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1 EXXON VALDEZ OIL SPILL  
2 TRUSTEE COUNCIL  
3 TRUSTEE COUNCIL MEETING TELECONFERENCE  
4 Tuesday, October 28, 1997  
5 1:30 o'clock p.m.  
6 Fourth Floor Conference Room  
7 645 G Street  
8 Anchorage, Alaska

9 TRUSTEE COUNCIL MEMBERS PRESENT (ALL TELEPHONICALLY):  
10 STATE OF ALASKA - MR. CRAIG TILLERY  
11 DEPARTMENT OF LAW: Trustee Representative  
12 for the Attorney General  
13 (Chairman)  
14 STATE OF ALASKA - DEPARTMENT MR. ROB BOSWORTH  
15 OF FISH AND GAME: for Commissioner Rue  
16 U.S. DEPARTMENT OF INTERIOR: MS. DEBORAH WILLIAMS  
17 U.S. DEPARTMENT OF AGRICULTURE - MR. JIM WOLFE  
18 U.S. FOREST SERVICE for Phil Janik  
19 Regional Forester  
20 U.S. DEPARTMENT OF COMMERCE - NMFS: MR. STEVE PENNOYER  
21 STATE OF ALASKA - DEPARTMENT MS. MICHELE BROWN  
22 OF ENVIRONMENTAL CONSERVATION: Commissioner  
23 Proceedings electronically recorded then transcribed by:  
24 Computer Matrix, 3520 Knik Ave., Anchorage, AK - 243-0668

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON

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4 MR. ERIC MYERS

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6 MS. REBECCA WILLIAMS

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8 MR. ALEX SWIDERSKI

9

10 MS. CLAUDIA SLATER

11

12 MR. BARRY ROTH

13 (Telephonically)

14

15

16 MR. JOE HUNT

17

18 MR. DAN SAKURA

19 (Telephonically)

20 MS. LOUISE MILKMAN

21 (Telephonically)

22 MS. EILEEN O'BRIEN

23 (Telephonically)

Executive Director

EVOS Trustee Council

Director of Operations

EVOS Trustee Council

Executive Secretary

EVOS Trustee Council

State of Alaska

Department of Law

Department of Fish and Game

State of Alaska

Attorney-Advisor

Conservation & Wildlife

Division

Department of the Solicitor

Communications Coordinator

EVOS Trustee Council

Department of the Interior

Department of Justice

Department of Justice

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P R O C E E D I N G S

1  
2 (On record - 1:33 p.m.)

3 CHAIRMAN TILLERY: Okay, this is the October  
4 28th, I think, continuation meeting for the Exxon Valdez Oil  
5 Spill Trustee Council. Present we have Jim Wolfe representing  
6 the United States Forest Service; Rob Bosworth representing the  
7 Department of Fish and Game; Deborah Williams with the  
8 Department of the Interior; Michele Brown with the Department  
9 of Environmental Conservation; Steve Pennoyer with NMFS; and  
10 Craig Tillery with the Department of Law. Molly McCammon, the  
11 Executive Director is in Anchorage and I believe there are a  
12 couple of public members there, Molly?

13 MS. McCAMMON: That's correct.

14 CHAIRMAN TILLERY: Okay. We don't -- well, I  
15 guess don't -- I don't believe -- I don't think we have any  
16 minutes, at least I haven't seen any.

17 MS. McCAMMON: No, we won't have any until the  
18 next meeting.

19 CHAIRMAN TILLERY: Okay. All right. Then,  
20 Molly, could you -- I haven't actually seen an agenda, can you  
21 lay out what would be the agenda for this meeting?

22 MS. McCAMMON: Mr. Chairman, there are two  
23 items on the agenda. The first is reinvestment of maturing  
24 securities and that's recommended as an action item. The  
25 second is executive session to discuss habitat acquisition.

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1                   CHAIRMAN TILLERY: Okay. And can you -- I  
2 believe that you've been working on the reinvestment, can you  
3 give us an explanation of where we are on that?

4                   MS. McCAMMON: Yes. I've sent around a memo to  
5 the Trustee Council on October 20th. The reserve consists of  
6 12 separate Zero Coupon U.S. Treasury Securities. The first  
7 one will mature on November 15th of 1997. The par value of  
8 that security is \$6,520,000. We're still discussing with the  
9 Court Registry Investment System what fees will be charged on  
10 that investment. But if they do charge a fee of 10 percent of  
11 earnings, which we believe they may, after the payment of the  
12 registry fees a total of \$6,467,937.68 is anticipated to be  
13 available for reinvestment.

