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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 TRUSTEE COUNCIL MEETING
4 Tuesday, September 29, 1998
5 10:30 o'clock a.m.
6 709 West 9th Street
7 Room 453
8 Juneau, Alaska

9 TRUSTEE COUNCIL MEMBERS PRESENT:

10 STATE OF ALASKA - MR. CRAIG TILLERY
11 DEPARTMENT OF LAW: Trustee Representative
12 (Chairman) for the Attorney General
13 STATE OF ALASKA - DEPARTMENT MR. FRANK RUE
14 OF FISH AND GAME: Commissioner
15 U.S. DEPARTMENT OF INTERIOR: MS. DEBORAH WILLIAMS
16 Special Assistant to the
17 Secretary for Alaska
18 U.S. DEPARTMENT OF AGRICULTURE - MR. JAMES WOLFE
19 U.S. FOREST SERVICE Trustee Representative
20 U.S. DEPARTMENT OF COMMERCE - NMFS: MR. JIM BALSIGER
21 for MR. STEVE PENNOYER
22 Director, Alaska Region
23 STATE OF ALASKA - DEPARTMENT MS. MICHELE BROWN
24 OF ENVIRONMENTAL CONSERVATION: Commissioner
25 Transcribed by Computer Matrix, - 243-0668

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON Executive Director
3 EVOS Trustee Council
4 MR. ERIC MYERS Director of Operations
5 EVOS Trustee Council
6 MS. TRACI CRAMER Director of Administration
7 EVOS Trustee Council
8 MS. REBECCA WILLIAMS Executive Secretary
9 EVOS Trustee Council
10 MS. TAMI YOCKEY EVOS Trustee Council Staff
11 (Telephonically)
12 DR. BOB SPIES Chief Scientist
13 MR. STAN SENNER Science Coordinator
14 MR. HUGH SHORT EVOS Trustee Council Staff
15 MS. VERONICA CHRISTMAN EVOS Trustee Council Staff
16 (Telephonically)
17 MR. ALEX SWIDERSKI State of Alaska
18 MS. MARIA LISKOWSKI U.S. Forest Service
19 MR. BARRY ROTH Attorney-Advisor, DOI
20 MR. ALEX VITERI, JR. DEC
21 MR. BRUCE WRIGHT NOAA
22 MS. JANET KOWALSKI U.S. Fish and Wildlife
23 Service
24 MR. STEVE SHUCK U.S. Fish and Wildlife
25 (Telephonically) Service

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1 TRUSTEE COUNCIL STAFF PRESENT (Continued):

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3 MR. CHUCK GILBERT National Park Service

4 (Telephonically)

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1 PROCEEDINGS

2 (On record - 10:42 a.m.)

3 CHAIRMAN TILLERY: This is the September 29th
4 meeting of the Exxon Valdez Oil Spill Trustee Council. I am
5 Craig Tillery with the Department of Law. We have representing
6 today Deborah Williams with the Department of the Interior; Jim
7 Balsiger with the National Marine Fishery Service; Jim Wolfe
8 with the United States Forest Service; Frank Rue with the
9 Alaska Department of Fish and Game; and we will be joined
10 shortly by Michele Brown with the Alaska Department of
11 Environmental Conservation.

12 We apologize for starting late here, there were some
13 reasons we had to delay until 10:30, we had a little bit of
14 trouble with the phones. And, while we're waiting for Michele,
15 our first order of business is the -- well, actually we're
16 scheduled for 10:30 public comment period and I would propose,
17 with the Council's approval, that we go ahead and do that while
18 we're waiting for Michele and we'll come back to approving the
19 agenda and so forth, if that's acceptable.

20 Okay. We have a number of sites, if we could start
21 with some of the other sites. In Kenai, is there anyone in
22 Kenai who wishes to make a public comment?

23 KENAI LIO: We're just observing at this time,
24 thank you.

25 CHAIRMAN TILLERY: Okay, thank you. Is there

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1 anyone in Kodiak who would like to make a public comment?

2 KODIAK LIO: Yes, Dan Ogg would be making some
3 comments today.

4 CHAIRMAN TILLERY: Okay. And we do have a very
5 busy day, so I'd like to ask that each person could try to keep
6 your comments to about three minutes, would be helpful, so go
7 ahead. Please be sure you state your name and spell your last
8 name for the benefit of the court reporter.

9 MR. OGG: Craig Tillery, my name is Dan Ogg,
10 D-a-n O-g-g. And what I'd like to request is that because we
11 got this agenda shift to 10:30, we assumed that the public
12 hearing wouldn't start till 11:00 and so some other folks will
13 becoming at that time.

14 CHAIRMAN TILLERY: Okay. I'm pretty confident
15 that we'll still be doing this at 11:00, so if you want to go
16 ahead and make your comments, we'll come back by Kodiak later.

17 MR. OGG: I'd be happy to. Again, my name is
18 Dan Ogg, I am the Executive Director of the Alaskan Oceans,
19 Seas and Fisheries Research Foundation. It's a statewide
20 organization. The mission statement of the organization is to
21 promote greater understanding and prudent utilization of the
22 oceans, seas and fisheries surrounding Alaska through research.
23 It is our desire to say that we're very impressed and honored
24 that the Trustee Council is considering to create a Restoration
25 Reserve and discuss the parameters of that this afternoon.

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1 Our organization is firmly behind research in the
2 oceans around -- and the waters around Alaska. We're
3 especially impressed by the research in the oceans that have
4 taken place since the Exxon Valdez Council started doing work
5 in the spill area. We would like to see the reserve emphasize
6 ocean research and put a minority of interest on acquisition of
7 habitat. We think that the work that has been done in Prince
8 William Sound and the waters surrounding Kodiak and Cook Inlet
9 have been very impressive and have greatly increased our
10 understanding of the ocean, but it's a very small bit that we
11 understand at this time.

12 I guess as sort of an "our way" we'd like to state that
13 if there are interests who want to purchase the land, that
14 we've purchased a fair bit of that and if we put our efforts
15 into purchasing more land, that would guarantee those
16 individuals public land to stand on, but the question is if we
17 don't spend our money, our Restoration Reserve money, on
18 researching the oceans, that may be all that they have is a
19 place to stand because there may not be fish if we don't pay
20 attention to the research in the oceans. And hopefully we
21 won't end up in a situation like the Northwest has and Northern
22 California has in relation to salmon and some other species.

23 That's about the end of our comments and thank you very
24 much for the opportunity to speak to you.

25 CHAIRMAN TILLERY: Okay. Thank you. Are there

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1 questions or comments from Council members for Mr. Ogg?

2 (No audible responses)

3 CHAIRMAN TILLERY: Okay. Is there anyone else
4 in Kodiak, then, at this time that would like to comment?

5 KODIAK LIO: Not at this time, but there are
6 others coming.

7 CHAIRMAN TILLERY: Okay. We will come back to
8 you then. In Valdez, are there people in Valdez who would like
9 to comment?

10 VALDEZ LIO: Good morning, there's three of us
11 here, we're going to just be observers for the moment.

12 CHAIRMAN TILLERY: Okay, thank you. I
13 understand there's someone in Seattle, does someone in Seattle
14 wish to comment?

15 (Ms. Brown arrives)

16 MR. NORSE: I'm Elliott Norse, I'm in Redmond,
17 Washington, it's a suburb of Seattle or Seattle is becoming a
18 suburb of Redmond now that Microsoft is doing well.

19 I'm President of Marine Conservation Biology Institute,
20 a nationwide organization, whose purpose is to advance the new
21 science of marine conservation biology. But I'm not just a
22 marine biologist, I was the author of "Conserving Biological
23 Diversity in our National Forests" and "Ancient Forests of the
24 Pacific Northwest." So two of my three books are actually
25 about forests in this region and their conservation, not the

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1 sea. So I feel a strong commitment to forest conservation as
2 well as to marine conservation.

3 So saying, I have to point out that the Exxon Valdez
4 spill occurred in the sea, not on the land, and I believe,
5 therefore, it's appropriate for the bulk of the remaining funds
6 which are to be expended be spent in research on marine
7 conservation and biology. And by that I mean not fisheries
8 oriented research, narrowly focused at producing continued
9 salmon populations and other populations of commercial fish,
10 but rather more broadly based ecosystems studies that address
11 the disconcerting fact that nine years, 10 years after -- nine
12 years after the spill only one of the resources and services
13 identified as injured in the spill is considered recovered; the
14 bald eagle. There are many questions about other species,
15 harbor seals, the harlequin ducks, killer whales, herring, et
16 cetera. And these are very important ecosystem components.
17 Some are fished, some aren't, but we would like to know why
18 they haven't come back.

19 And in many other cases we don't have even the basic
20 information about organisms, population, biology and their
21 roles and their ecosystems. So if the Exxon Valdez plowed on
22 the rocks again today we would find ourselves in a situation
23 not markedly different than we did in 1989.

24 I urge the Trustee Council to devote the lion's share
25 of the remaining funds to marine conservation biology research

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1 that will be an appropriate use of monies that were provided to
2 protect the resources of this region.

3 I want to thank you.

4 CHAIRMAN TILLERY: Thank you, Mr. Norse. Is
5 there questions or comments from Council members?

6 REPORTER: Spell his name.

7 CHAIRMAN TILLERY: Oh, I'm sorry. Sir, could
8 you spell your last name, please?

9 MR. NORSE: Yes, Norse as in Viking, N-o-r-s-e.

10 First name is Elliott, E-l-l-i-o-t-t. I'm President of Marine

11 Conservation Biology Institute.

12 CHAIRMAN TILLERY: Okay, thank you very much.

13 MR. NORSE: My pleasure.

14 CHAIRMAN TILLERY: Are there questions or
15 comments from Council members for Mr. Norse?

16 MS. D. WILLIAMS: I guess I do have a question
17 and this goes.....

18 CHAIRMAN TILLERY: Ms. Williams.

19 MS. D. WILLIAMS: Thank you, Mr. Chairman.

20 This goes back to also what Mr. Ogg said. Mr. Norse, in
21 looking at the Pacific Northwest salmon analogy and given your
22 forest background and your marine background, I guess I was
23 under the impression or understanding that the decline of the
24 salmon in the Pacific Northwest could be most closely traced to
25 hydroelectric dam impacts and habitat destruction, as well as

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1 timber harvesting that has resulted in siltation and other
2 issues. Is that your understanding?

3 MR. NORSE: That, along with overfishing, yes.

4 MS. D. WILLIAMS: Yes.

5 MR. NORSE: I suspect that most reasonable
6 people would say that habitat destruction, particularly
7 hydroelectric and logging, have been the most important sources
8 of decline of salmon here in the Northwest.

9 MS. D. WILLIAMS: Okay.

10 MR. NORSE: Of course, we also have an
11 additional factor and that is global climatic change as a
12 possible driver of the regime shift that has occurred in the
13 North Pacific that seems to have benefited Alaska salmon for
14 two decades and harmed salmon populations in the Northwest.
15 It's a complicated picture, but habitat destruction,
16 particularly terrestrial habitat destruction has been a major,
17 probably the major, cause of declining salmon populations.

18 MS. D. WILLIAMS: Thank you very much.

19 MR. NORSE: At least anthropogenic.

20 MS. D. WILLIAMS: Yes.

21 CHAIRMAN TILLERY: Okay. Thank you, Mr. Ogg
22 [sic]. Are there any further questions or comments by Council
23 members?

24 (No audible responses)

25 CHAIRMAN TILLERY: Okay. If we could then move

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1 to Anchorage. Is there anyone in Anchorage would like to make
2 a comment at this time?

3 MS. YOCKEY: I have four people waiting that
4 want to testify. Theresa Obermeyer, Monica Riedel, Grant
5 Baker, Scott Anaya.

6 CHAIRMAN TILLERY: Okay. I can barely hear, so
7 you either need to -- somebody needs to turn up the volume or
8 you need to get a little closer, but I understood there were
9 four people. Could the first person go ahead and make their
10 comments, again remember to, please, spell your last name for
11 the benefit of the court reporter. And try to keep the
12 comments limited to about three minutes, if possible.

13 MS. YOCKEY: And I also understand that there's
14 other people that will be here around 11:00 to testify as well.

15 CHAIRMAN TILLERY: Yeah, I'm sorry, can you
16 speak up a little louder or do something to raise your volume?

17 MS. YOCKEY: Volume is up all the way. We also
18 have other people that will be here at 11:00 to testify.

19 CHAIRMAN TILLERY: Okay, thank you. We'll be
20 going back around, so we'll be able to pick those people up,
21 but could the first person go ahead and make their comments,
22 please?

23 MS. OBERMEYER: Good morning, Mr. Tillery.
24 Theresa Obermeyer, sir, T-h-e-r-e-s-a, my maiden name is
25 Nangle, N as in Nancy-a-n-g-l-e and my last name is Obermeyer,

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1 O-b-as in boy-e-r-m-e-y-e-r. Now, I would simply, sir, like to
2 begin with lack of respect for public comments. Because when I
3 came in this morning I asked if I could see the minutes of the
4 preceding meeting and all you list here are the number of
5 people that testified. You're so disrespectful, you do not
6 even list their names. And when we come we are asked to spell
7 our name. Sir, I asking that you care about public comments.
8 I want a transcript of my comments.

9 But the other thing I simply wanted to bring up is,
10 first of all, Mr. Till [sic], I 'm sick and tired of playing
11 these stupid games, Mr. Tillery. And would you look on the
12 back side of your current directory of attorneys where it lists
13 422 assistant attorney generals. Do we know that I am one
14 human and yet I have to defend myself against 422 attorneys. I
15 mean would you kindly understand, sir, that I consider this a
16 challenge of a lifetime, but I'm tired now, Mr. Tillery. And
17 would you please join me with your phony lawyer name of Hollis
18 French on what, let's see, what is the date, October the 12th
19 at 9:00 a.m. for more charades. But also -- and would you let
20 me know when I have one minute left, sir, because I'd simply
21 like to talk about Danforth Ogg.

22 Now, aren't we smart enough to know that -- and am I
23 correct, Mr. Ogg, that you're still on the Board of Regents?
24 Another licensed attorney, he does not even mention that he's
25 on the Board of Regents. I mean, I consider this an insult to

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1 my intelligence. And would we all kindly go -- and I do laugh
2 so darn hard because all of this is so comical, you know.

3 And I mean when I got my annual report of the Alaska
4 Aerospace Development Corporation, which is out of Kodiak, in
5 the annual report, I kid you not, and I will bring it if
6 anybody wants me to prove it. They actually have a U.S.
7 Treasury chest for 17 million dollars, I kid you not, in their
8 annual report. They have a picture of the chest.

9 But, you know, just to mention also, briefly, about --
10 because I cut out the things, some of the things, that are in
11 the newspaper. Frank Murkowski, you know, can we rise up and
12 not allow our feelings to be hurt. When he and his family, and
13 I'm not trying to dislike anyone. His daughter wired [sic] a
14 State Legislative seat from Terry Martin. She is now in the
15 State House, his own daughter, and we let these people do this.
16 And then we see a little article in the paper as though any of
17 this is real and he's supposed to be criticizing the Exxon
18 Valdez Oil Spill Trustee Council.

19 But let me also under state this, I never get any
20 documentation. And would you also forgive me, then when I do,
21 it is so lengthy that you can hardly sort through it. But my
22 understanding is you have not really gotten settlement funds
23 yet from the litigation. My knowledge is, and I could be
24 mistaken of this, is that you have Davis, Wright and Tremaine
25 as your attorneys (phone cut out).....

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1 And something else, one of your attorneys, Jon Dawson,
2 is now a party to the most serious injury of my life when I was
3 knocked out cold without provocation in the Anchorage Hilton on
4 February 20th, waking up in a pool of blood and having to have
5 seven stitches in the back of my head.

