calculation of what the actual amount of general administration they can retain, and then transfer that to the correct area. Other agencies wait until the end of the year and do it at that point. Still other agencies simply spend it off the top and hope that they expend sufficient funds to get to the end.

But I think the issue here is, should the final report that is due December 1st, be by object class or is one number sufficient?

MR. JANIK: And to clarify my position, just based on how I understand it, is that large transfers of money -- I think you used that word, Frank -- obviously that needs to be reported back, shifts among the line items. But if there is like a -- within the tolerance range of 10 percent or something, or 15 percent -- I don't know what the right number is, but that to me sounds like about a good threshold -- then there would be no need to report that difference at the end of the year because those kinds of track-.....

MS. McCAMMON: Mr. Chairman, I guess I don't

understand the difference because the agency has that on their books anyway, that transfer, so it's merely reflecting what the agency should have on its own books, so I guess I don't understand why that's a.....

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MR. JANIK: Dave, why don't you give a couple of examples.....

MR. GIBBONS: Yeah. We.....

MR. JANIK: .....if you can.

MS. McCAMMON: .....big deal.

MR. GIBBONS: Yeah. Mr. Chair, we track that way, yes, and -- but if you're going to have to report the GA -- I'll use another example. What if you move it from travel to personnel? At the end of the year you're going to need more GA, supposedly, because you moved it from a non-GA line item to a line item that requires GA in tracking, and so you're going to need to track that, and that's the difficulty part of it. That's why I'm saying, you know, it comes in but it takes a lot of time to do that, and so the GA rate now is pretty low, you know, compared to other charges, so it's just -- it's very -- it's a complicated thing, and that's where I'm getting at.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: I'm probably missing something here again. I don't argue with you, but at the end of the year, I -- it sort of depends what you do with it, I mean, if we're going to go back at the end of the year and take into account these \$50 changes and say oh, you owe us \$2.50 or something, then I'm going to object to this process because I don't think it's necessary to keep track to that extent.

MS. McCAMMON: It's not the intent.....

MR. PENNOYER: But of just reporting it so that it's  
obvious if there are big discrepancies, like somebody comes in  
every year and proposes to do something in-house and every year  
spends it all in contractual. I don't think that's happening,  
but if it did, you'd certainly want to know that and it's  
something you should highlight, and I think we all report by  
some type of line item breakdowns. I'm not clear why I have  
any -- I don't have any problem with doing it at the end of the  
year.

Now what we do with that, I might have a problem with  
it because if we start to nit-pick down to different pieces and  
the \$50 shifts all of a sudden meaning you either come with  
your hand out because I made.....

MS. McCAMMON: With another request.....

MR. PENNOYER: .....\$2 extra for last year or.....

MS. McCAMMON: .....for additional GA, which is not  
the intent.

MR. PENNOYER: .....I owe you \$2. I'm going to  
object to that.

MS. McCAMMON: Yeah.

MR. PENNOYER: I don't think that ever works.....

MS. McCAMMON: Yeah.

MR. PENNOYER: .....because we need to know  
somebody's GA ahead of time. But if it's just the reporting, I  
don't know why it's a major problem once a year.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: And if the process does not lead us into  
what you just said at the last, then.....

MR. PENNOYER: Well, we got a vote?

1 MR. JANIK: .....I don't have a criticism of this,  
2 but we've been led to believe in our homework that there's risk  
3 of that happening, that these minute amounts are shifting from  
4 line item to line item, are going to have to be tracked.....

5 MS. McCAMMON: I do not believe so.

6 MR. JANIK: .....and recorded, and if that's not the  
7 case then we don't have an issue.

8 COURT REPORTER: Excuse me, Mr. Chairman.

9 (Off record at 10:08 a.m.)

10 (Tape Change - Tape No. 3 of 6)

11 (On record at 10:08 a.m.)

12 COURT REPORTER: On record.

13 CHAIRMAN TILLERY: Mr. Pennoyer?

14 MR. PENNOYER: To clarify then, who decides how we're  
15 going to use this stuff? I mean, if it comes back in, do our  
16 procedures mean that you're then going to send me a bill for  
17 \$3.50 because we have a \$20 difference in something that  
18 happened from what we predicted? I mean.....

19 MS. McCAMMON: No.

20 MR. PENNOYER: .....who decides.....

21 MS. McCAMMON: No.

22 MR. PENNOYER: Mr. Janik's concern is still something  
23 we'd have to vote to do, isn't it? I mean, or is it just  
24 automatic?

25 MS. McCAMMON: No. There would not be any changes  
there. What would happen, I mean, you would still be expending  
the money. What would happen is the auditors would come in and  
they would be able to say look at your project and make note of  
the fact that for example, and this would be kind of I guess an

extreme case, that you did think you were doing it all --  
 \$200,000 worth of work, and you got 15 percent personnel, GA,  
 you put it into all contractual, we'd be able to say what  
 1 happened here, we thought you were doing this in-house, what  
 2 happened, you're doing it on contractual, and then just note  
 3 that oh, by the way, you've spent a lot more GA than you would  
 4 have. It would just be noted. There would be no bill coming  
 5 back. There would be no penalty or anything like that. It  
 6 would be something that you might note.

7 But the main purpose isn't for that -- so much for  
 8 that segregating and tracking of the GA. The main purpose is  
 9 to be able to look at things, and we look at -- when a budget  
 10 gets submitted, as part of our trying to reduce budgets and see  
 11 if budgets are reasonable, we look at it by line item now. We  
 12 look at what -- how many personnel are being requested, what  
 13 kind of travel, what kind of equipment -- we're looking at  
 14 that. We talk to people, we look at past budgets and we try to  
 15 see whether those seem appropriate and whether there are areas  
 16 to reduce, and we make recommendations on how to reduce those,  
 17 and then the agency comes in with a revised budget.

18 Once the agency gets that revised budget, they can  
 19 transfer between those line items at will. We have no control  
 20 over that. We could approve a budget and the agency can go off  
 21 and do whatever it deems appropriate for that, and all we're  
 22 asking is that at the end of the year we actually see how the  
 23 budget got spent so you can actually kind of look at, here's  
 24 what you thought was going to happen, here's what actually  
 25 happened.

MR. PENNOYER: Mr. Chairman?

CHAIRMAN TILLERY: Mr. Pennoyer.

11

1 MR. PENNOYER: But again -- and I think that's a  
2 perfectly reasonable thing and I have no problem that I'm aware  
3 of, unless there's some accounting problem.....

4 MS. McCAMMON: There will be nothing coming back to  
5 the Council other than.....

6 MR. PENNOYER: .....but we could do.....

7 MS. McCAMMON: .....reports.

8 MR. PENNOYER: .....it, but then to actually take  
9 action on that, like not granting money the next year, saying  
10 oh, yeah, next year, you know, owe us \$3,000 on the next  
11 year's, but would it.....

12 MS. McCAMMON: No.

13 MR. PENNOYER: That would require Council.....

14 MS. McCAMMON: No.

15 MR. PENNOYER: .....action.

16 MS. McCAMMON: No.

17 MR. PENNOYER: We'd have to vote for that, so I don't  
18 know that there is -- unless -- there's no formula in here that  
19 automatically would do what you.....

20 MS. McCAMMON: No.

21 MR. PENNOYER: .....are concerned about, so I think  
22 as long as that's the case, then we come back and we treat it  
23 with logic and decision as to whether it makes sense to do  
24 something with that or not, and I -- anyway, I don't have a  
25 problem with it.

CHAIRMAN TILLERY: Rue, did you have a concluding  
comment?

COMMISSIONER RUE: Can I call (indiscernible).

CHAIRMAN TILLERY: I think we need a motion, perhaps,  
on this whole.....

1 MR. PENNOYER: We have a motion.

2 COMMISSIONER RUE: I think we have a motion.

3 CHAIRMAN TILLERY: Well, this hasn't been -- nobody's  
4 made it.

5 MR. PENNOYER: Okay, move then that we adopt the  
6 operating and financial procedures as presented in the August  
7 16th, 1996 draft. It is recognized the goal is complete  
8 compliance with these procedures, however, in those cases where  
9 an agency is unable to comply for technical reasons they are  
10 urged to work with the restoration office to do so in the  
11 future.

12 COMMISSIONER RUE: Second.

13 CHAIRMAN TILLERY: It is moved by Mr. Pennoyer and  
14 seconded by Commissioner Rue. Is there further -- is there a  
15 discussion on the operating procedures?

16 (No audible response)

17 CHAIRMAN TILLERY: Ms. Cramer, I had spoken to you  
18 the other day about a couple of comments I had, and I don't  
19 think they're in -- they wouldn't be in the draft that's  
20 subject to this motion. If I could just bring those up -- one  
21 is on page 6 at the bottom, and these are -- it -- and under  
22 recusal, it talks about how a Council Member may request a  
23 decision be deferred on a voting matter. As a practical  
24 matter, I think it's -- that seems to suggest that there's some  
25 leeway in there; there really isn't. We have to be unanimous.

I think you might as well -- that might as well read the

Council Members shall request that the decision be deferred, I mean, it's just, we can't vote without -- when somebody recuses we can't vote.

1           And the other comment I have, and Mr. Janik might  
2 also be interested in this one, is on page 9, up at the top  
3 under, "Title and Management," it -- this statement reads that,  
4           "The title of any lands or ownership rights will  
5           be specified in the resolution adopted by the  
6           Trustee Council."

7 For -- this is for habitat acquisitions. My experience has  
8 been that oftentimes we don't know that. We know that there is  
9 going to be -- the state's going to get, for example, some  
10 portion and the U.S. might get some other portion, but we don't  
11 have -- we don't know what the specifications of those are  
12 going to be at the time we adopt the resolution, and I would  
13 suggest that that be changed simply to read,

14           "Insofar as possible, the title of any lands or  
15           ownership rights will be specified  
16 making it not mandatory at what I think is an earlier stage  
17 than is necessary.

18           MR. PENNOYER: Do I accept those as friendly  
19 amendments? Is that what I.....

20           CHAIRMAN TILLERY: I am asking -- moving those as  
21 friendly amendments to your.....

22           MR. PENNOYER: We accept those as friendly  
23 amendments, if the second agrees.

24           COMMISSIONER RUE: Yes.

25           CHAIRMAN TILLERY: Thank you -- and those were my  
comments. Is there anyone else who wishes to comment on the

motion before us?

11

(No audible response)

CHAIRMAN TILLERY: No? Having no further comment,  
1 all in favor?

2 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

3 CHAIRMAN TILLERY: Opposed?

4 (No audible response)

5 CHAIRMAN TILLERY: Congratulation, Traci, the  
6 new.....

7 MS. CRAMER: Gee, thanks.

8 CHAIRMAN TILLERY: .....procedures are adopted. The  
9 next item before the Council is technical budget amendments.  
10 Ms. McCammon?

11 MS. McCAMMON: Yeah. Mr. Chairman, in your packet  
12 there is a request for authority to transfer funds between two  
13 FY '96 SEA projects in the amount of \$93,400. The changes  
14 would be between project 320N and 320J. The Chief Scientist is  
15 aware of this proposed transfer, and in fact it is a reflection  
16 of the peer review process that we had and the Chief Scientist  
17 and I recommend your support.

18 MS. WILLIAMS: Move to adopt.

19 COMMISSIONER RUE: Second.

20 CHAIRMAN TILLERY: It has been moved by Ms. Williams  
21 and seconded by Commissioner Rue. Is there discussion on the  
22 motion? Mr. Pennoyer?

23 MR. PENNOYER: Just a brief question.

24 (Indiscernible.) So this actually is a change in project  
25 direction, not just an unanticipated expense?

MS. McCAMMON: That's correct, yes.

MR. PENNOYER: Okay. So -- but this is supported by the Chief Scientist in terms of the change in emphasis?

MS. McCAMMON: Yes. Do you want to speak to that, Bob?

1

MR. PENNOYER: Thank you.

2

CHAIRMAN TILLERY: Are there further questions or comments on the motion?

3

4

(No audible response)

5

CHAIRMAN TILLERY: All in favor of the motion?

6

TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

7

CHAIRMAN TILLERY: Any opposed?

8

(No audible response)

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CHAIRMAN TILLERY: The motion passes. I believe that leads us on time, almost, to the beginning of our discussion on the FY '97 work plan. Ms. McCammon, you gave us at the beginning of the meeting a.....

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MS. McCAMMON: At the beginning, you have an additional.....

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CHAIRMAN TILLERY: .....sub-agenda.

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MS. McCAMMON: .....packet with a sub-agenda, and what I would like to do is start out with an overview of the work plan by Stan Senner, go into a discussion of the ecosystem projects and some major scientific themes in this work plan by Dr. Spies, go through then cluster by cluster with a description of what's in the proposal. In this packet is a revised totals page with a list of those projects that are recommended to be deferred for action until early December. There is also a new page -- I found it very interesting to see what kind of new projects were being considered for funding

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this year as opposed to those that are continuing projects, so  
there is a list of new projects that are recommended for  
funding and new projects that are deferred.

1           In addition, there are some minor changes that have  
2 happened to the Executive Director's recommendations since the  
3 original package was distributed. There's a one-page list -- a  
4 one-and-a-half page list -- it's grown -- of those changes, and  
5 then there is a revised spreadsheet A. Spreadsheet A is the  
6 spreadsheet that has the actual numbers on it in terms of  
7 requests, the recommendation for fund defer and future funding.

8           I also have spreadsheets, and I haven't made copies of these  
9 but I can do so as we get set up here, of the history of  
10 project costs too. There was a request for -- we have kind  
11 of -- out here as to what the future costs are, we also have  
12 copies of what's been funded for these various projects in the  
13 past, so I'll get copies of those made and distributed too so  
14 we can look at those.

15           And then the last item, I believe, are some  
16 additional public comments that have been received since your  
17 packet went out, and I believe there are three or four of those  
18 attached. So what we will be working from is the revised  
19 numbers list, spreadsheet A. We did not make copies of -- we  
20 thought people had probably written notes on spreadsheet B,  
21 which is the more detailed one, so rather than making copies at  
22 this time, as we go through it we'll note any changes that have  
23 been made.

24           CHAIRMAN TILLERY: Ms. Williams?

25           MS. WILLIAMS: One initial question. On spreadsheet  
A, page A-8, we indicate a recommendation by the Executive

Director of \$15,400,000 and defer of one million. If we add those two together, to \$16.3, how does that compare with those nice declining funding charts that you presented to us last time?

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MS. McCAMMON: Our target, Mr. Chairman, for this year for kind of the core work plan is \$16 million.

MS. WILLIAMS: So potentially we're about.....

MS. McCAMMON: We're very close.

MS. WILLIAMS: .....\$400,000.....

MS. McCAMMON: We're very close.

MS. WILLIAMS: Okay.

CHAIRMAN TILLERY: Before we begin, just sort of a little of a procedural issue. Does the Council wish to comment on this sort of -- at anytime, wait until the end of each presentation, or wait until the end of the whole presentation?

Is there.....

MS. WILLIAMS: Anytime.

CHAIRMAN TILLERY: Just -- I think that at times we're going to have a darkened room so I guess, with the permission of chair, please just speak up if you wish to stop to ask questions. Okay. Ms. McCammon?

MS. McCAMMON: I'll turn it over now to Stan. I guess maybe I -- actually, I should do a little bit of a summary here, in that when we did put the invitation out for two months -- it was out to the public -- we received I think something like 130 proposals, 21 over \$33 million worth, so it went through an initial review by the core reviewers, which are as Gary Thomas mentioned, are nationally renowned scientists -- George Rose, Pete Peterson.

We also have a cultural anthropologist on the core review group. These folks advise the Chief Scientists. They did the initial screening. We also had staff do screening, looking at restoration policies, local involvement, past reports, NEPA compliance, you know, budgets, a number of items.

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And between those two, we put out a draft recommendation in mid-June.

That recommendation then went out to public comment for 60 days, and so the revised recommendation is a result of PAG comment, further comments from the proposers, and further information that's come in -- there's been some revisions based on that -- legal review and a number of other items, so.....

MR. SENNER: Mr. Chairman, the Executive Director has given most of my introduction for me.

MS. McCAMMON: Oh, we didn't talk about what his introduction was going to be.

MR. SENNER: So we'll be able to move right along here. I'll go back and just fill in a few spaces though. In terms of the process, it is the one you're familiar with now. It begins each January with the annual restoration workshop to which you're all invited, and at least some of you have been able to attend. That's followed by an annual science invitation. It goes out usually in February. We required the submission of proposals -- the shorthand is DPDs if you -- we slip into jargon here. That stands for detailed project disposal (sic) -- detailed proposal description. That usually comes in April, then we have the science review that Molly just described in May, followed by reviews by the Restoration Work Force and the Public Advisory Group, development of a draft

work plan which then goes out for public comment. Then early  
 in August, an additional round of Work Force and Public  
 Advisory Group review, taking into account public comment, and  
 the public comments received this year were in your packets. I  
 believe it was 18 comments. Am I -- Sandra, am I -- I think  
 that's the right number, 18 comments that are in your packets.

The Executive Director makes adjustments in her  
 initial recommendations for the work plan. There's the meeting  
 today for action -- consideration by the Trustee Council.  
 Following this meeting we'll follow up on any contingencies  
 that are unresolved as of today. There will be some deferred  
 projects that require additional action. A final Trustee  
 Council decision on those deferred projects probably in  
 December, and then publication of a final work plan, and then  
 it begins all over again -- so that's the process.

Molly already mentioned that in your -- these packets  
 that describe the work plan, we have right now a total of  
 \$16,484,000 that's sort of the table, and that includes  
 projects that are recommended today for funding as well as  
 those that are considered deferred requests for funds. The  
 target that we've been working toward is \$16 million, so you  
 can see that we have about \$1 million -- or 1.1 million in  
 deferred projects, and we're going to have to reduce that by  
 roughly half a million dollars to reach the \$16 million target,  
 so that's kind of our task.

I didn't pull out the numbers from last year, but I  
 believe last year at this time we only had -- we made decisions  
 or recommendations to you on about 80 percent of the project  
 funding as of this day last year. This year we have

considerably less money that's still sort of unresolved, and the goal is to have as little unresolved as possible at this time so we can move forward at the start of the new fiscal year with as much certainty as possible.

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I did prepare -- I'm going to shift mikes over here.  
(Pause)

MR. SENNER: I just did -- prepared one overhead showing you the rough allocation by cluster, we call it, of the dollars. This does not take into account the projects that are on the deferred list; it's just a breakout of the monies recommended for funding today. And so this may change a little bit, but it gives you a relative idea of the emphasis. The -- obviously the biggest ticket items are 12 percent of the work plan, still in pink salmon, 21 percent accounts for the SEA project and one related project, the pristane monitoring project. The near-shore ecosystem group, which includes the near-shore vertebrate predator project and related work is 19 percent, and then the sea bird cluster on the left at 14 percent, that includes the APEX project and some related work, so it gives you some idea of emphasis there.

One other area I'd call your attention to is that the subsistence cluster is at about 8 percent of the package, and this again represents an increase in kind of the proportionate emphasis on that particular cluster. So as we go through the details of the work plan, kind of bear in mind this, and if you have guidance as we go about areas that should receive more or less emphasis, I think that's something we'd like to hear and it's always a question that we ask of the Public Advisory Group when we meet with them. Are we kind of hitting things about

right? Any questions specifically on this before I turn this  
off?

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(No audible response)

1 MR. SENNER: Okay. Hearing none.

2 (Pause)

3 MR. SENNER: The Executive Director referred your  
4 attention in your packet to those, the second and third sheets,  
5 the one that details the projects that are still considered in  
6 a deferred status, and you can see it's not too bad of a list,  
7 so -- but we will be coming back to you with recommendations on  
8 those later in the year. And then go the, what's the third  
9 page there, which is the new project list. We've been very  
10 concerned that we don't just fund continuations of projects  
11 that are already underway. We think it's important for kind of  
12 the health and integrity of the program that we are able to  
13 initiate some new work each year, and this at least gives you  
14 an idea of what we're recommending for new work. That top half  
15 of the list are the ones that are recommended for funding now,  
16 with some additional projects -- new projects there that are  
17 right now in a deferred status, but our hope is that at least  
18 some of those will be able to go forward in the fall.

19 So again, this is something from a scientific  
20 standpoint we've been real concerned, that we do preserve the  
21 ability to initiate some new work each year. Okay.

22 With that as a brief introduction, what we'll do is  
23 turn to Dr. Spies, the Chief Scientist, to give kind of an  
24 overview of the ecosystem projects and some of the other major  
25 scientific themes, and see how long that takes, and then when  
Bob is done we'll dive into the clusters group by group, and

we'll have to see where we want to break for lunch and how we do that, but let's get through the next 15 minutes or so and then see what we want to do.

1 DR. SPIES: Thank you, Stan. I thought I'd make a  
2 few comments generally about the ecosystem projects, and that  
3 they are very large and are considered a very important part of  
4 the scientific work plan, and I don't think it -- I think they  
5 deserve a little bit of attention on your part, and if there's  
6 any questions that come up I certainly would like to hear those  
7 and be able to answer those.

8 This is a little bit of a cartoon that I made up last  
9 year trying to show the relationship between the major  
10 ecosystem programs that we've sponsored in the restoration  
11 program and how they relate to one another, and it's just a  
12 cross-section of a section of coasts and shows some of the  
13 processes going on here in the planktonic community, and then  
14 it relates them to -- and then, of course, this is the  
15 shoreline here. And the real thing that we're trying to get at  
16 here is not -- we had a program that started off with a  
17 detailed damage assessment on a species by species level that  
18 really didn't deal too much with the ecological constraints  
19 under which those species lived.

20 We were counting animals, we were surveying, looking  
21 for damage and so forth, and that was quite appropriate, but it  
22 was -- there came a time where it was important to shift over  
23 in the restoration program in order to obtain more scientific  
24 value from the program, to focus more on the ecological context  
25 of these species that were recovering, what thing -- what other  
sorts of factors may be affecting them in terms of natural

variability. And I think this is also going to leave a legacy beyond just documenting what the damage was and recovered from the spill -- a legacy of information about the resources that will last longer than the -- much longer than the -- our memory about what happened during the oil spill.

So if we look at this kind of in terms of somewhat natural forces, we've got climactic influences here that affect physical forcing in the marine environment. Those things are relayed through the food chain starting with phytoplankton. It's kind of a hard time, doing things in reverse here -- starting with the phytoplankton and then up to the zooplankton, and we'll get annual variability based on the kind of forcing and climatological phenomena occurring in the Gulf of Alaska and over the general spill area. And that kind of variability on a year basis will be reflected in the success of the young juvenile fish, and this is where the SEA program has concentrated on, these interactions between the juvenile fish, their predators and their food supply -- and that kind of defines the SEA program here.

And then overlapping with the SEA program -- I'm looking at the forage fish base populations and things like herring and salmon eggs and so forth, and the sea birds that feed on them, and what -- we know that there's been long-term declines in a lot of these sea bird populations, and what's the basis of those sort of declines. What kind of -- that explain them, and the APEX project is focused on those kind of questions, looking at these complex interactions between fish, and particularly the variability of those forage fish to the sea bird predators.

And finally, the near-shore vertebrate predator program is looking at some near-shore vertebrate such as the sea otter, river otter, pigeon guillemot, and try and understand the recovery of those species and whether there's any residual toxicity that may be still affecting those populations, looking at food supply and looking at some of the inherent limitations of the growth of those populations.

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So that's kind of how these three systems kind of -- these three large programs kind of relate to one another. I think it would be desirable in the long run, if the Trustee Council was really interested in pursuing this on a long-term basis, whether it be under restoration preserve or linking up with other kinds of programs that may be going in North Pacific, in terms of understanding the natural variability of important marine populations over time.

I think it'll be very important to probably have one integrated program, but I think for the purposes of process, it was pretty efficient to start with three separate programs, and they do overlap to some extent and they're not gathering the same data in the same place on the same species, but for herring, for instance, and for some of the benthic fish that they will be measured in each of these three at different times and places, but we don't really truly have a lot of overlap, in my opinion.

Also, there's quite a bit of coordination and cooperation between the various projects that are ongoing, and this shows you an example of some of the interactions that we're aware of, and I won't dwell on it much, but there is -- in SEA and APEX and the harbor seal program and the harlequin

duck project -- they're given over here as examples -- there's all kinds of exchange of specimens and information, sampling platforms and so forth that goes on, and I feel very good about the degree of integration that we're achieving with our resources.

