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1 EXXON VALDEZ OIL SPILL  
2 TRUSTEE COUNCIL  
3 TRUSTEE COUNCIL MEETING

4 Friday, May 9, 1997  
5 8:30 o'clock a.m.

6 Fourth Floor Conference Room  
7 645 G Street  
8 Anchorage, Alaska

9 TRUSTEE COUNCIL MEMBERS PRESENT:

10 U.S. DEPARTMENT OF COMMERCE - NMFS:	MR. STEVE PENNOYER,
11 (Telephonically)	Chairman
12 STATE OF ALASKA -	MR. CRAIG TILLERY
13 DEPARTMENT OF LAW:	Trustee Representative
14 STATE OF ALASKA - DEPARTMENT	MR. FRANK RUE
15 OF FISH AND GAME:	Commissioner
16 (Telephonically)	
17 U.S. DEPARTMENT OF INTERIOR:	MS. DEBORAH WILLIAMS
18 U.S. DEPARTMENT OF AGRICULTURE -	MR. JIM WOLFE
19 U.S. FOREST SERVICE	for Phil Janik
20 (Telephonically)	Regional Forester
21 STATE OF ALASKA - DEPARTMENT	MS. MICHELE BROWN
22 OF ENVIRONMENTAL CONSERVATION:	Commissioner
23 (Telephonically)	

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON

3

4 MR. ERIC MYERS

5

6 MS. REBECCA WILLIAMS

7

8 DR. BOB SPIES

9 MR. ALEX SWIDERSKI

10

11 MR. BUD RICE

12 MR. JOE HUNT

13 MR. STEVE SHUCK

14

15 MR. DAN SAKURA

16 MR. BILL HAUSER

17

18 MS. GINA BELT

19 NOTE: No public comments.

Executive Director

EVOS Trustee Council

Director of Operations

EVOS Trustee Council

Executive Secretary

EVOS Trustee Council

Chief Scientist

State of Alaska

Department of Law

National Park Service

Communications Coordinator

U.S. Fish and Wildlife

Service

Department of Interior

Alaska Department of Fish

and Game

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P R O C E E D I N G S

1  
2 (On record - 8:43 a.m.)

3 CHAIRMAN PENNOYER: So I guess the record can  
4 show that all the Trustee Council agencies are represented by  
5 their appropriate representatives at this point, on this call.  
6 And I think we can go ahead and get started with our Trustee  
7 Council, May 9th, 8:30 a.m. agenda which I see that I'm  
8 Chairman.

9 So the first item on the agenda is the approval of the  
10 agenda and, Molly, do you want to go through it and then we'll  
11 ask for any suggestions or changes or additions.

12 MS. McCAMMON: Yes, Mr. Chairman. The agenda  
13 would begin with an executive session on habitat negotiation  
14 and strategy. I do have an addition to that executive session  
15 to bring up a personnel item to the Trustee Council. It would  
16 be followed by a public comment period, possible action item on  
17 Afognak Joint Venture, pending the discussion in executive  
18 session. And then there are three supplemental funding  
19 requests that are before you today and Dr. Spies is here to  
20 address those.

21 CHAIRMAN PENNOYER: Fine, thank you. I would  
22 note that I hope that we can adjourn before 11:00 o'clock  
23 because I've got other things I have to do this morning and  
24 early this afternoon before I leave. So are there other  
25 additions or changes to the agenda that are suggested?

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1 MS. D. WILLIAMS: Move to approve,

2 Mr. Chairman.

3 MR. TILLERY: Mr. Chairman.

4 CHAIRMAN PENNOYER: Yes, Mr. Tillery.

5 MR. TILLERY: I would like to, very briefly,  
6 discuss an issue related to Exxon Valdez documents and I don't  
7 think it would take more than about three or four minutes.

8 CHAIRMAN PENNOYER: Okay, is that for the open  
9 session or the executive session?

10 MR. TILLERY: That would be the open session.

11 CHAIRMAN PENNOYER: Okay. We'll take that up  
12 then after we do the Work Plan items, if you want, as the last  
13 item.

14 MR. TILLERY: Okay. And I don't note -- is  
15 Ginny there?

16 MS. BROWN: No.

17 MR. TILLERY: Or is Michele there?

18 CHAIRMAN PENNOYER: Yes.

19 MS. McCAMMON: Michele is there.

20 MR. TILLERY: I had talked to Ginny about  
21 whether she was -- wanted to discuss the Chenega oiling issue  
22 in executive session. No. Molly says, no, that's been  
23 resolved.

24 MS. BROWN: A couple of reasons, but it's been  
25 resolved.

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1                   CHAIRMAN PENNOYER: Okay. Your question brings  
2 up the fact that it was mentioned everybody was here, I didn't  
3 say who they were on the record after we started. Here is Jim  
4 Wolfe for the Forest Service, it's Michele Brown for Department  
5 of Environmental Conservation, Frank Rue, Commissioner of Fish  
6 and Game, myself, Steve Pennoyer, for NOAA, Deborah Williams  
7 for Interior and Craig Tillery for Department of Law. So  
8 that's -- can I hear a motion then to go to executive session  
9 if that's the next item on the agenda?