6 CHAIRMAN TILLERY: Okay, Ms. Obermeyer, you
7 have about one minute.

8 MS. OBERMEYER: I'm being prosecuted. I am so
9 -- I have a career, ladies and gentleman, for the last six
10 years of defending myself against ridiculous, and may I say
11 they're not judges or lawyers, nothing in my life could have
12 motivated me more. What I would hope for is that all of us at
13 the end of September when there is a U.S. Senate race going on,
14 do we know that Frank Murkowski is running for reelection? I
15 have not seen that man in Anchorage, Alaska. Well, I did go
16 when he made this announcement at the airport, that was in
17 about February of '98. But I have not really seen his speech,
18 now maybe you have. I think I read the paper very actively, I
19 have not seen him at all during his campaign. And yet
20 (indiscernible - interrupted).....

21 CHAIRMAN TILLERY: Ms. Obermeyer.

22 MS. OBERMEYER: I mean, do we have a brain in
23 our heads? It's an a monopoly.....

24 CHAIRMAN TILLERY: Ms. Obermeyer.

25 MS. OBERMEYER: Mr. Tillery.

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1 CHAIRMAN TILLERY: Did you hear me, I indicated
2 you had about a minute left. I wasn't sure if you heard.

3 MS. OBERMEYER: What I would hope for,
4 Mr. Tillery, as a well-educated law school graduate, did you
5 have a question?

6 CHAIRMAN TILLERY: I do not have a question,
7 Ms. Obermeyer, but I would like to be sure you're aware of a
8 couple of things. One is that there is a transcript of the
9 entire Trustee Council meeting available, including the public
10 comments and you can talk to the people in the Trustee Council
11 office and they can make that available to you or anyone else.

12 And, secondly, you had indicated that we had not
13 received our money from the Exxon Valdez litigation and that we
14 were being represented by Davis, Wright, that is the.....

15 MS. OBERMEYER: I don't know (indiscernible -
16 simultaneous speech).....

17 CHAIRMAN TILLERY:private party
18 litigation. We, in fact, have received our money and the state
19 of Alaska and the United States were represented by government
20 attorneys.

21 Anyway, thank you for your.....

22 MS. OBERMEYER: You see, that's why it is all
23 so very convoluted. Has the law firm that I believe was part
24 of this, have they received their settlement money or even
25 their legal fees, I don't know and I am just wondering. I had

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1 been told by the wife of Mr. Osting, O-s-t-i-n-g, whose a
2 counselor at Dimond High, on Friday that no, they haven't been
3 paid. So I don't know. All I know in life, Mr. Tillery, is
4 what people tell me. And I can truly say, sir, always
5 politely, I not only don't get a lot of information, but I
6 don't see honesty. So do we know that Mr. Ogg is listed right
7 here on page 135 of my current directory of attorneys as
8 another licensed attorney and as a member of the Board of
9 Regents. I don't know what else to say, but I simply hope that
10 whatever game Mr. Ogg is playing that he will try to really
11 care about higher education in our state. It doesn't exist.

12 CHAIRMAN TILLERY: Okay, thank you,
13 Ms. Obermeyer.

14 MS. OBERMEYER: (Indiscernible - simultaneous
15 speech).....

16 CHAIRMAN TILLERY: Ms. Obermeyer, thank you
17 very.....

18 MS. OBERMEYER: If I could mention in terms of
19 a summary of your minutes, would you, at a minimum, list the
20 names of the people that have testified? Now, if individuals
21 want to get transcripts -- let me mention to you, Mr. Tillery,
22 that when I have gone to meetings I then am mailed a verbatim
23 transcript. Now, I don't know what your fund level is here,
24 but I just think that's respectful.

25 CHAIRMAN TILLERY: Thank you, Ms. Obermeyer.

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1 MS. OBERMEYER: And I hope you'll consider
2 that, and have a nice meeting.

3 CHAIRMAN TILLERY: Thank you very much. Are
4 there questions or comments from Council members for
5 Ms. Obermeyer?

6 (No audible responses)

7 CHAIRMAN TILLERY: Okay. Thank you very much.
8 Can we have the next person from Anchorage?

9 MS. RIEDEL: Yes, Mr. Tillery, this is Monica
10 Riedel.

11 CHAIRMAN TILLERY: Okay. If you'd spell your
12 last name, then go ahead.

13 MS. RIEDEL: Yes, it's R-i-e-d-e-l. I'm the
14 Executive Director of the Alaska Native Harbor Seal Commission.
15 And I'd like to make a couple of comments regarding the
16 Restoration Reserve.

17 CHAIRMAN TILLERY: Okay, please go ahead.

18 MS. RIEDEL: Number 1, first of all, I would
19 like to just state that I am in support of the Chugach Regional
20 Resources Commission's position paper which was submitted
21 shortly after their April meeting. And I'd like to highlight a
22 couple of points that I'm particularly in support of.

23 Number 1, I believe that they are requesting that there
24 be a 20 million dollar set aside for rural research projects or
25 rural projects. And these would go towards cultural

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1 preservation projects, such as Spirit Camps, Subsistence
2 Conference, beach clean-up, as well as projects addressing the
3 human damage from the oil spill.

4 Number 2, I'd like to support that the funding go to
5 scholarships and internships for spill area residents in the
6 science and natural resource fields and that funding would also
7 allow local residents to become educated in Western science to
8 enhance their knowledge of the ecosystem and provide
9 opportunities for them to become leaders in restoration.

10 Number 3, in relation to governance, I would like to
11 support that a new Board be established with equal
12 representation from tribes in the oil spill-affected area,
13 State and Federal management agencies and the science
14 community. This would be a better balanced group than the
15 current set up because it provides for equal input from all
16 parties responsible for the long-term monitoring, stewardship
17 and knowledge about the resources in the spill area.

18 Number 4, I would like to see the Trustee Council look
19 into the AMA granting process for reviewing proposals, as
20 described in Ms. Patty Brown-Schwalenberg's letter. The
21 proposal review process is done by Outside reviewers, three
22 times a year, and no one reviewer can review projects of which
23 they have any knowledge, thus eliminating bias.

24 And, lastly, I'd like to offer a few comments about
25 some of the past projects. First, I'd like to thank the

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1 Trustee Council for their continued support for the harbor seal
2 biosample efforts. For the past three years and the upcoming
3 year, some of the youth, you might be interested to know, are
4 going on to college with an interest in pursuing marine biology
5 degrees. I'm very proud of that, there's two kids out of
6 Cordova that are, two Native kids, that are in college and
7 another one from Tatitlek that's starting. And this Youth Area
8 Watch Project has really gone a long way to help support that,
9 and again, I commend you for that.

10 And, lastly, the hunters and elders are still
11 supporting the Biosampling Project because it revitalized our
12 culture while actively providing useful samples for scientific
13 research. And it brings the Native community directly into the
14 research process.

15 And, again, I thank you for your time.

16 CHAIRMAN TILLERY: Okay. Thank you very much.
17 Are there questions or comments from Council members?

18 (No audible responses)

19 CHAIRMAN TILLERY: Okay. Thank you and could
20 we have the next person from Anchorage.

21 MR. ANAYA: Yes, hi. My name is Scott Anaya
22 and my last name is A-n-a-y-a. And I am the Forest Issues
23 Organizer for the Alaska Center for the Environment.

24 CHAIRMAN TILLERY: Okay. If you could please
25 go ahead.

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1 MR. ANAYA: Okay. I just wanted.....

2 CHAIRMAN TILLERY: And do -- we are running a
3 little bit late, so if people could try to keep their comments
4 to about three minutes, that would be helpful.

5 MR. ANAYA: Okay. Mine might even be briefer
6 than that.

7 CHAIRMAN TILLERY: Great.

8 MR. ANAYA: First of all, we'd like to thank
9 the Trustee Council for the work they have done in the past,
10 especially in the area of habitat restoration and habitat
11 protection. And we are here today on behalf of 8,000 --
12 actually it's over 8,000 members in Southcentral Alaska urging
13 the Trustee Council to vote a vast majority of the Restoration
14 Reserve to habitat acquisition and habitat protection. We
15 realize the importance of science, but there are a lot of pools
16 of money out there available through research grants and so
17 forth for scientific research. But the pools of money that are
18 available across the country for habitat acquisition are few
19 and far between and the Restoration Reserve presents a unique
20 opportunity here in Alaska to protect some of the most valuable
21 habitats in the spill zone. Anywhere in the world. And we
22 would advocate at least 80 percent of the Restoration Reserve
23 go to habitat protection.

24 We would also urge the Trustee Council to stand strong
25 against the congressional delegation in considering what areas

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1 of habitat should be protected, specifically considering
2 habitat protection in the Bering River region where there are
3 valuable resources which could be protected in perpetuity. We
4 would like the Trustee Council to consider extending the
5 boundaries to incorporate this habitat of the Copper River
6 Delta region. And stand strong against the congressional
7 delegation and their intimidation.

8 And I believe that's it. Thank you.

9 CHAIRMAN TILLERY: Thank you very much. Are
10 there questions or comments from Council members?

11 (No audible responses)

12 CHAIRMAN TILLERY: Okay. Thank you. As I
13 understand it, we had one more person in Anchorage; is that
14 correct?

15 MS. YOCKEY: We have two or three more.

16 CHAIRMAN TILLERY: Okay. Can you go ahead,
17 then?

18 MR. BAKER: Good morning, my name is Grant
19 Baker. I'm a faculty member at the University of Alaska. And
20 over the past six months or so I've been working on trying to
21 get an endowment from the Exxon Valdez Oil Spill Restoration
22 Reserve. And basically I'm here today just to answer any
23 questions that you may have. I would like to note that I've
24 been very, I guess, impressed witnessing the support for
25 university endowments, it seems that it's well recognized that

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1 the needs of the Trustee Council and the purpose of their
2 Restoration Reserve funds, they mesh very well with the
3 capability of the university. And in recent editorials that
4 have appeared in the newspapers and even on the television news
5 about using of chemical dispersants and clean-up techniques and
6 equipment and response teams, it's still apparent that there
7 still needs to be improvement in those areas and things like
8 that, or even new techniques that need to be developed. Not
9 only to clean up the oil that was from the '89 spill but from
10 things or mishaps that may happen again.

11 There was another article that had appeared in the
12 Anchorage Daily News just a couple of days ago about a fishing
13 boat that almost ran into another oil tanker.

14 These types of things are well-suited, ideally suited,
15 for the university to do. They also have outreach programs,
16 education programs, everything can be linked to many of the
17 needs of the Trustee Council and purpose of the fund.

18 Another thing that was recently reported on was the
19 emptying of ballast tanks, from these tankers in the Prince
20 William Sounds or Alaskan waters, and the ballast is the water
21 that they fill up in other regions of the world to basically
22 stabilize the ship and when they reach the Alaskan waters they
23 pump it out. Well, those waters contain a lot of marine
24 wildlife or marine biology, marine animals that no one knows
25 what the effect is on the ecosystem of the Sound. And

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1 regardless of who owns these lands, the -- those marine
2 invasion, I suppose, of these foreign animals they're going to
3 come onshore or go into the ocean and do what damage they're
4 going to do, regardless of who owns the property.

5 I want to just, finally, kind of make a kind of a thank
6 you for everyone that has really participated in this, I've
7 been very amazed at how much support there was for it. The
8 first thing that sticks in my mind was the Anchorage Assembly
9 within two weeks they had written a resolution and then passed
10 it and I was there for the vote when they passed it. And at
11 first they tabled it and I thought that was kind of a bad thing
12 because I thought there was something maybe clerically wrong,
13 or something was wrong with the resolution, but what had
14 happened was that there was other Council members that wanted
15 to be co-sponsors and they were from all sides of the political
16 spectrum, I suppose, but they all recognized that this was
17 something that not only would be good for the university and
18 the communities and the Alaskan communities, but it would also
19 -- it meshes well and meets the objectives and goals and needs
20 of the Trustee Council and the fund.

21 And, of course, most of you know James King, he's been
22 kind of sticking up for an endowment and presenting how good an
23 idea it is for quite a while and I just want to, you know, put
24 a special mention in for him and a special thank you from a lot
25 of people who also think that this is an excellent thing to do.

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1 Anyway, that's it and I'm more than happy to answer any
2 questions that you may have.

3 CHAIRMAN TILLERY: Okay. Thank you very much.
4 Are there questions or comments from Council members?
5 Ms. Williams.

6 MS. D. WILLIAMS: I have two, Mr. Baker. The
7 first one is, have you had the opportunity to consider whether
8 the Trustee Council could endow either a chair or a program at
9 the university without legislation? Or have you considered
10 whether the Trustee Council would need authorizing legislation
11 from Congress in order to do this, given our consent decree?

12 MR. BAKER: It's my understanding that it is
13 something that could be done, whether it's a legislative change
14 or whether it's a legal change where parties go to the court
15 and say, hey, this is what we need to have done, because it
16 meets our needs the best. It's unclear which is needed there,
17 but the general thought on it or the opinion that I've received
18 is that that's a small matter in relation to trying to meet the
19 objective of the fund to help recover the Sound.

20 MS. D. WILLIAMS: And, secondly, what kind of
21 money are you thinking about in terms of the endowment and how
22 precisely would you see it structured?

23 MR. BAKER: Well, my thoughts along the line
24 are about 75 to 100 million dollar endowment, out of the
25 140-150 mill in the Restoration Reserve. There's several

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1 reasons for that. One is, as I recall in reading the
2 literature about the survey that was taken in '93, I think
3 33,000 or 32,000 questionnaires were sent out. I believe
4 two-thirds of the people favored an endowment and the amount
5 that they had recommended was between 200 and 400 million. And
6 their thoughts on it was to use the endowment not only to --
7 you know, to fund research and the things that are needed for
8 that, but also to fund the purchasing of land. But so far
9 there hasn't been any endowment made and just the principal has
10 been used and it just seems that after a 900 million dollar --
11 the thought that I get -- not the thought, but the comment that
12 I get is that it's -- why hasn't an endowment happened for the
13 university yet because it meets the needs so well and it meshes
14 with the needs of the Trustee Council and also the purpose of
15 the fund.

16 But structuring is something that I see -- I have no
17 idea of the structuring, I don't know how there could one until
18 the Trustee Council kind of sat down with the university to try
19 to address, you know, every aspect that they feel is necessary
20 to meet their objectives, and I think can be done very easily,
21 it's not an impossibility at all. But in order to have the
22 funds actually address everybody's concerns and to make sure it
23 is maximized with matching equipment -- or matching funds from
24 Federal agencies or things like that, and to have it actually,
25 you know, addressing the problems, that those are things, I

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1 think, that can easily be set down and identified and so
2 everybody's concerns can be alleviated.

3 CHAIRMAN TILLERY: Okay. Thank you. Any
4 further questions from Council members or comments?

5 (No audible responses)

6 CHAIRMAN TILLERY: Okay, thank you, Mr. Baker.

7 MR. BAKER: Thank you very much.

8 CHAIRMAN TILLERY: Okay. Could we have the
9 next person in Anchorage?

10 MS. BOSMAN: My name is Corrie, C-o-r-r-i-e

11 Bosman, B-o-s-m-a-n.

12 CHAIRMAN TILLERY: Okay, please go ahead.

13 MS. BOSMAN: Great, thank you. I'm here today
14 on behalf of the Alaska Rain Forest Campaign. The Rain Forest
15 Campaign is a coalition of 12 Alaska and national environmental
16 groups. Our membership totals over 14,000 people here in
17 Alaska and another 2,000,000 across the nation. Since the
18 beginning of our campaign one of our largest goals has been to
19 help the Trustee Council to protect the rain forest habitat
20 with restoration money from the oil spill.

21 Today we've heard a lot of sentiment regarding research
22 and the importance of research in the oil spill area. We
23 certainly agree that research is important to understand both
24 the physical and social impacts from the spill and how they
25 affected the area. Yet, the point seems to be missed that

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1 research in itself does nothing to gain us recovery of the
2 area. It's great that we can have all this knowledge and put
3 it in some books and throw it in journals and shove it on the
4 library shelf, but that really doesn't do much to help the area
5 recover itself.