And finally, I think that we have an opportunity in the future to leverage these large efforts that we've undertaken and extend them if the Trustee Council would be inclined to do so. There's some other large efforts that are going on in terms of (indiscernible), the large ecosystem project that's been funded by NSF, is going to have a North Pacific component to it in the next several years, and there have been discussions that have been initiated as to how our efforts might tie into those efforts in the long term -- and there's opportunities like that to kind of further this kind of approach that we've started in these last couple of years.

I'd like to turn, and make just a few comments about the major scientific schemes in the science program just to kind of reinforce the direction that we've been taking the last several years in restoration program. The first of those themes that's been very strongly supported by the Trustee Council is looking at management tools that are available for injured resources, and either improving those management tools, developing new management tools, or making the ones that we have, you know, more applicable to the injured resources, and this is particularly true with fisheries. What we've done with sockeye in the Cook Inlet is a good example of genetics (indiscernible).

And then the other major theme that the science

program's been organized around includes the tracking of the injured resources, and we've done that, I think a pretty faithful job -- pretty good job of dealing with recovery of these injured resources given the unknowns about what those populations were before the spill and the difficulty of getting extremely precise estimates of those populations at the time.

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And then of course we have a whole category of projects that are on the ground -- restoration projects that involve some scientific component or technical component that are actually trying to achieve some things like getting fish past a barrier and getting more production of a stream. So I thought I -- at least with those comments, if you have any questions, I'd be glad to try to.....

MS. WILLIAMS: What are Exxon studies showing, and do we have studies that are parallel to theirs or going to address their findings?

DR. SPIES: That's a big question. We know that there's ongoing studies out there, when PIs bump into other PIs out in the field and there's a big effort we know that had gone on with -- recently with harlequin ducks, sparked by our -- the studies that we've done showing the lack of reproduction of harlequin ducks in the western side of Prince William Sound. Exxon's been very interested in the Trustee Council studies. They've funded some of their own experts to go out there and look, and so -- and there's been some communications. It's been very positive as a result of the two sets of studies.

We're not sure of the whole shape of their program. We know that they are very aggressively pursuing publication of their results. For instance, in the journal Environmental

Toxicology and Chemistry this last week, there was two articles published, one by Paul Boehm and a whole series of chemists that have been supported by Exxon dealing with the background hydrocarbon concentrations in Prince William Sound, and it claims that natural seepages play a very important role, even -- not only deep in the Sound where we quite recognize that factor, but also in the shallow, and I think our -- the chemists that have done our work are looking closely at those results and trying to reconcile some of the data that we have along the same lines.

Another example from the same journal published in the same volume was a study of the mussel beds, and oiling the mussel beds, and what the -- because we have sponsored quite a bit of scientific study over the years, beginning in about '93 when we discovered there was extensive oiled mussel beds -- or at least extensive oiling of mussel beds in the Sound. We're of some concern. We've sponsored studies to look at those populations and try to understand what kind of doses they've been getting. There is an article that's been published -- we were aware of the work going on, but just published on trying to evaluate the dose of oil to predators such as harlequin ducks and river otters, and that's why there's a study out there that -- it takes a certain point of view in relation to, you know, the threat that that oil in the mussel beds may pose to predators. And I think they would have concluded in at least that publication and earlier papers by Stubblefield (ph), that there is not a threat based on consumption of oils. We're just kind of trying to evaluate those things as they arise.

Does that help answer, I mean, those are just two

examples, I mean, there's a lot of Exxon studies that have come  
out in the last year as a result of their symposium in Atlanta. <sup>12</sup>

1 MR. SENNER: Bob? Mr. Chairman, I'd just add that  
2 we're aware this summer of some level of Exxon field work --  
3 harlequins ducks, as Dr. Spies mentioned, also harbor seals,  
4 sea otters, possibly pink salmon. We don't -- we find out  
5 about these things through indirect means, and so we really  
6 don't have any picture of what that program is like, but we are  
7 aware of some attention to these several different resources.

8 CHAIRMAN TILLERY: Mr. Pennoyer?

9 MR. PENNOYER: Yeah, Bob. That was a good general  
10 overview, and I suppose we can jut go back to the different  
11 projects when talking a little bit more detailed, but from a  
12 general standpoint on where we are in some of these ecosystem  
13 relationship studies and where we think they may go, you  
14 mentioned that there were opportunities and future efforts,  
15 like the North Pacific glowback and things like that. Those  
16 are -- I don't know what's going to happen on that even. It's  
17 out there somewhere, and I don't know whether it gets  
18 adequately funded, how it's going to (indiscernible). There  
19 are a lot of questions out there for organization.

20 DR. SPIES: Even your own agency has the ocean  
21 carrying capacity program.

22 MR. PENNOYER: Oh, I know. We have one going on, and  
23 there are lots of different studies going on, and given -- so  
24 we've got three major ecosystem-related projects, and I think  
25 your relationship there shows how they do relate to each other,  
and logically they do come together to look at all the parts of  
this. They have a life history now of another, what, two or

three years?

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DR. SPIES: That's right.

MR. PENNOYER: In your view, where are we going to  
1 be? I mean, we're going to be in two or three years saying  
2 well, now if we can only get together with these glowback guys  
3 and somebody's else's thing's going to show us something. Are  
4 we going to be to a point where we've got something to put on  
5 the table that's going to be of lasting use? In your view, how  
6 does this all come together?

DR. SPIES: Well, I think that those -- the studies  
8 are going to make the major contributions to our knowledge  
9 about how this ecosystem works. Will there be more to do after  
10 the end of these studies? Certainly. There will be lots of  
11 unanswered questions. There's not going to be the final  
12 product, so no matter how much the system -- how much pulling  
13 together; there's still going to be lots of questions, and  
14 there are the opportunities out in the future to lengthen some  
15 of these programs. And it depends really on the view that's  
16 taken in this program as to how much we want to invest in a  
17 long-term understanding of the marine environment with the  
18 resources available.

MR. PENNOYER: Maybe more specifically, and, I mean,  
20 anybody who has been involved in any type of natural resources  
21 research knows there's always going to be more to do. That is  
22 a given, and the ecosystem's going to change (indiscernible)  
23 climate shifts. A lot of things are going to happen that are  
24 going to have to be evaluated over time, but within what we're  
25 doing, where do you think we'll be at the end of that two or  
three years, in terms of are we're going to be available to



DR. SPIES: .....get into that before lunch, or do you want to take a lunch?

CHAIRMAN TILLERY: We've got about 15 minutes. I guess I would suggest that we go ahead and get into it if we can -- I don't know if we can get through a cluster in 15 minutes, but you might want to think about a logical breaking point.....

DR. SPIES: Okay.

CHAIRMAN TILLERY: .....for that cluster.

DR. SPIES: Well, why don't we see. How do you want to do this? Do you want to -- I'll give you -- kind of go through the cluster, for instance, the pink salmon, and talk about the projects a little bit, and then do you want to hold for questions or do you want to kind of deal with them.....

CHAIRMAN TILLERY: I believe the Council would prefer just to, as you're going through it bring up questions.....

DR. SPIES: Okay.

CHAIRMAN TILLERY: .....as they arise.

MR. SENNER: Dr. Spies, let me just introduce what we've got under each of these clusters. We have the projects that are proposed for continued funding. We have not distinguished between those that are a fund or a fund contingent for purposes of this overhead, so a continue simply means funded. We have used the terminology start for new projects, and in some cases you'll see closeouts or defers. The lists on these overheads do not show projects that are recommended for no funding. So just to keep things simple, these are all in a fund category of one kind or another, and the headings -- the sub-headings kind of indicate what the

basic rationale is for undertaking the work, providing

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management information, supplementing a population or whatever.

1 DR. SPIES: So under the pink salmon, we've got these  
2 three kind of major headings -- or sub-headings of categories  
3 for things we're doing with the pink salmon restoration  
4 program. The first is research and monitoring the toxic  
5 effects of oil. There's three projects under there recommended  
6 for continuing funding. Project 076, which is looking at the  
7 effects of (indiscernible). There's also incidental  
8 information being gathered on tag loss rates and coded-wire  
9 tags and so forth, and survival of pink salmon exposed to oil  
10 substrates, and there's a component there that's actually a  
11 continuation of project 090, which is looking specifically at  
12 that, oil -- gravel effects on life history of pink salmon --  
13 so that's recommended for continuing.

14 191A, which is the tracking, the recovery of pink  
15 salmon in Prince William Sound, particularly in relation to  
16 rates of egg mortality in oiled and unoiled streams. And as  
17 Stan referred to earlier, we are seeing now two years -- an odd  
18 and even year of no difference between oiled and unoiled  
19 streams, and that's slated for two more years to meet the  
20 restoration objective of no difference for two odd and two even  
21 years.

22 And finally, project 194, which is a new project. It  
23 was proposed last year and deferred but is back on the table,  
24 and this is a -- kind of the last piece of the damage  
25 assessment program. It's looking at samples of oiled sediment  
from Prince William Sound gathered in 1989 and 1990 by the  
Department of Fish and Game. These were kind of recently

discovered several years ago, that these samples actually existed, and they're such that I think we're going to be able to answer some questions about levels of effect on egg mortality survival by analyzing the samples. This is a NOAA program -- relatively modest cost.

Moving onto the next group is things that we're doing to provide better management and the basis for the pink salmon managers. Project 186, which is the coded-wire tag study that's been supported by the Trustee Council since '89, is continuing and overlapping specifically with the otolith mass marking, which is 188, the next project. We want two years of overlaps so that we're introducing this new otolith mass marking technology to Prince William Sound. This is the second year -- we got two full years of overlap there in those two approaches to understanding the proportion of hatchery and wild stocks and the returning catch for better management.

Everybody said that we needed overlap in case otolith mass marking didn't work out for some reason, just be to safe.

So that's also transitioning as you've seen in the past back to private fundings by the hatcheries out of the Trustee Council. The Trustee Council's contribution to that is declining.

The next project is project 190.....

MR. PENNOYER: Mr. Chairman, this is a question. You said everyone said we needed overlap, sort of like you didn't believe it, I mean, how much overlap.....

DR. SPIES: Oh. Well, I probably misstated that. We were -- I was advised by our fisheries experts, the reviewers, that that was desirable. I have no reason to doubt that.

MR. PENNOYER: And the amount of overlaps requested is how long?

DR. SPIES: Two years.

1 MR. PENNOYER: Two years?

2 DR. SPIES: Project 190, the genetic linkage map --  
3 this is a new project that was started last year and is looking  
4 at the -- mapping some of the genetic traits of Prince William  
5 Sound on the chromosomes, providing basic information about the  
6 genetic makeup of the pink salmon.

7 And then finally, 196, which is the genetic stock  
8 identification, which is a different use of genetics, and this  
9 is using genetics to try to determine if there are sub-  
10 populations of pink salmon in Prince William Sound. That  
11 project has been making good progress and is actually going to  
12 be winding down through '97 and '98.

13 The last group of projects in pink salmon is the  
14 supplementation of populations, and there's three projects  
15 under there that are continuing; two are continuing and one's a  
16 closeout. Little Waterfall Creek, which is a bypass -- it's  
17 been constructed in the northern end of Kodiak Island, and it's  
18 being evaluated and we've asked them to continue evaluating the  
19 results of that for several years to know how successful we are  
20 with that particular supplementation.

21 The next project is the Port Dick Creek.

22 CHAIRMAN TILLERY: Little Waterfall Creek -- is that  
23 on Kodiak or Afognak?

24 DR. SPIES: Afognak.

25 MR. SENNER: That's on Afognak.

DR. SPIES: That's Afognak.

MR. SENNER: On the north side.

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CHAIRMAN TILLERY: The north end of Afognak. I think  
I recently had a conversation with State Parks, which they  
1 indicated that clearcutting had begun in the upper part of that  
2 watershed and was progressing rapidly down that creek. Is  
3 anybody looking at how that is going to impact what we're  
4 doing?

5 MR. SENNER: The short answer is no, and I think that  
6 project is on in the Laura Lake drainage, I believe that.....

7 CHAIRMAN TILLERY: I think it's on the other side on  
8 the Shuyak Strait area.

9 UNIDENTIFIED MALE SPEAKER: It's up top.

10 MR. SENNER: It's up -- okay.

11 CHAIRMAN TILLERY: Perenosa Bay, I believe.

12 MR. SENNER: Okay. But no, no one is -- right now,  
13 no one is programmed to look at that kind of an impact on that.  
14 Dr. Spies and I.....

15 DR. SPIES: Maybe we need to.....

16 MR. SENNER: .....had planned to fly there.....

17 DR. SPIES: Yeah, yeah.

18 MR. SENNER: .....this -- we were in Kodiak a month  
19 ago and then we got weathered out, so.....

20 DR. SPIES: We had actually flown -- or I might have  
21 known I was on Afognak Island.

22 CHAIRMAN TILLERY: If you do get over there, I'd be  
23 curious as to what kind of -- how that is working out.

24 MR. SENNER: Okay.

25 CHAIRMAN TILLERY: Sorry.

COMMISSIONER RUE: Mr. Chairman, the question being

what level of impact -- sort of observing.....

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1 CHAIRMAN TILLERY: Well, if we're building a fish  
2 bypass for these fish and then all the trees are coming down  
3 and the creek's going to get silty or not usable for fish or  
4 whatever, I don't know.

5 COMMISSIONER RUE: Theoretically, it won't.

6 CHAIRMAN TILLERY: Theoretically it won't because  
7 it's protected, but it might.

8 COMMISSIONER RUE: Well, I think you're acting.....

9 DR. SPIES: The buffer strips are in place there.

10 COMMISSIONER RUE: .....in the capacity for visual  
11 observation. I think a research project would be fairly a  
12 significant effort, and probably we've already lost the  
13 opportunity to get the baseline if it's been cut, so.....

14 CHAIRMAN TILLERY: Well, again, what I have heard,  
15 and this again was from the ranger on Shuyak, was that they had  
16 started cutting in the upper part of the watershed, and he was  
17 worried that they were heading towards -- and all the way down  
18 the creek very quickly.

19 DR. SPIES: We've asked them to keep monitoring that  
20 stream, and our concern there was that the populations of fish  
21 that are already there, how they might be impacted by  
22 additional andromous populations (indiscernible).

23 MS. WILLIAMS: Mr. Tillery, given your concerns, do  
24 you recommend a deferral until we have a better sense of the  
25 impact because I don't see how you could use this data then, if  
26 you have dramatic change in upstream environment and potential  
27 impact upstream. I don't know how you could use the data in  
28 the wake of that change to indicate what impact the various

improvement projects have.

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CHAIRMAN TILLERY: I guess what -- I'm not suggesting so much we defer it; I'm actually suggesting that since we seem to be in a monitoring phase anyway, as part of that monitoring somebody ought to be looking closely at whether there are changes and whether it is impacting this data. And again, I'm not -- this is all second-hand; I haven't seen this. I don't know the answer, but it should be a part of this project. It's something that should be a focus.....

COMMISSIONER RUE: Mr. Chairman, maybe what we are asking is that the project leader come back to us with what it would take to monitor the change in the environment and watershed because it could be a very sig- -- I mean, it's not a small item to monitor change over time with a watershed based on logging.

CHAIRMAN TILLERY: Is there a problem -- is it being -- I don't even, you know, I don't even know first-hand if it's being logged. Is it being logged? Does that make a difference? Are there any changes in how they would approach this in terms of either adding to it or.....

DR. SPIES: Yeah. We'll get back.....

CHAIRMAN TILLERY: .....dropping it.

DR. SPIES: .....to the principal investigator. I think it's Nick (indiscernible).

MR. SENNER: No, it's not. It's Steve Honnold from Kodiak.

DR. SPIES: Yeah.

MR. SENNER: Yeah.

DR. SPIES: Okay. Okay.

MS. WILLIAMS: What I would like, and this may deviate from Mr. Tillery, I would like a statement from the principal investigator that if this much clearcutting is going on that it is still useful to continue this project, and whether you can get any useful information in terms of evaluating their bypass improvement project. If there's this much of a variable.....

MR. SENNER: Confounding, right.

MS. WILLIAMS: .....in the environment. Yeah.

CHAIRMAN TILLERY: I agree with that, and that's.....

MR. SENNER: Yeah.

CHAIRMAN TILLERY: .....what I was.....

MS. WILLIAMS: Okay.

CHAIRMAN TILLERY: .....trying to get at, so.....

MR. SENNER: That's -- would you like to make that essentially then a fund contingent upon our resolution of that.....

MS. WILLIAMS: Yes.

MR. SENNER: .....of those quest- -- several.....

MS. WILLIAMS: Yes.

MR. SENNER: .....questions?

MS. WILLIAMS: Yes.

CHAIRMAN TILLERY: I think when -- yes. I think that when we get to the motion time on this that I would -- yeah.

MR. SENNER: Okay.

MS. WILLIAMS: Yeah.

CHAIRMAN TILLERY: I would like to incorporate that.

DR. SPIES: 139A2 is the Port Dick Creek habitat improvement project. That's -- work on that project is

actually taking place. We've supported the engineering for the last couple of years and feasibility studies, so that work is going on right now and we need to follow up on that in '97 in terms of monitoring the affect again. (Indiscernible) principals, we just don't want to fund a supplementation project without knowing in the end what the result was of those activities.

And finally, to close out 139C1, which is the Montague riparian, and (indiscernible).

MS. WILLIAMS: Mr. Chairman?

CHAIRMAN TILLERY: Ms. Williams.

MS. WILLIAMS: Dr. Spies, I'm going to -- probably I'll sound a little (indiscernible) about this, but I'll ask you and Stan as we go through all of these, since clearly I'm very concerned about publication, which of these have expectation of publications?

MR. SENNER: Okay. Let me -- I think I can help with that and a couple other caveats I wanted to throw in. I think the project 191A on the egg mortality is going to lead to a very significant publication because that's the core of kind of the injury statement on pink salmon. We're still -- we're not there yet because it needs another year of data gathering beyond this, but that one will lead to it.

The PIs on 076, the strain, and on 194, the habitat recovery.....

DR. SPIES: They have an excellent publication record already.

MR. SENNER: .....excellent track records there.

MS. WILLIAMS: And there is expectation of

publications on those?

13

DR. SPIES: Oh, certainly.

MS. WILLIAMS: Okay.

1 MR. SENNER: Yeah. And in that second group, the  
2 coded-wire tags, genetic linkage mapping, genetic stock  
3 identification, I'm not aware that right now there are any  
4 publica- -- I'm sort of looking at Bill Houser or Dan Moore  
5 from Fish and Game. I'm not aware that there's any publication  
6 in the pipeline on those, but the last two of those, the  
7 genetic work, is not yet at a point where you'd be looking at  
8 publications.

9 MS. WILLIAMS: Now is it -- again, as Commissioner  
10 Rue said, well, before there weren't expectations, you know,  
11 what -- as part of the project we asked you to do. I'd like,  
12 you know, let's put expectations in if we think that the  
13 material should be published so that a year or two years down  
14 the line the PIs say ah, look what they're, you know, on this  
15 group or the next group, there was no expectation so I didn't  
16 gear my work in that regard.

17 Clearly we put a lot of money into markings and  
18 coded-wire tags over the many years and -- millions, I  
19 think.....

20 DR. SPIES: Well, the thermal mass marking will be  
21 the largest application of that technology.....

22 MS. WILLIAMS: Right.

23 DR. SPIES: .....that I'm aware of anywhere, and I  
24 would think that that would be a very good subject for  
25 publication.

MS. WILLIAMS: I do too. I do too. And again, I

think we ought to start putting the expectations in that.....

14

DR. SPIES: And.....

MS. WILLIAMS: .....given how much money we've  
1 put.....

2 DR. SPIES: ....I'd like.....

3 MS. WILLIAMS: .....into these projects.

4 DR. SPIES: Just to run through a couple of examples  
5 here -- genetic linkage map, Fred Allendorf's probably, who is  
6 working with Jim Seeb, is probably one of the best known fish  
7 geneticists in the country -- highly respective and extremely  
8 good publication record, but genetic stock identification of  
9 the Seeb's have a very active publications (sic) -- very active  
10 publications, we'd expect that to result.

11 And then by contrast, I think these supplemental  
12 things are things that journals might not take, I mean, just --  
13 you're out in the field, you're doing things, it's not  
14 appropriate. You're just trying to make some change, and  
15 unless you come across some new phenomenon or something  
16 unexpected, I wouldn't expect those to result.

17 MR. SENNER: The -- we should also mention that Jim  
18 Seeb, who's the PI on 196, is just this week at a symposium in  
19 Michigan on fisheries genetics that he organized, and has  
20 essentially Trustee Council's support through his project, and  
21 so we're very actively out there working with peers in the  
22 genetics arena.

23 The other thing I wanted to mention, though, these  
24 are a couple of cleanup items. On your spreadsheet, 191A, at  
25 the top, egg mortality, has a deferred portion of 74 thous- --  
yeah, \$74,900. That is now been taken off the table and is a

do not fund, and the reason is that that work was primarily  
 report writing on the genetic injury component of 191A. They  
 need a little time to catch their breath and let their  
 1 contractors, who are doing some work, get their reports into  
 2 the PIs, and what we expect then is to come back in '98 with an  
 3 actual closeout budget on the genetics component of that, but  
 4 there's no need to do it in '97, so we're taking the \$74.9  
 5 and -- that's in the deferred category and making that a do not  
 6 fund, and that's with concurrence from the PIs.

7           And then the second part of it is just -- you asked  
 8 which ones have contingencies about reports, and project 196,  
 9 genetic stock identification, does still have a late report  
 10 coming. And secondly, that one needs some revision to the  
 11 detailed project description. That newly revised project  
 12 description has been received, but we just have not had time to  
 13 review whether it's now satisfactory -- so those are the  
 14 contingencies on 196. None of the others of these have any  
 15 late report issues.

16           CHAIRMAN TILLERY: These are -- are we at a natural  
 17 break point?

18           DR. SPIES: Sir, if we could break here before we --  
 19 and pick up the hearing after the executive session.

20           CHAIRMAN TILLERY: That would seem to be good. Okay.  
 21 If.....

22           DR. SPIES: We're going to be taking this kind of  
 23 tag-team approach because Stan and Sandra's done so much work  
 24 in the administrative aspects of this.

25           CHAIRMAN TILLERY: I guess the Chair would entertain  
 a motion to recess for lunch and a motion to go into executive

session. I believe that the items that have been mentioned for  
executive session are habitat acquisition issues and the CRIS  
fees issues. Is there.....

1 MS. WILLIAMS: So moved.

2 CHAIRMAN TILLERY: Is there a second?

3 MR. JANIK: Second.

4 CHAIRMAN TILLERY: Any discussion?

5 (No audible response)

6 CHAIRMAN TILLERY: Any opposition?

7 (No audible response)

8 CHAIRMAN TILLERY: So moved. We're recessed until --  
9 according to the proposed agenda, about 1:30.

10 MS. WILLIAMS: And we're going upstairs?

11 CHAIRMAN TILLERY: We're going upstairs.

12 MR. PENNOYER: Is lunch being brought in?

13 CHAIRMAN TILLERY: Yes. Lunch is being brought  
14 upstairs.

15 (In recess at 12:05 p.m.)

16 (On record at 1:52 p.m.)

17 (Pause - Whispered conversations)

18 CHAIRMAN TILLERY: Just -- do you want to report on  
19 the executive session, that we discussed habitat and CRIS and  
20 that we.....

21 (Off record at 1:53 p.m.)

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

23 CHAIRMAN TILLERY: The Trustee Council meeting is  
24 back in session. Ms. Williams, if you could, for the record,  
25 just give a report of the executive session.

MS. WILLIAMS: Yes, Mr. Chairman. The Trustee

Council in executive session discussed what we informed the public we would be discussing. We discussed small parcel acquisition issues. We discussed large parcel acquisition issues, and we also discussed the CRIS issue. Ms. McCammon will be working further with the Department of Justice on various constraints that the Department of Justice faces now so that we can respond more quickly to items such as CRIS, and we recessed the executive session because we anticipate we may need to go back under executive session as developments on a certain large parcel acquisition proceeds.

CHAIRMAN TILLERY: Thank you. And I believe that when we left off, Dr. Spies, you were just about to -- we were moving on.

DR. SPIES: Yes.

CHAIRMAN TILLERY: Could you continue?

DR. SPIES: Moving onto the hearing. Clusters?