10                   MR. WOLFE: So moved.

11                   CHAIRMAN PENNOYER: And it's been stated  
12 already by the executive director the purpose of the executive  
13 session will be to discuss habitat negotiations and strategy.

14                   And do we wish to do that? Michele, did you want a  
15 couple of minutes for a call?

16                   MS. BROWN: Yes, I have to make a call.

17                   CHAIRMAN PENNOYER: If we could have about --  
18 take a break now, then, and I don't know if there's any set up  
19 to do or anything but Michele needs about five minutes for a  
20 call and then we'll come right back.

21                   MS. McCAMMON: All right. We'll call you back  
22 then in five minutes.

23                   CHAIRMAN PENNOYER: That's good, thank you.

24                   MS. McCAMMON: Thank you.

25                   (Off record - 8:46 a.m.)

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1 (On record - 10:40 a.m.)

2 CHAIRMAN PENNOYER: We have just completed a  
3 Trustee Council executive session to discuss primary habitat  
4 negotiations and strategy, personnel matter. Now back on  
5 record and all Trustee Council members are present. And the  
6 next item on the agenda I see is the public comment period.  
7 And, Molly, we have no public comment at -- in the Juneau site,  
8 do you have some in Anchorage?

9 MS. McCAMMON: Do we have any public comment  
10 here?

11 (No audible responses)

12 MS. McCAMMON: No public comment in Anchorage.

13 CHAIRMAN PENNOYER: Did you say no?

14 MS. McCAMMON: That's correct, no public  
15 comment.

16 CHAIRMAN PENNOYER: We didn't hear you. Thank  
17 you. All right, then the next item on the agenda is Afognak  
18 Joint Venture and would someone care to lead that discussion,  
19 Molly?

20 MR. TILLERY: Yeah.

21 MS. McCAMMON: Craig Tillery.

22 MR. TILLERY: Mr. Chairman, the -- by its  
23 resolution of December 2nd, 1994, the Council authorized the  
24 Department of Law to offer to purchase the large parcels  
25 AJV-1A, AJV-3A, AJV-7 and then AJV-8 for a fair market value

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1 not to exceed \$70,000,000.00.

2 We have now completed an appraisal of those parcels and  
3 have determined that, in fact, the present value of those  
4 parcels is excess of that amount, currently we're valuing it at  
5 \$93,496,000.00. Obviously the amount of money we have  
6 available doesn't fit with the parcels the Council wishes us to  
7 negotiate for. We have then gone back and looked at how we  
8 could break this up to best make the parcels fit the amount of  
9 money we have available.

10 What we are proposing is that the Council make an offer  
11 to purchase at appraised value all of Parcel 3A, all of Parcel  
12 7, the eastern part of Parcel 8 as is depicted on a map in the  
13 -- here in the Trustee Council offices in Anchorage. And that  
14 with respect to Parcel 1 that it be -- the Council offer to  
15 work with AJV to created a Limited Harvest Plan for that  
16 parcel, with the total value of this deal to be no greater than  
17 \$70,000,000.00.

18 What -- we have looked at other alternatives here, such  
19 as doing a -- limiting the amount of acreage we would get in 1A  
20 to just a coastal strip. We have consulted with our timber  
21 appraisers, we have consulted with State Fish and Game  
22 biologists and they believe that the better solution would be  
23 rather than just taking sort of a strip around the coast would  
24 be to work with AJV and try to create areas for wildlife  
25 corridors, buffer zones, expanded zones and so forth,

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1 throughout the whole parcel, that would better for the  
2 ecosystem as a whole.

3 We have -- although it wasn't within the Council's  
4 original resolution, we were recommending that we add back in  
5 Section 1B and essentially do this throughout 1A, there are  
6 some features in 1B that fit with the features in 1A and that  
7 if you're offering protection it may sense in the future to  
8 sort of go back up into 1B to offer protection. Therefore,  
9 with the Chair's concurrence I do have a motion that I would  
10 like to make.

11 CHAIRMAN PENNOYER: Mr. Tillery, why don't you  
12 go ahead and then we'll have -- if we get a motion  
13 (indiscernible - phone faded out). Go ahead.