6 For that reason, we think that really the only way to
7 prevent further harm to the habitat, and the single most
8 important way, is to protect more habitat and that's through
9 acquisition. The sentiment that ARFC shares, that stands for
10 Alaska Rain Forest Campaign, is shared by many people who have
11 come out to the meeting today, but more importantly also all of
12 the people who have been submitting public comment, who aren't
13 with us here today, over the last several months.

14 Since March approximately 1,300 public comments have
15 gone in to the Trustee Council. Of those, an overwhelming
16 amount have called for the Trustees to spend 75 percent of the
17 reserve monies to protect habitat in the spill area. This is
18 75 percent of the people, almost. This is overwhelming to say
19 that we want habitat protection with this money. This is what
20 the public is calling for.

21 To date the Council has done a good job with protecting
22 some of the habitat and we applaud you especially for all of
23 your patience going through the Afognak deal. We know it was
24 not an easy negotiation, yet, it could have been much easier if
25 we had more money. Fortunately there are parcels left on

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1 Afognak Island that weren't protected, particularly the Lost
2 Lagoon and Paramanof Peninsula parcels, which are extremely
3 important. And because there was not enough money those areas
4 were left out of the deal.

5 Other large parcels that currently, we believe, should
6 deserve acquisition include the Karluk/Sturgeon Area and
7 Afognak Lake. Those are the areas that are open right now for
8 acquisition and negotiations are possible on and we'd like to
9 see the Council pursue those.

10 And, lastly, we just want to leave open the option that
11 in the future new areas may arise that we decide are extremely
12 important habitat that our research shows need to be protected.
13 And if we don't leave ourselves that money, then we'll have
14 nothing to do except to be able to turn to that research and
15 say, well, great, there's nothing further we can do. So for
16 that reason, we ask the Trustees to maintain the greatest
17 flexibility by preserving most of that money for habitat
18 acquisition.

19 And that's all. If you have any questions, I'll be
20 happy to answer them.

21 CHAIRMAN TILLERY: Thank you, Ms. Bosman. Are
22 there questions or comments from Council members?

23 (No audible responses)

24 CHAIRMAN TILLERY: Okay. Thank you very much.
25 Is there one more person, then, in Anchorage?

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1 MR. STANGE: Yes. Actually there's two more in
2 Anchorage and I'm the first of those two. My name is James
3 Stange and I live in Anchorage, Alaska. I want to thank the
4 Trustee Council members for hearing us today. I think back 10
5 years ago when I was a student at the University of
6 Alaska-Anchorage, and the oil spill happened, I was covering it
7 for the student newspaper at the time. And I've maintained
8 pretty close contact over the last nine and three-quarters
9 years with the process of restoration. I think that for me
10 it's very clear that there hasn't been a use of EVOS
11 restoration monies or Council money that's been demonstrated to
12 be more effective than habitat conservation in terms of
13 restoring the Prince William Sound areas and other areas that
14 were damaged by the Exxon Valdez oil spill.

15 So in that light, I'd like today to once again, I think
16 this is probably the 15th time that I've testified with the
17 same sentiment, which is that I believe that the money should
18 be used for habitat conservation in the area. And I have a
19 caveat on that comments, which is that I do not support fee
20 simple title transfers, I believe that habitat conservation
21 easement to preserve current land ownership can be negotiated
22 and I urge the Trustee Council to move forward in that vein.

23 And thank you very much for your time today.

24 CHAIRMAN TILLERY: Thank you. And could you
25 spell your last name for the record.

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1 MR. STANGE: Yeah, it's spelled S-t-a-n-g-e,
2 just like strange but no R.

3 CHAIRMAN TILLERY: Okay. Thank you very much.
4 Are there questions or comments from Council members?

5 (No audible responses)

6 CHAIRMAN TILLERY: Okay. And the last person
7 from Anchorage, could you please come forward.

8 MS. KECK: Hello, my name is Michelle Keck,
9 K-e-c-k and I'm here as an individual citizen. And I, too,
10 came here to testify today because I feel very strongly that
11 the majority of the funds of the Restoration Reserve should be
12 used for habitat protection. And even though some research is
13 helpful, the biggest threat to the Sound, I think, right now is
14 habitat degradation, and that's why we should ensure the
15 habitat is protected first. And many of the scientific studies
16 have already shown that many of species injured in the spill
17 depend on healthy habitat. And I think more species and
18 communities, especially the fishing communities will benefit
19 from habitat preservation and research. And I feel we should
20 use the research we have to decide which areas are most in need
21 of habitat acquisition.

22 And I would also like to ask the Trustee Council to
23 remain open to moving the restoration boundary 60 miles to the
24 east to include the entire Copper River Delta/Bering River
25 ecosystem. And your studies last year with the buoys showed

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1 that this area could have been affected from the spill and we
2 should use this research as a basis for protecting the Copper
3 River Delta.

4 And I ask that the Council listen to members of the
5 community and not be affected by political pressures from the
6 delegation and make habitat protection a priority with the
7 Restoration Reserve. And I think this is the most significant
8 restoration opportunity we have.

9 Thank you.

10 CHAIRMAN TILLERY: Thank you, Ms. Keck. Are
11 there questions or comments from Council members?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay. Thank you. We will
14 then -- I guess, actually, we'll move to Juneau. Is there
15 anyone here in Juneau who would like to make a comment?

16 MS. BROWN-SCHWALENBERG: Mr. Chairman.

17 CHAIRMAN TILLERY: Yes, come forward, I'm not
18 sure where. Is that mike -- does that.....

19 MS. McCAMMON: That'll pick her up as long as
20 she talks loud.

21 CHAIRMAN TILLERY: I think you're actually
22 speaking towards this one, so you got to be loud.

23 MS. BROWN-SCHWALENBERG: Okay.

24 MR. RUE: At least for the other public.

25 CHAIRMAN TILLERY: That's just a record one.

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1 MS. BROWN-SCHWALENBERG: Oh, okay. My name is
2 Patty Brown-Schwalenberg, I'm Executive Director of the Chugach
3 Regional Resources Commission. Do you want me to spell that,
4 Joe?

5 REPORTER: No, thank you.

6 MS. BROWN-SCHWALENBERG: Thank you. I've
7 provided written testimony, I guess it's a good thing I did
8 because you guys are running a little short on time, but I only
9 have six copies, so one for each of the Trustees and then I
10 have an extra one for Molly.

11 First of all, I did present a position paper to the
12 Trustee Council back in -- after our April meeting, I think it
13 was at your May meeting and I'd like to make that part of the
14 record. I'm not going to reiterate the things that we had
15 addressed there, but address the use and the term and
16 governance and those things.

17 Regarding the testimony for today, I just like to focus
18 on the 20 million dollars set aside for communities that we
19 have mentioned in our position paper. And we've been working
20 with the communities in the Chugach region very closely on this
21 issue and what we've come up with in our meetings and
22 communications that we would like to have the Trustee Council
23 establish a 20 million dollar community fund for
24 community-based projects. These projects could be used to fund
25 things such as long-term stewardship, habitat restoration,

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1 salmon enhancement, mariculture projects, Spirit Camps, Youth
2 and Elder Conferences, continuing education and scholarships to
3 encourage community members to pursue degrees in the field of
4 natural resources, our tribal traditional natural resource
5 stewardship programs and other restoration projects.

6 We're still working on a comprehensive proposal, but
7 basically what we're thinking about is having this fund set up
8 as an endowment so that the funding is perpetual. The
9 proposals would be submitted and selected through a panel
10 review process based on whether or not they meet the criteria
11 of the long range goals and objectives of the community fund,
12 which would be established under the guidance of the Trustee
13 Council. And we would also be subject to the normal franchal
14 and narrative reporting requirements, just like we are
15 currently operating.

16 I think that the 20 million dollars community fund
17 could be set up in two ways. You could either establish a
18 nonprofit organization with a group comprised of Tribal, State
19 and Federal representatives who would be responsible for
20 administrating the fund. Or one other idea that came up in the
21 community meetings is that it could be added to the current
22 criminal settlement fund that is currently administered by
23 DCRA. If the second option were to be instituted there are
24 some of the tribes in the incorporated communities that would
25 like to be included in that as well, so we would have to

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1 probably look at legislation or something to include Cordova,
2 Valdez, Seward and then a couple of the communities on Kodiak.

3 I guess, basically, that's about all I wanted to say.

4 The benefits, you know, the local community economies would

5 benefit. The community members would feel like they're

6 actually making a significant contribution toward restoration.

7 The stewardship component and cooperative management would fill

8 a niche currently being unmet with the State and Federal

9 agencies due basically to lack of funding and manpower. And

10 also the traditional knowledge provided by the communities in

11 the restoration effort I think would be of benefit because they

12 would then have long-term funding to remain continuously

13 involved in the restoration process.

14 And then, one other thing, I wanted to express our

15 support for the proposal submitted to assist in the

16 reconstruction of the Port Graham hatchery, the TEK Project as

17 well as the Clam Restoration Project, which are all in deferred

18 status. And I apologize, I don't remember if I told you this

19 before, or the last time I addressed the group, but nine of the

20 communities thus far have passed the TEK protocols. We worked

21 with them this past summer and they're all in support of it,

22 we're just getting the official resolutions from the

23 communities right now so that project seems to be right on

24 track where it should be.

25 That's all I have, thank you.

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1 CHAIRMAN TILLERY: Thank you very much. Are
2 there questions or comments from Council members? Ms.
3 Williams.

4 MS. D. WILLIAMS: Mr. Chairman. Patty, thank
5 you, as always, for your testimony. I have, at least, one
6 question about your community fund proposal. You've sat
7 through enough Trustee Council meetings to know that,
8 particularly Department of Justice, but the Trustee Council in
9 general has pretty clear views about what is and isn't
10 appropriate to spend under our consent decree, plus we are
11 required to focus on the injured resources and so forth. Under
12 your proposal, do you believe that the community fund could do
13 what you would like it to do given the current interpretation
14 that Justice has made of our consent decree and the Trustee
15 Council's implemented? Or do you think that that
16 interpretation would need to be broadened to accomplish what
17 you want to accomplish?

18 MS. BROWN-SCHWALENBERG: I think that it would
19 definitely have to be broadened or legislation changed so that
20 some of the projects that the communities feel the need should
21 be funded, could be funded. Currently there are so many
22 projects that just don't fit under the guidelines and there are
23 very few places to obtain the funding, to get those project
24 funding, they just have this feeling of being left out.

25 MS. D. WILLIAMS: Thank you.

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1 CHAIRMAN TILLERY: Thank you. Are there other
2 questions or comments from Council members?

3 (No audible responses)

4 CHAIRMAN TILLERY: Thank you very much,
5 appreciate it. Okay. Is there anyone else here in Juneau who
6 would like to make a comment?

7 (No audible responses)

8 CHAIRMAN TILLERY: Okay, what I'm going to do
9 then is go back to Kodiak, which I believe there are some
10 people who should be there by now who had some comments.
11 Kodiak, is there anyone who has come in and would like to
12 comment?

13 KODIAK LIO: Yes, we have just one gentleman,
14 Al Burch.

15 CHAIRMAN TILLERY: Okay. Thank you and in case
16 you weren't here before, I'd like to reiterate that we would
17 like to keep the comments down to about three minutes.

18 MR. BURCH: Thank you. My name is Al Burch,
19 B-u-r-c-h, I will be brief. I've lived in Alaska most of my
20 adult life. (Phone cut out) Cordova 1946, moved to Seward in
21 '54, got pushed to Kodiak by the earthquake in '65. I'm the
22 Executive Director of the Alaska Driggers Association. We have
23 50 member vessels, each vessel has four crew men with families.
24 We live entirely in the spill area, we don't have 14,000
25 members, we have 50 members, but we exist in the spill area.

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1 The marine environment is very, very important to us, much more
2 so than habitat. Once you lock a piece of land up, very seldom
3 do I see any meaningful studies done in those areas that are
4 already locked up.

5 We have a huge resource here in the Gulf, we have very
6 little knowledge of it. There is very limited pools of money
7 to do that research, I strongly urge you to allocate as much of
8 this money as you can to marine research. There are a few
9 exceptions, though, of areas that should be protected, but the
10 majority of the money should go to marine research.

11 Thank you.

12 CHAIRMAN TILLERY: Thank you, Mr. Burch. Are
13 there questions or comments from Council members?

14 (No audible responses)

15 CHAIRMAN TILLERY: Okay. Is there anyone else
16 in Kodiak who would like to comment at this time?

17 KODIAK LIO: No one else, thank you.

18 CHAIRMAN TILLERY: Okay. Is there anyone in
19 Valdez who would like to comment at this time?

20 VALDEZ LIO: No.

21 CHAIRMAN TILLERY: Thank you. Is there anyone
22 in Kenai who would like to comment at this time?

23 (No audible responses)

24 CHAIRMAN TILLERY: Is there anyone in Kenai?

25 (No audible responses)

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1 CHAIRMAN TILLERY: Okay. Is there anyone in
2 Anchorage who has recently arrived that would like to comment?

3 MS. YOCKEY: No, there is not.

4 CHAIRMAN TILLERY: Okay. Thank you. The
5 public testimony is closed. I think we need to go back to our
6 opening here and we need approval of the agenda; is there a
7 motion?

8 MS. D. WILLIAMS: So moved.

9 MR. RUE: Second.

10 CHAIRMAN TILLERY: It's been moved and seconded
11 to approve the agenda. Is there any discussion?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay. All in favor say aye.

14 MS. McCAMMON: I have one possible amendment to
15 the agenda. Following executive session we may need an
16 amendment on the Tatitlek resolution, and I just wanted you to
17 take note of that right now.

18 CHAIRMAN TILLERY: Okay. As with that
19 amendment to the agenda, all in favor.

20 IN UNISON: Aye.

21 CHAIRMAN TILLERY: Opposed?

22 (No opposing responses)

23 CHAIRMAN TILLERY: Okay, the agenda is adopted.
24 The next order of business would be the approval of the August
25 13th and September 4th meeting notes; is there a motion?

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1 MS. D. WILLIAMS: So moved.

2 MR. BALSIGER: Second.

3 CHAIRMAN TILLERY: Is there any discussion?

4 (No audible responses)

5 CHAIRMAN TILLERY: It's been moved and
6 seconded, all in favor say aye.

7 IN UNISON: Aye.

8 CHAIRMAN TILLERY: Opposed?

9 (No opposing responses)

10 CHAIRMAN TILLERY: Okay. The meeting notes are
11 adopted. Which brings us to the Executive Director's report.
12 Ms. McCammon.

13 MS. McCAMMON: Mr. Chairman, I'll defer on that
14 today in the interest of moving along.

15 CHAIRMAN TILLERY: I don't think you can,
16 but.....

17 MS. McCAMMON: Unless there's something you
18 want me to report on specifically.

19 CHAIRMAN TILLERY: Well, if you have nothing to
20 report then there'll be nothing to report.

21 MS. D. WILLIAMS: Things are going well, right.

22 MS. McCAMMON: Things are going well. Things
23 are going.

24 CHAIRMAN TILLERY: Yeah, the -- according to
25 the GAO and we appreciate your work on that.

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1 MS. D. WILLIAMS: Right.

2 CHAIRMAN TILLERY: Okay. That brings us then
3 to the next item of business, which is small parcels, KAP-95
4 and the Larsen Bay 10 acre parcel. Who is going to be speaking
5 to that?

6 MS. D. WILLIAMS: Me.

7 CHAIRMAN TILLERY: Ms. Williams.

8 MS. D. WILLIAMS: Mr. Chairman, thank you very
9 much. The Trustee Council should have before it a resolution,
10 in your notebook, which would give Trustee Council approval to
11 the acquisition of KAP-95 and Larsen Bay 10 acre parcel, the
12 Matilda Christensen, owner, parcel. And this resolution, the
13 way it is in the notebook is you have a KAP-95 tab, a little
14 description on that with a map. You have the Larsen Bay
15 parcel, a little description, a map. And then following in
16 that tab is the resolution.