(Pause - Side comments)

DR. SPIES: On the top of this view graph, you can see the hearing projects that are either being recommended for continuation or deferral, and there's two classes here. Looking at the cause of the crash, this is kind of a follow-up on damage assessment, and the project there is project 162, what's shaping up to be a major -- study of major importance in understanding herring fish disease in Alaska and involvement of a virus and a VHS and the fungus ichthyophagous and their roles relative to development and stress in relation to the population crash that were experienced by herring in '92, '93 and '94. This study's continuing and should come to a logical end in another season beyond '97. I think it's being closed

out in '98 or '99.

14

1 The next project cluster under herring is providing  
2 better management information, and there's two projects  
3 recommended for continuation; one is the herring natal  
4 habitats. This is the evaluation of the quality of the spawn  
5 and running that back to the forecast of the population that's  
6 been done since just after the spill -- so that's kind of  
7 the -- spawning bio-mass part of that, and there's also hydro-  
8 acoustics parts, so there's really tools being developed here,  
9 and the investigators had put forward a proposal for '97 that  
10 tried to relate the -- those two measurements, and we feel like  
11 there's still some remaining questions relative to how these  
12 two should be related and the design of the project, so we're  
13 recommending some deferral of the hydro-acoustics component  
14 until the principal investigator has a chance, after the field  
15 season is over, currently to give further consideration and  
16 address those issues a little bit further for the peer review  
17 process.

18 On project 97-165, genetic stock identification, that  
19 project is continuing. There will be no new samples collected  
20 in '97, but there will be a follow-up and completion of the  
21 samples in-hand, and the basic idea there, of course, is to try  
22 to see, using some molecular approaches as to how many stocks  
23 we have within the Prince William Sound, whether it's one or  
24 two or more stocks.

25 MR. SENNER: On this one, a clarification, because  
your spreadsheet indicates that project 165 is a defer until  
December, and we have been able to work out an arrangement  
there that's satisfactory to we think everyone, that what we

would like to recommend to you is that we in fact fund 41 plus  
some change -- \$41,000 of this in FY '97 to continue work with  
the subcontractors who are working on the genetic samples  
already collected. And so to follow through, do the lab work  
and the data analysis and interpretation on samples already  
collected, and not gather any new data in '97.

And once those data have been gathered -- or excuse  
me -- once those analyses are in and the reports from the  
subcontractors are in, then we're in a position -- in '98 we  
expect to close this project out, and the original reason for  
the deferral was that people wanted to see well, what is being  
learned, what has been learned to date -- and the answer is we  
think there's some good stuff being learned to date, but a lot  
of it is still tied up in the subcontractors' hands. We need  
to get reports from subcontractors, thus, the 40-some thousand  
to finish that up.

Once we have those reports, we can get a report  
from -- an integrated report from the PIs and see what we want  
to do -- so no new data gathering, follow through on  
subcontractors' reports at this point.

DR. SPIES: Thanks, Stan. And on project 248, which  
is a sociological, local knowledge -- traditional knowledge  
investigation of herring -- data on herring has been deferred  
pending a consideration of the whole issue of the traditional  
and ecological knowledge -- so that is the Pacific herring  
cluster. Are there any questions on that from anyone?

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: The publication expectancy?

DR. SPIES: Publications, yes. The investigators

that are -- in 162, the herring disease, all have excellent publication records and are attending in conferences, and some of the information has already been presented at professional conferences, and I have every expectation of further manuscripts from that particular investigation, and more than one certainly.

Herring natal habitats, I think if the hydro-acoustic and egg deposition studies, those comparisons, are made in an appropriate way it may provide the -- a basis for publication.

There also has been a number of publications coming out of the whole herring effort. It was kind of headed by Evelyn Brown in damage assessment in early stages of restoration, and there is a whole series of publications coming out out of that, and there's a special (indiscernible) effect of being dedicated to the -- containing a journal of fisheries that's devoted to the herring work. And so that's going to be a good payoff there.

Genetic stock identification, again, that's the Seeb's, and there are subcontractors there. I expect because of their excellent publication record to receive publications out of that -- so I think all those projects, we could say, have good potential (indiscernible).

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: Yeah. I have a question, Mr. Chairman. Dr. Spies, under the spawn deposition survey, it notes that ADF&G has now provided a plan to take over full support of this work after FY '98, so what's the relevance of the Council doing it between now and FY '98? Has the state already decided this is a viable component to the management

system so they're going to take it over after FY '98?

14

DR. SPIES: My understand-.....

MR. PENNOYER: What's that decision based on?

1 DR. SPIES: My understanding is they're going to make  
2 a decision every year, kind of at the end of this process, as  
3 to whether they're going to take it over. I don't think we've  
4 had any real rock solid assurances from Fish and Game that this  
5 program's going to continue beyond the Trustee Council.

6 COMMISSIONER RUE: Right. I'm not.....

7 DR. SPIES: Is that correct?

8 COMMISSIONER RUE: That's my understanding, and I'd  
9 have to -- if you've got a specific question, I can get back to  
10 you, but I don't have an understanding that we're going to.....

11 MR. SENNER: Mr. Pennoyer, what we do have is their  
12 intention of -- regardless of what they ultimately choose to do  
13 with the program, they have proposed to us that there be a  
14 phase-out of the Trustee Council support of the spawn  
15 deposition work.

16 MR. PENNOYER: I guess that's sort of my question  
17 because spawn deposition surveys used to be a very significant  
18 part of management of herring in several parts of the state,  
19 and still are in others. I was trying to get at, in terms of  
20 us doing this project, however, recognizing that it has been  
21 used elsewhere, what is the relevan- -- what are we going to  
22 know by FY '98 that we need to know relative to spawn  
23 deposition surveys? What is this contributing to our ability  
24 to understand oil spill effects in Prince William Sound? It's  
25 going to kind of end in FY '98. What is the logical period of  
time we should do it?

COMMISSIONER RUE: I think.....

14

DR. SPIES: I think it's a.....

1           COMMISSIONER RUE: I was going to say if Joe -- Joe  
2 Sullivan might be able to answer some of the Fish and Game  
3 management questions, but Dr. Spies obviously.....

4           DR. SPIES: Sure.

5           COMMISSIONER RUE: .....can go ahead and answer.

6           MR. SULLIVAN: I don't know a whole lot about -- as  
7 much about this as I'd like to, but basically with the deferred  
8 part of this is that we are still trying to find out what is --  
9 and in fact the best component to use in management, and that  
10 that's when Mark Willette gets back in out of the field this  
11 year and has a chance to look at that, then that's when we'll  
12 come back and say this is where we want to go with this, but  
13 we're not sure -- the different techniques have different  
14 complicating features to them, but the goal is, you know,  
15 assuming that we can afford this, and I certainly hope that we  
16 will be able to in two years, that we pick it up and use it. I  
17 mean, it's similar to some of the other things that the Trustee  
18 Council has funded. The Trustee Council funds advances in the  
19 techniques; they expect us to pick it up at the point at which  
20 we think we can in fact use it in our management practices.

21           MR. PENNOYER: I was trying to determine if we were  
22 achieving advances in a technique or what we were really doing  
23 by doing a spawn deposition survey. When we did stock I.D.  
24 and.....

25           DR. SPIES: I don't think the spawn de- -- there's  
three -- actually, three different things -- three different  
tools here kind of at various stages. There's a spawn

deposition technique that is -- hasn't changed all the much  
 since it was initially started after the spill, and that -- I  
 think you could look at the next several years as we have a  
 1 population of herring out there who is not recovering and you  
 2 need to use an established tool to try to track the recovery.  
 3 There's also the hydro-acoustic surveys that were very useful  
 4 last year in identifying the probable bio-mass of herring out  
 5 there and in fact influenced the -- whether the fishery could  
 6 open or not last year.

7           There's also a third one that's not here but it comes  
 8 under SEA, and it's been recommended by some of our reviewers  
 9 because it's being used in the Strait of George in British  
 10 Columbia, which is a 0-plus age class. In other words, the  
 11 juveniles, just after they hatch, a survey to try to use that  
 12 as a forecasting tool for age classing -- so we have kind of  
 13 three competing tools here in the way, and our -- I think kind  
 14 of the reviewers' concerns here is that we have two tools that  
 15 are being provided under 97-166, and we need to give -- some  
 16 further thought given to how we can evaluate the use  
 17 (indiscernible) one of those tools. We don't have a real  
 18 ground zero measurement. We can say there's so many herring in  
 19 Prince William Sound. We have three different ways of looking  
 20 at it.

21           MR. SULLIVAN: Right.

22           MR. PENNOYER: But -- so the notation means that in  
 23 two years a judgment will be made and we'll pick which of these  
 24 we're going to say with, and we'll stay with and adopt it as a  
 25 management tool.

          MR. SULLIVAN: Right.

MR. PENNOYER: Okay.

15

COMMISSIONER RUE: Pending budgets.

MR. PENNOYER: Pending budgets.

1 CHAIRMAN TILLERY: Are there further questions on  
2 herring?

3 (No audible response)

4 DR. SPIES: Okay. The next cluster is the Sound  
5 Ecosystem Assessment project and related projects, and  
6 recommended for funding are the basic SEA program, at about --  
7 something about \$3 million; that's 97-320, which is, as I  
8 explained earlier, is investigating the factors in the  
9 environment that determine the age class strength -- of  
10 biological and physical factors that determine the age class  
11 strength of pink salmon and herring within Prince William  
12 Sound. It's giving us a very good look at the ecosystem and  
13 some of the basic processes that are important in fish  
14 production.

15 I might just clarify by way of comment -- a further  
16 comment on this project, that we do expect in fact to have some  
17 sort of a predictive management tool at the end of this  
18 process -- of the SEA program, and to have some sort of a model  
19 that's going to be an improvement, we hope, and we feel pretty  
20 sure about we can improve our ability to forecast pink salmon  
21 and herring in Prince William Sound at the end of this process.

22 We don't know exactly how accurate that's going to be; it's  
23 very difficult to say at this time, but we believe it will be  
24 an improvement.

25 And then under developing monitoring techniques, we  
have this project, 97-195, that has gone on for a couple of

years now and we're recommending for a continuance in '97 because we need multiple years of data on monitoring pristane levels in various compounds of the ecosystem as a indication of how productive each year the system is, and that's likely to be a very good monitoring tool for us in the future. Are there any questions on that cluster?

MS. WILLIAMS: Publications?

DR. SPIES: Publications? We expect at least a dozen publications out of 320 in the near future, and some of those have already been published, some are in manuscript form, some have been submitted to journals already. So we expect a very high level of publication from this, and also Jeff Short, I think, is a very conscientious scientist interested in getting the pristane work. I believe that's going to be part of his PhD work, so we expect publications (indiscernible).

CHAIRMAN TILLERY: Other questions on the SEA program?

MR. RUE: Is it possible to indicate what page on the spreadsheet we're on? I'm starting to get lost.

CHAIRMAN TILLERY: We're -- you're heading toward B-15, I think.

MR. PENNOYER: Right.

MR. RUE: Yeah, okay.

MS. McCAMMON: A-2, B-15.

MR. RUE: Thank you.

CHAIRMAN TILLERY: I was there a few minutes ago.

DR. SPIES: Onto sockeye salmon -- three sub-categories in the sockeye salmon cluster. First of those is provide management information, and we're recommending closeout

for project 97-255. That's a Kenai in-season management tools,<sup>15</sup>  
the genetics work, that's been successfully developed, needs to  
be closed out in '97. This will undoubtedly result in  
1 publications -- and then the hydro-acoustics is also part of  
2 this. It's being closed out as well.

3 The next part of the -- the next sub-cluster is  
4 research on overescapement effects, and we're recommending  
5 closeout of -- the main project there is 97-258A. That's the  
6 Kenai overescapement work. We believe that the -- those  
7 populations in that escapement generally is healthy, and that  
8 we don't have a problem in terms of the oil spill at this time,  
9 so we're recommending closeout of those projects in '97.

10 Project 97-239, which would investigate the  
11 contribution by way of stable isotope measurements of salmon  
12 carcasses to the juvenile chinook and others, the importance of  
13 the fertilization that the escaping sockeye bring to that  
14 system. It's picked up by and supports the juvenile chinook  
15 growth. It's something that we're -- seemed to be  
16 scientifically a good project, but it's in that category of  
17 perhaps if we have enough money to fund it when we look at the  
18 whole package we may consider it, and so we have a defer on  
19 that.

20 Likewise, with the Akalura Lake work, operation of  
21 the.....

22 MR. PENNOYER: Coming back to that one -- do you want  
23 to come back to that one for a second?

24 DR. SPIES: Sure.

25 MR. PENNOYER: What -- Mr. Chairman?

CHAIRMAN TILLERY: No, go ahead. Sorry.

1 important, but what relevance does that have specifically to  
2 EVOS, in the sockeye carcasses and juvenile chinook? I mean,  
3 the sockeye salmon link to EVOS was overescapement presumably,  
4 although we've had a couple of years of overescapement prior to  
5 the one during the oil spill, and this is a link that might  
6 show you that overescapement is good for chinook. Is that --  
7 I'm not sure what.....

8 DR. SPIES: It's trying to relate the contributions  
9 that the returning sockeye to the river system make to the  
10 ecosystem as a whole, as exemplified by looking at the chinook  
11 salmon. The reviewers I think would prefer a little broader  
12 range of the ecosystem, not only the chinook but other  
13 components of that ecosystem, the insect life and the other  
14 parts of that food web that might be important. That would be  
15 the kind of general ecological -- how the overescapement  
16 relates to the general ecology of the system.

17 MR. SENNER: Mr. Pennoyer, that -- those questions  
18 about what the management and restoration benefit would be were  
19 in fact raised by the Work Force earlier on and are one of the  
20 reasons this is still recommended in the defer category, so  
21 that there can be some further thinking about whether those  
22 linkages really exist at a level that this is worth funding, so  
23 others have raised that question as well.

24 MR. PENNOYER: Yeah. Don't get me wrong, because  
25 the -- any question evaluated on what appropriate escapement  
26 sizes are may have more relevance than just the one species  
27 you're dealing with. But, you know, you're going to have to  
28 measure that within certain parameters and I'm not sure how

you, you know, for sure can get there for one thing, and the second thing I'm not sure is the tie to EVOS. Anyway, that's fine. So that's why it's deferred.

1 MR. SENNER: No, that's a fair question.

2 MR. PENNOYER: Okay. Thank you.

3 MR. SENNER: Bob, right there we might just mention  
4 on publications, since I know some of the Trustees will be  
5 interested, both projects, 255 and 258, have scheduled in '97  
6 publications as part of the project, and so both of those do  
7 have publications mapped out already.

8 MS. WILLIAMS: Good.

9 DR. SPIES: I just might mention also that the work  
10 that's come out of 258A, in terms of Dana Schmidt's (ph) work,  
11 that shows that the factor that seems to be important for the  
12 success of any particular age class of sockeyes related to the  
13 holdover of zooplankton from the year before, so there's a link  
14 between years there. It's been established for this glacial  
15 system and it's, I think, a fundamental important finding for  
16 thermology of these glacial systems for sockeye, so I think  
17 that's been -- I think the Trustee Council would be very proud  
18 of having sponsored that work -- very, very good piece of work.

19 Undoubtedly it will be published in a first-rate journal.

20 Project 97-251, Akalura Lake -- and this is money  
21 that's being requested to monitor the outflow of the lake and  
22 look at the smolt counts, and we visited this project. It  
23 seems to be a good project, but again, it's in this kind of a  
24 little bit of an indefinite area as far as whether we really  
25 should be funding this or not, so we would look at it as an  
optional -- a good quality project, but optional at this stage

for funding depending on how much money is available.

15

The last cluster of sub-projects under sockeye is the supplementation of the populations, and we're recommending closeout of project 97-259, the Coghill Lake fertilization project. We believe that this project has achieved its goals of restoring productivity to Coghill Lake, and so we're recommending closeout of that project in '97. And project 97-254, Delight and Desire Lake feasibility study. Again, this is a project that the Trustee Council may or may not decide to fund if funds are available. It's probably a worthwhile supplementation if we have -- think we can afford it.

MS. WILLIAMS: Mr. Chairman?

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: On 254, during the next three months when you are reexamining the deferral projects, if you could also look at the situation that I understand to be the case -- the University of Alaska has been doing studies in Delight and Desire, and whether doing fertilization would interfere with those studies. We understand they're doing studies.

DR. SPIES: Yeah.

MS. WILLIAMS: This might interfere with it. We would see that as a problem, and (indiscernible).

DR. SPIES: That's a nice little point. That came up with the project on chum salmon supplementation near Montague Island, the same issue, where we're going to be doing something in the environment in terms of supplementation -- or maybe possibly interfere with another project.

MS. WILLIAMS: And I understand it's Milner (ph) that's doing those studies at the University.....

DR. SPIES: Okay.

MS. WILLIAMS: .....of Alaska.

MR. SENNER: What was the name?

1 MS. WILLIAMS: Milner.

2 MR. SENNER: Okay.

3 CHAIRMAN TILLERY: Are you through with sockeye now?

4 DR. SPIES: Yeah.

5 UNIDENTIFIED MALE SPEAKER: I just want to throw in  
6 another variable.

7 CHAIRMAN TILLERY: Are there any other questions on  
8 sockeye?

9 (No audible response)

10 CHAIRMAN TILLERY: Okay.

11 DR. SPIES: On the Dolly Varden cutthroat trout  
12 cluster, project 97-145, which is, again, is looking at the  
13 different life history strategies in both of these species in  
14 the spill area and doing some basic genetics which we think  
15 will contribute greatly to how we can manage these injured  
16 species and possible restoration options. We're recommending  
17 continuation of 145.

18 Under supplementation of populations, 97-043B, which  
19 is monitoring the improvement structures. Those structures are  
20 in place and we feel that we -- that another year of monitoring  
21 the effects of those improvements is justified in the case of  
22 043.

23 MR. SENNER: Bob -- Mr. Chairman, on that one a  
24 clarification. Your spreadsheet on page B-19 indicates that  
25 what we're recommending is to fund the closeout of that project  
in '97, and that is in error. We are recommending that '97 be

the final year of actual monitoring on that project. That'd  
make two years of monitoring, and that in fact the closeout for  
\$8,000 would be in '98, not in '97, so our recommendation is  
we're continuing it in '97 and that the closeout would be in  
'98.

DR. SPIES: And finally, the project 97-302, which is  
going to be inventory in streams, we recommend starting that  
but giving -- make sure that we're getting good interaction  
between that and 145 because there's a genetic component there  
and we want to make sure we're not duplicating efforts, so that  
one's being suggested for moving forward with careful  
consideration of coordinating with 97-145.

Are there any questions?

(Off record at 2:20 p.m.)

(Tape Change - Tape 4 of 6)

(On record at 2:20 p.m.)

COURT REPORTER: On record.

DR. SPIES: The marine mammals cluster includes only  
research and monitoring of populations. Again, two high-  
profile species that are of concern are the harbor seals  
because of the ongoing decline in the populations in the spill  
area -- is getting attention through two projects, 97-001, and  
that -- the first -- that project is addressing harbor seal  
health through monitoring body condition and various health  
indices that may indicate how the health of these populations  
is fairing, and project 97-064, which is the population  
monitoring that is continuing, and has continued, since the  
spill, and it's looking not only at the populations but  
satellite tagging and, you know, a host of other studies aimed

at understanding those populations and what may be causing that  
decline. 15

1 So those two projects are working very closely, and  
2 they're also working closely with project 170, which is isotope  
3 ratios of marine mammals. There's a lot of interchange of  
4 samples between these three, and we're getting some very, very  
5 good information -- a very productive group of studies.

6 And finally, killer whales project is deferred just  
7 because we haven't looked at the killer whales for a couple of  
8 years in terms of a review workshop forum where you bring a  
9 couple of investigators together with the reviewers and go  
10 through what -- and detail what has been done on the killer  
11 whale projects and what the options are and where we want to go  
12 with those, so that's being deferred for a fall review date,  
13 and that'll be in November.

14 CHAIRMAN TILLERY: Mr. Pennoyer?

15 MR. PENNOYER: Just a question, Bob, on the harbor  
16 seals. It has been pointed out before, there was a long-term  
17 decline in several marine mammal species around the Gulf and  
18 Bering Sea before the spill, and obviously harbor seals were  
19 damaged in the spill. We have a lot of good evidence that that  
20 occurred. How long is this kind of suite of things, in your  
21 view, going on until we reach a point whereby there's a eureka  
22 or -- don't say eureka?

23 DR. SPIES: I think that the -- having these harbor  
24 seal studies specifically going on at this time is a good idea  
25 because of the -- kind of the attendant studies that are going  
on in the Sound in terms of the ecosystem studies, and having  
those all go one I think is going to -- we're going to realize

the benefits when we go sit down and try to look at comparability of data that's been monitored, but I think there is going to be a time where you say eureka or no, let's go home, we've got all the answers out of here that are useful. I don't think we've reached that stage yet.

We're -- Kathy Frost and Dick Schell and Mike Castellini, are all interacting very well. We're getting good information on movement of harbor seals, good information on diet through stable isotopes and also through the fatty acids, and we're making a lot of ground right now, so I think we haven't come to the useful end of these studies.

MR. PENNOYER: So you'd say consistent with the SEA, then another two or three years and we'll be at a point where we can say, yeah, or -- it's not a facetious question. Our agency is doing much of the same thing on sea lions.....

DR. SPIES: Yeah, yeah, yeah.

MR. PENNOYER: .....in the open Gulf and Bering Sea and.....

DR. SPIES: Yeah.

MR. PENNOYER: .....sort of looking at it and trying to decide when we don't have answers yet, we know there's a problem, and.....

DR. SPIES: Right.

MR. PENNOYER: .....we keep looking for a new avenue, but I'm not quite sure when we're going to get there.

DR. SPIES: Exactly.

MR. SENNER: Mr. Chairman, on both 001 and 064, the harbor seal health and monitoring, '97 would be their last years at sort of the current full-funding level. Both of them

in '98 already start to pull back, and that's consistent with the track, as Dr. Spies says, of what the SEA project and the other ecosystem projects are doing, so it's pretty much on that same cycle, but we're really only looking at '97 of full-funding; '98 you pull back; in '99, their final report time. Not to say there may not be some new generation proposed, but -- under the current scenario.

MR. PENNOYER: Right. Thank you.

CHAIRMAN TILLERY: Are there -- we now through with marine mammals?

DR. SPIES: Yeah.

CHAIRMAN TILLERY: Are there additional questions on marine mammals?

MS. WILLIAMS: Publications, publications, publications?

DR. SPIES: Yes, many. I think Mike Castellini on the harbor seal health has a good publication record. We expect -- there already is a manuscript out on that initial part of that work and we expect out of that project. The harbor seal monitoring, I think, is going to as well. Kathy Frost is one of our most productive in study and inventive, and good PIs, and also Dick Schell, University of Alaska, has a very strong and long publication record and we expect publications on those as well, and I think also Craig Matkin on the killer whales has produced a number of good manuscripts through the life of the study, so I think overall we've got a very good potential and it's being partly realized already here.

Let's move onto the near-shore ecosystem, and that

includes a couple of different clusters here -- the research mechanisms -- the research on mechanisms, limiting recovery, and of course the big project here is the near-shore vertebrate predator project, 97-025. It's looking at limiting factors for harlequin ducks and river otters, pigeon guillemots and sea otters. That's being recommended for funding, except that the -- there's a component in here this year, in '96, it's looking at avian co-predators, and we want an evaluation of how useful that work is going to be before we want to commit to another year of it, so we're recommending that we defer that until we have a chance to review the most recent data for that project.

MR. SENNER: Dr. Spies, there we wanted to clarify that the reference to avian co-predators is in reference to the work on gulls and shore-birds.....

DR. SPIES: Exactly, right.

MR. SENNER: .....which has been an addition to the project.

DR. SPIES: Project 161, which is the harlequin duck genetics, which has just got underway this year and is an attempt to use, again, just like the stock identification that we've undertaken with fish, in terms of harlequin genetics there's now some genetic tools that can be applied to sea birds to try to see what sub-stocks or sub-populations may exist in the oil spill area, and so that study is -- I think it's going to pay off quite well for us, and we're looking forward to seeing the results of that in '97, '98 and beyond.