14 MR. TILLERY: Okay. Mr. Chairman, I would move  
15 that the Council provide \$70,000,000.00 in funding towards the  
16 purchase in fee by the State of Alaska or the United States for  
17 the lands that I have just described, that would be AJV-3A,  
18 AJV-7, the eastern half of AJV-8 and that the -- towards the  
19 creation of a Limited Harvest Plan for AJV-1. This purchase  
20 would be subject to certain conditions that are fairly standard  
21 in our past dealings, such as our receipt of funding from -- by  
22 the court from Exxon, granting a conservation easement to the  
23 governments that are not receiving the fee for a particular  
24 parcel of land, completion of title searches. That no  
25 development of timber harvest take place on these lands prior

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1 to closing except such timber harvesting as may be approved by  
2 the State of Alaska in Parcel AJV-1 in accordance with the  
3 Limited Harvest Plan, hazardous materials survey and compliance  
4 with NEPA.

5 I'd ask further that we would -- that if a purchasing  
6 agreement is reached that we would through this motion then  
7 request the Department of Law and the Department of Justice to  
8 obtain money from the court on a payment schedule and that this  
9 motion be drafted for the Council's signature in somewhat more  
10 detail, I suspect, than I'm proposing it now and presented to  
11 the Council for signature as early as possible.

12 CHAIRMAN PENNOYER: Thank you, Mr. Tillery.  
13 You've heard the motion, is there a second?

14 MR. RUE: Second.

15 MS. D. WILLIAMS: Second.

16 CHAIRMAN PENNOYER: Seconded by Commissioner  
17 Rue or Deborah Williams, I'm not sure which I heard first. Is  
18 there further discussion of this motion? Does anybody wish to  
19 have further information?

20 MS. D. WILLIAMS: Mr. Chairman, the only the  
21 friendly amendment I would make to Mr. Tillery's amendment  
22 (sic) is with respect to acceptable cutting prior to closing of  
23 the agreement. If we could either include the United States  
24 with the State of Alaska in terms of approving that preclosing  
25 cutting or have it be a Trustee decision, I'd be.....

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1 MR. TILLERY: I think including the United  
2 States with that would be acceptable.

3 MS. D. WILLIAMS: Okay.

4 MR. TILLERY: So I'll accept that as a friendly  
5 amendment.

6 MS. D. WILLIAMS: Okay.

7 CHAIRMAN PENNOYER: Okay. We have the motion,  
8 moved and seconded, we've had a friendly amendment; is there  
9 further discussion?

10 (No audible responses)

11 CHAIRMAN PENNOYER: All those in favor of the  
12 motion please say aye.

13 IN UNISON: Aye.

14 CHAIRMAN PENNOYER: Opposed?

15 (No opposing responses)

16 CHAIRMAN PENNOYER: Thank you, the motion  
17 carries and we be adopting (ph) the resolution for signature.

18 Can we proceed then to the next item on the agenda,  
19 which is the FY97 Work Plan supplemental funding request?  
20 Molly, I recognize we have just received these this morning and  
21 you're going to have to help us through this process with  
22 probably a little bit of detail, so.....

23 MS. McCAMMON: Well, that's correct,  
24 Mr. Chairman and, in fact, we just received these a couple of  
25 days ago and some of the reviews have just been completed so --

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1 and the memo that you have, in fact, I did not have a  
2 recommendation for you, but Dr. Spies has been in contact with  
3 all of the proposers and has some additional information on  
4 these.

5         There are three projects that have come before us  
6 asking for additional funds for this season's field work. The  
7 first one is Project 97186, the Coded Wire Tag Study, which is  
8 a Fish and Game study. The request is for an additional  
9 \$60,000.00 to do some additional comparisons on the effects of  
10 coded wire tags on pink salmon straying. And Dr. Spies does  
11 have his review of this, it's on page two of the memo, and can  
12 talk directly to that.

13         The second one is a proposal to do 97163 which is to  
14 add a section, some additional work on jelly fish for an  
15 additional 13.2 thousand. And then a third one is Project  
16 97025 which is to do some additional work on river otters on  
17 the Nearshore Vertebrate Predator Project. So I'll turn all  
18 three of these actually over to Dr. Spies.

19                 CHAIRMAN PENNOYER: Okay, Bob, could you go  
20 ahead and take us through them then?

21                 DR. SPIES: Sure, Mr. Chairman. The 97186 the  
22 request for the Coded Wire -- a supplemental work for Coded  
23 Wire Tag Study. What this study would do would go out and  
24 sample some of the streams around the hatcheries where we might  
25 expect some straying of pink salmon that came from the

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1 hatcheries that would be returning in the summer of '97. These  
2 would have coded wire tags in them and also otolith thermal  
3 marks since the Trustee Council has sponsored the simultaneous  
4 placement of those tags in the fish released from the  
5 hatcheries through Prince William Sound.

6 We think that this idea has a lot of technical merit  
7 since it'll allow us to compare the two methods of tagging and  
8 determine, in fact, whether the coded wire tag treatment itself  
9 would cause strain. This has been a concern for quite a few  
10 years for those that are managing this fishery. And I think  
11 clarifying this question would be extremely important for the  
12 use of this technology on a statewide basis. And we have  
13 received some letters of support.