17 The Trustee Council knows from reviewing this
18 resolution that these are two parcels that we have been looking
19 at for some time, received from the Trustee Council to go ahead
20 to appraise these parcels and negotiate these parcels because
21 they were parcels meriting special consideration. Both of
22 these parcels have substantial restoration values, they are
23 located in critical places in Kodiak and are very important to
24 restoration, one of the, of course, the 10 acre, has a stream
25 that runs through it that there are salmon. Both of them have

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1 habitat functions associated with marbled murrelets, pigeon
2 guillemots, harlequin ducks and sea ducks.

3 The Department of Interior would strongly urge the
4 Trustee Council, at this meeting, to adopt the resolution and
5 to provide the restoration benefits associated with the
6 acquisition of these two important parcels.

7 We do have in Anchorage, Steve Shuck. Steve.

8 MR. SHUCK: Yes.

9 MS. D. WILLIAMS: You are at the microphone,
10 very good. Is there anything else you would like to add?

11 MR. SHUCK: I think you've said it very well.

12 CHAIRMAN TILLERY: Okay. Thank you. For
13 purposes of getting this moving then, is there a motion on
14 resolution?

15 MS. D. WILLIAMS: Mr. Chairman, I move that the
16 Trustee Council adopt the resolution of the Exxon Valdez Oil
17 Spill Trustee Council regarding certain Kodiak small parcel
18 land acquisitions and, of course, specifically the two parcels
19 that we have described, KAP-96 and Larsen Bay 10 acre parcel,
20 Matilda Christensen, Owner.

21 CHAIRMAN TILLERY: Is there a second?

22 MR. BALSIGER: Second.

23 CHAIRMAN TILLERY: It's been moved and
24 seconded; is there discussion and questions about these
25 parcels?

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1 (No audible responses)

2 CHAIRMAN TILLERY: Ms. Williams, I was unsure
3 on this one, which one it is on this map.

4 MS. D. WILLIAMS: And you are looking at?

5 MR. RUE: The pink one.

6 CHAIRMAN TILLERY: The 10 acre parcel; is it
7 this green one up here on the.....

8 MS. D. WILLIAMS: It is the pink one.

9 MS. McCAMMON: The pink one.

10 CHAIRMAN TILLERY: Oh, the pink one.

11 MS. D. WILLIAMS: Yes.

12 CHAIRMAN TILLERY: Oh, okay, now I see the key,
13 I got you.

14 MS. D. WILLIAMS: Yeah, and the stream goes
15 right through it.

16 CHAIRMAN TILLERY: But it's not.....

17 MS. D. WILLIAMS: The other green ones are
18 other 10 acre parcels, this is the one that we are proposing to
19 acquire today.

20 CHAIRMAN TILLERY: Okay.

21 MR. RUE: And, if I could, it looks like the
22 registration was a little bit off and it should abut the
23 shoreline.

24 CHAIRMAN TILLERY: Is that -- okay, that was
25 kind of my question, yeah.

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1 MS. D. WILLIAMS: Mr. Shuck.

2 MR. SHUCK: That is correct because I notice on
3 the west side of Uyak Bay that the resolution also shows up on
4 the west side as well.

5 MS. D. WILLIAMS: Yes.

6 CHAIRMAN TILLERY: Okay. Are there other
7 questions or comments?

8 (No audible responses)

9 CHAIRMAN TILLERY: Hearing none. All in favor
10 of the resolution as proposed, say aye.

11 IN UNISON: Aye.

12 CHAIRMAN TILLERY: Opposed?

13 (No opposing responses)

14 CHAIRMAN TILLERY: The motion is adopted, the
15 resolution is adopted and that would be for Council signature
16 later today.

17 MS. D. WILLIAMS: Mr. Tillery, thank you and
18 thank you all Council members for voting for this resolution.

19 CHAIRMAN TILLERY: Thank you, Ms. Williams.
20 Okay, the next item of business is Project 99291, the Chenega
21 Beach closeout costs. And who is.....

22 MS. McCAMMON: I'll do that one.

23 CHAIRMAN TILLERY: All right. Ms. McCammon.

24 MS. McCAMMON: This is a request from
25 Department of Environmental Conservation for some additional

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1 fiscal year 1999 funds to complete the Chenega Beach
2 Restoration Project. There was a misunderstanding about the
3 lapsing date of the FY98 funds. Approximately \$100,000 of the
4 original project will be lapsed, although 25,000 of that is
5 being set aside, pending resolution of some disputes over the
6 contract from last year. But the remainder of the \$9,000 will
7 be used to integrate all of the final reports between
8 Department of Environmental Conservation and the National
9 Marine Fishery Service, to print sufficient copies of the final
10 report and then to present the final report to the community of
11 Chenega Bay next spring. So the request is \$9,235 and we
12 support that request.

13 CHAIRMAN TILLERY: Okay. Is there a motion?

14 MS. BROWN: I'll move that the Chenega Beach
15 Restoration Project be amended to add \$9,235.

16 CHAIRMAN TILLERY: Is there a second?

17 MR. BALSIGER: Second.

18 CHAIRMAN TILLERY: It's been moved and
19 seconded, is there discussion?

20 MR. WOLFE: Mr. Chair.

21 CHAIRMAN TILLERY: Mr. Wolfe.

22 MR. WOLFE: I do have a question. There's
23 100,000 left over, being returned to the fund and then there's
24 the exception for 23 million -- or \$23,000, so they're really
25 not returning 100,000 to the fund; is that correct?

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1 MS. McCAMMON: At this time they would be
2 giving the 75,000 back.

3 MR. WOLFE: Okay.

4 MS. McCAMMON: And then once the dispute over
5 the contract is resolved then the remainder of the funds would
6 be returned.

7 MR. WOLFE: And that's fine. That's what I
8 thought it was, but it almost sounded like it was 100,000 they
9 were returning and then 23,000 they were holding and I just
10 wanted to clarify that.

11 MS. D. WILLIAMS: And what is the status of the
12 dispute?

13 MS. BROWN: I actually don't know, could we
14 have Mr. Viteri answer that.

15 MR. VITERI: I'm sorry, could you.....

16 MS. BROWN: What is the status of the dispute?

17 MR. VITERI: Well, it concerns a subcontractor
18 with the Prince William Sound Economic Development Council with
19 Chenega Bay Corporation. They have requested payment for some
20 items that we don't believe fall with the scope of the work and
21 so there's a dispute on (indiscernible - away from microphone).

22 MS. D. WILLIAMS: And is it in an
23 administrative phase?

24 CHAIRMAN TILLERY: Could you -- actually, if
25 you're going to speak you need to get up here so we can get

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1 this on the record.

2 MS. BROWN: If you could address the status of
3 it in sense of when it will be resolved and....

4 MS. D. WILLIAMS: Timing.

5 MS. BROWN: When it will be resolved and who's
6 actually making the resolution?

7 MR. VITERI: Thank you. We are awaiting a
8 delineation of what the dispute area is from the subcontractor.
9 As soon as we get that our clock starts, there's a 60-day
10 clock, it goes into a State procedure on the appeals process.
11 That process will take approximately 90 days for us to
12 complete, at which point it will either go to the Department of
13 Administrations Commissioner for a resolution or be resolved
14 between the parties. So I anticipate this to be done within
15 three months at the latest. Hopefully.

16 CHAIRMAN TILLERY: Okay. Are there other
17 questions or discussion?

18 (No audible responses)

19 CHAIRMAN TILLERY: Ms. McCammon, as I
20 understand this, these tasks, were they in the original project
21 or are they new tasks?

22 MS. McCAMMON: These tasks were in the original
23 project, yes.

24 MS. BROWN: Original.

25 CHAIRMAN TILLERY: So all we're doing is taking

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1 money that they're not going to be able spend this fiscal year
2 and.....

3 MS. McCAMMON: That's right.

4 CHAIRMAN TILLERY: Okay.

5 MS. McCAMMON: It's a bookkeeping.

6 MR. RUE: That was my understanding. Glad you
7 asked that though.

8 MS. McCAMMON: These are not new tasks, yeah.

9 CHAIRMAN TILLERY: Okay. Are there any further
10 discussions?

11 (No audible responses)

12 CHAIRMAN TILLERY: Hearing none, all in favor
13 of the motion say aye.

14 IN UNISON: Aye.

15 CHAIRMAN TILLERY: Opposed?

16 (No opposing responses)

17 CHAIRMAN TILLERY: The motion passes. Thank
18 you. We are now at 11:42 and the schedule provides for
19 executive session with -- I suppose we might as well do that.
20 Is there any idea about how long that's going to take?

21 MS. McCAMMON: Mr. Chairman, I think it could
22 take longer than the hour. I would hope not, but it may. If
23 we have a break now for five or 10 minutes and then get
24 started, it could go to about 1:00 or 1:15.

25 CHAIRMAN TILLERY: Okay. And this work session

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1 on the Restoration Reserve has a 1:00 p.m. time limit, is there
2 a reason it has the.....

3 MS. McCAMMON: No, just to keep things moving.

4 CHAIRMAN TILLERY: Okay. I don't see any
5 likelihood at all we'll be through by 1:00, I would think
6 1:30.....

7 MS. McCAMMON: More likely 1:30.

8 CHAIRMAN TILLERY:would be almost the
9 earliest, so I guess my suggestion would be for people in the
10 audience or who are listening in to come back at 1:30 and I'll
11 apologize in advance that we may not be ready by then. So is
12 there a motion on the executive session?

13 Ms. Williams.

14 MS. D. WILLIAMS: Mr. Chairman, I move that the
15 Trustee Council go into executive session to discuss the Public
16 Advisory Group applications, habitat negotiations strategy,
17 status of the archaeology repository RFP and the reopener
18 clause.

19 MS. BROWN: Second.

20 CHAIRMAN TILLERY: It's been moved and
21 seconded, all in favor.

22 IN UNISON: Aye.

23 CHAIRMAN TILLERY: Opposed?

24 (No opposing responses)

25 CHAIRMAN TILLERY: Okay. We are in executive

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1 session and Ms. McCammon, what's the mechanics?

2 (Off record - 11:44 a.m.)

3 (On record - 1:51 p.m.)

4 CHAIRMAN TILLERY: This is the Exxon Valdez Oil
5 Spill Trustee Council, we have come back out of executive
6 session. During the executive session we discussed the Public
7 Advisory Group applications, habitat negotiation strategies,
8 status of the archaeology repository RFP. Is there -- and I
9 think we're waiting right now for Jim Balsiger from NMFS to get
10 back. And the next item we would take up on the agenda is
11 Public Advisory Group nominations.

12 MR. RUE: Mr. Chairman, should we wait till
13 Mr. Balsiger is back?

14 CHAIRMAN TILLERY: We have to.

15 MR. RUE: Before we move ahead with the.....

16 CHAIRMAN TILLERY: That's correct.

17 (Pause)

18 CHAIRMAN TILLERY: Okay. How would the Council
19 like to handle the PAG nominations?

20 MR. RUE: Mr. Chair, if you would, I would
21 propose making a nomination of a slate of candidates and then
22 have us act on the entire group rather than one at a time. So
23 if that's all right with the other Council members I will
24 propose a motion here which includes all of the Public Advisory
25 Group members and then we can deal with it as one. Is that all

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1 right?

2 CHAIRMAN TILLERY: I see heads nodding, that
3 seems acceptable to the Council.

4 MR. RUE: Then I move that we appoint the
5 following individuals to the Public Advisory Group, and I will
6 read their name and then the affiliation or the interest
7 they're representing. I'll just go down through the list.

8 I guess as a preamble I'd say we had a lot of good
9 nominations, it was -- it's not an easy thing to chose who
10 should serve, but I think we've had a very good active PAG and
11 I look forward to continuing that group and hearing from them
12 and getting good advice from them.

13 But anyway the first person is Rupe Andrews,
14 representing hunting and fishing interests. Torie Baker,
15 resident commercial fishing. Christopher Beck, public at
16 large. Pamela Brodie, environmental. Dan Hull, public at
17 large. Ed Zeine, local government. Chip Dennerlein,
18 conservation. Eleanore Huffines, commercial tourism. James
19 King, public at large. Mary McBurney, aquaculture. Dave Cobb,
20 public at large. Charles Meacham, science academic. Brenda
21 Schwantes, public at large. Stacey Studebaker, recreation
22 users, Charles Totemoff, Native land owners, Howard Valley,
23 forest products. And Sheri Buretta, subsistence.

24 MS. D. WILLIAMS: I second that.

25 CHAIRMAN TILLERY: Okay. The motion has been

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1 moved and seconded; is there discussion?

2 MR. RUE: I guess simply in supporting the
3 motion I think this represents a good mix of folks that
4 represent a broad array of interests as well as areas and a lot
5 of active participation in the process and I think that's what
6 we're looking for is that broad spectrum of people, but all of
7 whom are willing to get involved and participate. And I think
8 we've got a pretty good Public Advisory Group.

9 CHAIRMAN TILLERY: Okay. Is there other
10 discussion?

11 MS. D. WILLIAMS: Mr. Chairman, if I could.

12 CHAIRMAN TILLERY: Ms. Williams.

13 MS. D. WILLIAMS: We had to make some tough
14 choices with this slate and one criteria that we, I think,
15 implicitly used was that for past members of the PAG that there
16 had to be 50 percent or greater attendance. And so we chose
17 not to put forward one person's name because that person was
18 substantially below the 50 percent attendance criteria. Again,
19 it was more implicit than explicit but I think I certainly
20 believe to be an effective PAG member you need to be, at least,
21 at 50 percent of the meetings and hopefully much greater than
22 that, but we do know that circumstances sometimes intervene so
23 that you cannot be at 50 percent, more than 50 percent or
24 substantially more than 50 percent of the meetings.

25 There are also several good candidates that we could

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1 not or I could not put forward because of either Federal
2 employment or because of very, very close affiliation with
3 major beneficiaries of the Trustee Council process, and so
4 those were difficult decisions because those were very good
5 people who applied for certain positions but because of either
6 Federal employment or a very close affiliation with major
7 beneficiaries I felt that that was inappropriate.

8 CHAIRMAN TILLERY: Okay. Actually looking at
9 the slate that Commissioner Rue has proposed, I think it's
10 significant that you -- there are people there who are
11 diametrically opposed on some of the major issues facing this
12 Council. I think it is significant that this slate doesn't
13 seem -- does not reflect any attempt to push people out who
14 have a espouse one viewpoint or the other.

15 Any further discussion?

16 (No audible responses)

17 CHAIRMAN TILLERY: All in favor of the PAG as
18 proposed by Commissioner Rue signify by saying aye.

19 IN UNISON: Aye.

20 CHAIRMAN TILLERY: Opposed?

21 (No opposing responses)

22 CHAIRMAN TILLERY: Then the nominations are
23 approved.

24 The next order of business.....

25 MR. RUE: Can I quickly mention one thing? I

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1 would assume that you would write a letter of thanks to those
2 who may be no longer on the PAG.

3 MS. McCAMMON: We'll do a letter of thanks and
4 a certificate, actually.

5 MR. RUE: Great, thank you.

6 CHAIRMAN TILLERY: The next item of business is
7 a tentative action time on Koniag subsurface rights on Afognak
8 Island. We may have to delay that, I believe Mr. Swiderski was
9 going to present that; is that correct? And he's not here.

10 MS. McCAMMON: He's amending the resolution
11 right now.

12 CHAIRMAN TILLERY: Okay. I don't suppose
13 somebody else wants to go ahead and go forward with that, do
14 they? No? We need to wait for Alex?