Project 427, the harlequin duck recovery -- and this is an ongoing population monitoring and study out in Prince

William Sound that's gone on since about 1990, '91. The project is now, I think, doing some very, very good population recovery monitoring based on tools that were brought into the project a couple of years ago, and so that we're recommending another year of that because we're still concerned about harlequin ducks and what the populations are doing out particularly in the western side of Prince William Sound.

Closing out -- we recommend closeout of project 090, which is the mussel bed project, and this is just a publication. This is support for publication. Again, we did call in the science invitation -- said that we would make some funds available for funding publication for those investigators who haven't had time to write it up, and this is, again, another one of those -- it is a project supplying a small amount of money to Malin Babcock and the NOAA Auke Bay laboratory to publish the results in the mussel bed work up to this time.

Sea otter publications -- again, another one of this sort. This is project 97-223. We're supplying a modest amount of funds to some principal investigators who did a lot of sea otter work just before and after the spill, and it's work that we feel needs to get out into the open peer review literature, and the investigators are very short of funds and haven't been able to complete those projects, and so we're kind of -- they submitted a proposal to fund five or six publications. We found only some of those were those that we wanted to get done and were -- well, I think we got a pretty controlled mechanism for doling out the money here according to what the publication will deliver, so -- very good-quality investigators, they've

just been, I think, in a kind of a bind financially, so I think  
that's going to be a good investment of Trustee Council funds. <sup>16</sup>

1 MR. SENNER: Dr. Spies, on that one -- just an  
2 additional comment. Dr. Spies' recommendations on B-27 is that  
3 the funding for these four manuscripts be done on sort of a  
4 program payment basis so that the contract, which would be  
5 through NOAA in this case, would be set up in a way that you  
6 deliver a manuscript that's acceptable to the Chief Scientist,  
7 then you get -- you can bill for that increment and sort of in  
8 pieces because there has been some history with these  
9 investigators of -- well, I won't go into what all the history  
10 is, but we think they've got some really good data that are  
11 important to our process to interpretation of the NVP results  
12 and so on, and it's in our interest to get this stuff  
13 published -- analyzed and published, but we do want to keep  
14 kind of a tight reign on it.

14 MS. WILLIAMS: Mr. Chairman?

15 CHAIRMAN TILLERY: Ms. Williams.

16 MS. WILLIAMS: I've heard very similar concerns, and  
17 I have I guess two questions. One is, do we have deadlines in  
18 here -- actual deadlines?

19 MR. SENNER: We don't yet, but through the  
20 contracting process that would be where one would spell that  
21 out.

22 MS. WILLIAMS: Okay. So there will be deadlines in  
23 the contract, because I understand that's of concern to people,  
24 and then payment upon satisfactory completion of the  
25 manuscripts.

MR. SENNER: That's right.

MS. WILLIAMS: Okay. If those two are -- if those two items are agreeable to.....

DR. SPIES: And again to kind of very briefly review what we expect in terms of publications out of these in a general sense, I think we're going to get -- I think it's a very -- we've got lots of investigators here with good publication records. Most of them do, and we expect that to continue, so I think we're going to get a good harvesting, if you will, out of 025.

97-961, again, the investigators involved on this do have good publication records and we expect that to continue. I think there's an opportunity here in 427 for publications on -- especially new ways to recognize various age classes of harlequin ducks and subtleties of plumage here that are probably worthy of publication. Although I'm not an ornithologist, that would be my guess.

These two, of course, are funding publications themselves, so it could get -- guarantee there, I think, as well.

CHAIRMAN TILLERY: Other questions on near-shore?

DR. SPIES: I have a few more -- one more at least, and -- yeah, one more project. The small sub-cluster here is shoreline, subtitle oil. Again, this is a project we have supported since the damage assessment date, 97-290. It's the maintenance of the hydrocarbon data at the Auke Bay laboratory, and we need to continue that, and that be continued at a modest level -- recommended for continuation, modest level '97. So that's it's then; that completes that cluster.

CHAIRMAN TILLERY: Any questions?

1 DR. SPIES: And just a final cluster that I'll be  
2 addressing, then I'm going to hand off to some of the other  
3 staff -- but this is the sea bird forage fish and related  
4 projects cluster, and we have under that the research on  
5 mechanisms that are limiting recovery. Again, some of our  
6 classification that we had for near-shore, project 163, which  
7 is the Alaska predator ecosystem experience, APEX; it's the  
8 third large ecosystem project that falls under this cluster.  
9 I'm recommending continued funding of this, and there will be,  
10 as with the other ecosystem projects, fall and winter reviews,  
11 of those.

12 Project 97-231, marbled murrelet, a productivity  
13 index that's been developed by Cathy Kulis at the Department of  
14 Interior, and that is being recommended for a second year of  
15 monitoring in '97, and then also to start project 97-306, which  
16 is a project looking at sand lance ecology. We've come to  
17 realize through analyzing historical data, and observations in  
18 the field, that the sand lance are perhaps a very key forage  
19 fish from the standpoint of sea birds and we know very, very  
20 little about them. They're difficult to sample and difficult  
21 to deal with ecologically, but we need to do something on these  
22 because they appear to be so key to the success of some sea  
23 birds in their breeding. Feeding on those near-shore schools  
24 could be very, very important to sea birds. There's also going  
25 to be a literature survey done within this. It was  
(indiscernible) two submitted proposals.

And finally, in the sub-cluster, 97-305, which is a  
sea bird stable isotope analysis, we're recommending deferral

due to some potential overlap with some of the other stable isotope projects. This doesn't seem to be a high priority right now.

1 MR. SENNER: Dr. Spies, then if we could step back.  
2 Let me clarify on project 231. There is a change here from  
3 what's on your spreadsheet. Your page 34 has this indicated as  
4 a defer by the Executive Director in the amount of \$180,000.  
5 What we're recommending is that this in fact be a fund at  
6 \$120,000, with the following contingency. The problem is is  
7 that we wanted to defer the overall decision until there could  
8 be an APEX project review and we could better sort through  
9 those priorities and what would make sense to carry forward in  
10 the way of murrelet work in '97. The problem is, that review  
11 is probably not going to happen until February, well after your  
12 December Trustee Council meeting, and so we wouldn't have a  
13 good basis for making a recommendation at that time.

14 So what we're proposing is that with a reduced budget  
15 that we fund the PI to continue the data analysis that would  
16 let us make an informed judgment later on, and also to follow  
17 through on now six manuscripts that are in different stages of  
18 preparation for publication, a number of really good ones, but  
19 that we make then any funding for actual new field work in '97  
20 still contingent upon an affirmative recommendation by the  
21 Chief Scientist and Executive Director following the APEX  
22 review.

23 So we've essentially got two pieces in the money.  
24 We're providing interim funding until the APEX review and then  
25 any new '97 field work would be dependent on an affirmative  
recommendation from the Chief Scientist and Executive

Director -- so that's the change there.

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CHAIRMAN TILLERY: And what were the numbers on that?

1           COMMISSIONER RUE: And that is at a reduced total  
2 level of \$120,000 rather than 180. So it's now 120 now and  
3 then something later; 120 would do the whole thing.

4           DR. SPIES: Again, in terms of publications, this is  
5 one of the major ecosystem projects -- a very high level of  
6 professionalism of the investigators involved in this project,  
7 good publications records, and we have no reason to expect that  
8 we won't be getting the publications out of this, quite of few  
9 of them -- probably at least a dozen in the next couple of  
10 years.

11           Marbled murrelet productivity -- again, there's  
12 probably half, as Stan mentioned, a half-dozen that are in the  
13 process on marbled murrelets, so we feel good about that  
14 project and I would expect that this one also (indiscernible)  
15 would result in a publication as well.

16           Moving onto the second sub-cluster, which is research  
17 and monitoring populations. We're recommending continuation of  
18 97-142, which is as you recall -- this would be the second year  
19 of studying the basic biology of Kittlitz's murrelet, a species  
20 that you added to the injured species list on our  
21 recommendation last year, and this is basically a look at the  
22 basic ecology of this population and try to understand a little  
23 bit more about it since we think that is potentially quite  
24 affected by the spill.

25           Also, we're recommending continuation of project 144,  
and this is the common murre in the Barren Islands, and  
closeout of project 159, which is the marine bird surveys in

Prince William Sound. That doesn't mean that we're closing these out forever; it just means that we're on a cycle of doing this every several years and then providing the following year funding to produce the reports and any publications that can come out of this. It's providing the continuing baseline on bird populations in the Sound.

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And finally -- not finally, but among the recommended projects, to start, project 167, sea bird specimens, and this is work being done at the University of Washington museum, and we've already provided some funding for this and they've come back and requested a few more to complete preparation of more specimens, and we think that that's probably a good legacy to have from the spill is to curate those carcasses that we had and provide some materials for researchers in the future for use in, for instance, genetic studies.

MR. JANIK: Mr. Chairman? Dr. Spies.....

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: A question on that. I've got a staff note here on -- weren't there some court proceedings going on with regard to disposition of these specimens -- and at one time we were trying to get authorization. Help me with that clarification because the point came up here in my notes.

CHAIRMAN TILLERY: We have a court order that permitted us to dispose of those particular specimens, I believe, including these birds, but including otters and forth and so on -- and that one was approved a couple of years ago, I think. I was going to actually bring this up at some point, for your information, and I think people might want to relate this to their various staffs, we have reached an agreement with

Exxon to provide for the destruction generally of spill

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samples. We will be getting out a memo to everybody when that is finalized. It will take effect when the court orders it.

1 We anticipate it being filed possibly as early as tomorrow.

2 Right now there is agreement among all of the major  
3 parties, with the exception of one group of private plaintiffs,  
4 and because we see little reason that they should be objecting  
5 to, we anticipate we'll either get their concurrence or we'll  
6 just put it in front of a judge and we'll get his concurrence  
7 on it -- but it will set out a structure for disposing of any  
8 oil spill samples, including the ones that are arising out of  
9 this restoration efforts.

10 MR. JANIK: So there will end up being no  
11 contradiction here in appearance?

12 MS. WILLIAMS: No.

13 MR. JANIK: Okay.

14 MS. WILLIAMS: Mr. Chairman, my understanding is this  
15 is a very different group of specimens.

16 MR. JANIK: Different group?

17 MS. WILLIAMS: It's a very different group of.....

18 MR. JANIK: Different group.

19 MS. WILLIAMS: .....specimens, yes. And Mr. Senner  
20 can speak to this, but I asked that same question of my folks  
21 before the meeting, and these are cleaned and they're used for  
22 scientific purposes -- a real different group than the exhibit-  
23 type things.

24 MR. SENNER: This is the re- -- Mr. Chairman, this is  
25 the residual of a batch of specimens that were already in fact  
incinerated under some earlier agreement. With help from the

National Science Foundation, the Burke Museum salvaged some number of those carcasses before they were burned. This is just simply the curation of the last batch of those carcasses, and this is very relevant though, including a whole bunch of common murre and other injured birds that are very relevant to, for example, the next project on that list, 169, the avian genetics work. The choice here is the Burke Museum can't store these oiled birds in freezers forever. They're asking for \$30,000 to complete their preparation of some skins which then are available for restoration or other projects.

Their alternative is to finish the incineration process and get rid of them and in which case then they're totally lost to any future use. So what we're looking at is making them available for restoration science purposes, and certainly any other scientific purposes, and it doesn't conflict, though, with any of the issues under negotiation with Exxon.

MS. WILLIAMS: Mr. Chairman?

CHAIRMAN TILLERY: Ms. Williams.

MS. WILLIAMS: One question, and I think Gina of Justice raised it, is -- and Mr. Senner maybe can answer this -- is the issue of priority. I think in general, the understanding is that these specimens will be available to anyone in the scientific community. But assuming two requests came in at the same time, one from one of our funded researchers and one from someone else, is there any condition right now of a priority for EVOS projects?

MR. SENNER: Mr. Chairman, that issue has not been discussed with the Burke Museum but I suspect they would have

no problem at all accommodating first the need of any EVOS restoration researcher. I don't suspect that's any problem at all, but we in fact have not raised that yet.

1 MS. WILLIAMS: But you will?

2 MR. SENNER: Yeah, absolutely.

3 DR. SPIES: And as Stan alluded to, the last project  
4 on this group, research and monitoring populations, is the  
5 avian genetics put in by Vicki Frison, a Canadian researcher  
6 with good experience with more specific sea bird genetics --  
7 population genetics, something that we think is of good  
8 scientific merit but again, it's a matter of whether we have  
9 enough money left over to fund this new start -- so it's a  
10 matter of priorities.

11 I might just indicate, in terms of publications, that  
12 the -- we would expect that Dr. Bob Dade, who is doing this  
13 work -- he's got a fairly good publication record, would get  
14 that work out. Likewise, with the common murre biologists, are  
15 very active professionals -- professional societies, and we  
16 expect that work has produced publications and will continue to  
17 do so.

18 Marine bird surveys has produced some publications,  
19 and I think this is a bit more routine matter. I think there  
20 might be more that come out of this one as well. This one  
21 is.....

22 MR. SENNER: And Bob, on -- excuse me. On that one,  
23 we do have in the '97 work plan -- it's either one or two  
24 manuscripts that would come out of that 159.

25 DR. SPIES: All right. And on this one, it doesn't  
seem to be appropriate in terms of a manuscript. This one, if

we did fund it, I'm sure that that results would get into the scientific literature. So that completes the sea bird forage fish projects. Are there any further questions?

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(No audible response)

DR. SPIES: Then I'll hand it over to, I believe, Veronica Christman with the archeology cluster.

(Pause - Whispered comments)

MS. CHRISTMAN: In the archeological resources cluster, the recommendation is to continue with the index site monitoring, project 7A, and this recommended to continue at last year's level of funding, and this is the third year of this series of monitoring exercises. In the first two years, '94 and '95, they found no evidence of new disturbance or vandalism, so their proposal is to terminate this monitoring effort after five full years of monitoring if there is no indication of new disturbance.

Another project recommended for funding is project 7B. This is a new project actually, in that it consists strictly of publishing a peer review journal article on the excavation that the Forest Service conducted on Eleanor and Knight Islands, and it also includes presentation of a paper at a conference as well as presentation of results to the communities in the spill area, mainly because the excavation did reveal insights into the early occupants of the Sound, and this would definitely be of interest and value to community residents -- and so this would actually produce the only peer review journal article on the work that the restoration process has produced on archeological resources, so it has value for that reason.

And then the third and final project recommended for funding is continuation of project 149, and this is a site stewardship -- volunteer site stewardship program in a number of communities. These are outside of the Chugach region and they were selected for that reason. This project was begun last year as a three-year project. This fiscal year '97 will be its second year, and then the third and final year will be in '98 -- and the site stewardship program is getting underway this summer, and includes monitoring by volunteer site stewards on Kenai Peninsula, Uganik Bay, the Chignik area, and Uyak Bay.

There is a project that we recommend deferral, and it is not on the list but it is project 277, that was proposed by Chenega Bay, and it is for an archeological repository. And we recommend deferring that project because it's really premature.

We know that many of the communities in the area are interested in participating in the restoration of archeological resources, and many of them have ideas for repositories or display areas. However, in fiscal year '96, the Trustee Council funded a planning effort that the Chugach Heritage Foundation is undertaking right now, that would address the issues that the Trustee Council would need to address before entertaining or being able to evaluate these proposals. So we recommend deferring the Chenega Bay proposal until the planning effort's completed this fiscal year and the Trustee Council has had an opportunity to deliberate about the recommendations. Do you have any questions about this cluster?

CHAIRMAN TILLERY: Are there questions from the Council?

(No audible response)

CHAIRMAN TILLERY: I had a couple. On 149, you described it as a three-year project, and the.....

MS. CHRISTMAN: Three-year, beginning in '96.

1 CHAIRMAN TILLERY: The description mentions a.....

2 MS. CHRISTMAN: Oh.

3 CHAIRMAN TILLERY: .....four-year project.

4 MS. CHRISTMAN: The fourth year is closeout, and it's  
5 equivalent to, was it two months -- two months of staff time to  
6 write a closeout report and that's the i- -- but in terms of  
7 the actual stewardship activities, it would only be for three  
8 years, and your recommendation last year was that your approval  
9 is conditioned on their finding other sources of funding to  
10 continue the program, and we'll be looking for some evidence of  
11 having searched for those other funds in fiscal year '97.

12 CHAIRMAN TILLERY: My other questions was on 07B.

13 MS. CHRISTMAN: Yes.

14 CHAIRMAN TILLERY: This one you describe as including  
15 funding, I gather, for a peer review journal article.....

16 MS. CHRISTMAN: Right.

17 CHAIRMAN TILLERY: .....which is consistent with what  
18 we've been doing.....

19 MS. CHRISTMAN: Yes.

20 CHAIRMAN TILLERY: .....in a number of other cases,  
21 and also, for the presentation of results at major professional  
22 conference and to community groups. Now presenting stuff to  
23 community groups is also something we've done. I guess, is  
24 this -- have we done before where we're paying -- other than  
25 our own symposiums, have we been paying for people to go out to  
make presentations or is this another step?

MS. CHRISTMAN: This is -- it's a new proposal.

It's -- I don't believe it's typically done in most of the projects, but on this particular one the proposer was responding to the invitation, in which we encouraged results of efforts to be shared with residents of the spill area and.....

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CHAIRMAN TILLERY: When is this kind of.....

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MS. McCAMMON: Mr. Chairman, this actually includes travel money to go out to some of the villages and give some presentations. These are things we're encouraging. We hope people have travel money to do it. This is one that it's actually specifically identified.

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CHAIRMAN TILLERY: That I understand, but as I read this it sounds like there's also travel money to go to New Orleans for a conference or something.

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MS. McCAMMON: There is a conference too -- we do pay for conferences in other projects, yes.

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MS. WILLIAMS: Mr. Chairman, I do have one more question. When you said that in all of the archeology projects that we have funded, that this would be the only one that would likely -- that will result in a paper. In looking back at the other archeology funded projects, are there other potentials if the PIs are asked to produce?

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MS. CHRISTMAN: The other project have produced final reports that have been peer reviewed and that were done with some rigor, but they were monitoring efforts, and I don't believe they broke any new ground, so to speak.

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(Laughter)

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MS. CHRISTMAN: I would be willing to discuss with Doug Reger, who is the archeologist that has been considered

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the chief PI on these. Whether or not there may be an opportunity from case to case, you know, in various areas for publications.

1 MS. WILLIAMS: Good. I would appreciate that.

2 MS. CHRISTMAN: There may be -- certain sites had  
3 more ambitious work done on them than others, and, you know, on  
4 others it was a matter of, you know, looking at it and saying  
5 no, there was no disturbance here -- and there was some testing  
6 for oil contamination, so there may be some potential for it,  
7 and I'd be glad to follow up and.....

8 MS. WILLIAMS: Okay. Thank you.

9 MS. CHRISTMAN: .....get back to you.

10 CHAIRMAN TILLERY: Are we -- then, any further  
11 questions for archeology?

12 MR. PENNOYER: Just one.

13 CHAIRMAN TILLERY: Mr. Pennoyer?

14 MR. PENNOYER: Site stewardship -- that's in its  
15 second year then? '96.....

16 MS. CHRISTMAN: Yes.

17 MR. PENNOYER: .....is the first year? Do we have  
18 any feeling that it's being successful? Is.....

19 MS. CHRISTMAN: It's being successful for two reasons,  
20 or at least there are indications of success. First of all,  
21 there was interest before it started, and that is, it was  
22 started not because an agency wanted to do it but because these  
23 local groups, many of whom are fishermen in the area, they were  
24 really committed to it, and that's the first sign of potential  
25 success. Secondly, the organization has pretty much concluded,  
and a large part of it is actually selecting -- recruiting and

selecting the stewards. You really have to check them very carefully, and that's completed and they've also identified particular sites that they will target this year -- and then the work is actually getting underway. So it won't be until this winter that we'll have any results from their activities out there, but we're at least getting started, and there's.....

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MR. PENNOYER: Okay. Thank you.

MS. CHRISTMAN: .....success there.

CHAIRMAN TILLERY: Further questions?

(No audible response)

CHAIRMAN TILLERY: Thank you.

MS. SCHUBERT: I'm going to talk about the subsistence cluster, which Stan is just putting up on the screen now. The subsistence cluster is primarily projects that are proposed by communities, although there are some community projects in other clusters, for example, in the reduction of marine pollution and the archeology cluster. And I'd also like to point out that not all of the projects that benefit subsistence are in this cluster as many of the projects that are done on other resources -- pink salmon, herring, harbor seals and so on, have ultimately a benefit to the subsistence service.

The Executive Director is recommending that you fund 13 projects that total 1.35 million, and defer a decision on four others. This is roughly the same number of projects and the same amount of money as you approved for FY '96. But as Stan mentioned in his pie-chart discussion, it is a bigger proportionate share of the decreasing work plan.

The projects in this cluster address three

strategies. The first is restoring injured resources, and in addition to those projects that are contained in other clusters, project 009D, would close out a two-year octopus survey that involved residents of Chenega Bay, Tatitlek and Port Graham. This is for report writing, preparation of a manuscript, and also presentation of results to the communities that were involved in the project.

The second strategy is enhancement or replacement of injured resources, and there are five continuing projects under this strategy. Project 127 is a remote release project to create a replacement run of coho near Boulder Bay -- in Boulder Bay, which is near Tatitlek, and ultimately, it's expected to produce a return of 2,000 to 3,000 adult fish. Your actions in the past indicated funding through one coho life cycle, which means that FY '99 would be the final year of funding on this project.

Project 131 is a clam restoration project. The goal is to seed beaches near villages in the spill area with clam seed. Most of the work to date has been at the hatchery level where they have been growing clam seed, but in FY '97, some test beaches will be seeded near Eyak, Tatitlek, Nanwaluk, and Port Graham, and hatchery work will continue as well.

Project 220 is stream improvements in the Eyak area. Stream habitat surveys are underway this year with the proposal then for '97 to actually do some log structures and other improvements that would improve salmon habitat.

Project 225 would increase the availability of pink salmon in the Port Graham area until the coho and sockeye salmon runs are rejuvenated.

Project 272 is another remote release project, this time near Chenega Bay. This project is likely to produce 1 to 2,000 adult fish beginning this summer, which means that FY '97 is expected to be the final year of Trustee Council funding.

One new project is being proposed for funding. This is project 263, the Port Graham stream improvement project, and this is modeled after project 220, which I discussed, the Eyak stream improvements. This would look at forest streams in the Port Graham area. The surveys would be done in '97 with a proposal coming back to the Trustee Council in '98 and '99 to do actual habitat improvements.

Three projects are recommended for defer, and in each case there is feasibility work going on this year, and results of the feasibility studies aren't expected until November, so the hope here is that we'll have a recommendation for you at the -- what I think is going to be an early December meeting where you take action on the defer projects.

Project 247, one of the deferred, is a coho enhancement project on the Kametolook River, which is in the Perryville area.

Project 256A is stocking of sockeye salmon in Columbia Lake, and 256B is stocking of sockeye salmon in Solf Lake. And again, those are still having their feasibility determined.

I should point out that two projects that are not on this list were a defer at the time of the draft work plan, at the time that you got your meeting packet.

Project 267, which would have constructed a skiff dock in Port Graham, and project 268, which would have paid for

some subsistence harvest trips for residents of Port Graham, and now recommended do not fund because it was determined that there was an insufficient link to restoration objectives for both of those projects.

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The third strategy in the subsistence cluster is increasing the involvement of subsistence users, and the first project on the list, 052A, is in two parts. It's kind of separated on the list there, but I kind of look at it as an expansion of this year's project. 052, you're familiar with, is the community involvement project which funds Martha Vlasoff here in our office through a contract with the Chugach Regional Resources Commission, and also pays for facilitators in nine communities in the spill region. In '97, the proposal is to expand to ten communities by hiring a facilitator in Seldovia.

The kind of new part of the project is what's on the list as 052B, the traditional ecological knowledge part of the project. This was an objective of the project in FY '96, but not a lot of activity really happened on the TEK front, so in '97 it's been moved into a sub-project and some specific activities and objectives identified. Primarily, what the project would do is, through a contract again with CRRC, hire a TEK specialist, which would be really a consulting contract for technical assistance for EVOS PIs who are interested in pursuing the use of TEK in their restoration projects, and it would also develop a reference guide of existing TEK on injured resources data that might have been collected by other entities like AFN or Rural Cap or the University, all of whom have had efforts in this area.