14 However, we did review a similar proposal for '97,  
15 that's Proposal 97209 for the '97 Work Plan, and the reviewers  
16 considered it to be an important piece of work but of lower  
17 priority for the Restoration Program. We feel that the  
18 objectives of the study probably have great significance for  
19 normal agency management of the pink salmon and perhaps this is  
20 a more important goal than for the Restoration Program itself.  
21 Although it would, I think, clarify some questions about past  
22 studies on coded wire tags that the Trustee Council has  
23 supported during the damage assessment and restoration phases.

24 CHAIRMAN PENNOYER: Bob, a couple of questions  
25 I had that are, and key off a letter that came to us from Jeep

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1 Rice and Alex Swiderski putting (ph) this project as an  
2 important action to other work already being funded by the  
3 Trustee Council. Their letter makes it seem more that this is  
4 a continuation of information that we've been trying to get  
5 though funding other projects and your response seems to be in  
6 terms of the future, your discussion of future goals of the  
7 EVOS Restoration Program. Would you care to comment on that?

8 DR. SPIES: Yes, I just received this letter  
9 this morning myself and I agree that there is -- and they point  
10 out the technical merit of doing this for clarifying questions  
11 that they're trying to answer in their study and there's also  
12 my clarified passed studies of strain and the effects coded  
13 wire tags as well. So this definitely has a lot of technical  
14 merit, it just becomes a matter of the Trustee Council's view  
15 of this in terms of the goals of the Restoration Program.

16 CHAIRMAN PENNOYER: Commissioner Rue.

17 MR. RUE: Yeah, Mr. Chairman, I'd like to speak  
18 first to the normal agency management, you know, I understand  
19 that's a continuing concern. Because when I look at the coded  
20 wire tag kinds of work and what we would normally do, we  
21 normally do things like catch sampling, where we sample the  
22 fleet harvest and that's the normal management activity. We  
23 don't normally go in the streams and sample -- oh, the other  
24 thing we would normally do is monitor escapement, make sure we  
25 get 100 percent (indiscernible - background noise) the

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1 spawning, we normally would not go out and sample streams and  
2 find out whether the differential straying rate or coded wire  
3 tag or otolith marked fish. I don't really (indiscernible -  
4 phone faded) normal management activity level. I think it does  
5 have important implications though for what's going on in some  
6 of these other projects and some of the questions we've tried  
7 to answer as Trustees.

8 And so I think it -- I just like to maybe differentiate  
9 this normal agency management line from what we would do as  
10 Trustees or what a university might do is they had a researched  
11 it.

12 CHAIRMAN PENNOYER: Frank, can I ask you a  
13 question on that. There is somewhat of a difference in terms  
14 of what we do and the other question of what we should provide  
15 funding for for normal agency management. And I think we have  
16 provided funds in Cook Inlet, for example, to do genetic work.

17 MR. RUE: Right.

18 CHAIRMAN PENNOYER: Now the assumption was we  
19 wouldn't provide the funds in an ongoing fashion because that  
20 would become a normal agency function, but providing the funds  
21 one time or two times to get an answer which then we assume the  
22 State would pick up. Now, of course, over time if the State  
23 doesn't then we're going to have to reexamine that type of  
24 policy. But that to me is different than -- your normal  
25 management might approve of something we do you wouldn't do

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1 normally, I guess, is what I'm -- if I can answer myself.

2 MR. RUE: Yeah, you're exactly right, the  
3 Genetic Stock Identification Project that you -- the Council  
4 funded in Cook Inlet proved to be a very good technique to more  
5 precisely manage the resource which helps major resource  
6 recovery.

7 CHAIRMAN PENNOYER: So the tool became part of  
8 your normal management but developing the tool wasn't a normal  
9 process?

10 MR. RUE: Correct.

11 CHAIRMAN PENNOYER: There is a comment in the  
12 letter as well from Jeep and Alex about other savings in the  
13 program that in terms of overall discussion of pink salmon  
14 major (ph) resource knowledge and techniques in the future to  
15 maintain that resource that could be applied that in  
16 (indiscernible - cough) that we saved a lot of funds in terms  
17 of early close out, part of the project and so forth. So, Bob,  
18 did that enter into your discussion at all or is that already  
19 taken into account, the cash flow?

20 DR. SPIES: I think that there's no doubt that  
21 this -- the results of the proposed additional study in Prince  
22 William Sound streams would definitely supplement what's going  
23 on with your work down at Little Port Walter and trying to  
24 answer the similar questions in a different context. And I  
25 certainly have considered that in my comments.

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1 Does that answer your question?

2 CHAIRMAN PENNOYER: Yeah, sort of. Okay. I  
3 have one general question. The reviews of these projects that  
4 have occurred, now, technically we've had some people look at  
5 it, my staff, and they say it is okay, technically a good  
6 project, but have these had any type of peer review beyond that  
7 or is this -- how did you conduct your review?