15 MR. ROTH: Why don't we wait for Alex.

16 MS. McCAMMON: Uh-huh.

17 CHAIRMAN TILLERY: Okay. Ms. McCammon, is
18 there another item besides the work session?

19 MS. McCAMMON: Start of the work session.

20 CHAIRMAN TILLERY: Well, if there's no
21 objection, then, I think we need to start the work session.
22 How is that going to be presented?

23 MS. McCAMMON: Mr. Chairman, we have a number
24 of presentation that various staff and myself would like to
25 make just to provide you with some basic background

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1 information. This is the first meeting that the full Trustee
2 Council actually has had on the Restoration Reserve, so it's
3 really the Council's first opportunity to discuss it as a
4 group. The Public Advisory Group actually has discussed, I
5 think, at, at least, three separate meetings and held a public
6 hearing. So they, in a way, have had the benefit of a lot more
7 discussion than the Council has.

8 With that in mind, we'd like to do some of the kinds of
9 briefings that we've done in the past for the Public Advisory
10 Group and get you to a certain point in terms of opportunities
11 and basic background information.

12 To start that, what I'd like to provide first is have
13 Veronica Christman, who should be on line in Anchorage, give
14 you an update on the public comment that we've received on this
15 issue to date. Even though we did have a deadline in July of
16 receiving public comment in order to compile it for your use,
17 we have been getting comment as we go along and we keep
18 updating our summary as we do.

19 So, Veronica, are you on line in Anchorage?

20 MS. CHRISTMAN: I am, Molly.

21 MS. McCAMMON: Okay. Could you give the
22 Trustees the benefit of the summary that you've prepared, which
23 is in your packet also.

24 MS. CHRISTMAN: This is the second update of
25 the summary of public comments and we had discussed this, we

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1 had presented this to you at your August meeting and since that
2 meeting 94 people have submitted comments on the reserve and
3 about half the new comments were letters from residents of Port
4 Graham, who advocated use of, at least, 75 percent of the
5 reserve for community-based projects. And most of the
6 remaining comments expressed support for endowed research
7 centers and chairs at the University of Alaska.

8 What I'd like to do is just focus on the summary of all
9 the comments received to date. As of September 18th, the
10 cutoff date for this report, the Restoration Office has
11 received 1,361 responses to the newsletter and community
12 meetings. And all of the figures I cite in this report are
13 based on those results. However, since that date, which was
14 last Friday, we have received three letters and e-mails
15 supporting endowed chairs, but also a petition from the Union
16 of Students for the University of Alaska, containing 139
17 signatures also supporting endowed chairs. And, of course,
18 you'll be receiving copies of those presently.

19 More than half the responses overall originated from
20 addresses with Alaska. And many of the comments that we
21 received were the result of outreach efforts. And I'd like to
22 just comment on three of the major outreach efforts. About
23 two-thirds of the responses appeared to have resulted from
24 efforts by the Sierra Club, Alaska Center for the Environment
25 and the Alaska Rain Forest Campaign. And these responses all

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1 urge the use of at least 75 percent of the reserve for habitat
2 protection.

3 Since early July an outreach effort by Grant Baker, who
4 addressed you this morning, has generated -- actually including
5 -- the report states this has generated 130 expressions of
6 support for use of the Restoration Reserve to endow research
7 centers and chairs at the University of Alaska. And, of
8 course, that number more than doubled by the expression of
9 support we've received since the date of this report.

10 And in April the Chugach Regional Resources Commission
11 developed a position paper on the Restoration Reserve and sent
12 the position to Village Councils in the Chugach region. And
13 this morning Patty Brown-Schwalenberg described this paper to
14 you and the position they had developed. And, subsequently, 46
15 residents of Nanwalek and 48 residents of Port Graham endorsed
16 comprehensive position statements. And also several other
17 Village Councils submitted letters that shared a number of
18 positions in the Chugach Regional Resources Commission's
19 position paper.

20 The responses supported a set aside for tribes,
21 establishment of a new board to govern the Restoration Reserve
22 and elimination of the Public Advisory Group. But each of
23 these groups offer slightly different recommendations on the
24 use of the reserve as well as the term.

25 I'd like to just describe, briefly, the preferences

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1 that were expressed in these comments. And the first version
2 of this is my interpretation of the comments overall and it
3 seemed as though the comments from outside the spill area
4 either within Alaska or outside the state, coming from outside
5 the spill area, expressed strong preferences for the following
6 views. Use of the reserve for habitat protection. Governance
7 by the current Trustee Council and continuation of the Public
8 Advisory Group.

9 In contrast the comments from the spill area expressed
10 strong preference for the following view. It's rather
11 difficult to explain views, but a very small percentage
12 proportion of responses from within the spill area advocated
13 the use of the reserve primarily for habitat protection.
14 However, the uses they did advocate were various combinations
15 of uses, including research and monitoring, scholarships, et
16 cetera. Also, comments from the spill area advocated
17 governance by a new board and disbanding the Public Advisory
18 Group.

19 And also I wish to add that most of the comments --
20 almost all the comments we received did address use of the
21 reserve, approximately half addressed term, but very few of the
22 responses addressed the issues of governance or public advice.

23 I'd also like to mention that to the extent that
24 comments addressed term, they did it in the context of use. In
25 other words, they might recommend an endowment, permanent term,

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1 but in the context of an endowment for the University of
2 Alaska, but not just by itself.

3 In terms of use overall, most people favored a
4 combination of uses rather than a single use. Two-thirds of
5 all responses urged the use of all or most of the reserve for
6 habitat protection. But in contrast, less than one-fifth of
7 the responses from the spill area supported use of all or most
8 of the reserve for habitat protection.

9 Although there was no strong trend in the preferences
10 expressed by responses from the spill area, most advocated that
11 the reserve be used for various combinations of community-based
12 projects, stewardships, scholarships, public education and
13 research and monitoring, in addition to habitat protection.
14 Many of these comments did acknowledge the benefits from some
15 use of the funds for habitat protection.

16 With regard to governance, only 270 people addressed
17 this issue. Most responses that we received had no comment on
18 governance, rather they advocated use of the money for endowed
19 chairs, use of the money for habitat protection. However,
20 among the people who did comment on governance, the comments
21 were about equally divided between continued governance by the
22 Trustee Council or establishment of a new board. However,
23 nearly three-quarters of the people from the spill area who
24 addressed this issue advocated establishment of a new board to
25 govern the use of the reserve.

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1 Beyond that, there were many ideas presented as to how
2 the new board should be constituted. Many recommended the
3 addition of a Native Trustee, others show a representative from
4 the scientific community.

5 With regard to public advice, again, this did not
6 garner many comments, only 233 people addressed the issue.
7 However, over half of all responses to this issues favored
8 disbanding the Public Advisory Group and support for this view
9 was even stronger in the spill area with three-quarters of the
10 responses from the spill area recommending disbanding the PAG.
11 Many of the concerns had to do with the expense and also less
12 expensive alternatives to providing public outreach.

13 And finally, term. Nearly half of all responses
14 addressed the issue of the term of the reserve, and as I
15 indicated earlier, most people addressed this issue in the
16 context of use. And, overall, responses were evenly divided
17 between those favoring a permanent endowment and those
18 advocating management for maximum flexibility. And proponents,
19 when they used the expression "manage the fund for maximum
20 flexibility," the idea was that the Council would be able to
21 tap the principal, if needed, to take advantage of an
22 opportunity to complete an especially large land purchase.

23 And in contrast, nearly all of the responses from the
24 spill area and about three-quarters of the responses from
25 elsewhere in Alaska favored a permanent endowment. Sometimes

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1 the express -- the language that was used was manage it in
2 perpetuity, the way the Alaska Permanent Fund is managed.
3 Others would say use it as a permanent endowment for University
4 of Alaska chairs. So there were, you know, a variety of ways
5 this concept was expressed.

6 And the final part of the report does highlight a few
7 other ideas that certainly were not strong trends in terms of
8 numbers, but I didn't want them to become lost. One idea was
9 that the approach should be to establish separate funds and to
10 manage them differently. For example, funds for research,
11 separate funds for habitat protection. Another idea was a
12 community set aside. To set aside at least 20,000,000 for
13 tribes to use for community-based projects and to manage it
14 more along the lines of the way the Department of Community and
15 Regional Affairs manages its program, using State criminal
16 funds. This is a position advocated by the Chugach Regional
17 Resources Commission.

18 A third idea was to set aside a small parcel permanent
19 fund and that is to create an endowment with 20 million dollars
20 to generate 1,000,000 each year to purchase small parcels and
21 to have the fund be managed by a nonprofit foundation that
22 could leverage additional funds.

23 And, finally, and this is the only -- this letter was
24 received quite recently, and that is a letter from Tony
25 Knowles, the Governor of Alaska, advocating a research/small

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1 parcel endowment and also encouraging generating more revenue
2 for other projects. And his letter is included in the packet
3 that you received. And the idea is to continue the Trustee
4 Council Scientific Research and Monitoring Program beyond the
5 year 2001 at a level commensurate with the Council's program at
6 that time. And, as you know, it's shrinking down rapidly every
7 year. And to continue habitat protection by setting aside a
8 portion of the reserve to provide a permanent source of income
9 for the acquisition of key small parcels within the oil spill
10 area.

11 And finally, the Governor's letter indicates that there
12 are other important uses of the reserve, including projects to
13 assist the oil spill communities in their recovery, but he
14 recommends that we fund these types of projects with money
15 obtained through better investments and more reasonable
16 management fees.

17 That concludes my report. Thank you.

18 CHAIRMAN TILLERY: Okay, thank you. Thank you,
19 Veronica. Ms. McCammon.

20 MS. McCAMMON: Do any of the Council members
21 have questions about the public comment received thus far?

22 MR. RUE: I have a quick question. Did the
23 public, in commenting on research prio -- did they comment on
24 research priorities or just on general research? Did they
25 begin getting into subject areas they thought were needed?

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1 MS. CHRISTMAN: Some of the letters did address
2 that in quite a bit of detail, but none that I could describe
3 as a strong trend, which was the emphasis in this report, but
4 there are, nonetheless, some very interesting ideas. Some
5 ideas about long-term monitoring, doing more long-term
6 oceanographic work. Others on targeted applied research.
7 Others, also, recommended a research monitoring program that is
8 managed by community residents having more of a community
9 focus. And some emphasizing fisheries, in particular. So,
10 yes, there were quite a few of those ideas. And if you'd like
11 we could pull some of that together, if you'd like.

12 MS. D. WILLIAMS: Mr. Chairman.

13 CHAIRMAN TILLERY: Ms. Williams.

14 MS. D. WILLIAMS: Are you done?

15 CHAIRMAN TILLERY: Commissioner Rue, did you
16 have a -- do you want to respond to that?

17 MR. RUE: I guess I would say I'm not sure
18 we're ready yet for that detail, but others could tell me
19 differently. At this point, I think it's good that it's there,
20 and we may want to refer to it at some point, but.....

21 CHAIRMAN TILLERY: Ms. Williams.

22 MS. D. WILLIAMS: One thing that concerns me a
23 little, not a lot, is a notion that we had a published deadline
24 for public comments on this. And I think a lot of people took
25 that deadline very seriously and assumed if they got their

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1 comments in before the deadline, great, if they didn't, like
2 most published deadlines, their comments would not be
3 considered. Obviously, you know, there's a segment or two of
4 people who realized that our published deadline is not a real
5 deadline, that we're still taking comment on this and so
6 they're commenting enthusiastically right now.

7 I think we, as a Trustee Council, should do one of two
8 things. If we don't have a deadline, I mean if we're not
9 abiding by our deadline, we ought to just tell people, you
10 know, we're still taking comment on this in active
11 consideration so, you know, anyone who wants to comment should
12 feel free to comment. Or we should be, you know, more diligent
13 about keeping to our deadlines. I would propose the former,
14 you know, we're an open body and so forth. But it does concern
15 me that, and maybe I wrong, that we never sort of officially
16 said disregard that first deadline, we're still taking public
17 comment on this issue and so that all people who care to
18 comment on this wouldn't feel constrained by the initial
19 deadline.

20 CHAIRMAN TILLERY: Ms. McCammon.

21 MS. McCAMMON: Veronica, I don't know if Joe is
22 there, but correct me if I'm wrong, but it was my
23 understanding, and I may be wrong on this, but I thought when
24 we published the deadline, we said for purposes of combining it
25 we prefer to have it by this deadline, but you're free to

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1 comment at any time up until the Council takes action.

2 MS. CHRISTMAN: Right. And I think.....

3 MS. McCAMMON: So we encouraged people to keep
4 up, if they wanted to.

5 MS. CHRISTMAN: Right. And there were two
6 newsletter articles and I believe each time we said, comments
7 received, and I think the first one was April 30th would be the
8 most useful because we're going to be discussing it soon
9 thereafter, but we will accept comments each time. And also on
10 some of these outreach efforts we have received the newsletters
11 from various groups and each one also they encourage the
12 members to get the comments in by -- it normally was April 30,
13 but they said, even if you're late, keep submitting your
14 comments.

15 You know, on the other hand, in a few of the
16 newsletters we also said we anticipate making a decision on
17 such and such a date or fall of '98, so there was an indication
18 that there would closure at some point.

19 MS. D. WILLIAMS: See, in our newsletter we
20 have in bold at the end "Deadline for written comments on the
21 Restoration Reserve is April 30th, 1998". There's no footnote,
22 no ambiguity. And I really do think that most people would
23 believe what they read there, the deadline was the deadline.
24 And so it does concern me. So I'm thinking I would really like
25 to clarify in our next newsletters and other things that we

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1 send that -- disregard what this said, because there is no
2 ambiguity here, this says deadline. And so everyone who has a
3 view about this can give us the comments until we really have a
4 firm deadline, but it does concern me that there are just
5 pockets of people who are disregarding this while other people
6 think this deadline still is in effect.

7 CHAIRMAN TILLERY: Commissioner Rue.

8 MR. RUE: Perhaps as part of today's meeting
9 when we talk about schedule, if we do talk about schedule, we
10 could also talk about what expectation we have for public
11 comment from here on.

12 MS. D. WILLIAMS: Yes, that would be good.

13 MR. RUE: So we can clarify it.

14 MS. McCAMMON: Okay.

15 CHAIRMAN TILLERY: Are there other comments or
16 questions from Council members for Veronica?

17 (No audible responses)

18 CHAIRMAN TILLERY: Okay.

19 MS. McCAMMON: Mr. Chairman, what I'd like to
20 do next, I'm going to do a little bit in a different order
21 here, but one of the main things that we did hear in public
22 comment is that a number of members of the public would like to
23 see the Council continue on its habitat protection program.
24 And included in your packet are the current large parcel and
25 small parcel status reports so that you can see all of the

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1 accomplishments that the Council has done to date. The total,
2 if Eyak and Afognak Joint Venture acquisitions go forward, the
3 total in the Large Parcel Program will be approximately
4 350,000,000. The total in the Small Parcel Program right now
5 is about 14,000,000 and thus far we spent about 12,000,000 on
6 habitat support costs; appraisals, evaluations, things of that
7 nature. So that's a total of 376,000,000 committed to the
8 Habitat Protection Program thus far.

9 One of the things that the Public Advisory Group was
10 very interested in, and a number of members of the public is,
11 if this is what the Council has done so far, and basically what
12 we've been doing is implementing a program that was laid out in
13 1994 when the Restoration Plan was adopted. What additional
14 habitat protection opportunities are there in the spill area?
15 And what I'd like to do is to take the spill area map and go
16 through some of those opportunities now and then also in detail
17 show you one that's probably the most immediately possible
18 additional opportunity.

19 CHAIRMAN TILLERY: Okay.

20 MS. McCAMMON: I have talked to a couple of the
21 agencies about the possibility of having agency folks come in
22 and do this, but they thought it would be better if I just went
23 through and gave you a description of what those opportunities
24 are. And basically what this is, is just identifying what
25 additional private lands exist within the spill area. In most

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1 cases the land owners have not expressed either a willingness
2 to sell or even an interest to sell. But that doesn't mean
3 that they wouldn't in either the near future or some distant
4 future.