Project 210, the youth area watch project, is a

continuation. The budget has been increased in FY '97 to allow the participation of students in Cordova, Valdez, Seward and Whittier. In FY '96, eight students participated from Chenega Bay and Tatitlek, and they worked this year in the harbor seal bio-sampling project, the oceanography component of the SEA plan, and the pristane mussel project that NOAA has underway.

Project 244 is the second year of a program in which native harbor seal hunters are collecting biological samples for use by EVOS researchers. The project is being organized by the Alaska Native Harbor Seal Commission and is underway in Cordova, Chenega, Tatitlek, Port Graham, Nanwaluk, and Seldovia this year. The proposal for '97 would expand the project to Valdez and Kodiak.

Project 214 is a little bit of additional money for the harbor seal subsistence documentary, which is in an editing stage right now. The money would primarily continue the participation of Tatitlek residents. That's where the harbor seal video was filmed -- and pay for some staff time at Fish and Game to complete the editing -- but there's expected to be a premier of the film in Anchorage sometime this winter and we're hoping for pretty wide distribution of the video.

I talked about 052B, that's the TEK component of the community involvement project. The last project on the list is deferred. It's the forestry workshop that was proposed by the Eyak Tribal Council, and which Bob Henrichs mentioned in his comments to you this morning. And the reason it's deferred is that -- our recommendation was that there should be joint sponsorship of the workshop, so it wasn't just an issue, I don't think, of coming up with additional money, but of getting

commitments from Chugach Alaska, village corporations, other village councils in the area. It's expected to be a region-wide conference and we were looking for a greater indication that there was interest by others than Eyak in the workshop.

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You have questions?

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: Mr. Chairman, I have quite a few questions and comments, so if others do, I can say one and take a break and go on. I'll start with the last item, the forestry workshop. Let me say I very much support the concept that in order to make that meaningful at any level, you have to have community (indiscernible) people are talking either to no one or to people who aren't anxious to participate. But also, I would only support funding that if the organizer of that workshop has not, by public statement or otherwise, precluded forestry options, and so I would not support it if the organizer had, for example, publicly stated that he or she opposes in all instances a habitat acquisition by the Trustee Council because I think if that's going to be effective it has to explore all of the options available to the corporations and private landowners, so I would not support it if one of the options available to corporations and private landowners -- it has been publicly disavowed by an organizer.

MS. SCHUBERT: Mm hmm (affirmative).

MS. WILLIAMS: Okay? With respect to the Port Graham stream improvements, 263.....

MS. SCHUBERT: Mm hmm (affirmative).

MS. WILLIAMS: The main con- -- I first of all note that it says in the project description that Port Graham will

share the cost of this project. How much are they considering?

18

MS. SCHUBERT: Actually, Veronica has working with the proposer on this project, and.....

1 MS. CHRISTMAN: I believe the main area they intend  
2 to share is in terms of providing camp accommodations and  
3 transportation, and most of the transportation will be via  
4 road, and that's during the planning phase. During the  
5 implementation, which would be next year, there would be some  
6 cost sharing through the forest management agreement. That's  
7 the general notion, and they haven't specified a total amount.

8 MS. WILLIAMS: Okay. One rule I have on that, and  
9 would encourage you to incorporate in the planning phase, is  
10 there has been a lot of logging in this area on private lands,  
11 and I would not support having EVOS money going to stream  
12 improvements that are a result of logging activities in the  
13 area. To the extent there are natural changes that were not  
14 affected by logging, you know, I -- we could certainly look at  
15 stream improvements. But to the extent you have either woody  
16 debris or you have windblow and so forth, I feel strongly since  
17 Port Graham did the logging that they should pay for those  
18 stream improvements, and it shouldn't be our responsibility to  
19 pay for clearcut impacts on salmon streams.

20 I'll take a break if someone else has.....

21 CHAIRMAN TILLERY: Why don't you just go ahead?  
22 You're on a roll.

23 MS. WILLIAMS: Okay. On the traditional ecological  
24 knowledge, I'm very supportive, as I think probably most of the  
25 Trustee Council Members, if not all, are very supportive of  
that, and of course that's a strong theme for this year to

incorporate more of that. The concern that some folks at the Interior had was whether that project should be a part of the community involvement project instead of creating a separate structure and, you know, a separate format.

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I know Martha is very busy, and so I'm anxious to hear thoughts on this, but obviously the more we can consolidate and streamline activities while still maintaining the integrity of the projects themselves, the better not only for the Council Members and EVOS staff, but also for the PIs and people working on projects so they know where to go to. One thing we want not to do is proliferate stocks, maximize one-stop shopping, when you're trying to get as much information as you can to incorporate into your project.

So I raise that more as a question, to see what thoughts you have and how we could maximize the consolidation of this project into some existing structure.

MS. CHRISTMAN: I can address that, at least tell you what we've talked about here. There are two kind of separate functions going on here and of course there is overlap, but the 052A, which is community involvement, which is the continuation of the existing program, is primarily a communication function, with Martha and this network of facilitators sharing information and activities with the Trustee Council, the restoration office and agencies.

The newer part of the project that's now being picked up under 052B calls for a person who has experience in obtaining TEK with respect to scientific management issues and an understanding of biological sciences and scientific methodologies -- so it's somebody who has quite a technical

background, somebody who has an advanced degree, and is a peer<sup>18</sup>  
or a colleague of the EVOS PIs that they will be working with.

1 It is envisioned that the two projects will work  
2 closely together. The TEK project calls for an advisory group  
3 that would sort of direct this TEK effort, and sitting on the  
4 advisory group will be the community -- the spill area-wide  
5 coordinator, who is Martha, two of the community facilitators,  
6 as well people from the restoration office and others.

7 The community facilitators would be the local contact  
8 person for the TEK specialist, just as they are for others who  
9 are involved in the process. And I do think that technically,  
10 the way it's set up, the PIs are supposed to contact the TEK  
11 specialist if they're interested in collecting ecological  
12 knowledge, and technically, contact Martha if you're interested  
13 in anything else, like hiring somebody or chartering a boat.  
14 But I think in practice, that these two people will be working  
15 very closely together and there will be a lot of cooperation  
16 and sharing information and so on, so hopefully it won't be  
17 confusing to the PIs and that whoever they call will be able to  
18 help them or direct them to the right person.

19 And I should also point out that the recommendation  
20 is to fund the TEK component for '97 only, so that we take time  
21 to take stock of how things have worked at the end of this  
22 first year and make improvements if necessary.

23 MR. PIPER: Mr. Chairman, one -- I think, as Deborah  
24 said, all the Trustees support it. Something that's been  
25 expressed by some of our colleagues, and including from my  
department, is we want to make -- we don't want to  
underestimate the level of challenge involved in this project,

you know, there are -- the communication on both sides of the issue is going to be really difficult and really challenging because we want to make sure there are realistic expectations on the part of how that information is going to be used, how it can truly be integrated, and then for PIs to really know what the expectations are of them so that we don't get cross-waves, so -- and as long as we're going into that with open eyes I think we'll be okay.

MS. SCHUBERT: Well, and I think that that's some of the reason that we thought we needed to hire, and this will be an open hiring process, somebody who has experience in doing this to help us make it work and help all of the parties understand what's at stake and what's required.

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: Mr. Chairman -- Chairman Tillery, my last comment was on the elders-youth conference. I'm very excited about that. I do look forward -- and of course right now it's anticipated that in the planning process there will be more exploration of restoration linkages, and so I'll look forward to a clear statement of restoration linkages and what we have to accomplish, but I anticipate that will be coming if we're in the final process.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: A large number of these projects have to do with replacement of subsistence resources through enhancement technology, stream improvement and so forth?

MS. SCHUBERT: Mm hmm (affirmative).

MR. PENNOYER: Some of them look like they had a fairly large payoff if the feasibility studies show that you're

going to do it.

18

MS. SCHUBERT: Mm hmm (affirmative).

MR. PENNOYER: Is that -- when we approve research  
1 projects, often we have said okay, two or three years down the  
2 pike we realize if we get into this, unless we find something  
3 that tells us not to proceed, we're going to fund it, so we've  
4 started up with a project cost that's really 2 million instead  
5 of \$400,000, and while we always say yes, based -- but we'll  
6 review it as we go along. You're doing that. In some of these  
7 cases, we are funding feasibility projects that have a million  
8 to a 2 million dollar.....

MS. SCHUBERT: Mm hmm (affirmative).

MR. PENNOYER: .....price tag on them two years down  
11 the pike if the feasibility study is correct. Are we  
12 consciously saying that to these folks, that if we do it we're  
13 going to come up with the 2 million dollars to put the stream  
14 improvement in, or the hatchery in, or stock this or stock  
15 that. And I'm not totally clear because I'm not sure -- and  
16 I'm not sure I'm against doing some of them. I just don't know  
17 that it's been exactly given to me in that fashion.

CHAIRMAN TILLERY: Ms. McCammon?

MS. McCAMMON: Mr. Chairman, I think it's imperative  
20 that the Council not make a decision to go forward on any of  
21 the major enhancement projects without knowing what the long-  
22 term -- what the actual cost is because if what we're looking  
23 at is a five-year project at \$250,000 a year or more, then I  
24 think the Council needs that information before they make a  
25 decision. And one thing that I've asked the agencies to do as  
they go through this feasibility assessment is to actually --

when they put this forward for the Council for the final decision to actually have numbers on what the cost of the project is going to be.

1           Now when we looked at Delight and Desire Lake  
2 fertilization, which is under the sockeye cluster, that one --  
3 when I looked at it at first, my inclination was to pay only  
4 for the feasibility study to get the information on the table,  
5 and then to leave it up to the aquaculture association if they  
6 wanted to go forward and actually do the work themselves. With  
7 these others, I'm not sure if the aquaculture association would  
8 be in a position to take on that feasibility study, but  
9 certainly it should be something that all the costs should be  
10 laid out to the extent they're know.

11           MR. PENNOYER: Mr. Chairman, and that I agree with.  
12 I just didn't want people to get the idea because we did this,  
13 even though it looks like there's a big bill attached, that we  
14 were automatically saying yes, we've already taken that into  
15 account.

16           MS. McCAMMON: That's correct.

17           MR. PENNOYER: We're going to look at the feasibility  
18 and cost benefit after the study is done?

19           MS. McCAMMON: That's correct.

20           MR. PENNOYER: Thank you.

21           CHAIRMAN TILLERY: Ms. Williams, do you have  
22 additional.....

23           MS. WILLIAMS: No.

24           CHAIRMAN TILLERY: Are there other issues by Council  
25 Members on this cluster?

(No audible response)

CHAIRMAN TILLERY: I had one question which had to do with the Chenega remote release. That is a terminal fishery; right? What is going to happen after next year? Is it going to stop or are the fish that are going to start returning this year going to provide some economic base for the village continuing it on their own?

MS. SCHUBERT: I'm going to have to ask maybe Dave Gibbons, with the Forest Service.

MR. GIBBONS: I don't have anything to do with that project.

MS. SCHUBERT: No?

MS. McCAMMON: It's a terminal fishery.....

MS. SCHUBERT: It is a terminal fishery, yeah.

MS. McCAMMON: .....so if it stops, it ends. It would be.....

CHAIRMAN TILLERY: Well, except that in.....

MS. McCAMMON: .....up to the community to.....

CHAIRMAN TILLERY: Right. But I have.....

MS. McCAMMON: .....continue it if they so desire.

CHAIRMAN TILLERY: .....been told in some of the others, where we were funding -- proposed to fund terminal fisheries, that we would fund them to begin with, and then when those fish started coming back, they might take some of the fish and through taking those fish pay for them to continue with the program. I'm wondering if that is what we anticipate here. This is five years and out.

MS. McCAMMON: It wasn't anticipated at the time. That may be possible. All along it was anticipated it would be a five-year only type fishery in order to provide kind of a

buffer while subsistence resources recovered. It may be possible for them to do that, but we haven't really put that -- factored that into any recommendation.

1 COMMISSIONER RUE: Yeah. I always read this as just  
2 a temporary replacement.

3 CHAIRMAN TILLERY: Any other questions?

4 (No audible response)

5 CHAIRMAN TILLERY: I guess we're on marine pollution.

6 MS. CHRISTMAN: I'll address reduction of marine  
7 pollution. We have only one project in that cluster on the  
8 work plan that is within the \$16 million target for this year,  
9 and that is project 304, which is the Kodiak area waste  
10 management plan, and this project was proposed by the Kodiak  
11 Island Borough, and it is modeled to some extent after the  
12 Sound Waste Management Plan, on which you've had a number of  
13 presentations.

14 What's unique about this project is that in addition  
15 to the waste streams that the Prince William Sound communities  
16 looked at, that is, used oil, household hazardous waste as well  
17 as solid waste, the Kodiak proposal will also look at sewage  
18 and scrap metal that is to the extent that these waste streams  
19 affect the marine environment -- throwing away a refrigerator  
20 and everything that's in it, and can have some affect on the  
21 marine environment, and that would be a relatively small part  
22 of the project.

23 The other unique feature of the Kodiak proposal is  
24 that the Kodiak Island Borough is proposing it, and it  
25 certainly will address the City of Kodiak. However, the City  
of Kodiak does have a pretty effective and comprehensive waste

management program. It has a few areas that it needs to supplement, but this project is going to really emphasize the six remote villages on Kodiak Island and will involve the Kodiak Area Native Association, both in terms of coordinating with the villages, but also because the Kodiak Area Native Association is itself engaged in waste management projects. And what we've found with projects of this sort is that it tends to be synergistic, you know, one group is able to leverage assistance from other groups and we're able to obtain quite a bit of participation from private organizations as well to address this problem, and the recommendation is to fund just this first year a planning effort at approximately the same level as the Sound Waste Management Plan was funded -- \$267,500.

There is a second project that I believe Molly will address after this presentation, and that is, implementation of the Sound Waste Management Plan, and that will be addressed later.

MS. McCAMMON: Why don't you just go ahead and do it now?

MS. CHRISTMAN: Okay.

MS. McCAMMON: Because, I mean, it ties in.

MS. CHRISTMAN: The Sound Waste Management Plan concluded this year, and you've all received copies of it and you've had presentation on that project, and it was a very successful project for a number of reasons, not the least of which was that it was an opportunity for the communities in the Sound to sit down together and solve common problems and to share with one another in solving of problems -- and the Sound

Waste Management Plan had five recommendations -- five waste streams that they needed to address.

1 Their proposal for implementation money from the  
2 Trustee Council is for partial support of the capital costs of  
3 implementing two of those five recommendations, and with this  
4 project consists of -- it is a 1.2 million dollar proposal, and  
5 it has two parts. The first is construction of what are called  
6 environmental operation stations. And what that would be is a  
7 convenient collection and storage location in each of the five  
8 communities in Prince William Sound -- Whittier, Valdez,  
9 Cordova, Chenega Bay and Tatitlek.

10 And at the environmental operation station, we would  
11 have a module for used oil and a module, in most of the  
12 communities, for household hazardous waste, and these would be  
13 locations to which people could bring these -- either the used  
14 oil or household hazardous waste. It would provide convenience  
15 and safety -- convenience to encourage people to actually  
16 dispose of these items properly and also safety in storage.  
17 Right now many of these wastes are stored unsafely, and that in  
18 itself creates a problem, and the used oil component, in  
19 addition to a module to which one could bring engine oil, let's  
20 say, to be recycled.

21 It would also involve purchasing used oil  
22 equipment -- equipment designed to both collect, properly store  
23 as well as recycle used oil. Much of it is in the form of oily  
24 bilge water. None of the communities in the Sound right now  
25 has an oil water separator, which makes it extremely difficult  
to efficiently separate oil from oily bilge water, and then be  
able to recycle it.

The proposal is to install in each of the five communities the proper equipment that they need and that they're willing to maintain. That was a great deal of the planning effort, to be able to properly collect and store used oil, but also enable them to then burn the recovered used oil for energy recovery, and much of the energy recovered would be used for city facilities, city shops, City Hall, places of this sort.

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Do you have any questions on that proposal?

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: Mr. Chairman, I would like to hear from the Department of Justice on those two projects. Fine, okay.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: I don't know if I heard the answer to that, but I'd like to ask a couple of questions as to sort of what we get into here. One is, you said, in-kind. Okay. In the proposal to implement the Prince William -- part of the Prince William Sound Waste Management Plan, you indicated the communities are going to do something in-kind. What exactly is that and how.....

MS. CHRISTMAN: Now the community -- well, the communities certainly have committed to operation and maintenance of all of these facilities; that's a given. In addition, the communities of Chenega Bay and Tatitlek have obtained other funding for their household hazardous waste modules, and so what the communities have come to us for is for partial funding of the capital costs of the environmental operation system. In addition, many of -- several of the

communities already do have some equipment to handle used oil and it varies from community to community, so there's certain in-kind contribution. In other words, they aren't asking for the Trustee Council to fund literally everything, but rather to supplement their equipment where they know there are serious deficiencies.

MR. PENNOYER: Can I follow up? I have absolutely no doubt to people's good faith commitment within the short term, particularly those who make it, but I don't know the life of these units, I don't know how many years down the pike they could be expected to require serious maintenance, and I'm not sure what the level of commitment is to maintain them in the near term. Are people signing contracts? Is there something -- or is this just generally an assurance?

MS. CHRISTMAN: All of the -- as much of an assurance as anyone can give to future, you know, management depends on continued appropriation by the governing body and so forth. However, the Sound Waste Management Plan does have resolutions from the governing bodies of all of the communities, from the city councils where there are city councils and from the village councils to provide for the operation and maintenance.

And I might add that thinking about whether or not they're able to make this commitment -- whether the councils were able to make the commitment was a major part of this, and in fact influenced what kind of requests they made.

An example is, the City of Whittier made the choice not to request a household hazardous waste module. They felt that they really were not able to commit, nor did they have the demand, to maintain a collection area for household hazardous

waste. Rather, in their case, because they didn't feel there was a need for this, and they certainly didn't want to provide for operation and maintenance of this, they opted rather to have a once-a-year collection -- household hazardous waste collection event and then ship it out of town for disposal.

And that's the best I can do. I believe, at least earlier -- yes. A city manager is available here and might be able to address it further, but.....

MR. PENNOYER: I have one other question on here. So there are other elements in the plan that we're not being requested to fund of course, but as we do a plan for Kodiak then, my assumption is that we would also then sort of be saying to the folks in Kodiak that if you come up with this type of thing, we'll fund -- if we funded this, we'll fund your waste disposal plan at Kodiak too, I presume. It sort of says that, doesn't it? And that may be logical, I don't know.

MS. McCAMMON: Mr. Chairman?

CHAIRMAN TILLERY: Ms. McCammon.

MS. McCAMMON: I guess I should remind the Council that they at one point did fund a project to pay for waste oil burners in Kodiak. There was money given to DEC to do just that, and we actually went back as the SWAMP plan planning effort was going forward and we began to realize what a great project it was. We actually talked to DEC and that money was less, and it was not spend pending -- with the idea of going back and doing a more comprehensive region-wide planning effort and then coming back and identifying what was really needed.

MR. PIPER: Yeah. Intuitively, it's a, you know, you think immediately it's a great idea, waste oil burners, but

different communities have different needs and really what we found through the Sound Waste Management Plan is to -- if you're really going to effectively handle waste, one, you need to get the buy-in from the communities to do it; two, you need to directly address the problems of the specific communities so that they'll be part of it. Some of them already had waste oil burners, for example, and the original proposal that was funded for Kodiak was sort of putting the cart before the horse -- well-intentioned, but it was a little forward.

MR. PENNOYER: Thank you.

CHAIRMAN TILLERY: What you brought up earlier, Mr. Pennoyer -- for the record, I would note that the question that was addressed to the Department of Justice, the indication was a thumbs-up on this project from the Department of Justice.....

MR. PENNOYER: Oh, I didn't see that.

CHAIRMAN TILLERY: .....which I am actually very pleased with because I do think that this is one of the better projects that this Council has funded and I think this one project -- looking forward to doing the same thing in Kodiak and to carrying out some of the implementation phase of the SWAMP program.

Are there any other questions on reducing marine pollution?

(No audible response)

CHAIRMAN TILLERY: Okay -- then I guess we're to habitat improvement.

MR. SENNER: I will take over on that.

CHAIRMAN TILLERY: I just might want to -- just to give people a sense of timing here, I would like to try to wrap

up this work plan within the next half an hour or 45 minutes. Commissioner Rue has to leave at 5:00. I want to be able to come back and to address habitat acquisition before he leaves, so that's -- I think.....

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MR. SENNER: I think we can whip through the balance of the work plan rather quickly; let's shoot for 15 minutes.

CHAIRMAN TILLERY: Oh, that's a good one.

(Laughter)

MR. SENNER: Mr. Chairman, that last project you discussed, the implementation of the Sound Waste Management Plan, was not on that overhead because we do have one at the end for projects that are not a part of the regular work plan, and that would include that project 115. That's why it doesn't appear here.

Under the heading of habitat improvement, there are two projects, however, that would be part of the regular work plan. One is a recommendation to continue funding project 180, which would be the second year of habitat restoration and enhancement work on the Kenai River. This is work that the Department of Fish and Game, Alaska Department of Natural Resources, are performing in cooperation with the Forest Service and the U.S. Fish and Wildlife Service -- the managers of the Kenai Refuge, so we are recommending continuation of that, and it dovetails nicely with acquisitions of small parcels and other efforts that are going on without -- with other sources of funds.

Secondly, we have recommended for a deferral of project 230, which is to do some planning at the Valdez Duck Flats for how this area can kind of cope with an increased --

greatly increased use by the public for recreation and other  
purposes that has a bearing or an effect on injured resources. 19

We have recommended a deferral though for two reasons. One is  
1 that there are ongoing deliberations about some small parcel  
2 acquisitions in the duck flats and if those were to be resolved  
3 over the next two or three months, that would help us make an  
4 informed recommendation on whether that project should go  
5 forward or not. And then secondly, it's just -- also it comes  
6 down to again, to a matter of priorities for the balance of  
7 funds available to us in '97, and we'd like to be able to  
8 consider that one along with some of the other deferred  
9 projects in December -- so those are the two habitat.

10 CHAIRMAN TILLERY: Any questions?

11 (No audible response)

12 MR. SENNER: I'm going to shift overheads here.

13 (Pause)

14 MR. SENNER: Okay. We have a new cluster here that  
15 we're calling ecosystem synthesis, that represents the  
16 evolution and maturity of the restoration science program, and  
17 the reason for this work stems from the recognition that not  
18 only are a number of the studies that have been going over a  
19 number of years now, like work on harbor seals and harlequin  
20 ducks, reaching some kind of maturity, we also have the three  
21 large-scale ecosystem projects that are now reaching very  
22 mature stages -- the SEA and NVP and APEX projects, and we  
23 sense, particularly with the tenth anniversary coming in 1999,  
24 that we need to start doing more to integrate and build models  
25 that are based on the collective work that's not being -- or  
that has been done over now a number of years.

So what we're proposing here is a -- not a modeling project, but this is an effort to manage other -- the modeling efforts of others, and so the -- sort of the origin of this is that in the invitation for science proposals in '97, we invited proposers to offer projects that would begin taking data from multiple projects -- the ecosystem work, harbor seal work and others, and begin to build models on these that are useful to managers, that are useful to help informed decisions about monitoring over the long term, and that begin to explain to the public how all this fits together. We got several good proposals, including from Doctors Pim and Pauley at -- was it University of Tennessee, and.....

DR. SPIES: University of British Columbia.

MR. SENNER: And University of British Columbia. So we got some quality proposals, but once we got them we realized that this is something that we need to go forward with very carefully in the sense that it would not be to anyone's advantage to hand over some money to some people at universities that have not been involved in this program and expect these experts to, as the term we use, sort of parachute into the process, take everyone's data, run away to their university and build a model -- that this is something that requires a lot more coordination and careful work with our long-time principal investigators, with the core peer reviewers, like Peterson and Rose and others, with the agency managers and with the restoration office, and that this would require some careful management to make that everyone buys into the process and that products come out that are useful to everyone and that the principal investigators feel comfortable

about participating and sharing in.

20

1 To that end, the Executive Director and the peer  
2 reviewers in fact had recommended that we in effect turn to the  
3 Chief Scientist to manage this process simply as an extension  
4 of his duties as Chief Scientist -- so the first thing I want  
5 to make very clear here is that this is not a proposal from the  
6 Chief Scientist to do modeling. This is a proposal to manage  
7 and coordinate a modeling effort involving some outside experts  
8 who will work in conjunction with our own PIs and reviewers.