8 DR. SPIES: I sent -- because of the short time  
9 frame I was able to contract one of our principal core  
10 reviewers and to look at this project and to discuss this with  
11 him, he has read it, and discussed it with me.

12 CHAIRMAN PENNOYER: He agrees it has technical  
13 merit?

14 DR. SPIES: Yes.

15 CHAIRMAN PENNOYER: Thank you. Any other  
16 questions about this project?

17 (No audible responses)

18 CHAIRMAN PENNOYER: And the funds then, Molly,  
19 in terms of actually providing this amount of funding  
20 (indiscernible - phone faded) going to have, where do we stand  
21 on that?

22 MS. McCAMMON: Mr. Chairman, our target for the  
23 Work Plan for this fiscal year was 16,000,000, we've already  
24 crept up to over 16.2 million. This would be considered new  
25 money for this fiscal year.

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1 CHAIRMAN PENNOYER: Would we say the total  
2 track is -- is there a judgment as to the importance of this  
3 versus something we might do (indiscernible - phone fade) next  
4 year if we're actually going over this year and going to result  
5 in being a little farther in the hole? Anybody want to  
6 comment?

7 MS. D. WILLIAMS: Well actually, Mr. Chairman,  
8 I did have one question for Frank or whoever he wants to answer  
9 it. But the thing that concerned me the most was Dr. Spies'  
10 observation that a similar proposal, 97209, was made for  
11 consideration in the fiscal year '97 Work Plan but was then  
12 considered a bit lower priority and not funded. Is there  
13 anything significantly different between this proposal, Frank,  
14 and the one that we chose not to fund? It worries me a little  
15 bit about the precedent of not funding things and then having  
16 them come back to the Council like this.

17 MR. RUE: I was afraid you were going to ask  
18 that, Deborah. Cost -- I know cost was one difference. I'm  
19 trying to remember the other -- these other differences that  
20 exist in 209.

21 MS. D. WILLIAMS: Molly.

22 MR. RUE: Molly, do you remember?

23 MS. McCAMMON: They can't hear you if you're  
24 going to talk -- Bill Hauser is here, he can address that  
25 question.

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1 MR. HAUSER: Yeah, this is Bill Hauser, is this  
2 on?

3 MS. McCAMMON: Yeah, that's fine, just leave it  
4 there. Go ahead.

5 MR. HAUSER: Yeah, the difference -- there's a  
6 big difference between the proposal that was reviewed a year  
7 ago and this proposal in that the objectives are quite  
8 different. They're doing -- performing some work tasks in the  
9 field and in the laboratory, but the objectives, you know,  
10 going to be evaluated statistically are quite different. The  
11 previous proposal had to do with estimating the rate of  
12 straying, whereas the objectives of this proposal is designed  
13 to simply evaluate the effect of coded wire tags on straying.  
14 In other words, do they or do they not cause straying? And  
15 then correlated with that they would be doing some X-raying of  
16 heads of pink salmon to evaluate the position of the tags in  
17 relation to the olfactory lobe to determine if there could be a  
18 correlation between the placement of the tag and the impact on  
19 their ability to home.

20 CHAIRMAN PENNOYER: What about, though, the  
21 difference in the year? I mean, the letter from Jeep talks  
22 about the '97 return being the only year of overlap.

23 MR. HAUSER: Yeah.

24 CHAIRMAN PENNOYER: How possible consider the  
25 sampler (sic) to the '98 budget cycle, is that.....

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1 MR. HAUSER: Yeah, Mr. Chairman, what happened  
2 is, as you are probably aware, Prince William Sound Aquaculture  
3 Corporation has been a partner in this and they're becoming  
4 strapped for funding. And they terminated their --  
5 unexpectedly terminated their coded wire tagging a year early,  
6 so that if there had been another year of overlap of otolith  
7 marks and coded wire tags you would have seen this proposal or  
8 something very similar to it in the '98 package. And -- well,  
9 they, at the last minute, decided to put this in rather than --  
10 and nothing had been previously prepared for '98. And I don't  
11 know how long it took them to put it all together but they  
12 just.....

13 CHAIRMAN PENNOYER: That raises another concern  
14 then that I've got and that is I thought when we bought all of  
15 that equipment for thermal marking and so forth we had an  
16 agreement that coded wire tagging would be maintained to an  
17 adequate period of time to test it and apparently that's not  
18 happening? Or they're not part of the agreement?

19 MS. McCAMMON: Mr. Chairman, there is, and  
20 originally Fish and Game came in with a proposal for two years  
21 of overlap between coded wire tags and otolith marking.  
22 Through the review session we had actually recommended one year  
23 but they came back and, I think, argued that they really felt a  
24 lot more comfortable if there were the two years. So I think  
25 originally we had said one year was fine but two years would

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1 probably be better. Now just the reality has struck with the  
2 PWSSC participation and it looks like one year of overlap is  
3 all we're going to get.