5 So starting on the very southern end of the spill area
6 boundary you can see that kind of the pink salmon-colored areas
7 are basically private lands. And these are all within pretty
8 much the Alaska Peninsula and National Wildlife Refuge down at
9 this end. These include lands that are currently owned by
10 Chignik Village and Far West, Incorporated, over 120,000 acres.
11 The Chignik Lagoon Native Corporation, 95,000 acres, Chignik
12 River, Limited, the Village of Chignik Lake has almost 100,000
13 acres. The village of Perryville has 92,000 acres and Ivanof
14 Bay has almost 70,000 acres. So there's substantial private
15 land ownership down in the southern portion of the spill area,
16 all within some existing national wildlife refuge.

17 And I don't know if any of you folks have been out to
18 the Chigniks, but it is spectacular country, it is incredibly
19 productive salmon streams, brown bears, seabirds, it's just an
20 incredibly rich area. But none of these land owners, they were
21 approached early on in the process, they did not express any
22 interest at that time, none of these lands have been evaluated
23 as part of our program, none of these land owners have
24 approached us at any time in the last four years. So this is
25 something that, you know, might just be out there down the

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1 road.

2 Fish and Wildlife Service, and I'm not sure where this
3 is, and, Deborah, you may know, but Fish and Wildlife Service
4 is also interested in a University of Alaska small parcel at
5 Wide Bay and it's about 700 acres. And I know it's somewhere
6 in this area, I'm not sure exactly where. So those are kind of
7 the lands that they've identified in the southern end.

8 Moving further up the coast, the other area that some
9 folks have expressed interest in is in the Lake Clark area.
10 And we do have a more detailed map, and I'll go over that after
11 I go through this portion of it, I'll come back to that area.
12 And that's one that there's been some very real interest
13 expressed by the land owner, Seldovia Native Association. So
14 that's kind of this coastline, the Alaska Peninsula, future
15 opportunities there.

16 Then moving over to Kodiak and Afognak Islands. I mean
17 certainly the Council has made major commitments on Kodiak and
18 Afognak Islands in terms of habitat protection. But there are
19 additional opportunities there that the Council could pursue.
20 For example, on Kodiak Island we are currently negotiating with
21 Koniag for permanent protection of the Karluk and Sturgeon
22 Rivers. This is over 50,000 acres of prime lands, over in this
23 part of the island, that are currently protected only by a
24 seven-year conservation easement that expires in December,
25 2001.

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1 So we're approaching only about three years -- I guess
2 three years left on that easement. At this point we're still
3 actively negotiating but the major issue there is value, we're
4 very far apart in terms of value at this point. But we're
5 still continuing and hoping that at some point we can resolve
6 this.

7 As part of that seven-year easement the Council
8 committed, by resolution, to setting aside 16 and a half
9 million dollars until December 2001 to potentially go towards
10 this acquisition if we were to reach an agreement. Now, thus
11 far we know that it would take far more than the 16 and a half
12 to actually get protection of all 56,000 acres. But that was
13 the agreement in the resolution at that time.

14 The Karluk and Sturgeon Rivers are some of the highest
15 ranked parcels in the entire spill area, superb fisheries
16 values, brown bears, birds, I mean they are fabulous areas.

17 One that hasn't been evaluated but that there's been
18 some interest expressed in, particularly by the State, is the
19 Karluk Reservation which is owned by the Karluk Village
20 Council. And this is that portion of the Karluk River which
21 basically includes the weir site and below the weir site. And
22 this is actually the area of the Karluk River that's most used
23 by Alaska sports fishermen. You fly into the Village of Karluk
24 and you can rent boats and you can fish the lower part of the
25 Karluk. And it's fairly inexpensive to fish that area, you

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1 don't need a guide, but the access to that portion of the river
2 is very limited because most of it is privately owned, although
3 there are some easements for camping and public access. That
4 is about 35,000 acres.

5 And the State is very interested in having permanent
6 protection of the weir site. The weir itself is in the river
7 bed so the weir is in State ownership because the river bed is,
8 but it's the cabin right next to it and access to it. And so
9 the State -- that weir is used to manage multi-million dollar
10 fisheries and so the State is very interested in permanent
11 protection there.

12 So those are kind of the major areas of large parcels
13 on Kodiak Island. Certainly small parcels, there are numerous
14 opportunities there, the Council has an offer out now to Lesnoi
15 Corporation for 1.8 million and change for Termination Point.
16 That offer has been rejected. They, I think, have said they
17 believe it's worth 10,000,000. So pretty far apart in value
18 there, but we're hoping maybe over time, they'll -- we might be
19 able to get something there.

20 In addition, Lesnoi has offered to sell Long Island,
21 which is a very nice piece of land that's used a lot by
22 recreational boaters in Kodiak and that State Parks is very
23 interested in. And then also, working with the Kodiak Island
24 Borough, they've come up with a package of lands near Cape
25 Chiniak, which is down in this area. Lesnoi owns most of this

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1 land down here, but the borough has put together a package that
2 would basically protect the entire coastline and beach area,
3 which is highly used by the residents of Kodiak. That hasn't
4 been evaluated, but that's a proposal that they've put forth.

5 In addition, just within the refuge today you took
6 action on two small parcels that are inholdings within the
7 refuge system in Kodiak. I think -- I asked Glen Elison how
8 much the Council has done so far in terms of small parcel
9 inholdings in the Kodiak Refuge between the civil settlement
10 funds, the commitment to the Kodiak tax parcels and then also
11 the commitment from the Federal Trustees with the Federal
12 criminal funds, and he thought that that was about 60 to 70
13 percent, those two funding sources combined. Once everything's
14 done it would be about 60 to 70 percent of the inholdings
15 within the Kodiak Refuge System. So certainly a major
16 commitment to this effort to basically keep intact very key
17 areas on Kodiak Island.

18 Afognak Island, I think there were a couple of people
19 who testified today in public comment about some of the
20 opportunities on Afognak Island. They were right that because
21 the Council was limited to approximately 70,000,000, not all --
22 we weren't able to do everything on Afognak Island, however,
23 the land owner also wasn't willing to sell it all, so I think
24 we got the best mix that we could for the price and for what
25 the land owner was willing to sell.

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1 They may be interested in selling other portions, but
2 probably at a substantially higher price than the Council would
3 be willing to pay. And that does include areas over here on
4 the Paramanof Peninsula. There's interest over in -- I think
5 this is Malina Bay in this area in here. They haven't been
6 willing to put that on the table or been willing to sell that
7 at any point.

8 Afognak Lake, which is -- I don't know where, I think
9 it's that piece right in -- approximately in there. The
10 corporation has expressed -- Afognak Native Corporation has
11 expressed interest in selling a timber only conservation
12 easement on those lands without public access or with public
13 access controlled only by the corporation, but it hasn't been a
14 formal offer, but it's something that there's been some
15 interest expressed out there.

16 So there are still potential opportunities on Afognak
17 Island. These are all -- Afognak, of course, is all heavily
18 timbered lands. And then, I suppose, if the timber market
19 still continues on a downward trend there is always the
20 potential that Afognak Joint Venture would come back and be
21 willing to sell the rest of Pauls and Laura Lake at some point
22 in the future, which they haven't done thus far. You never
23 know what the future holds though, especially with the timber
24 market.

25 Moving on up into the Kenai Peninsula, the potential

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1 large parcel on the Kenai Peninsula, a major one, obvious one,
2 is the Port Graham inholdings within Kenai Fjords National
3 Park. And these were subject to negotiations several years
4 ago, the corporation has halted those negotiations and said
5 they are no longer interested in selling, especially because
6 they had just actually acquired acquisition of those land
7 themselves. Who knows, that could change in the future and
8 they may be more interested in the future.

9 In addition, Cook Inlet Regional, Incorporated, CIRI,
10 has large blocks of land especially on the Kenai River area.
11 There is some potential dispute over lands on the Russian River
12 by CIRI for -- is it a 14H1?

13 MS. D. WILLIAMS: Uh-huh.

14 MS. McCAMMON: Site there. So there are some
15 possibilities there. CIRI has never expressed any interest in
16 selling any lands, but, again, these are opportunities that may
17 happen in the future. If you're looking at doing major
18 protection along the Kenai River, certainly CIRI is a key land
19 owner there because they have large blocks, so far, of
20 undeveloped land. So if you were trying to maximize protection
21 on the river that would be an obvious one you'd want to look
22 at.

23 In addition, Salamatof Corporation still has several
24 large blocks of land on the Kenai River. And there's an area,
25 and I'm not sure exactly where it is, someone here may, called

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1 Elephant and Eagle Lakes and it's about 10,000 acres and within
2 the Kenai Refuge and there's interest by the Refuge system in
3 that.

4 Small parcels, I think, the -- there are probably
5 unlimited opportunities for small parcels on the Kenai
6 Peninsula, just because so much of it is accessible by the road
7 system. And just over time has -- you know, demographics
8 change and community needs change and, you know, a lot of the
9 old homesteaders get even older and want to do something with
10 their estates, it -- I think it's -- just from what we've seen
11 over time there will probably be an unlimited stream of
12 opportunities there in the future.

13 And, of course, today the Council took action for the
14 first time on subsurface values on Afognak Island and certainly
15 there's the potential in the future, although no interest right
16 now, in acquiring subsurface estate under the English Bay lands
17 within Kenai Fjords National Park.

18 So moving on into Prince William Sound, for large
19 parcels probably the only potential opportunity for protection
20 is with Chugach Alaska lands. They've made it very clear to us
21 so far they're not interested at all, but again, you never know
22 what the future can hold. Their lands would be this here on
23 Knight Island, Montague, they got some lands, I can't remember
24 which are Chenega lands and which ones are Chugach over here.
25 And they've got some holdings over on this portion of the

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1 Sound. Probably, I don't know, Knight Island would be about
2 the one the Forest Service would be most interested in.

3 MR. WOLFE: Probably.

4 MS. McCAMMON: Some of the others doesn't.....

5 MR. WOLFE: Montague maybe.

6 MS. McCAMMON: Montague, it's been heavily cut,
7 but looking at the long-term.....

8 MR. WOLFE: Yeah.

9 MS. McCAMMON:Forest Service might be
10 interested in Montague.

11 And, again, they also own all of the subsurface of
12 Chenega, Eyak, Tatitlek acquisitions that -- surface
13 acquisitions that we've been doing. Forest Service is entering
14 into negotiations with Chugach Alaska for possible exchanges,
15 they are interested in exchange, some kind of trade, but that's
16 a very lengthy process, they don't want cash, they don't want
17 to go through the 7(i) provision in sharing. So it's hard to
18 say what will happen with that. But Forest Service is pursuing
19 that.

20 In addition for small parcels, with Tatitlek, if you
21 remember the shareholder program, homesite program, has
22 numerous inholdings, especially in the Two Moon Bay area of the
23 Tatitlek acquisitions. And because of some savings and
24 interests the Council is committed to approximately.....

25 MR. WOLFE: Two hundred.

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1 MS. McCAMMON:\$200,000 or so to acquiring
2 some selected shareholder inholdings there. But there would be
3 about -- 60 is the estimate that I've heard, that would not be
4 covered under this program. That may become available in the
5 future. And certainly the Forest Service isn't acquiring one
6 here and one there, it would be only if they were in a block
7 and really then provided protection for a substantial section
8 of the bay and of the land there. Those are now selling for
9 about \$15,000 each.

10 I guess Eyak Corporation has also expressed some
11 interest in some small land exchanges, just to clean up some of
12 their land holdings and some of their acquisitions, so there
13 maybe some things that the Forest Service is looking at there,
14 but nothing really major and it didn't sound like anything that
15 would really require funds.

16 Outside of the spill area, of course, you probably --
17 you've all heard a lot from various folks about expanding the
18 spill area boundaries and going off over into this area into
19 the Bering River and that's where Chugach Alaska has major land
20 holdings over there and are in the process of building a road,
21 I think three miles of road has already been built. And with
22 the idea of accessing that for major timber development in that
23 area, once the market improves. There were a number of
24 comments from organizations and from individuals asking that
25 the spill area be -- boundary be moved to include that area and

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1 for the Council to acquire and protect these lands. The owner
2 had adamantly said they're not willing to engage in any kind of
3 negotiations on these.

4 So these are kind of the opportunities and mostly, I
5 mean the opportunities are lands that are private lands,
6 currently in the spill area. The land owners are not, for the
7 most part, interested in selling, but again, if you were
8 looking over the long-term, you know, say in the next 20, 50
9 years or so, these are opportunities that may come forward.

10 The one opportunity that's probably the one that we've
11 heard the most about is in the Lake Clark area and I think
12 Chuck Gilbert was going to be on line in Anchorage. And,
13 Deborah, you probably know more about this one than I do. This
14 is actually -- let's see, is this the one I was thinking of?

15 Let's look at this one here.

16 This land here has actually been -- these lands have
17 actually been informally evaluated by the habitat review team,
18 even though we don't have a formal proposal. And as you can
19 see this is Tuxedni Bay here, Cook Inlet here and you can see
20 it's just a checkerboard of land holdings here. The N is for
21 Ninilchik Corporation, K is Knik, S is Seldovia Native
22 Association. And so there's a lot of alternating,
23 checkerboarded kind of ownership. This is the Crescent River
24 right here.

25 All of this entire area with all of the land owners

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1 combined, this whole package was first evaluated by the team
2 and received a moderate score. It scored high for pink and
3 sockeye salmon, Dolly Varden, intertidal, subtidal, wilderness,
4 bald eagles. Scored moderate for river otters, pigeon
5 guillemots, harlequin ducks, recreation/tourism, archaeological
6 resources. So it came out as a high moderate. That's if all
7 three owners came to the table and put a package forward.

8 If just Seldovia Native Association and Ninilchik came
9 forward and the Ks were left out, and there would be, you know,
10 a chunk like this left out here, here, so it'd be kind of
11 speckled, it was evaluated and with those removed it would rank
12 low. So obviously the high restoration values occur when the
13 whole package comes together. And having three different land
14 owners trying to put something together is somewhat
15 problematic.

16 And, Deborah, you may know more than I, but the last I
17 heard that the land owners were meeting and were going to put
18 together a proposal, formal proposal, to the Council. I
19 expected it this summer and did not receive it. I have heard
20 somewhat that they're only interested in selling timber rights
21 only and no kinds of development rights or fee acquisition or
22 anything like that and you may know something.

23 MS. D. WILLIAMS: Certainly. Mr. Chairman, if
24 I may elaborate. Hopefully most Trustee Council members are
25 knowledgeable of this extraordinary area, Crescent River,

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1 Tuxedni Bay, as Molly said, very valuable resource from many of
2 our restoration objectives. This land that you're looking at
3 has been conveyed, pursuant to Appendix A of an agreement with
4 the regions and CIRI.

5 Right now, as we speak, they are preparing to log this
6 area, clear-cut this area. If you fly over it now you will see
7 that the log transfer is being built, the pier is being built
8 and other things. And the proposal is, as soon as it freezes
9 up they're going to go in and start clear-cutting the whole
10 area. They have an agreement -- and that's on -- Seldovia and
11 Ninilchik have an agreement with Circle D and Circle D has some
12 fixed price contract for pulp, so that the decline in the
13 market right now does not affect their fixed priced contract
14 with, I believe, the Far East.

15 So they are not interested in selling this land. They
16 are moderately, but not very interested in any kind of
17 significant conservation easements. What they're really
18 interested in doing, Seldovia, to a large extent, Ninilchik, to
19 a lesser extent, is having someone cash out their contract
20 because they are not enthusiastic about clear-cutting this
21 whole area.