9 The Executive Director and I chose to present this to  
10 you as a separate project because we think it's very important  
11 as we move to the anniversary in '99 that we recognize the  
12 importance of this synthesis and modeling effort, and that it  
13 deserved -- kind of highlighting it as a separate project. We  
14 could have simply continued to consider this a part of the  
15 Chief Scientist's ongoing duties and not highlighted it as a  
16 project. We think it's important enough to warrant this.

17 There is a part B, however, and I want to share that  
18 with you as well. You saw this morning the draft of the harbor  
19 seal restoration notebook that Joe Hunt passed around and that  
20 we, I think, was well regarded with the exception of a graph  
21 that perhaps wasn't as intelligible as it should be. To make  
22 this process work and to make sure that it's done with a  
23 full -- that what appears in these accounts is fully consistent  
24 with the history of all of the EVOS work in the damage  
25 assessment and restoration program. It's going to require,  
again, significant involvement by the Chief Scientist as well  
as my own involvement as science coordinator. So what we did  
is we -- in terms of the Chief Scientist involvement in this

project, the synthesis, the sort of the median or short-term synthesis, and then secondly, the longer term modeling efforts -- we've rolled them into project 97-300.

1           But again, the main thing to clarify is this is not a  
2 Bob Spies modeling project; this is the Chief Scientist  
3 managing the modeling efforts of others. If you want  
4 clarification or further information about what those modeling  
5 efforts might be and what kind of products are there, Bob is  
6 prepared to talk about the proposals of Doctors Pim and Pauley,  
7 so that's up to you if you want that, but that's what we've got  
8 here.

9           CHAIRMAN TILLERY: Ms. Williams?

10           MS. WILLIAMS: Yeah, a quick question. I think my  
11 folks at the Department of Interior would like to discuss more  
12 with Dr. Spies the modeling, but given our limited time right  
13 now I won't do so, but I just wanted to clarify one thing. So  
14 part of this -- the funding request and expectations we funded  
15 is that Dr. Pauley and Dr. Pim will do the modeling work in the  
16 next fiscal year; okay? Pardon me? They will start.....

17           MS. McCAMMON: It would be just some preliminary  
18 work -- coming to the workshop in January and doing some very  
19 preliminary work, but the major part of the modeling would be  
20 in the next fiscal year.

21           MS. WILLIAMS: Right.

22           MR. SENNER: That's right.

23           DR. SPIES: Fiscal year '98.

24           MR. SENNER: And that would require new proposals,  
25 which would give the Trustee Council another opportunity to  
kind of weigh in and decide if they want to continue down that

road.

20

MS. WILLIAMS: Okay. Just one final recommendation,  
and that is, we'd just encourage you to work with Dr. Milo  
1 Atkinson (ph) as we proceed down this path.

2 MR. SENNER: And.....

3 DR. SPIES: I've got an appointment to meet with Dr.  
4 Atkinson (ph) tomorrow morning.

5 MS. WILLIAMS: Excellent.

6 MR. SENNER: Right. Yeah. We're both extremely wary  
7 of and committed to the idea that this is not something -- this  
8 modeling work is not something that's going to be imposed  
9 externally on the PIs, that it's something they buy into, feel  
10 good about, want to participate in. If we don't have that,  
11 then it's not going to be worthwhile to pursue this over the  
12 next couple of years.

13 CHAIRMAN TILLERY: Additional questions or comments?

14 (No audible response)

15 MR. SENNER: Okay. The last two in the regular work  
16 plan fall under the heading of public information, which I  
17 think has a longer heading in your spreadsheet --  
18 administration of science management and public information.  
19 The two that are part of the regular work plan, however, are  
20 275, which is rural development-applied field-based research  
21 program in oil spill affected areas, and number 301, which is a  
22 pilot program for a television series. Both of these are  
23 simply recommended now as defers. The second one, the 301, in  
24 particular, there was some discussion this morning from Mr.  
25 Janik about the importance of getting into radio and television  
work in terms of getting the word out on the program and what's

being done. We're kind of excited about that as a possibility.

20

We do feel we need to look more carefully at what will be done in 301 and look at what kind of funds are available at the end of the year, but that may be an avenue to get more into the television business at least -- so both of those are defers at this point.

CHAIRMAN TILLERY: Commissioner Rue?

COMMISSIONER: Yeah, a quick timing question. If we defer it until December, would you then sort of initiate things? Will we -- and it takes time to produce something. Will we actually lose the opportunity? I'd have some concern that if we defer we might not get very far, and could we begin working on an RFP so that we have concrete things to look at in December rather than initiating or looking in December -- just a question in terms of timing.

MR. SENNER: I think we could look at an RFP now, but.....

MS. McCAMMON: Well, Mr. Chairman, doing any kind of video or TV pilot, most of the filming is going to be done in the spring and summer anyway, so I think if the Council took action in early December, that would give us a couple of months to do an RFP and actually get someone selected and start the planning work, and then hopefully have it up and running by spring/summer. This is not a project you can do anyway within just a few weeks; it's going to take probably over a year or two years to do something of that nature anyway.

COMMISSIONER RUE: That's what I was thinking.

MS. McCAMMON: And part of this -- I think our thinking for deferring it also is Joe Hunt, our Communications

Coordinator, is also going to be contacting a number of other groups like National Geographic and NOVA, and seeing kind of -- looking at the tenth anniversary, seeing what interest they have themselves in doing something like that. I'm not sure we need to be funding it ourselves. We may want to, we may not, and this gives us a little more time to kind of explore some other avenues there.

MR. PIPER: One of the things that came up at a Public Advisory Group meeting on this, I recall, is Chip Dennerlein mentioned the idea of a CD-ROM or other kind of digital public information on this, and given the realm in which we work a lot in science, and given that our target audience includes schools and things like that where there's pretty consistent use of the Internet, that may be worth exploring too, but I don't know whether that went anywhere.

CHAIRMAN TILLERY: Is there additional questions on that cluster?

(No audible response)

CHAIRMAN TILLERY: Stan, you have one more cluster?

(Off record at 3:45 p.m.)

(Tape Change - Tape 5 of 6)

(On record at 3:45 p.m.)

MS. McCAMMON: It would be on pa- -- the last section of research facilities. There were three projects and all three of those are recommended as do not funds -- the Mariculture Technical Center, Kachemak Bay Shellfish Nursery, and planning for the genetics lab at the Sea Life Center -- and that would be on page B-61 -- yeah, further past that -- B-62, 63. Does anyone have questions on those?

MS. McCAMMON: Okay. The next cluster -- this is all part of it. When we were looking at putting together the work plan, we had -- we targeted 16 million for the ongoing research monitoring general restoration type projects. They were projects that came in that appeared to us to be more capital type projects. They were one-time only requests, and they were above and beyond kind of our annual work load. In addition, if we tried to fund them through the 16 million we'd really blow the bank there, so we looked at those separately from the regular work plan, and of those there were kind of two sections -- one to assist in restoration science.

The one proposal on the Prince William Sound Science Center addition -- this proposal came in as a two-phase proposal, although the consideration was asked on the first base. The intent is to use \$545,600 to join that with an additional \$300,000 that the Science Center obtained through the state's criminal restitution fund, and with those funds build a two-story addition to the current facility at the end of the dock in Cordova. Construction would take place next spring and summer. That addition would allow all of the Science Center researchers to function within one building. Currently there's not sufficient space in the existing facility; they're scattered around town at various places. This would pull all of the researchers into one place. I don't have a recommendation on that.

The SEA project has at least two to three years to go before its end. It is winding down. I can expect that there will be other restoration proposals that the Science Center

will put forth before the Council, but there's no commitment to funding those and they would certainly be competitive with other proposals that come forward -- so at this point, I don't have a recommendation on that proposal.

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The second proposal is for -- I think I might have given you the wrong number on that; that was \$537,600. The other proposal is for \$545,600 for the Alaska Sea Life Center fish pass. This proposal I'm recommending that it be funded contingent on funding only the research portion of the construction, and not fund any kind of additions that might be added for visitors or kind of the educations part of it, and it would seek -- would see the Sea Life Center getting additional funds for those aspects, any kind of windows or display areas or things like that -- so this would cover the actual funding of the fish pass.

The researchers there -- we have some of the people who put that proposal together to provide additional information on that. The idea that with the fish pass at the Sea Life Center there would be a number of studies done there that currently cannot be done in the EVOS area. These would be a wide range of studies concerning homing, genetics, pollution effects or viable disease, marking and tagging studies, hormones and neurobiology. I think specifically the three that the Chief Scientist has expressed the most interest in would be some kind of toxicological studies in a controlled environment seeing the effect of contaminants on a fish population -- a captive fish population, doing some additional genetics work, trying to see what kind of genetic interchange there is among fish populations using a captive population, and then the third

thing, looking at the susceptibility of disease in various groups of fish. So again, there's no facility in the area to do these kinds of studies, and the recommendation is to fund that.

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The third project up there is to continue with project 97-115, which is the Prince William Sound Waste Management Plan implementation, which Veronica Christman has already described.

CHAIRMAN TILLERY: Questions? Mr. Pennoyer?

MR. PENNOYER: On the Sea Life Center fish pass, I think I recall that was part of the original discussion for the center, and if it was integral to the design of the center in terms of doing research the Trustee Council wanted have carried out, why was it omitted the first time?

CHAIRMAN TILLERY: Ms.....

MS. McCAMMON: Kim Sundberg.

CHAIRMAN TILLERY: Kim Sundberg could respond to that.....

MS. McCAMMON: .....in part of that planning effort.

CHAIRMAN TILLERY: .....probably, yeah.

MR. SUNDBERG: My name is Kim Sundberg. I was involved with the scientific work group that developed a concept and schematic design for the Sea Life Center, and the subject of the fish pass came up in sort of a general fashion I think about a year and a half ago, maybe two years ago. The design was primarily for marine mammals and sea birds, and late in the process we started getting more and more interest from fish scientists, specifically A.J. Paul, Jim Seeb, Fred Allendorf -- some other fish scientists from the University of

Alaska to do sort of multi-generational studies, and so by the time that the sort of concept for the fish pass came up the design had been pretty much fixed for the wet labs to be established without a fish pass, and also we didn't know how much fresh water we could tap to run this fish pass.

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We had to do some studies on a spring, and about a year ago we actually secured access to this spring to provide about 500 gallons a minute to the labs at the Sea Life Center, and that water would be used to run the fish pass, and so I guess the short answer is we really didn't know until about a year ago that we could actually do this type of a project. By that time, the construction drawings were pretty much in the completion stage. It went out to bid this spring; it's currently into construction now. It's about -- the facility is about 19 percent completed in construction, and so as far as sequencing goes, if we're going to do the fish pass there this is the time to do it because of the access to the site before the building goes up.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: I may surprise you on that, but since we built the Sea Life Center and put the money into it, I do think that we ought to make it effective in carrying out research that's important to this Council, so I'm -- if this is essential then I'm interested in seeing it done, and I was interested in why it didn't happen originally.

The other question I have has to do with the request for the Cordova research facility, and -- is it -- Molly, in here you recommend \$380,000 for just the SEA people and life history they're going to have? I guess I'm not sure of our

involvement over time in this research. I don't know that we've committed ourselves to that or the long-term approach we're going to take to research beyond the immediate projects that we're undertaking. We have undertaken long-term (indiscernible) into the Sea Life Center in Seward -- obviously, we built it, and we had some resolutions agreeing to put as much research there as possible.

If in fact the facilities currently are not adequate to house the people that we've got working on projects that we're doing, and that's going to be over some period of time in the future, I mean, this funding is going to go through another five or six years anyway, so I don't know that I have a problem with making sure that they have a place to work. I don't know what -- as you said, there's no long-term commitment, and I would hope that we would be doing a long-term look at how research is going to evolve in the spill area and our commitment to that before we tie ourselves in any major new construction -- but I'd like to find out how you got to \$380,000.

MS. McCAMMON: The -- I had staff look at the proposal and the design and try to focus on what aspect of the expansion would be used just for SEA researchers and wouldn't be, for example, a meeting room that would be used for community functions and other type of research projects that the Trustee Council is not funding -- so the focus was just on the office and lab space that would just be used by SEA researchers, and that was estimated to be \$380,000.

MR. PENNOYER: One more follow up.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: Then you mentioned that the original proposal had to do also with some money obtained from the state through criminal settlement money?

1 MS. McCAMMON: That's correct.

2 MR. PENNOYER: And if this is 380 instead of 530, do  
3 you have an indication that something would still be built to  
4 house the people that we're concerned with housing to do  
5 research we want done?

6 MS. McCAMMON: I don't. They are here though.

7 MR. PIPER: Part -- oh.....

8 CHAIRMAN TILLERY: Mr. Piper?

9 MR. PIPER: Well, part of the reason that money, as I  
10 recall, came out of the criminal settlement funds was because  
11 the Prince William Sound Science Center is also linked with the  
12 Oil Spill Recovery Institute, which has changes in OPA '90  
13 pending that may provide them a significant amount of money to  
14 do oil spill prevention and response research, and the reason  
15 it was determined that it was okay to take the \$300,000 in  
16 criminal settlement money and reappropriate it to that is  
17 because that criminal settlement money had been allocated to  
18 DEC for spill prevention and response research, so I'm not  
19 clear what the mix of prevention and response research is at  
20 this facility, and restoration research -- and I know that the  
21 Council's been very careful about, and very clear about, its  
22 not getting involved in prevention and response research, so  
23 that's a question I have.

24 MR. JANIK: Mr. Chairman?

25 CHAIRMAN TILLERY: Mr. Janik.

MR. JANIK: On the expansion of the Prince William

Sound Science Center, I think it's something we should look at,  
but a question that has always come up -- what we have been  
deliberating decisions on facilities like this has been, how  
1 does this one component fit into the overall research strategy  
2 and availability of research? And I don't know when deferrals  
3 are going to be dealt with, but I personally would like to give  
4 this one some more homework and have some staff work done on  
5 that so that we can, at least in my mind, make a more  
6 intelligent decision on this.

7 CHAIRMAN TILLERY: Mr. Rue?

8 COMMISSIONER RUE: I was first.

9 (Laughter)

10 MR. PENNOYER: You got a plane to catch; right?

11 COMMISSIONER RUE: Well, I may not. Two questions,  
12 and since Kim is up there -- I think maybe you ought to stay up  
13 there for a minute, but Gary Thomas is here too. I guess I'd  
14 be interested in the Prince William Sound Science Center  
15 expansion. What would -- by combining the facility, what would  
16 it do for making the research more effective, efficient, better  
17 coordinated? There's got to be some payoff, unless it's  
18 researcher freezing to death and, you know, we're losing them  
19 because, you know, they get colds in the winter. But, I mean,  
20 there's got to be -- I don't want to be facetious, but I would  
21 hope if we were going to -- if we would spend money -- maybe  
22 this gets to Mr. Janik's effort of trying to do more homework,  
23 but Gary is here, maybe he could describe a little bit of that,  
24 but I would want to see some greater efficiency or productivity  
25 or coordination out of combining people in one building.

And in the same vein, I support the fish pass of the

Seward Sea Life Center, and I also, for all the reasons that  
have been mentioned so far, but in addition I think there may  
be some benefit to having multiple disciplines right there in  
one facility for sort of the ecosystem view of the world.

Whether that actually happens or not, I don't know, but I think  
there may be some value, and this is sort of down the -- in the  
outer range of the bulls-eye, but some value in having  
different disciplines housed in one research facility there.

The other thing about the fish pass is, as I  
understand, it's the only -- would be the only place in the  
Sound, in the spill area -- well, I'm not sure about the spill  
area, but I think in the spill area, where we can do controlled  
experiments on the resource, you know, fisheries resources of  
the spill area, so I think there's a couple of -- I'd be  
interested in hearing whether the Science Center would see any  
kind of increased productivity of their researchers or, you  
know, cross-pollination of ideas, and I think that may happen  
in the Seward Sea Life Center as an ancillary benefit.

CHAIRMAN TILLERY: Mr.....

COMMISSIONER RUE: So that's a question, I guess.

CHAIRMAN TILLERY: Yeah. I guess where we may be  
headed, it appears to me, is to defer the Prince William Sound  
Science Center for a number of questions, such as the one you  
just asked to be looked into and brought back to us. If that's  
the case, I'm not sure it's going to be worth getting into a  
lengthy explanation today on that one.

MR. PENNOYER: Mr. Chairman, I don't mind the  
suggestion of getting better information out, but if we're  
going to ask people for that then I think we need to be clear

in what we're asking for so those who are interested in building this facility or working with us know what the time frames are we might expect. Mr. Janik's proposal, I think, is a good one for a longer term, particularly, I would think, with a larger expanded facility -- another larger expanded facility in the spill area, but I don't know that by December we're going to have a better idea of where the restoration reserve and the long-term research approach to this group is going to go, so I'm not clear exactly what -- I think the answer you're looking for -- OPA '90 is coming down, there's a large amount of money involved there. There's going to be monitoring activities under that. It's not just oil spill (indiscernible) monitoring as well, that could play into the long-term strategy of this group and it might dictate some continued presence in Prince William Sound of this group, but I don't know that those type of answers are going to be forthcoming within the next -- sounded to me we're sort of shooting for the tenth anniversary of the spill to come up with that type of answer, and that's more than next year.

MS. McCAMMON: Mr. Chairman, I think anybody who has been involved in any of these kinds of multi-disciplinary, multi-agency type ecosystem projects would acknowledge that having all of your researchers in one facility with all of their computers closely linked, especially when you're doing the very technical complex modeling exercise, would be a benefit -- so I don't think you can deny that there would be benefit in having everyone in one building. On the other hand -- on the reverse side of it, we already have funded the APEX project and the near-shore vertebrae predator project,



McCammon, and I guess my only question in terms of deferring this one is one, might be effects on the project. Two, what we're really deferring and what information are we going to get because the information you have is a better -- people who work in one place. I have no idea. Maybe some of these people are from different states; maybe when they go to the Sound they all work in the same building. There are things you could find out that way. Longer-term research -- we're not going to have that answer by December. I'm sorry.

And while I completely agree with Mr. Janik of the need to do that before we commit significant and substantial funding, that might be a little different than making sure people are out of the rain and not freezing or not doing whatever they're doing. And that type of information we could get and defer, and get that information and make a judgment at the next meeting or whenever, but this thing that I think is necessary, if this is going to go much farther, we're not going to get better (indiscernible). So I just wanted to be clear on what we're asking (indiscernible).

CHAIRMAN TILLERY: I have -- I very much support this fish pass, having seen and heard the explanations for it and so forth. I am also inclined towards the Prince William Sound Science Center addition. I was struck originally when I went down there two or three years ago that they were completely out of space then and jammed in, and every time I've been back since I've been -- had that same impression, but I am concerned that it is now and not three years ago that we were asked to do this -- or two years ago -- or at least it's not coming up, I mean, we may have been asked but it's coming up now, and we are

winding down that project.

21

1 I would like to see, like Mr. Janik, some explanation  
2 that we're going to amortize this money we're spending on a  
3 facility through projects that are of interest to restoration,  
4 and it doesn't even have to be ones that we fund; it may be  
5 funding that comes from another source. It may be funding that  
6 comes from OSREY, but the deal with the restoration-type  
7 projects -- and I guess I would like to see a fuller  
8 explanation that there -- this thing isn't going to be built at  
9 about the same time that we no longer have any restoration  
10 projects being down there, and I don't know if it's going to be  
11 answered -- can be answered by December or something, but I  
12 think we might know a lot more by then, and at least we can  
13 probably get a more coherent explanation for its use.

14 MR. JANIK: Mr. Chairman, you know, I'm hearing  
15 general support and I am lined up with that general support in  
16 terms of the Science Center expansion. I noticed we used one  
17 category here of funding contingent upon, you know, maybe  
18 there's another option. I am responding to discussions from  
19 previous meetings we have had that we have not -- and I'm not  
20 suggesting a long drawn-out study, Steve, because I do think  
21 that would take considerable amount of time, but we have  
22 continually asked ourselves, what is the EVOS strategy for the  
23 research investments facilities for research, and I think we  
24 owe that to ourselves to do something like that. So, you know,  
25 I am not one that wants to stand in the way of this initiating  
the expansion, but I do think that we should discipline  
ourselves to put this all in context somehow.

CHAIRMAN TILLERY: Ms. Williams?

MS. WILLIAMS: There are a few other questions I'd like to have answered before we commit this kind of money. One is, we all know from experience that when we set a precedent it's hard to back away from that. So if we do fund this, for the reasons that have been explained, what does that mean for the other ecosystem projects? What does that mean for any other projects where someone could say I would like facilities to enhance and support this project? Can Fish and Wildlife Service come to the Trustee Council and say we could sure use, you know, more office space or lab, or NOAA or ADF&G, and so forth, or any other consortium of people. So I think we have to be very conscious of establishing precedent on this front.

The second thing is I would like more examination of how the OSREY funds -- there's a lot of money in OSREY, that's going to be coming to OSREY quickly -- and how that relates to this request. Our monies are limited and we need, before we expend this kind of money, see what other funds are available to an entity, particularly when our efforts are diminishing. And so I'd like a fuller accounting of the relationship between this and OSREY and the OSREY monies that are forthcoming.

CHAIRMAN TILLERY: I would certainly agree with that, and I would note that these do -- and they are going to be linked, I think, because OSREY does have a substantial amount of money to carry on if that funding comes through where we leave off. As I recall, there's also funding that you cannot use for this kind of a project.

MS. WILLIAMS: Yes.

CHAIRMAN TILLERY: You can't use the capital -- and it may be that the small piece of funding that we could put in

might enable research to go forward under that, so I think Gary, you're hearing the concerns of the Council.....

MR. THOMAS: Yes.

1 CHAIRMAN TILLERY: .....and is

2 MR. THOMAS: Am I invited to speak?

3 CHAIRMAN TILLERY: Timing wise, if you can keep it  
4 down to about three or five minutes.

5 MR. THOMAS: One of the reasons.....

6 COURT REPORTER: You have to come up to the  
7 microphone.

8 CHAIRMAN TILLERY: Yeah. Come up to the table, Gary.

9 MR. THOMAS: I'm Gary Thomas, President of the  
10 Science Center, and one of the reasons why we made this request  
11 is that the Science Center is going to be a long-term entity in  
12 Prince William Sound and the state of Alaska. We've built up a  
13 respectable staff of scientists and researchers, and we think  
14 that through the -- we're principal players in the development  
15 of the predictive models that you're going to be looking at and  
16 critical to the success of those models to be developed.  
17 They're numerical models; they're going to require monitoring  
18 for input. We developing tools that are going to be used for  
19 that monitoring. We're going to press with those papers at  
20 this time, and we've made presentations at international and  
21 national meeting to get reviews on these.

22 We have the Oil Spill Recovery Institute that's in  
23 conference committee right now; it'll provide at least a  
24 minimum of ten years of sustained support for operations of the  
25 facility to continue in a cooperative effort with the Trustees.

Also, instead of waiting until after the fact, we've come

forward with matching funds in front. And so if you look at  
 Cordova, Cordova is a tremendous logistic -- from a logistics  
 standpoint, it's a tremendous place to stage research in Prince  
 1 William Sound. It has a jet airport and you don't have to go  
 2 through the Gulf of Alaska to get into it, so you can work  
 3 year-round there -- and so we really have an active program and  
 4 it's growing, and we're looking for this partnership. And I've  
 5 been before the Trustees in the past saying that I'd like to  
 6 set up a cooperative agreement between the Trustees and the Oil  
 7 Spill Recovery Institute when we get that established, and, you  
 8 know, we're not just looking at those organizations either.  
 9 We've been very active in developing cooperative agreements  
 10 with the Goddard Space Center and with other entities, and we  
 11 plan to be a player for a long time, and we're just looking for  
 12 some acceptance.

13 The other thing is that it's time critical that we  
 14 get this program going, and we have \$300,000 and we have to do  
 15 something. We, you know, I'm ready to pull the plug and go  
 16 right after whatever we can do with \$300,000 because we really  
 17 need the space. Our people who are at work are standing on top  
 18 of each other. Thank you very much. I appreciate your support  
 19 regardless of this.

20 CHAIRMAN TILLERY: Commissioner Rue?

21 COMMISSIONER RUE: Yeah. Gary, I guess I have a  
 22 question. What is the deferral to December? Can you respond  
 23 to answering those questions having the Council discuss it in  
 24 what, December, did we say? How would that -- what would that  
 25 do to your plans?