14                   There are two options. One option is to allow the  
15 court to place the proceeds from the maturing security into the  
16 liquidity fund. This would not require any Trustee Council  
17 action. The current yield on the fund is 5.1 percent before  
18 fees. The second option would be to reinvest the maturing  
19 security in another Zero Coupon U.S. Treasury Security. Based  
20 on the current market a security maturing November 15th, 2004  
21 would pay 6.16 percent before fees. This requires Trustee  
22 Council action requesting the Department of Law and the United  
23 States Department of Justice to ask the court to reinvest the  
24 security.

25                   It is my recommendation that we go -- that the Trustee

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1 Council reinvest the security into another Zero Coupon U.S.  
2 Treasury Security. We do have the potential with this  
3 investment of earning a higher rate of return. It would also  
4 continue to be liquid and could be sold if we do come up with  
5 an alternative investment. It could also be transferred to  
6 another account, such as the NRDA account.

7 MS. D. WILLIAMS: Mr. Chairman, I so move.

8 MR. PENNOYER: Second.

9 CHAIRMAN TILLERY: Okay. It has been moved and  
10 seconded, are there any comments or questions from Council  
11 members? And I think everybody is in a different location, so  
12 I'll just leave some silence here if anybody has any questions.

13 MR. PENNOYER: Mr. Chairman, one question.  
14 Molly, those are really the only two options then, correct?

15 MS. McCAMMON: At this point in time, yes.

16 MR. PENNOYER: Okay, thank you.

17 CHAIRMAN TILLERY: Does anyone else have a  
18 question or a comment, discussion?

19 MS. McCAMMON: Mr. Chairman, just to clarify.  
20 The motion would be that the Trustee Council reinvest the  
21 maturing securities, principal plus interest, into a Zero  
22 Coupon U.S. Treasury Security, maturing on or about November  
23 15th, 2004.

24 CHAIRMAN TILLERY: Okay, thank you. And,  
25 Deborah, that's the sense of your motion?

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1 MS. D. WILLIAMS: Yes.

2 CHAIRMAN TILLERY: Okay, if there's not any  
3 further discussion, all in favor say aye.

4 IN UNISON: Aye.

5 CHAIRMAN TILLERY: Opposed?

6 (No opposing responses)

7 CHAIRMAN TILLERY: It's carried unanimously, so  
8 if you could note that and I will be back in town on Friday and  
9 we'll probably try to get together with -- I don't know if Gina  
10 is there then, but we'll try to get together with DOJ and do  
11 that on Friday or Monday to get something into Judge Holland.

12 MS. McCAMMON: All right. She's back in town  
13 so we can do that on Friday.

14 CHAIRMAN TILLERY: Okay. And the next order of  
15 business, I take it, is executive session.

16 MS. McCAMMON: That's correct.

17 CHAIRMAN TILLERY: Okay, is there a motion to  
18 go into executive session.

19 MR. PENNOYER: So moved.

20 MS. BROWN: Second.

21 CHAIRMAN TILLERY: Okay, it is moved and.....

22 MR. PENNOYER: For purposes of discussion of  
23 habitat acquisition.

24 CHAIRMAN TILLERY: Okay, moved and seconded to  
25 go into executive session for purposes of discussing habitat

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1 acquisition. Discussion?

2 (No audible responses)

3 CHAIRMAN TILLERY: All in favor?

4 IN UNISON: Aye.

5 CHAIRMAN TILLERY: Opposed?

6 (No opposing responses)

7 CHAIRMAN TILLERY: Okay, we will go into  
8 executive session and, Molly, can you explain to us what  
9 we.....

10 MS. McCAMMON: Could we just hold one minute  
11 while we clear the room here in Anchorage.

12 (Off record - 1:38 p.m.)

13 NOTE: The Trustee Council came out of executive  
14 session at 2:43 p.m. It was moved by Mr. Pennoyer and seconded  
15 by Mr. Rue to adjourn.

16 (Meeting adjourned - 2:44 p.m.)



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1  
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 4 through 8 contain a  
8 full, true and correct transcript of the Exxon Valdez Oil Spill  
9 Trustee Council's Teleconference Meeting recorded  
10 electronically by me on the 28th day of October 1997,  
11 commencing at the hour of 1:30 a.m. and thereafter transcribed  
12 by me to the 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 30th day of October  
18 1997.

19 SIGNED AND CERTIFIED TO BY:  
20 Joseph P. Kolasinski  
21 Notary Public in and for Alaska  
22 My Commission Expires: 04/17/00