22 Now, of course, what you would have if you clear-cut
23 this whole area is not only clear-cut this whole area with its
24 impact on Crescent River and Tuxedni Bay, but you'd have a road
25 go up the Crescent River with all of the, you know, anticipated

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1 impacts associated with a road and the dislocation of
2 development in that area which is now, you know, completely
3 undeveloped. We have told them that the Trustee Council is not
4 in the business of buying just timber rights.

5 Now we must -- well, let me -- I'll say this and then
6 we need to jump to the next map. The Nature Conservancy is, as
7 we speak, looking at the possibility of facilitating the
8 acquisition of timber rights or conservation easements and
9 timber rights on this area. And to go into the possibility of
10 a package with the Exxon Valdez Trustee Council to leverage
11 each other's monetary capabilities. Our part of the package
12 would not be the Crescent River, Tuxedni, although because it
13 would be a package and we're always looking to leverage, we
14 would certainly take partial credit for that because it's a
15 combined effort.

16 Our package would be, and do we have the next map,
17 Chinitna Bay?

18 (Off record comments - setting up map)

19 MS. D. WILLIAMS: There we go, yeah. Okay,
20 basically, and I assume that many Trustee Council members have
21 had the opportunity to fly the Lake Clark coast. Basically
22 what you have with respect to the Lake Clark coast is land to
23 the north, up here, which has been conveyed and still within
24 the boundaries of the park, and land down here which has been
25 conveyed still within the boundaries of the park. This is a

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1 CIRI gold mine, Johnson, correct? Just a legal footnote, of
2 course, this whole coastline here is in litigation right now.
3 CIRI and the villages are claiming ownership of really the
4 whole coastline. If they win, that's a CIRI Appendix C,
5 dispute, we are vigorously litigating that. If CIRI wins that
6 and the villages win that they will own 95 percent of the
7 coastline of Lake Clark National Park, okay? And we're not
8 talking about that right now, although when we talk about
9 future land acquisition possibilities, if, contrary to the
10 predictions of our lawyers, CIRI does and the villages do
11 prevail in that, there could be, of course, important -- very
12 critically, important land acquisitions that should take place
13 here. But right now we're not discussing those because we
14 think we're going to win the litigation.

15 This then takes us down to what has been conveyed,
16 unambiguously, and that's Chinitna Bay. Now many of you may
17 have had the opportunity to fly over Chinitna Bay. The
18 Chinitna Bay is a very rich place for several injured
19 resources, but to call a spade a spade, of course, the most
20 incredible resource in Chinitna Bay is brown bear. An
21 extraordinary population of brown bear, but there are other
22 injured resources. This has been looked at and ranked out as
23 low. Nonetheless, we do have some injured resources here. And
24 so Seldovia owns a big chunk of Chinitna Bay within the park
25 boundaries there, they are very interested in selling that.

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1 They want the package deal with Tuxedni, Crescent River. And
2 so what we hope to bring to the Trustee Council is a packet
3 where the Trustee Council would buy in fee the Seldovia Native
4 Corporation land here and we would announce it if we do that,
5 then the Nature Conservancy will be purchasing timber rights
6 and some conservation easements on Crescent River,
7 predominantly for the purpose of stopping this imminent
8 clear-cutting of Crescent River and road building afterwards.

9 MS. McCAMMON: Now, it's my understanding also
10 that the Crescent River timber has bark beetle.

11 MS. D. WILLIAMS: Yes.

12 MS. McCAMMON: And I don't know how extensive
13 that is, but I'm sure that's going to affect future values.

14 MS. D. WILLIAMS: Right. No, they have this
15 window, they figure this year and next year to clear-cut and
16 that's what they intend to do.

17 MS. McCAMMON: So that is mainly to give you an
18 idea of what potential habitat protection opportunities there
19 are as you go about discussing the Restoration Reserve.

20 MS. D. WILLIAMS: Molly -- Chuck, are you
21 there?

22 (No audible response)

23 CHAIRMAN TILLERY: Is Anchorage there?

24 MR. GILBERT: Yes, I'm here, Deborah.

25 MS. McCAMMON: There he is, took him a while.

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1 MS. D. WILLIAMS: Mr. Chairman, if I could?

2 CHAIRMAN TILLERY: Please.

3 MS. D. WILLIAMS: Chuck, is there anything you
4 would like to add?

5 MR. GILBERT: No, I think you've covered it
6 pretty well. There's about, altogether in the Crescent River
7 area, there's about 29,000 acres of all the combined villages,
8 (phone cut out) Seldovia and Ninilchik. And the Chinitna Bay
9 area it's about 1,400 acres.

10 CHAIRMAN TILLERY: Okay. Are there questions
11 or comments from Council members about this aspect of the
12 discussion?

13 (No audible responses)

14 CHAIRMAN TILLERY: Okay.

15 MS. McCAMMON: Mr. Chairman, the other thing, I
16 do have Hugh Short here, who is our Community Involvement
17 Coordinator, and you did hear earlier from Patty
18 Brown-Schwalenberg about the communities' proposal of this idea
19 of a 20 million dollar set aside. And I asked Hugh to be here
20 in case you had specific questions about what the -- how the
21 communities views the Restoration Reserve and what kinds of
22 idea and opportunities they see there. And if you want him to
23 expand on Patty's comments.

24 So, Hugh.

25 CHAIRMAN TILLERY: You need to sit up here by

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1 the microphone.

2 MR. SHORT: I think Veronica did a great job on
3 summarizing the public input that I've heard from the
4 communities in the spill area. That -- the sentiment that --
5 the public input that she shared with you is pretty much the
6 same thing that I hear when I travel around. There's a lot of
7 interest in a set aside for the villages, smaller communities,
8 within the spill area.

9 I put together a list of community-based projects
10 because when people say community-based, I don't think they
11 really understand what the meaning is of community-based
12 projects. So I put together a list of past projects funded
13 through the civil monies and the criminal monies.

14 MS. D. WILLIAMS: Do we have that in our book?

15 MR. SHORT: I'm sorry, due to computer -- we're
16 changing the computers in the office and didn't have time, but
17 I'll get that to you as soon as I get back to Anchorage. I'll
18 share this.....

19 MS. McCAMMON: We do have listing here of --
20 thought we had a list of all restoration projects someplace.

21 MR. WOLFE: Somewhere in here.

22 MS. McCAMMON: Yeah, which includes most of
23 those.

24 MR. SHORT: Basically there's four areas of
25 funding when you talk about community-based projects within the

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1 spill area. There's the enhancement and replacement of injured
2 resources. There's the education and subsistence
3 revitalization, which is mostly covered by the criminal
4 settlement monies, five million dollars in the DCRA accounts.
5 The bricks and mortar construction, which again is mostly
6 covered through the DCRA five million dollars. That has a --
7 those projects, which I'll go into detail later, have a strong
8 tie to the education and subsistence revitalization. Those two
9 are closely tied together. And the final area of projects that
10 are funded through both of these restoration settlements is
11 public outreach and cooperative scientific efforts.

12 The first area of projects is the enhancement and
13 replacement of injured resources. From the criminal settlement
14 of five million dollars the majority of the projects were
15 funded in this area. The Tatitlek Mariculture Operations and
16 Capital Outlay Projects, which is two projects, were both
17 funded out of that. These projects are an effort to replace
18 oysters which are a lost subsistence resource to the village of
19 Tatitlek. The main thrust of it is to make available oysters
20 to local residents. Both these projects have, so far, been
21 very successful and they're run by the Tatitlek Tribal Council.

22 Additionally the Nanwalek Sockeye Enhancement Project,
23 the purpose of this project is to increase sockeye salmon runs
24 to the English Bay River as it was a damaged subsistence
25 resource. So that was also funded by the DCRA money.

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1 Chenega Bay Mariculture Project, that is very similar
2 to the Tatitlek Mariculture Project. They're also growing spat
3 there for oysters.

4 Another project through the criminal monies is the Port
5 Graham Coho Restoration Project. The purpose of this project
6 is to increase the coho salmon to the Port Graham River for
7 availability of coho salmon to local Port Graham subsistence
8 users.

9 Down in the Alaska Peninsula the Kametolook River
10 Enhancement Project was initially funded through the criminal
11 monies, it's an effort to put incubator boxes for use in the
12 Kametolook River to rebuild the coho salmon run. The first
13 capital outlay was funded through the criminal monies and it
14 since has been taken over and is a Trustee Council funded
15 project. It's currently in its second to the last year, I
16 think, FY00 is its last year of funding for the Trustee
17 Council.

18 From the civil settlement monies there's been a number
19 of enhancement and replacement projects as well. The Tatitlek
20 Coho Salmon Release Project, which is Project 127 is an ongoing
21 project that will create a coho salmon return to the Boulder
22 Bay area near the village of Tatitlek. It's currently in its
23 final year of Trustee Council funding and it's created a needed
24 resource for the subsistence users near Tatitlek.

25 Another project which is ongoing is the Clam

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1 Restoration Project with the Chugach Regional Resources
2 Commission in the Qutekcak Shellfish Hatchery in Seward. This
3 project restores little neck clams to beaches in Port Graham,
4 Eyak, Tatitlek and Nanwalek. The Qutekcak Shellfish Hatchery
5 will provide 800,000 little neck clams and cockles annually to
6 these beaches. This project is in its last year of Trustee
7 Council funding as well.

8 In the past the Eastern Prince William Sound Wild Stock
9 Salmon Habitat Restoration Project, I think the last year was
10 FY98, this year, 220 [sic] was the closeout year. This project
11 concentrated on replacing loss of subsistence resources by
12 increasing wild salmon production in Eastern Prince William
13 Sound.

14 An ongoing project in Port Graham is the Pink Salmon
15 Subsistence Project, 99225, this project helps the local pink
16 salmon -- helps supply local pink salmon for subsistence users
17 in Port Graham and it's currently projected to be funded
18 through fiscal year 00.

19 MS. McCAMMON: Hugh, let me just interrupt real
20 quickly. We can put this -- all this in a document for all of
21 the Trustees.

22 MR. SHORT: Okay.

23 MS. McCAMMON: I think the main idea is to get
24 some sense of the kinds of projects that are important to the
25 communities and kinds of things that they see in the future

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1 that they'd like to still continue doing such as the subsets.

2 MR. SHORT: Okay. So one area is the
3 enhancement projects, there's a number of these projects that
4 are currently funded and continue to be funded in the area.

5 The second category is education and subsistence
6 revitalization. The majority of these projects were funded
7 through the criminal settlement, the original five million
8 dollars, the DCRA. They include the Spirit Camps, those are
9 very important. Prince William Sound Regional Spirit Camp, the
10 DCRA monies provided two years of that camp. Chugach Alaska
11 Corporation has since taken over the funding for that Spirit
12 Camp and it's an annual Spirit Camp now, so that has been
13 successful in starting that.

14 The Kodiak Island holds its Spirit Camp as well, there
15 was two years of funding through the DCRA monies to start that
16 Spirit Camp and Kodiak Area Native Association has taken over
17 the management and the funding for that camp now. These are
18 all in an effort to transfer subsistence knowledge to the youth
19 in the area.

20 A large capital project that took place down on the
21 Alaska Peninsula is at Chignik Lake, Chignik Lagoon, Ivanof Bay
22 and Perryville, subsistence fish and game processing
23 buildings/cultural education centers/cultural subsistence
24 cultural education programs. It built subsistence fish and
25 game process centers, educational centers and it funded a

00090

1 program for each of these villages for language and subsistence
2 use.

3 The Youth Area Watch which is highly popular within the
4 Trustee Council is another project that has strong support
5 throughout the region.

6 MS. D. WILLIAMS: Hugh, I'm sorry. I actually
7 saw the Chignik Lake Subsistence Center this summer, which was
8 really interesting. That was from State money or was that from
9 Trustee Council.....

10 CHAIRMAN TILLERY: State money.

11 MR. SHORT: State money.

12 MS. McCAMMON: State, yeah, instead of
13 criminal.

14 MR. SHORT: We just concluded the Elders/Youth
15 Conference on Subsistence in Cordova. Molly and Bob and Stan
16 were able to attend and we funded -- the Trustee Council funded
17 that, brought over 70 people throughout the spill area to
18 Cordova for the conference.

19 Other projects -- the bricks and mortar projects, such
20 as the Chignik Lake projects and there's a Tatitlek fish and
21 game processing facility that was funded through the State
22 monies.

23 And finally, there's the Public Outreach and
24 Cooperative Science Projects. And these include projects like
25 the Community Involvement Project which I coordinate. The

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1 Traditional Ecological Knowledge Project which helps facilitate
2 traditional knowledge into EVOS projects, scientific projects.
3 The Community Harbor Seal Project with the Alaska Native Harbor
4 Seal Commission which provides biosampling seals to different
5 projects. Dan Rosenberg works with villages on the Surf Scoter
6 Life History Project. So those projects are also increasing.

7 So basically those -- when people talk about
8 community-based projects, these are the projects that they have
9 -- that oil spill money has funded in the past and are strongly
10 supported throughout the spill area.

11 CHAIRMAN TILLERY: Okay. Are there questions
12 about this or comments? Commissioner Rue.

13 MR. RUE: I guess a quick question. So what
14 you're saying is these kinds of projects, but have they talked
15 about specific areas of inquiry they'd like to continue? For
16 instance, on birds or fish or particular facilities. Are you
17 starting to get a pretty good list of things?

18 MR. SHORT: There is a lot of interest out
19 there, there's not a lot of details, it's more of vague ideas
20 and there's a lot of support for the -- on Kodiak Island
21 there's a lot of support for the Clam Restoration Project.
22 They've seen this project and they'd like to see it expanded to
23 beaches on Kodiak Island. Oyster Mariculture Project is -- has
24 taken off, so.....

25 CHAIRMAN TILLERY: I got a question. I had

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1 always envisioned that if there were money for this type of
2 project that it would be a sum of money and it would be spent
3 sort of on a declining balance method. And I believe that's
4 what, in fact, Molly had in her draft as just being one of the
5 suggestions. But Patty this morning spoke of it as like a
6 permanent endowment type of set up for this type of project.

7 MR. SHORT: Uh-huh.

8 CHAIRMAN TILLERY: What is it that the villages
9 really seem to be wanting?

10 MR. SHORT: The majority of input that I've
11 heard is a permanent endowment so it would an initial 20
12 million dollar set aside, inflation proof it, and then grant
13 money out annually, the balance that you would create with
14 interest.

15 CHAIRMAN TILLERY: And has that been something
16 that had been a serious topic of discussion in various villages
17 or is that just something that you heard a few people talk
18 about or.....

19 MR. SHORT: It's -- the Tribal Councils --
20 Chugach Regional Resources, which is made up of the seven
21 villages in Prince William Sound and Lower Cook Inlet, the
22 Board of Directors has been talking about it a lot and it's
23 something they strongly support. They're made up of the Tribal
24 Councils, so each of the Tribal Councils strongly supports
25 this. There's been official resolutions from, I believe, three

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1 or four Tribal Councils supporting this. So in the direct
2 spill area, Prince William Sound, Lower Cook Inlet, there's
3 some strong support for this. Port Graham, Nanwalek, I
4 believe, submitted resolutions on this.

5 MR. WOLFE: Mr. Chairman.

6 CHAIRMAN TILLERY: Mr. Wolfe.

7 MR. WOLFE: You know, I have a strong interest
8 in this, but most of the projects that I hear, and are being
9 discussed, are replacement resource-type projects and my big
10 question is whether or not we have the justification to
11 continue doing replacement resources indefinitely or in
12 perpetuity through some endowment. I don't even have any idea
13 how many of these communities are really, you know, justifiably
14 continuing to receive replacement-type enhancement projects,
15 particularly -- and, you know, expanding the clam down to
16 Kodiak, what's the justification for doing that? See, I
17 haven't seen anything that said that we lost the clam
18 population down there. Did we? I haven't seen anything on
19 that. But those kinds of information -- if we want community
20 projects and a continuing thing, we need something that shows
21 why there would be some justification for doing those kind of
22 projects and so something along those lines would help us if
23 you could summarize it by community or something to that
24 effect.