MR. THOMAS: Well, the plans right now -- if we had a

1 decision today, I was planning to go -- we're having a board  
 2 meeting. I was planning to get approval to go ahead and spend  
 3 the \$300,000 on a larger scheme that would include, you know,  
 4 whatever was approved here. If not, I still have to -- we  
 5 still have -- we need more space. We might have to use that  
 6 \$300,000 for some space off-site. I'm not too sure, but we  
 7 have to do something because our performance is being  
 8 compromised at the present crowding.

9 MR. PENNOYER: Mr. Chairman?

10 CHAIRMAN TILLERY: Mr. Pennoyer.

11 MR. PENNOYER: May I ask a question? Maybe two  
 12 minutes. Gary, I guess I don't completely understand where  
 13 we're going with this, and Mr. Janik's question's a good one.  
 14 Now this is something to get us by the near-term, and that's  
 15 understood. You have other plans for the longer term or  
 16 what -- I don't know the relationship of those \$300,000, which  
 17 next to the SEA fund is not huge. Will this get you by for a  
 18 while? Are you then looking for an infusion of several million  
 19 dollars here in a little while to build another Seward Sea Life  
 20 Center in Cordova, I mean, what's your -- what are you doing  
 21 here?

22 MR. THOMAS: There were two proposals, you know, it  
 23 was a three-stage proposal for three years. One was for this  
 24 current addition to get us up to speed with our current staff.

25 The second effort that -- and we put a proposal last year in  
 for a \$12 million community science education cultural center.

Now we've recently had some town community meetings, and we  
 have basically all the major players aboard on this. We're  
 planning to come back next year, or in the future, with a

larger plan for a facility, but it'll be more of a community center and not specifically a Science Center. Right now we're looking for the \$500,000 add to our \$300,000 so we can build up our space so we can accommodate our staff right now. That's the critical point.

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MR. PENNOYER: Do you understand though, until Mr. Janik's question is answered, there is no way that other one, in my view, would go anywhere -- the larger proposal.

MR. THOMAS: Oh, the larger facility? I realize that.

MR. PENNOYER: You're dealing right now, in your review, with a space requirement that's immediate; is that correct?

MR. THOMAS: Exactly. The larger facility is something that is going to have to be planned out in a lot more detail community-wise.

MS. WILLIAMS: Mr. Chairman -- and so -- let's walk this through. How quickly could you add on space with the \$800,000 that you would like to have? You would have that space operative -- lab space, et cetera, operative how quickly?

MR. THOMAS: Well, I'd like to try to get it -- the facility framed in before winter. That means the roof and the frame and side. We could do the work on the inside subsequent.

MS. WILLIAMS: But it'd be operative when? What's your goal?

MR. THOMAS: Next year.

MS. WILLIAMS: Next summer?

MR. THOMAS: Yes.

MS. WILLIAMS: And then let's assume you come back to

the Trustee Council with the large plan -- the very large plan.

22

What would happen to this space if the Trustee Council approved funding for the large facility?

1 MR. THOMAS: Well, we'll certainly look at that with  
2 respect to a larger facility, but since we're going basically  
3 back to the drawing boards on a larger facility request coming  
4 in as a community, not just the Science Center, I can't really  
5 offer too much on that right now, but the.....

6 MS. WILLIAMS: But it's possible you would not use  
7 this -- the facility you're in now plus the add-on, and would  
8 move.....

9 MR. THOMAS: I can't see how this facility where we  
10 have right now won't be used for a long time. It's a really  
11 nice facility in a key location and right now we've had Fish  
12 and Game, Forest Service, oil companies have come in --  
13 everybody has been using this facility -- National Marine  
14 Fishery Service in Seattle and in Auke Bay -- so we've  
15 cooperated with a lot of different people, help providing  
16 logistic support from Cordova for research in the Sound, and  
17 will continue to do that, and that was one of the reasons why  
18 we -- the Science Center was first established. There is a lot  
19 of research activity in Prince William Sound, and a logistic  
20 center for helping people out to do that research has always  
21 been needed.

22 MS. WILLIAMS: So right now you would anticipate  
23 using existing facilities, add-on facilities and this new \$12  
24 million facility -- all for EVOS restoration purposes?

25 MR. THOMAS: Well, I know that the existing facility  
we plan to use for EVOS-related research. The community

center, again, we're going to be going back to the drawing board on that. And it could be a facility that we would like to bring in our education program, a very active education program, and we're starting a community outreach program, a very major effort. So that would be probably more apropos for the community center.

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CHAIRMAN TILLERY: Additional -- one possibility to approach this. There are -- a number of good questions have been raised. There is also an issue of how money is likely going to get to Prince William Sound Science Center. That would take some work to figure out the exact mechanism of going through the state anyway, how you even get this kind of money there.

Some of these questions can be spelled out and presented in a more coherent fashion relatively quickly. We have discussed getting back together around the end of September on small parcels. I would think that one possibility -- I would ask the Executive Director to look into these questions that have been brought up to date and to try to come back to us at that time -- fairly soon, with a report and a recommendation. Mr. Rue?

COMMISSIONER RUE: On the specific list of question that we have said?

CHAIRMAN TILLERY: And any other questions that might arise in the meantime if they look at and establish that.

MS. McCAMMON: Mr. Chairman, I think there is definitely a question of NEPA involved in this since it's federal dollars. There's a question of how you would even get the funding to a facility like this. When we had first started

working on the Sea Life Center, we identified a number of questions that took over six months to get the answers to. I don't anticipate that this is as complex a project, however, I think there's still a number of issues here. I could guarantee you that there is no mechanism, even if the Council today said yes, there is no mechanism that is available to get money to the City of Cordova or to the Science Center within at least four to five months, minimum, even if you said yes today. It's just not physically possible.

MR. JANIK: Mr. Chairman?

CHAIRMAN TILLERY: Mr. Janik.

MR. JANIK: You know, given that recognition as well, I think what you have been hearing is pretty visible support for trying to do something with regard to your problem. I do think we should take the time, and whether we use the funding contingent upon or whatever option here, to put together something that will enable us to look at this a little bit closer and answer these questions, and so on, before a final decision is made. And Molly help me here, you know, I don't know what some of these categories, in terms of the actual mechanics of what happens here in terms of the short-term and long-term decisions, and national cutting of money here, but I'm hearing general support for this.

MS. McCAMMON: We would also need a legal review because this is one project -- because it was in a no recommendation category, I don't believe the lawyers, especially the federal lawyers, looked at very carefully.

CHAIRMAN TILLERY: Is.....

COMMISSIONER RUE: So it sounds like what we're

asking for, Mr. Chairman, is.....

MS. McCAMMON: More information.

COMMISSIONER RUE: .....more information by perhaps  
1 September when we get together on small parcels.

2 CHAIRMAN TILLERY: Would someone like to put that in  
3 the form of a motion?

4 MR. PENNOYER: He just did, didn't he? I second  
5 that.

6 CHAIRMAN TILLERY: Yeah. It was Phil's original  
7 idea.

8 MR. JANIK: I'm sorry. I was talking.....

9 CHAIRMAN TILLERY: I'm just asking if there was a  
10 motion to ask the Executive Director to look into the questions  
11 that have been raised here today and to report back to the  
12 Council with a recommendation at a late September meeting or as  
13 soon thereafter as possible.

14 MR. JANIK: I think that's reasonable.

15 MR. PENNOYER: Second it.

16 CHAIRMAN TILLERY: Is there any discussion?

17 (No audible response)

18 CHAIRMAN TILLERY: All in favor?

19 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

20 CHAIRMAN TILLERY: Opposed?

21 (No audible response)

22 CHAIRMAN TILLERY: The motion passes.

23 MR. JANIK: I would just like to immediately offer up  
24 the services of Dave Gibbons to help with any of the staff  
25 work, from the Forest Service.

MS. McCAMMON: Taken.

CHAIRMAN TILLERY: Thank you Mr. Sundberg, and thank you Mr. Thomas.

MS. WILLIAMS: Thank you.

1 CHAIRMAN TILLERY: That leaves project -- is that  
2 correct? It leave project management?

3 MS. McCAMMON: It leaves project management,  
4 administration, habitat acquisition support and the restoration  
5 research.

6 CHAIRMAN TILLERY: Let me give you a timing update.  
7 Mr. Rue has indicated he has gotten reservations on a later  
8 flight and we have longer. Is there anybody else who has to  
9 leave at 5:00 and was relying on that?

10 MS. McCAMMON: Needs to change flights.

11 CHAIRMAN TILLERY: Okay. Please proceed.

12 MS. McCAMMON: Okay. Mr. Chairman, one of the  
13 recommendations of the auditors was to pull all of the costs  
14 that have been in individual projects for project management  
15 into a single project. These for the most part were one month  
16 of time for the lead agency to provide the extra accountability  
17 that this kind of process and program requires, much more --  
18 much above and beyond the kinds of oversight that a typical  
19 agency management structure provides. We did that and worked  
20 with the agencies, and have a proposed budget before you --  
21 project 97250 for \$641,600. This we anticipate will be  
22 declining since it ties in directly with the level of this work  
23 plan will be declining as the work plan -- the annual work plan  
24 expenses decline.

25 In addition, there were a couple of other things that  
are above and beyond the regular work plan. One is project

97126, habitat protection acquisition support. The request is  
for \$1,282,600.

22

COMMISSIONER RUE: What page?

1 MS. McCAMMON: This is -- it is on page -- but it's  
2 actually not in the detailed -- yes, it is.

3 CHAIRMAN TILLERY: It is. I saw it. I'm just.....

4 COMMISSIONER RUE: I saw it in there somewhere. I'll  
5 never find it again.

6 MS. McCAMMON: I don't think it's on the detailed  
7 spreadsheet. It's on page A-9, the number.....

8 MS. SCHUBERT: B-55.

9 MS. McCAMMON: B-55, thank you.

10 COMMISSIONER RUE: B-55? I knew it was.....

11 MS. McCAMMON: And this pays for the negotiations  
12 support, it pays for appraisals, on-site inspections, hazardous  
13 material surveys, timber cruises, all those kinds of things  
14 that support the habitat protection program. When we kind of  
15 look at the overall work plan and how things are being  
16 allocated, we kind of lump this project in with the overall  
17 habitat protection program, so I think it's estimated that for  
18 a \$380 to \$390 million habitat protection program that over  
19 that life the Council will have spent approximately \$6 million  
20 for the original habitat evaluation work and all of the ongoing  
21 negotiations and appraisal work, so it's a.....

22 COMMISSIONER RUE: Cost-effective.

23 MS. McCAMMON: .....I think a good -- it's pretty  
24 cost-effective. This number is somewhat -- is not a real solid  
25 number in that it's based on a lot of assumptions of what might  
happen in the coming year, and as many of you know a lot of



liquidity fund into the reserve fund. It's just a transfer of  
funds within the court registry investment system.

22

1 I'm asking this year to have some flexibility in  
2 terms of the timing of when that deposit occurs in order that  
3 we have more flexibility as the habitat negotiations go on  
4 through the year. A lot of these -- we have been able to get  
5 in many cases better prices if we pay -- if we do a payout over  
6 a fewer number of years, and as I look through our cash flow  
7 for this year and try to project into what commitments the  
8 Council might be making over this next year, I would like the  
9 flexibility to make that deposit -- or that transfer from fund  
10 to fund when it appears that all of the commitments the Council  
11 is going to make allows the opportunity to make that transfer.

12 The funds would still stay in the liquidity fund; they'd still  
13 be earning interest. It would just be a question of when it  
14 got transferred to that fund -- and I do have a motion to that  
15 effect, and what I would request is that any interest that  
16 would be earned on that \$12 million from September 15th, 1996,  
17 would be transferred with that \$12 million once it was  
18 determined the deposit would be made -- so I do have a motion  
19 to that effect here too.

20 CHAIRMAN TILLERY: Any questions? Mr.....

21 COMMISSIONER RUE: I actually don't have a question  
22 per se -- a couple of quick comments. One, I'd like to say to  
23 Molly, I appreciate your -- as we try and ratchet back the  
24 projects and you take a hard look at the projects, the agencies  
25 and other people present. You also have looked hard at your  
own budget, and I think that's great and it helps with the  
whole credibility of the program, and I think it helps other

people accept the idea that we have to get more efficient.

23

1 The other thing I wanted to say before people start  
2 filtering out is just a quick thank you. Kim Sundberg's last  
3 day at the Department of Fish and Game is tomorrow, and I just  
4 wanted to take this opportunity to thank Kim for not only the  
5 great work he did on the Sea Life Center, but he also has done  
6 a tremendous job for the department over countless years  
7 probably for him in the habitat division. He's really done a  
8 tremendous service to the state of Alaska in every area he's  
9 ever worked in, from the land use planning efforts he did as  
10 Fish and Game's representative to DNR, to the, you know,  
11 throughout the Exxon Valdez experience, you know, he's been  
12 tremendous, and anything he's ever been asked to do he's done a  
13 terrific job on, so I'd just like to thank him publicly for the  
14 work he's done for the department, and as a member of the  
15 Trustee Council thank him for the great work he's done for the  
16 efforts that we've tried to do on behalf of the fish and  
17 wildlife of the Sound, and I know he sailed around the Sound  
18 and probably appreciates the values out there as well as  
19 anyone -- so just a thank you to Kim Sundberg.

18 (Applause)

19 MR. PENNOYER: Was that an emotional appeal for this  
20 fish ladder?

21 (Laughter)

22 MR. PENNOYER: The memorial fish ladder.

23 COMMISSIONER RUE: A brass flag on that.

24 MS. WILLIAMS: Kim, what are you going to do?

25 MR. SUNDBERG: I'm going to stay in Alaska, still  
continue in habitat conservation work outside the department

volunteering, and maybe do a little consulting work and spend more time out in the environment.

CHAIRMAN TILLERY: In Prince William Sound?

1 MS. WILLIAMS: Well, I would just like to second  
2 Commissioner Rue's comments. As I said before, the Department  
3 of Interior has done a lot of work on the Seward Sea Life  
4 Center, and all of my comings (sic) with Kim have been more  
5 than satisfactory -- an exemplary, outstanding employee really  
6 instrumental to the Seward Sea Life Center and other projects  
7 we have done, so I'm sorry to hear you leave, but good luck.

8 CHAIRMAN TILLERY: I would add that I too am sorry to  
9 see Kim leaving, and I wish Frank had come up with some  
10 administrative reason why he's not eligible for retirement at  
11 the moment -- but I don't think the Seward Sea Life Center  
12 would be a reality today without Kim Sundberg. He does a good  
13 job. However.....

14 COMMISSIONER RUE: On to business.

15 CHAIRMAN TILLERY: .....on to business. We have  
16 heard all the work plan?

17 MS. McCAMMON: Yes.

18 CHAIRMAN TILLERY: We still need, I believe, to go  
19 back into executive session with respect to habitat protection.  
20 How does the Council wish to deal with the work plan?

21 MS. WILLIAMS: Move on it now.

22 CHAIRMAN TILLERY: Would you like to move on the  
23 entire.....

24 MS. WILLIAMS: Yes.

25 CHAIRMAN TILLERY: .....work plan?

MS. WILLIAMS: Yes.

CHAIRMAN TILLERY: Module by module or.....

23

MS. WILLIAMS: No -- entire work plan.

CHAIRMAN TILLERY: Do I -- Mr. Rue, did you have a  
1 comment?

2 COMMISSIONER RUE: Well, you made a motion?

3 CHAIRMAN TILLERY: Do you have a motion?

4 MS. WILLIAMS: Yes. I move the Trustee Council adopt  
5 the recommendation for fiscal year '97 projects as outlined in  
6 spreadsheet A dated August 28th, 1996, and spreadsheet B dated  
7 August 19, 1996, with the changes identified in today's handout  
8 and with the following conditions. One, if a principal  
9 investigator has an overdue report from a previous year no  
10 funds may be expended on a project involving the principal  
11 investigator unless a report is submitted or a schedule for  
12 submission is approved by the Executive Director, and two, the  
13 project's lead agents must show the Executive Director that  
14 requirements of NEPA are met before any project funds may be  
15 expended with the exception of funds spent to prepare a CE, EA,  
16 or EIS, and those tasks are outlined in the project BPD --  
17 close parenthesis, period.

18 UNIDENTIFIED MALE SPEAKER: We'll need acronym.

19 MR. PIPER: Second.

20 MS. McCAMMON: Mr. Chairman, I have to have one  
21 addition to this also consistent with the new operating  
22 procedures. We also need an addition that would say projects  
23 97115, which is the implementation of the Sound Waste  
24 Management Plan, and 97197, which is the Alaska Sea Life Center  
25 fish pass, are capital projects and as such, the funds do not  
lapse on September 30th, 1997, so these would not lapse since

they are capital funds.

23

CHAIRMAN TILLERY: Do you accept that.....

MS. WILLIAMS: Yes.

1 CHAIRMAN TILLERY: .....amendment? The work plan has  
2 been moved by Ms. Williams, seconded by Mr. Piper. Is there a  
3 discussion? Mr. Pennoyer?

4 MR. PENNOYER: I had just one question, and there  
5 were a lot of projects in here with do not fund  
6 recommendations. Those were not reviewed, and I don't know if  
7 anybody has any specific things that they would like to bring  
8 up that were not incorporated in that review. We usually go  
9 around and ask people if they agree with -- or have additions,  
10 or something to this list.

11 CHAIRMAN TILLERY: I believe that is a good point,  
12 and the same thought occurred to me, I mean, are there projects  
13 that -- from Fish and Game or from the Department of Fish and  
14 Wildlife Service that you'd like to approach.

15 MS. WILLIAMS: Mr. Chairman, one thing that the  
16 public may not appreciate, and certainly by doing a motion like  
17 this embracing the whole work plan, it may cause some people a  
18 little concern. There is a tremendous amount of discussion  
19 that goes on all the time, and so for example, Fish and  
20 Wildlife Service had a concern about the marbled murrelet  
21 project funding, and through extensive discussions with the  
22 scientists and the Executive Director those concerns were  
23 resolved prior to coming here, and so instead of having to go  
24 through lots and lots of discussion on some of the projects,  
25 some projects moved in and out of categories or modified over  
the several months that these are in front of the Executive

Director, the scientists and all the people involved -- so the reason that I feel comfortable embracing the Executive Director recommendations as modified today was because it does represent a tremendous amount of work, negotiations, discussions and so forth, over the last several months, and certainly my vote in support of this reflects that fact.

CHAIRMAN TILLERY: Mr. Pennoyer?

MR. PENNOYER: Well, since I brought it up, I'll say something also, and that is, that I've wrestled with this concept of how you go over a work plan like this and how you make decisions on whether to approve it or not, including the do not fund recommendations, and I think we have to realize, and I don't know if everybody does all the time -- if you read the print in here you'll see it, but we have had peer reviews, we have had workshops, we have had symposiums. It's not -- it is also individual agency discussion, but we've also gone through a very elaborate process of review of these programs and projects, and we have entrusted to Molly and her staff with agency (indiscernible) participating to look at this package and make recommendations, and I still would like to go through it. I still at some point need to come back and discuss how we translate this longer term approach on research and where we're going with some of these programs at the Trustee Council level, not only at the workshop level -- but I'm very satisfied that a lot of review took place, and I think this is a good work plan.

MS. WILLIAMS: And it's.....

MR. PENNOYER: I support it.

MS. WILLIAMS: .....had PAG review too.

MS. McCAMMON: Mr. Chairman?

MR. PENNOYER: And public reviews.

23

MS. McCAMMON: If I could just make one comment just  
for the public members of the audience that this kind of back  
and forth negotiation and exchange of information as this  
process goes forward, it's even greater with proposals that are  
submitted by the public because we give great weight to  
anything that comes in from the public, and I think our staff  
goes the extra mile in terms of trying to see if there are  
things that could be modified or change proposals or whatever,  
identify the key restoration needs, so I want to make sure the  
public knows that too.

CHAIRMAN TILLERY: Mr. Janik?

MR. JANIK: For all those good reasons already state,  
I have no further discussion to offer on this work plan.

CHAIRMAN TILLERY: Are there any more comments,  
discussions? Mr. Rue?

COMMISSIONER RUE: I can't help myself. I just would  
like to compliment Molly and her staff for one, exactly what  
Ms. Williams talked about, a good back and forth on the various  
projects, the public process that you went through -- but also  
with the presentation today, I mean, it keeps making more and  
more sense -- maybe it's because I've read it more often, but I  
think it's also in the way that Stan and Bob have presented it,  
and Veronica and everyone who has presented the pieces, have  
made it really very digestible, so that's -- I find that very  
helpful.

MR. PENNOYER: Just this one, not negative, but a  
comment. You do need a key somehow though.

COMMISSIONER RUE: With the exception of the index.

CHAIRMAN TILLERY: Further comments?

(No audible response)

1 CHAIRMAN TILLERY: All in favor of the motion to  
2 adopt the work plan?

3 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

4 CHAIRMAN TILLERY: Opposed?

5 (No audible response)

6 CHAIRMAN TILLERY: The motion passes. The remaining  
7 motion, or remaining item of business, before we get to habitat  
8 protection would be the motion on the reserve fund. A draft  
9 motion has been circulated; it's been explained by Ms.  
10 McCammon. Is there a motion?

11 MR. JANIK: So moved.

12 MR. PENNOYER: Do we have to read it?

13 MS. WILLIAMS: Mm hmm (affirmative). You have to  
14 read it.

15 MR. JANIK: To approve an additional deposit of \$12  
16 million into the Exxon Valdez restoration reserve fund. The  
17 Executive Director shall request the Alaska Department of Law,  
18 U.S. Department of Justice, to petition the court to transfer  
19 these funds plus interest accrued against these funds from  
20 September 15th, 1996 until the time of such deposit from the  
21 court registry investment system liquidity fund. Interest  
22 shall be calculated at a rate of 5 percent. These funds shall  
23 be evenly distributed between six separate zero-couple U.S.  
24 treasury securities. The securities shall have respective  
25 maturity dates in each year from 1998 through 2003.

MS. WILLIAMS: Second.

CHAIRMAN TILLERY: Is there discussion?

23

(No audible response)

CHAIRMAN TILLERY: I would just like to note that I  
1 very much support this motion. I support the reserve fund, and  
2 I think that people who are looking to this fund should take  
3 note that by saying we're depositing this effective, I mean,  
4 it's -- we don't know when it's going to exactly deposit it,  
5 but interest is going to start accruing on September 15th. I  
6 think it's a very strong statement of the Council that we're  
7 quite serious about that reserve fund. If there's no further  
8 discussion, all in favor?

9 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

10 CHAIRMAN TILLERY: Opposed?

11 (No audible response)

12 CHAIRMAN TILLERY: The motion passes. At this time,  
13 I would entertain a motion to go into executive session to.....

14 MS. WILLIAMS: So moved.

15 MR. JANIK: Second.

16 CHAIRMAN TILLERY: You need to state the reason why.

17 MS. WILLIAMS: I move to go into executive session to  
18 discuss habitat protection regarding Tatitlek.

19 MR. JANIK: Second.

20 CHAIRMAN TILLERY: Any discussion?

21 (No audible response)

22 CHAIRMAN TILLERY: Anyone opposed?

23 (No audible response)

24 CHAIRMAN TILLERY: The motion passes. I'm guessing  
25 we'll be back in 15 minutes or so.

(In recess at 4:40 p.m.)

CHAIRMAN TILLERY: We -- the meeting of the Exxon Valdez Trustee Council is back in public session. We just  
1 concluded an executive session in which we discussed the  
2 proposed Tatitlek acquisition. Before we move towards the  
3 Tatitlek acquisition, I believe that Mr. Rue, you had earlier  
4 brought up a motion. Do you have a substitute motion at this  
5 time?

6 COMMISSIONER RUE: Yes. Mr. Chairman, as you recall,  
7 earlier in the day I raised the issue of AJV and we decided  
8 that actually we needed to reinforce several of the habitat  
9 acquisition proposals, so I'd like to propose an amended  
10 resolution for the Council to consider, and if you'd like, I  
11 can read it.