4 CHAIRMAN PENNOYER: But we're okay on that then  
5 because of our original recommendation?

6 DR. SPIES: Well, I think, Mr. Chairman, I  
7 think the -- some of the scientists that I've talked to with  
8 regard to this say that one year is probably sufficient. The  
9 original two year plan, I think, was made in order to be  
10 conservative just in case something didn't happen well and  
11 apparently the return is -- the indications are that the  
12 thermal otolith masked marks took very well and these are going  
13 to be quite reliable, so I think we're going to be able to draw  
14 sufficient conclusions from what's been done so far.

15 CHAIRMAN PENNOYER: Thank you. Frank.

16 MR. RUE: Yeah, Mr. Chairman. Molly, the other  
17 thing was the funding and I don't know if we've answered  
18 Deborah's question on the objectives, but the funding -- it was  
19 my hope that some of the lapsed balances from existing projects  
20 could cover this and/or the termination of 186 could help so  
21 there wouldn't be new money. We're hoping we'd fit within this  
22 years budget. Can we do that?

23 MS. BROWN: Well, I would assume that at least  
24 \$60,000.00 was lapsed from your existing contract projects  
25 (indiscernible - phone faded) rather than approve

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1 (indiscernible) the Trustee Council would be approving this  
2 aspect and.....

3 MR. RUE: Apply to (indiscernible -  
4 simultaneous speech)

5 MS. BROWN: .....objective and then the  
6 transfer exceeding 25,000.

7 CHAIRMAN PENNOYER: So, Frank, are you  
8 volunteering to pay for this then; is that what you're saying?

9 MR. RUE: Well, my -- I don't know how 186 fits  
10 into this, this is a question of the budget to (indiscernible -  
11 phone fade).....

12 MS. BROWN: I don't (indiscernible - phone  
13 fade) left in 186 but I would.....

14 MR. RUE: A combination of that plus the  
15 other.....

16 MS. BROWN: Other projects that were approved  
17 for Fish and Game I would assume that.....

18 (Indiscernible - multiple voice on phone)

19 MS. McCAMMON: Mr. Chairman.

20 CHAIRMAN PENNOYER: So, Commissioner Rue,  
21 you're basically sort of (indiscernible - simultaneous speech)  
22 or at least obligating the fact there probably will enough  
23 lapsed funds in these projects to cover this?

24 MR. RUE: We think we could reprogram -- we  
25 would be reprogramming existing projects.....

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1 CHAIRMAN PENNOYER: So is our.....

2 MS. McCAMMON: Mr. Chairman.

3 CHAIRMAN PENNOYER: .....requests are going to  
4 approve reprogramming then or new money? I don't.....

5 MR. RUE: I think that's what we're -- Molly,  
6 is that.....

7 MS. McCAMMON: Mr. Chairman, we currently are  
8 lapsing somewhere close to a million dollars, between half a  
9 million and a million dollars of project funds. And I think if  
10 we got into the business of actually trying to earmark ahead of  
11 time where those lapsed funds are going into I think we start  
12 down a very slippery slope. What happens now is whatever money  
13 gets lapsed, and we don't know how much actually gets lapsed  
14 until it gets audited and all of the books get closed out,  
15 which can take as long as two years. And we are doing a better  
16 job on that.

17 But that money kind of goes into our general fund and  
18 is used for other things, such as small parcels, additional  
19 habitat acquisition, additional projects, things like that. I  
20 would strongly recommend that we take either one of two  
21 courses. One is we approve additional new funding for this  
22 project. Or if any of the Trustees has money that they know is  
23 not needed in one of their current projects that they identify  
24 that now and we actually make a transfer of funds between those  
25 two specific projects. I really think those are the only two

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1 options before you.

2           CHAIRMAN PENNOYER: The fact Commission Rue  
3 wasn't very specific, was sort of going along with the later,  
4 but I don't think he.....

5           MS. McCAMMON: Well, I don't think you can do  
6 that without being specific.

7           MR. RUE: (Indiscernible - simultaneous speech)

8           MR. HAUSER: Mr. Chairman.

9           CHAIRMAN PENNOYER: Yes.

10          MR. HAUSER: Yes, this is Bill Hauser again.  
11 As a matter of fact we, ADF&G, Oil Spill Projects, have been  
12 undergoing a preaudit at this time. We were a little bit  
13 surprised by the presence of this item on the agenda today. We  
14 were expecting to see it on the meeting on the 29th. And so we  
15 are in the mist of a preaudit and at this point I understand  
16 from Steve Fried that there was no additional -- there was only  
17 a small amount of overage, near break even, amongst the  
18 commercial fisheries projects for the Oil Spill Program, but  
19 we're still expecting some preaudit information from some of  
20 the other projects so we are looking at that and.....