12 CHAIRMAN TILLERY: Please.

13 COMMISSIONER RUE: Okay. This -- whereas the Trustee  
14 Council has adopted the restoration plan which recognizes that  
15 habitat protection and acquisition is one of the principle  
16 tools of restoration, and whereas the Trustee Council has  
17 identified key habitats throughout the oil spill area through  
18 the Council's comprehensive habitat evaluation process, and  
19 whereas the Council has successfully concluded a number of  
20 large parcel protection and acquisition agreements with  
21 landowners in the spill area, and whereas the Trustee Council  
22 remains strongly committed to the habitat protection program  
23 and has ongoing efforts to reach final habitat protection and  
24 acquisition agreements and interest in lands owned by Afognak  
25 Joint Venture, English Bay Corporation, Eyak Corporation,  
Chenega Corporation, Koniag, Inc., Port Graham Corporation and

Therefore, be it resolved that the Trustee Council reaffirms its commitment to the habitat protection program and directs the Executive Director, working together with lead agencies for each of the negotiations, provide regular updates to the Council on the status of the large parcel protection and acquisition effort, including progress on appraisals and other work, in order to successfully conclude the remaining large parcel negotiations as expeditiously as possible.

MS. WILLIAMS: Second.

COMMISSIONER RUE: That's the motion.

MS. WILLIAMS: Second.

CHAIRMAN TILLERY: The motion has been made by Commissioner Rue and seconded by Ms. Williams. Is there any discussion of the motion?

(No audible response)

CHAIRMAN TILLERY: Hearing no discussion, all in favor?

TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

CHAIRMAN TILLERY: Opposed?

(No audible response)

CHAIRMAN TILLERY: The motion passes. What we'll do now is to turn to the Tatitlek acquisition issues. There are representatives from Tatitlek in the audience, and for the Council's benefit and the other members of the public, I would appreciate it if we could just -- if I could identify you, and if you could just stand so that people can note who each individual is. I understand that Carroll Kompkoff.....

MR. KOMPKOFF: Here.

CHAIRMAN TILLERY: .....is here. Carroll is the President of the corporation. Calvin Totemoff -- Calvin is the Chairman of the Board, and if I get this wrong please correct me. Roy Totemoff -- Roy is a member of the board, and Lloyd Allen -- Lloyd is also a member of the board.

At this time, what I would propose it that we have the negotiators lead us through -- or explain to us where we are, what the status is, and let us know. And I would -- I do -- after we are finished, I understand that Carroll would have some remarks and we anticipate having some time and we would appreciate hearing from you at that time. If anyone else has any remarks, we certainly would be more than happy to hear from you also. Thank you.

MR. SWIDERSKI: Thank you, Mr. Chairman -- Alex Swiderski from the Attorney General's office. The -- John Harmening and myself, from the Forest Service, have been meeting regularly over the past several years really with the Tatitlek Corporation. The proposal we have for you today would be a proposal to authorize the Forest Service and the State of Alaska to expend a total of \$33 million, plus an additional \$1.2 million, to reflect deferred payments to acquire various interests in the Tatitlek lands. I'd like first to describe those interests beginning with -- and referencing the map that is immediately behind the Council, beginning with TAT-02 -- that is Sawmill Bay. That parcel would be acquired in fee simple in its entirety.

To the west of Sawmill Bay, what is identified as TAT-03, is Heather Bay. The Heather parcel would also be acquired in fee simple. Within Heather Bay at a location not

in Emerald Bay, a five-acre development site would be withheld for the Tatitlek Corporation. On that site, Tatitlek would be allowed to construct rustic cabins or tent platforms, but nothing in addition to that.

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The next portion of the acquisition would be Bligh Island. On Bligh Island, the Council would acquire a conservation easement that does not permit public access. The Tatitlek Corporation would withhold three sites for development, totalling not more than 40 acres, I believe.

The next site would be Busby Island. The Council would acquire a conservation easement on Busby Island which would include public access by permit.

The next acquisition would -- next site would be Galena Bay. In Galena Bay, the one site in red would be a fee acquisition. The conservation easement lands identified in Galena Bay would be -- allow for public access. There would be two one-acre cabin sites. The cabins are already in place in the Bay. In addition to that, there would be a hydroelectric easement -- or site, I'm sorry -- not to exceed 15 acres. There would also be a provision for an easement, if needed, to transmit electric power to the village of Tatitlek, although if the site is ever developed, it's anticipated that the more likely route for the power would be an undersea cable. Apparently that's much less expensive these days.

In addition, the Council would be acquiring at Bedarka Point a conservation easement that provides for public access except for the very northeastern portion of it bordering Boulder Bay, where there would not be public access, and then inside Landlocked Bay there would be a fee site --

conservation -- a fee acquisition site that would be acquired.

24

1 Immediately to the east of that, the Council would be  
2 authorizing acquisition of a conservation easement of timber  
3 rights on all of the land from the east side of Landlocked Bay  
4 over to, but not including -- over to Fish Bay and to Sunny  
5 Bay, but not including Sunny Bay. There would be no  
6 restrictions on development in that. There would be no public  
7 access in those lands.

8 In that same area, and I'm doing this sort of --  
9 moving geographically around here. The three blue sections on  
10 the map are currently owned by the Forest Service. They would  
11 be, pursuant to an equal value exchange, conveyed to Tatitlek,  
12 with the Forest Service reserving a timber-only conservation  
13 easement on those three sections.

14 Moving across Port Fidalgo to Whalen Bay, all of  
15 Whalen Bay would be a fee simple acquisition. And then in the  
16 Two Moon parcel, the vast majority of the Two Moon Bay parcel  
17 would be a fee simple acquisition. There would be conservation  
18 easements as shown on the map. There is an additional  
19 conservation easement drawn in by hand on the west side -- east  
20 side, I'm sorry -- of Irish Cove, and the southeast corner of  
21 Irish Cove.

22 Also, in yellow on that map are homesites that have  
23 already been selected by Tatitlek in Irish Cove and Two Moon  
24 Bay itself, and in Snug Corner Cove. Also -- and those  
25 homesites are buffered by a conservation easement, protected  
lands that would have public access to them. In addition,  
within the Two Moon Bay parcel, the -- Tatitlek would reserve  
ownership of the site that holds the logging camp that

currently exists there, you know, that's a 20-acre site, to be managed as a lodge or related facility.

1 On the southern side of the Two Moon parcel, the --  
2 Tatitlek would reserve a five-acre development site in what we  
3 call the Hell's Hole area, to be selected jointly with the  
4 Forest Service. Tatitlek would be allowed to place -- would be  
5 able to place rustic cabins and/or tent platforms there. In  
6 addition, Tatitlek, in the fee area, would retain an easement  
7 for one of the existing logging roads going from the logging  
8 camp down to the south, approaching the five-acre development  
9 site but not actually reaching the site because there's not a  
10 road that reaches it. That would be a 12-foot easement that  
11 would be open to motorized vehicle traffic only by the Tatitlek  
12 Corporation in conjunction with operation of the lodge. That  
13 road, and an adjacent trail that I'll describe momentarily,  
14 would be open to the public for use without a permit. There  
15 would be a trail -- a 6-foot-wide trail easement from the  
16 terminus of the road to the Tatitlek development site at Hell's  
17 Hole that would likewise be open to the public but there would  
18 be no motorized use on that. The road and trail would be  
19 maintained by the Tatitlek Corporation.

20 In addition, the Tatitlek Corporation would convey a  
21 conservation easement on Goose Island, except that they would  
22 convey ten acres of fee lands to be selected by the governments  
23 on Goose Island. And I believe that describes in a summary  
24 fashion the acquisition. It totals approximately 66,600 acres.

25 The proposed sale price, as I indicated, would be \$33 million,  
to be paid in the form of \$13 million to be paid at the time of  
closing, of which \$3 million would be Trustee Council funds,

civil settlement funds. The remaining \$10 million would be from federal criminal restitution funds. There would be two subsequent payments on October 1, 1997 and October 1, 1998 of \$10,605,400 each, so that the total to be expended for the acquisition would be \$34,210,800. The excess over \$33 million reflects the deferred nature of the two remaining payments.

Other terms in the proposed acquisition would be that Tatitlek would agree to relinquish any selections -- remaining selections that it has pursuant to ANCSA and not select further lands pursuant to ANCSA within -- anywhere within the oil spill areas as has been defined by the Trustee Council, with the exception that Tatitlek may select lands within the Taznuna Valley area. In addition, the timber rights on the majority of the Two Moon Bay parcel and the -- what I would call the Fish Bay parcel, that portion, we only acquire timber rights, as well as Whalen Bay and Bedarka Point areas are owned by the Citifor Corporation. There is an ongoing logging operation.

There -- as part of the deals, the proposal, the Citifor Corporation would cease its timber felling operations in all of the lands to be acquired no later than September 15, 1996. Citifor has indicated that they support the acquisition but that if we haven't closed the acquisition by February 1st, 1997, they, as a logging operator, would be forced to commence logging operations again on these lands.

Citifor has also indicated to the Council and to Tati- -- to the negotiators and to Tatitlek that as a quid pro quo, so to speak, for their willingness to sell their timber rights at Tatitlek and get out of the logging business at Tatitlek, they must acquire an amount of timber equivalent to

that which they would be foregoing, harvesting in the Two Moon parcel and in the Fish Bay parcel. They must acquire an equivalent amount of timber at Yakutat from the Mental Health Lands Trust. We have been in discussions with them at the Mental Health Lands Trust concerning that acquisition and are hopeful that that will be able to proceed, but this proposal is contingent upon that proceeding.

And I think that essentially describes the nature of the acquisition. There is a resolution before you -- we would contemplate that the resolution references an Exhibit A, which would be the map, and a legal description which is currently being prepared.

I'd like to spend just a few minutes addressing the restoration benefits of these parcels. Two of the Tatitlek parcels -- Bligh Island and the Two Moon Bay parcel were among the most highly ranked by the habitat protection work group when they were ranking large parcels. The Bligh Island parcel, following Jackpot Bay, which of course the Council is already acquiring, and Sheep Bay, with which the Council would hope to acquire eventually from Eyak.

Bligh Island is the third highest ranking parcel following those two parcels within the Prince William Sound region. It's an important habitat for herring, black oyster catchers, harlequin ducks, bald eagles, inter-tidal, sub-tidal resources, pigeon guillemots, river otters and archeological resources.

The Two Moon Bay parcel -- and at the time this was ranked, the habitat work group considered the fact that it was being logged at the time, and even though it was being logged

it's still ranked as the third highest ranked parcel in Prince William Sound. That parcel is important; it provides important protection for pink salmon, Dolly Varden, cutthroat trout, Pacific herring, black oyster catchers, bald eagles, inter-tidal and sub-tidal resources, river otters, sea otters, archeological resources, harbor seals and subsistence. The parcel provides valuable feeding and pupping habitat for sea otters and river otters.

The Hell's Hole parcel is known for its high quality sport, commercial and subsistence fishing.

The Sawmill Bay parcel provides important habitat for various species of fish and wildlife. It's known -- important for its rocky shorelines which are heavy with kelp bed, pockets of yellow grass, and the rich invertebrates there support feeding harlequin ducks, marbled murrelets, black oyster catchers and pigeon guillemots. That area also has important scenic values and supports recreational activities including hunting, fishing, sea kayaking and camping.

The Heather Bay parcel is -- provides important habitat for bald eagles, Pacific herring, harbor seals, sea otters, and it's also an important area for recreation tourism activities and subsistence activities.

The Landlocked Bay area, which is just to the east of Bedarka Point in the west of a timber harvest area, provides -- is important for bald eagles, Pacific herring, harlequin ducks, inter-tidal and sub-tidal resources, archeological resources and subsistence.

And I believe that describes the restoration benefits in a summary fashion. Does the Council have questions?

clarification? Commissioner Rue?

1 COMMISSIONER RUE: One small point on the use of the  
2 road. As I understand it, the public can use it for foot  
3 traffic or non-motorized?

4 MR. SWIDERSKI: That would -- Mr. Chairman, that  
5 would be correct.

6 COMMISSIONER RUE: Okay.

7 MR. SWIDERSKI: And they would not need to acquire a  
8 permit in order to do that.

9 CHAIRMAN TILLERY: Ms. Williams?

10 MS. WILLIAMS: I believe I only have one concern  
11 about the agreement that you just described, and that is, the  
12 February date for Citifor to resume logging activities if we  
13 aren't closed at that time. Closing has generally taken more  
14 than five months, hasn't it? And that only allows five months  
15 from now -- virtually five months from now. Is closing in five  
16 months feasible?

17 MR. SWIDERSKI: Closing in five months is feasible.

18 MS. WILLIAMS: Is it likely?

19 MR. SWIDERSKI: I would say if we don't make it  
20 within five months we will be so close that I would feel  
21 comfortable -- I'm hopeful that we will make it in five months.  
22 Given what needs to be done, it seems quite doable to me. If  
23 not, I.....

24 MS. WILLIAMS: Christmas.

25 MR. SWIDERSKI: .....am hopeful that we are so close  
that we will be able to go to Citifor and say look, we're  
within 15 days or 30 days, everything's in place, it's just

going to take us a little more time, please forestall logging  
for this time -- and Citifor has been very cooperative  
throughout these negotiations and I certainly can't represent  
1 that they would do that, but they've been quite gracious and  
2 hopefully they would extend us that courtesy.

3 MS. WILLIAMS: Is it possible to build that in right  
4 now.

5 MR. SWIDERSKI: To build that extension in?

6 MS. WILLIAMS: Mm hmm (affirmative).

7 MR. SWIDERSKI: I think that would be difficult --  
8 well, in a sense, the resolution doesn't address that. What  
9 the resolution says is it's dependent on ending logging as of  
10 September 15. If we get to January 29th and we haven't closed,  
11 one option is to go to Citifor. The other -- and say give us  
12 an additional 30 days. The other option is to come back to you  
13 and say well, Citifor's going to start logging out here, how  
14 does that -- and that would terminate the resolution. You  
15 certainly would have the authority to modify the resolution and  
16 extend it.

17 MR. HARMENING: One of the things also is that  
18 Bedarka and Whalen Bay -- there's been no entry in there, and  
19 the areas that they would be coming back into are areas that  
20 they have been working in, so, you know, to take it on a step  
21 one-two basis makes the most sense because if everything goes  
22 according to plan we won't have to come back, and hopefully,  
23 like Alex said, by January we'll know the commitment of whether  
24 or not they have other wood available to them. Their concern  
25 is primarily that they have some contractual commitments that  
they have to make, and as long as they have those somewhere

else then they'll be okay in moving out.

MR. SWIDERSKI: Yeah. I don't think it's the sort of situation where -- that's right. They want to know that they can begin to log next season, and I don't think that means in June or July, but if it's February 15th rather than February 1st, I don't think that will be a deal breaker, you know.

MS. WILLIAMS: And perhaps when Tatitlek comes to speak with us we can address that issue.

MR. SWIDERSKI: I hesitate to mention that counsel for Citifor is present. Roger Dubrock is here. I know that his client, Bob Rice, is in New Zealand, and I don't know if he'd be able to address that issue if you want to hear from him or not. I'd be surprised if he's able to make a commitment on that, but.....

CHAIRMAN TILLERY: Are there additional questions or requests for clarification?

(No audible response)

CHAIRMAN TILLERY: Just to clarify, if Citifor is not able to obtain another supply of timber from somewhere else and therefore some of these lands -- or some of the timber can't come into this deal, what happens to the deal?

MR. SWIDERSKI: The -- as the resolution is written, there is no deal, I mean, after September 15th, if they cut a tree there -- or that land, the timber doesn't come into the deal, that there is no deal, or the resolution does -- there's no deal that's been authorized by this Council.

CHAIRMAN TILLERY: Then the Council would have to go back with.....

MR. SWIDERSKI: The Council would have to.....

CHAIRMAN TILLERY: . . . . Tatitlek and say well, here's  
where we are, what do we. . . .

MR. SWIDERSKI: Right.

1 CHAIRMAN TILLERY: . . . . now.

2 MR. SWIDERSKI: That's right.

3 CHAIRMAN TILLERY: Are there any further questions?

4 (No audible response)

5 CHAIRMAN TILLERY: Is there a motion?

6 MS. WILLIAMS: So moved.

7 COMMISSIONER RUE: Second.

8 CHAIRMAN TILLERY: Discussion? Commissioner Rue?

9 COMMISSIONER RUE: I guess I would -- I'm not sure  
10 this is the right time, but I would just like to compliment  
11 staff and Tatitlek for coming back to the Council with what I  
12 think is a good package. It achieves the restoration purposes  
13 that we're looking for and hopefully protects the interest that  
14 Tatitlek needs to maintain, and I think it's a package that --  
15 just from looking at the map you can see the logic to it, and I  
16 think it will provide benefits to the Sound and allow for  
17 people of the area to continue to maintain their use of the  
18 area as well as the public access, so I think it's a good mix  
19 of purchase options that really achieves, at least from my  
20 perspective, the kinds of things this Council is trying to  
21 achieve, and maintains the interest of the people of the area,  
22 so I applaud the effort to pull this together.

23 CHAIRMAN TILLERY: Additional comments?

24 MR. PENNOYER: Well, I'm extremely pleased at being  
25 able to move forward with restoration in the Prince William  
Sound is, I think, a great benefit to both, as Commissioner Rue

said, the people in the area and the lifestyle in the area. I think it's a tremendous benefit to us in terms of our restoration objectives, and it's been a while coming. I'm glad to see it. I applaud the people who worked this out. I think you did a wonderful job in trying to get a good mix of benefits in this package, so I'm strongly in support of it.

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CHAIRMAN TILLERY: Are there other comments from the Council?

MR. JANIK: I'd like to wait until after the vote.

CHAIRMAN TILLERY: I would just like to comment that, and I believe Carroll Kompkoff has addressed to us once in a letter some of his views as to the -- some of the mutual benefits, almost like we're entering a partnership here because whereas the governments will be acquiring a certain amount of land, those lands are going to, and the way the government's taken -- creating marine parks and so forth, are going to increase the profile of the area. They're going to bring people in, get people interested.

Tatitlek will, through this deal, would have money to develop facilities to service additional tourists or whatever, to create the lodge, and I think that the governments and the corporation are going to end up in sort of an informal symbiotic relationship -- a partnership -- not a partnership exactly but a relationship to the mutual benefit of each of them, and I think that this agreement as it's been presented is really, really outstanding. I think it's exceptional.

Before we take a vote, I guess I'd like to know if anyone from Tatitlek -- Carroll, you or anyone else -- would like to address us before we vote or if you would like to

address the Council after we take the vote.

25

MR. KOMPKOFF: Afterwards I think.

CHAIRMAN TILLERY: Okay. Thank you. Any additional  
1 comments?

2 (No audible response)

3 (Pause - Whispered conversation)

4 CHAIRMAN TILLERY: I guess actually in keeping with  
5 the spirit, if not the letter of the newly adopted procedures,  
6 if there is anyone from the -- I know this was on the agenda as  
7 a possible action item. I don't -- I believe a couple of  
8 people spoke to it earlier. Having now heard what is being  
9 said here today and what the outlines of this are, if there is  
10 any member of the public that would like to comment at this  
11 time, I think the Council would be receptive to hearing that,  
12 and that includes anyone on-line, if there is anyone left on  
13 line.

14 (Off record at 5:25 p.m.)

15 (Tape Change - Tape 6 of 6)

16 (On record at 5:25 p.m.)

17 CHAIRMAN TILLERY: Okay. Well, no one has indicated  
18 a desire to comment. Therefore.....

19 MR. PENNOYER: Is there a motion?

20 CHAIRMAN TILLERY: There is a motion by Ms. Williams;  
21 it was seconded by Commissioner Rue. All in favor?

22 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

23 CHAIRMAN TILLERY: Opposed?

24 (No audible response)

25 CHAIRMAN TILLERY: The motion carries.

(Applause)

CHAIRMAN TILLERY: At this time, perhaps it would be appropriate to hear from Tatitlek. Mr. Kompkoff, if you could come up here so we can capture your comments forever.

1 MR. KOMPKOFF: I need to put this on?

2 MS. REBECCA WILLIAMS: Please.

3 (Pause)

4 MR. KOMPKOFF: It scares the heck out of me speaking  
5 in front of so many distinguished people. Members of the  
6 Trustee Council, ladies and gentlemen, my name is Carroll  
7 Kompkoff. I'm the President of the Tatitlek Corporation. I  
8 would like to express our corporation's appreciation -- or  
9 relief for the Trustee Council's action today. I know the  
10 negotiations were long and difficult. We believe the result  
11 will provide long-term benefits to the public and to the  
12 Tatitlek shareholders, as well as the resources injured by the  
13 oil spill.

14 We want to thank you, the Council staff, for  
15 proceeding in this effort. We look forward to working with you  
16 to complete this process and take this habitat package before  
17 our shareholders for their consideration, which we hope will  
18 happen before too long. Thank you on behalf of the Tatitlek  
19 Corporation and its shareholders. I deeply appreciate your  
20 efforts. Thank you very much.

21 UNIDENTIFIED MALE SPEAKER: Thank you.

22 CHAIRMAN TILLERY: Thank you, Mr. Kompkoff.

23 (Applause)

24 CHAIRMAN TILLERY: Is there anyone else from Tatitlek  
25 that would wish to make any remarks at this time?

(No audible response)

CHAIRMAN TILLERY: Is there anyone else from the Council that would like to make a comment? Mr. Janik?

1 MR. JANIK: Yes. I'd like to -- acquisition of these  
2 parcels in Prince William Sound, of course, is a real bonus in  
3 terms of the attention and the priority of the Trustees. We've  
4 been wanting this deal to go for a long time and it's really  
5 exciting to see that happen today. I would really like to  
6 express my personal thanks to the corporation, to the  
7 negotiators both from the corporation and from the federal and  
8 state agencies. It's been a long haul; we all know that. I  
9 don't want to forget the appraisers, the legal advisors, some  
10 of them are here today, and all others that have made this  
11 possible.

12 I really appreciate everyone staying at the table. I  
13 think it really has been at times a testy exercise of give and  
14 take, but I truly believe from what I see on that map that we  
15 have arrived at a very fair deal that we can all walk away with  
16 feeling good about, and that's always something that the  
17 Trustees try to achieve as we go through these difficult  
18 negotiations.

19 I do want to offer special thanks to you Roy -- Roy  
20 Jones. Roy's a very hard-core negotiator, but he's objective  
21 and fair, and we appreciate your personal commitment to these  
22 negotiations. Thank you.

23 CHAIRMAN TILLERY: Ms. Williams?

24 MS. WILLIAMS: Members of the Board of Directors of  
25 Tatitlek, I want to thank you for your creativity, your  
persistence, your ingenuity, and your graciousness in this  
process. I think in every process there's one 500-pound

gorilla, and I'm afraid the Department of Interior may have played that role in this case, but I think what we have before us today is a better deal, not only for the Trustee Council but also for the Tatitlek Corporation -- and I am very hopeful that your shareholders will agree with that assessment.

This is the most creative land transaction that the Trustee Council has adopted by resolution by far, and it represents, I think, your unique needs and the ecological management needs that we felt were important to bring here. I look at this, and it is such a vastly improved transaction from what we saw a few months ago, and that is a testament to the skill of all the negotiators, and again, the acumen interest of the Board of Directors, so we thank you very much for that.

What is particularly interesting about this transaction, and I think should be compelling to your shareholders, is that it does provide Tatitlek not only the kind of environmental protection around your lands that will sustain your shareholders for generations, but will also allow economic development on the lands that you maintain both fee interest in and other interests in that I think will be a model in the Sound and in Alaska -- so we thank you for working with us. We think this is a wonderful model. We wish you luck in discussing it with your shareholders, and we do appreciate your working with us. Thank you.

CHAIRMAN TILLERY: Other Council members who would like to make any remarks at this time?

(No audible response)

CHAIRMAN TILLERY: Well, hearing none, I believe that the next item on the agenda is a motion to adjourn.

MS. McCAMMON: Or recess.

25

CHAIRMAN TILLERY: I believe the motion offered was  
to adjourn.

1 MS. WILLIAMS: I do believe we've resolved our  
2 issues.

3 CHAIRMAN TILLERY: Okay.

4 COMMISSIONER RUE: So moved.

5 MR. PENNOYER: Second.

6 CHAIRMAN TILLERY: All in favor?

7 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

8 CHAIRMAN TILLERY: Opposed?

9 (No audible response)

10 CHAIRMAN TILLERY: This meeting is adjourned. Thank  
11 you.

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13 (Whereupon, the proceedings in the above matter were  
14 adjourned at 5:32 p.m.)

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