21          CHAIRMAN PENNOYER: If that is a possibility  
22 then, do we want to continue this until we get that  
23 information, a lot more than we've got now, to give funding  
24 with the idea that it will hopefully be reprogramming that's  
25 possible after the 29th?

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1 Molly, how do you want to proceed on that?

2 MS. McCAMMON: Well, Mr. Chairman, my.....

3 CHAIRMAN PENNOYER: If we approve it.

4 MS. McCAMMON: .....recommendation actually, if  
5 the Council wishes to basically adhere to our commitment to  
6 reducing the annual Work Plan, I believe that there are  
7 probably other very valuable projects out there that could do  
8 with a little extra money this field season to do some extra  
9 things that they'd like to do and if the Council really wishes  
10 though to keep reducing the Work Plan, as painful as it might  
11 be, my recommendation would be to reject all three of these and  
12 to direct the agencies to look a little bit harder within their  
13 existing budgets to find money and other projects to do these  
14 things. But it depends on how firm the Council wants to keep  
15 to the reduction.

16 CHAIRMAN PENNOYER: Well, I think that's an  
17 excellent point. There are programs out there, I know we've  
18 all been approached about people could use more money to do  
19 specific aspects of their work. I'm a little concerned by this  
20 Prince William Sound tagging examination question because we  
21 aren't going to have the opportunity, perhaps, so -- but,  
22 Commission Rue, is that -- do you think you would be able to do  
23 that?

24 MR. RUE: Let me ask Bill Hauser -- Bill, by  
25 May 29th meeting, you said -- I guess that's when we're going

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1 to have one, would we have a read on any lapsing balances we'd  
2 have on internal projects and we can come back to the Council  
3 and say, look, we can cover this with lapsed funds from all the  
4 other projects?

5 MR. HAUSER: Yeah, we should have information  
6 by then.

7 CHAIRMAN PENNOYER: In time to do this?

8 MR. RUE: In time to get this project rolling?

9 MR. HAUSER: I think so. As I said, when I  
10 first heard about this request that was the meeting that, you  
11 know, the schedule that I had told Steve that we should be  
12 working on, so we should be able to implement the project if we  
13 have the information by the end of this month.

14 CHAIRMAN PENNOYER: And you could get back to  
15 us if there was any concern to the contrary? I'm enamored with  
16 going with what Molly said, I think there are a lot of requests  
17 out there, but I'm also concerned with trying to make sure this  
18 one happens if, in fact, Jeep's and Alex's comments are as  
19 correct as they seemed to be on this.

20 Commission Rue.

21 MR. RUE: Could I -- what if I come back to the  
22 Council at whatever, the May 29th meeting, and give you a  
23 report on whether we think we can cover it with funding, lapsed  
24 project funds, or whether we think it would take new funds.  
25 That way you could either put thumbs up or thumbs down.

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1 Molly, does that work?

2 MS. McCAMMON: I think -- we were not intending  
3 the Seward meeting on May 29th at this point to be an action  
4 meeting. But if we are meeting before then on Eyak.....

5 MS. D. WILLIAMS: Because, Molly, we need to  
6 action on Salamatof, too.

7 MS. McCAMMON: Right, Salamatof small parcels,  
8 then that -- I mean, either we have to get someone from NOAA at  
9 the meeting in Seward on the 29th and also make arrangements to  
10 have it recorded, which we weren't planning on doing at that  
11 point. But if we have a meeting in the interim on Eyak we  
12 could do Salamatof and these at that time. Which would be  
13 maybe another week to 10 days.

14 MR. RUE: So there would be (indiscernible -  
15 simultaneous speech)

16 DR. SPIES: Mr. Chairman.

17 MR. RUE: .....meeting in the interim?

18 CHAIRMAN PENNOYER: Well, these -- when are you  
19 going to by?

20 MS. McCAMMON: How soon could you do you  
21 review.....

22 CHAIRMAN PENNOYER: I don't sense a mood of the  
23 desire to approve these and I think the alternate is something  
24 people need to look at and maybe get back with us.

25 DR. SPIES: Mr. Chairman.

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1 CHAIRMAN PENNOYER: Yes.

2 DR. SPIES: There's one other factor. Within  
3 several days we're about to start the core review session on  
4 the '98 Work Plan proposals and we could put these within the  
5 context of things that are being considered in '98 and  
6 reevaluate them with the reviewers and discuss them and come  
7 back with some sort of recommendation if that would be helpful.

8 MS. D. WILLIAMS: That'd be helpful.

9 CHAIRMAN PENNOYER: Yeah, I get the impression,  
10 and maybe I'm wrong in my assumption, but Prince William Sound  
11 might not be possible to do that in that way, it needs to be  
12 done this year or am I incorrect on that?

13 MR. RUE: It needs to be done this year, but  
14 are you saying, Dr. Spies, that you could give a better read on  
15 the merits of the project?

16 DR. SPIES: Yes, that's it.

17 CHAIRMAN PENNOYER: Okay. That's it. Well, we  
18 will lose our quorum in five minutes, so I'd like to see if we  
19 can bring this item to a close. Molly made a recommendation  
20 relative to all three projects. And we've heard the fact that,  
21 at least on some of these, we will get a rerun on availability  
22 of funding from agencies that would need this funding to these  
23 projects. Then trying to figure when in the next week or two  
24 we can get back together on the phone or something and make  
25 decisions that are needed on that.

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1           Was there any other discussion on this or can we agree  
2 to proceed on it as Molly's proposed?

3           (No audible responses)

4           CHAIRMAN PENNOYER: I don't hear any further  
5 discussion on that so for the moment we've not agreed to  
6 funding projects with new funding and agencies have been asked  
7 -- instructed to go back and look at the possibility of lapsed  
8 funds to take care of them.

9           Okay. Thank you. Now, we'll go on now to the last  
10 item I have on my agenda is a request by Craig Tillery to talk  
11 about Exxon Valdez oil spill documents. Craig, you want to go  
12 ahead with that?

13           MR. TILLERY: Thank you, Mr. Chairman. And I  
14 will be quick. The State of Alaska and the United States  
15 possess millions of documents that have come out of the Exxon  
16 Valdez oil spill. A large number of them really do not relate  
17 directly to the restoration activities of the Trustee Council,  
18 although they include such things as beach surveys and those  
19 types of things. The litigation needs for a lot of these  
20 documents are passed or will be passed pretty soon. The State  
21 and the United States are working to try to get any legal  
22 restrictions lifted on the destruction of documents that are no  
23 longer needed in the future.

24           The question has then arisen, assuming that there is no  
25 sort of litigation need for these documents, a lot of agencies,

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1 including the Department of Law, would like to get rid of them  
2 because they're very expensive to keep and the question has  
3 arisen as to whether there are other needs to keep these  
4 documents or a desire to keep them for historical purposes, as  
5 part of telling the entire story of the oil spill, or whatever.  
6 And what I would ask is that the Trustee Council staff be  
7 requested to just look into that issue and come up with a  
8 recommendation, perhaps about how to evaluate these documents,  
9 whether the Council should have a role in evaluating them and  
10 just to generally come back to us at a future meeting with some  
11 proposal on that.

12 MS. D. WILLIAMS: Mr. Chairman.

13 CHAIRMAN PENNOYER: Go ahead, Deborah.

14 MS. D. WILLIAMS: Yeah, I think that's a good  
15 idea and I would just simply specifically request that the  
16 staff talk with the Federal Archivist as one person. There is  
17 a Federal Archivist here in Anchorage and should definitely  
18 talk with him.

19 CHAIRMAN PENNOYER: Okay. Any other comments?

20 (No audible responses)

21 CHAIRMAN PENNOYER: Okay. I guess you don't  
22 need a motion or anything, just a sense of direction. I don't  
23 see any disagreement around the table here. So we can proceed  
24 with that and get a report back on it at a later date.

25 I would accept a motion to do something as far as --

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1 I'm not going to make a motion to recess.

2 MR. WOLFE: Move to recess.

3 CHAIRMAN PENNOYER: Thank you.

4 MS. BROWN: Second.

5 MR. RUE: Second.

6 CHAIRMAN PENNOYER: It's been moved and  
7 seconded that we recess. Now, I'm not sure what that means  
8 exactly because I'm not sure when the next meeting is going to  
9 be but we'll figure that out when we get to it I guess. So is  
10 there any further comment on the motion?

11 (No audible responses)

12 CHAIRMAN PENNOYER: Is there any objection?

13 (No audible responses)

14 CHAIRMAN PENNOYER: We are then recessed, thank  
15 you very much.

16 (Off record - 11:13 a.m.)

17 (MEETING RECESSED)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA )  
3 ) ss.  
4 STATE OF ALASKA )

5 I, Joseph P. Kolasinski, Notary Public in and for the  
6 State of Alaska and Owner of Computer Matrix do hereby certify:  
7 THAT the foregoing pages numbered 3 through 30 contain  
8 a full, true and correct transcript of the Exxon Valdez Oil  
9 Spill Trustee Council's Teleconference Meeting recorded  
10 electronically by me on the 9th day of May 1997, commencing at  
11 the hour of 8:30 a.m. and thereafter transcribed by me to the  
12 best of my knowledge and ability.

13 THAT the Transcript has been prepared at the request  
14 of:

15 EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street,  
16 Anchorage, Alaska 99501;

17 DATED at Anchorage, Alaska this 11th day of May 1997.

18 SIGNED AND CERTIFIED TO BY:

19  
20 \_\_\_\_\_  
21 Joseph P. Kolasinski  
22 Notary Public in and for Alaska  
My Commission Expires: 04/17/00