25 CHAIRMAN TILLERY: Commissioner Rue.

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1 MR. RUE: Mr. Chairman, I assume if we ever
2 decide to set up an endowment we'll have to talk about what the
3 parameters of what that endowment are, whose going to get to
4 sign off on any particular projects or if you're just going to
5 give it guidelines such as the ones, I think, Mr. Wolfe was
6 talking about. You got to connect to a damage or a loss or
7 not. So I'm not sure we're ready for that conversation, but
8 obviously there will have to be a conversation on it.

9 MR. WOLFE: Mr. Chair.

10 CHAIRMAN TILLERY: Mr. Wolfe.

11 MR. WOLFE: I don't see how we would even talk
12 about it if there isn't a link to the spill, some damage,
13 somehow or other, so to me I see what I was asking for as kind
14 of a foundation for determining whether or not we want to do
15 some project or set something up or have a basis for setting
16 something of that nature up. And right now maybe it's there
17 and I just haven't had a chance to focus on it long enough or
18 maybe it's something you folks could do to help us understand
19 where that -- there is a need there and because of the spill we
20 can go in for replacement type or whatever else is appropriate.

21 MS. McCAMMON: Well, the conditions are
22 restore, replace, rehabilitate or enhance -- or the equivalent
23 of or enhance.

24 MR. WOLFE: Do replacement, yeah.

25 MS. McCAMMON: Yeah. Okay. Hugh.

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1 MR. SHORT: There has been, and I failed to
2 mention this, there has been a move towards community-based
3 science and cooperation with researchers. An example I can
4 think of is the Alaska Native Harbor Seal Commission has a
5 proposal and that's currently on the deferred list, but it's to
6 do overwintering sampling on harbor seals with local residents.
7 So there's a strong interest to incorporate this traditional
8 knowledge and community-based scientific knowledge and
9 stewardship programs on the lands near villages. And that
10 would also be another use that's been mentioned for this.

11 MS. McCAMMON: Mr. Chairman.

12 CHAIRMAN TILLERY: Ms. McCammon.

13 MS. McCAMMON: Also this fall the Council is
14 sponsoring surveys of subsistence users in most of the
15 communities in the spill area to update the status of injury to
16 subsistence, so that may also provide some kind of a clue in
17 terms of what the extent of any injury and what kind of gap
18 there is, too.

19 CHAIRMAN TILLERY: Ms. Williams

20 MS. D. WILLIAMS: I'm following Mr. Wolfe's
21 rabbit trail -- no, I'm making a rabbit trail based on
22 Mr. Wolfe's comment, but actually this is something I've been
23 wanting to address. I wanted to see where clams were on our
24 recovery list, right? So you look at, say -- I know we have a
25 more recent one than this, but I remember this was in here.

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1 MS. McCAMMON: No, that's the most recent one.

2 MS. D. WILLIAMS: That is the most -- September

3 '97?

4 MS. McCAMMON: We're updating it this fall.

5 MS. D. WILLIAMS: Updating this fall, okay. So
6 clams fall under recovery in that, as the Trustee Council may
7 recall, we have recovered and as one of our.....

8 MR. WOLFE: In some areas, yeah.

9 MS. D. WILLIAMS:public testifiers said,
10 bald eagles are the only one, recovering, not recovered,
11 recovery unknown and lost (indiscernible) services. Looking at
12 the -- I've always wanted to ask this question. Looking at the
13 recovery unknown category, I imagine for each one there's a
14 different reason why the recovery is unknown, and maybe it's
15 because we didn't have the baseline information, but on clams,
16 do we know where clams falls within recovery unknown and what
17 we're doing in each instance, if there's anything we can do to
18 get a sense of the status of recovery?

19 MS. McCAMMON: Stan or Bob.

20 DR. SPIES: Actually, I'm going to defer to
21 Dr. Peterson who's our main reviewer. Pass it on down the line
22 here.

23 MS. McCAMMON: Who is up here for the Clam
24 Restoration Review Project.

25 DR. SPIES: Yeah, there actually is some

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1 evidence out there.....

2 CHAIRMAN TILLERY: All right.

3 DR. SPIES:from the NOAA hazmat studies,

4 but a lot of the studies that we have.....

5 MS. McCAMMON: You have to come to the table.

6 CHAIRMAN TILLERY: If you're going to talk you

7 need to come up. Both of you.

8 MS. McCAMMON: Both of you.

9 MR. BALSIGER: We start to roll into science.

10 (Indiscernible - multiple voices)

11 MS. McCAMMON: We're really fortunate because
12 Dr. Peterson and Dr. Phil Mundy were also both able to be here
13 because they're on their way up to Anchorage for a number of
14 review sessions, our fall review sessions, so we had them come
15 down just -- come up a day early so they could just stop here
16 on their way up to Anchorage and join us for the discussion
17 today. And this does kind of segue a little bit into our
18 science too.

19 DR. SPIES: Can you talk clams?

20 MS. McCAMMON: They're going to talk clams.

21 DR. PETERSON: Ms. Williams, we had some early
22 studies of injury on clams. One of them involved their growth
23 rates and there is an Alaska Department of Fish and Game study
24 that demonstrated lower growth where there was oiling than
25 where there wasn't oiling. That study terminated, it didn't

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1 follow in the longer term, but more importantly there were some
2 NOAA hazmat studies that demonstrated lower abundances of the
3 little neck clam, which is what the Native petri is addressing
4 and trying to replace. And poorer recruitment for a number of
5 years following the spill, but we have not actually funded
6 additional work from the Trustee Council to look at that
7 recently. And there, I believe, has been some return by that
8 NOAA hazmat team, but the contractors have changed and the lag
9 time between when some of the data are available and when the
10 work is done and when the data are available doesn't bring it
11 immediately to us. So it's really not clear whether those
12 clams have recovered or not.

13 There was the hypothesis, and I think some merit to
14 this, that in areas where there was high pressure wash applied
15 to clean the intertidal, it actually washed some of the finer
16 sediments off and that is, of course, the habitat for the
17 clams. You leave behind nothing but the boulders, you've got a
18 serious problems with clam habitat. And so there was continued
19 evidence in those NOAA studies of reduced recruitment of clams
20 which actually is the bigger concern, I think. We had a
21 proposal in one of the years to look at that, but it just
22 didn't meet high enough technical standards to support and
23 there were some other reasons, I think, that made it not
24 exactly what we would like. But that's, I think, the reason,
25 maybe more than you needed to know, but that's largely why the

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1 clams stay as an unknown. And I trust under Stan's able
2 guidance we'll reevaluate those in the near future and then get
3 all of the information on the table and see whether it still
4 deserves that categorization or whether we can give the
5 Trustees a more definitive idea.

6 MS. D. WILLIAMS: Okay.

7 DR. SPIES: I actually had an opportunity to
8 review a paper put in by NOAA hazmat on the little neck clam
9 studies in the spill area, just recently, for an upcoming
10 International Oil Spill Conference and Pete's characterization
11 is correct, that there still is not the same level of
12 population in the oiled areas, especially the areas that have
13 been washed, than it was in the oiled and untreated or unoiled
14 areas. And it's attributed to -- or hypothesized that the lack
15 of fine grain materials that was washed out of the beaches that
16 was responsible for this.

17 MR. WOLFE: Mr. Chair.

18 CHAIRMAN TILLERY: Mr. Wolfe.

19 MR. WOLFE: Just going back a little bit. In
20 the history though, during the intertidal studies, right after
21 the spill occurred, we were out there trying to find some clams
22 somewhere to see if it killed them and there weren't any around
23 in most of those areas. So I can see why it would be real hard
24 to know whether they recovered or not. And so -- you know, we
25 never talked about clam populations outside of a few villages

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1 in Prince William Sound and now what I heard was expanding it
2 outside. Is there basis for expanding it outside that you all
3 are aware of?

4 DR. PETERSON: I personally know of no evidence
5 of clam injury outside of the Sound zone. Now, I should say
6 there was some interesting work, which you're all familiar
7 with, by Jim Fall and others, looking at subsistence use and
8 how subsistence use fell off in the immediate time frame after
9 the spill and so forth. And in documenting that they
10 documented a number of resources that had been used by Native
11 communities in subsistence and clams are one of those whose use
12 was down, not necessarily because of the spill but during that
13 time. And there are other explanations, including the growth
14 of the sea otter populations, and these clams, of course, are
15 prime sea otter prey.

16 As well, there was a major damage to the clam resource
17 done in the Alaska earthquake, so there are three sources of
18 damage to the clams and, of course, the Native communities tell
19 us routinely this has been a traditional resource, it's absent,
20 the oil spill may have contributed to some unknown degree and
21 we certainly would like to have the resource restored so that
22 we can continue to practice the harvest and use of the clams as
23 we have historically.

24 DR. SPIES: And the problems with PSP,
25 particularly in the Kodiak Island Archipelago are part of the

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1 mix of what makes the resource available and harvestable.

2 CHAIRMAN TILLERY: Are there other questions
3 about community?

4 MS. McCAMMON: Community projects.

5 CHAIRMAN TILLERY: No? Okay. Have we segued into.....

6 MS. McCAMMON: Okay. Pete, don't go far.

7 DR. PETERSON: I won't.

8 MS. McCAMMON: I don't know if we want to take
9 a couple of minute break now or just (indiscernible -
10 interrupted).....

11 MS. D. WILLIAMS: Actually I would like to make
12 one comment in follow-up to Hugh, but in follow-up really to
13 what I thought -- it was either Frank or Jim's comment, and
14 that is, just like we did with the habitat acquisition
15 possibilities, I'd like a little clearer idea of what the
16 community project possibilities are.

17 MS. McCAMMON: A wish list?

18 MS. D. WILLIAMS: Yeah, uh-huh. I think we'd
19 all benefit from a little clearer idea.

20 MS. McCAMMON: Okay.

21 CHAIRMAN TILLERY: I think that's appropriate.

22 MR. WOLFE: And somewhere you've got to have
23 some other basis for weighing that, I guess, whether or not it
24 links to the spill.

25 MS. D. WILLIAMS: That's right, yeah.

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1 MR. WOLFE: I guess we can do that at some
2 point.

3 MS. D. WILLIAMS: Yeah. And it doesn't have to
4 be exhaustive by any means, you know, I don't recommend going
5 out to the communities and saying, what do you want, what do
6 you want, because that raises expectations.

7 MS. McCAMMON: Yeah.

8 MS. D. WILLIAMS: We don't want to do that.
9 But, just based on your experience in talking with people, if
10 you could not only tell us what projects have occurred in the
11 past, but like Molly did, what are some potentials for the
12 future.

13 MS. McCAMMON: Opportunities.

14 MS. D. WILLIAMS: Uh-huh, some opportunities.

15 MS. McCAMMON: Okay.

16 CHAIRMAN TILLERY: Okay.

17 MR. SHORT: I'm going to recommend -- the
18 community involvement was supposed to have -- at the next
19 Trustee Council meeting in December, maybe I can present it
20 there, because we're going to have a community involvement
21 assessment or discussion then.

22 CHAIRMAN TILLERY: Okay. Would the Council
23 like to take about 10-minute break and then we'll get back to
24 other research?

25 MR. WOLFE: That would be fine.

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1 CHAIRMAN TILLERY: Five-minute break.

2 MS. D. WILLIAMS: Five.

3 CHAIRMAN TILLERY: Five-minute break.

4 (Off record - 3:13 p.m.)

5 (On record - 3:26 p.m.)

6 CHAIRMAN TILLERY: We're getting ready to start
7 back with the Trustee Council meeting and the next item was the
8 briefing on future research needs, as I understand it.

9 MS. McCAMMON: Yes. Mr. Chairman, another
10 question that we heard from some of the Trustees and the public
11 members is if we were to do some kind of a long-term research
12 program, what would we be researching and what might that look
13 like in the future. And it did so happen that we're having a
14 Clam Restoration Workshop and our modeling review session and a
15 couple of things this week and we were able to get the
16 expertise of Dr. Spies, the Chief Scientist; of Dr. Peterson,
17 whose one of our core reviewers; and Dr. Phil Mundy and, Phil,
18 why don't you come up, and Stan, too. Just going to overwhelm
19 you with scientists.

20 And I asked them to -- the core reviewers and Dr. Spies
21 have thought a lot about what a future science program would
22 look like and they'd like to share with you some of their
23 thoughts about that today.

24 DR. SPIES: Thank you, Molly and Mr. Chairman.
25 Thank you for affording us an opportunity to speak on behalf of

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1 the peer review panel, and I have, as Molly said, two of our
2 distinguished panel of reviewers, Dr. Peterson, I think you
3 remember a few years ago the Trustee Council awarded him a
4 little certificate in recognition of the fact that he was a Pew
5 scholar in conservation. And we have Dr. Mundy also standing
6 by to ask any questions in the areas of fisheries management
7 and conservation. He's well-known around the state for his
8 abilities in that area and this long history.

9 Your mission has been a healthy and productive
10 ecosystem in the Northern Gulf of Alaska spill area. I note
11 that it's not dissimilar to the National Marine Fishery Service
12 mission that's on the wall there. And our two goals have been
13 to document the ecosystem recovery and to assist the recovery
14 where possible. And, secondly, to provide for resource
15 protection now and into the future.

16 I'm here as your Chief Science Advisor to tell you that
17 the job is going well, but it is not yet complete. First, for
18 recovery, some portions of the ecosystem have totally
19 recovered, such as bald eagles. Some portions are recovering,
20 such as sea otters and murrelets, and some have not recovered,
21 such as Pacific herring and the harbor seal populations.
22 Recognizing and attaining full recovery is complicated, we now
23 realize, by a constantly changing natural environment, which if
24 you have a narrowly focused definition of recovery and
25 restoration that could be somewhat problematical but we have

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1 not, in fact, looked at this natural variation as, in fact, a
2 hinderance to carrying our program goals out, but we embraced
3 it as an opportunity for gaining a better understanding of the
4 natural environment.

5 And we note that there is a degree of continuing oil
6 exposure in the Sound. We don't know the exact significance of
7 it yet, but there, for instance, is a variety of APEX predators
8 who have enzymes induced by apparently oil. And we don't know
9 the significance of this, so there is a possibility of
10 continuing injury. We may discuss this at a later date when we
11 talk about possibilities for the reopener. Clearly completing
12 a full story of recovery is going to take more time. We're
13 doing a good job so far, but we have, certainly, a ways to go.
14 And we need to maintain our scientific abilities until the job
15 is complete.

16 Second, in the area of resource protection I think the
17 Trustee Council has a magnificent -- has done a magnificent job
18 of resource protection with over 650,000 acres of coastal
19 habitat receiving some sort of permanent protection. We have
20 strongly, as a group, core reviewers supported this program, in
21 fact, we endorsed it in a 1994 memo to the Trustee Council. I
22 must make it clear, however, what has been done. Some species
23 that rely partly on the terrestrial habitat and fresh water
24 habitat have received protection for those parts of their life
25 cycle that depend on the terrestrial and fresh water habitats.

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1 For instance, the nesting habitat of the marbled murrelet, old
2 growth forest has been protected. And also, as another
3 example, the streams where the salmon spawn.

4 However, in the case of the marbled murrelet they
5 depend on forage fish populations that are ultimately are
6 linked to marine productivity. In the case of salmon, they
7 spend the greater part of their life cycle in the oceans and
8 are subject to the conditions which allow for their survival in
9 that habitat.

10 The fact is, to a greater or lesser extent, all the
11 injured species depend completely on the marine habitat and
12 marine production in some sense. Even the nutrients which the
13 salmon return to the fresh water streams are ultimately
14 reflected in the vegetation along its banks, if you want to do
15 the stable isotope studies that have been done under the aegis
16 of this program. So the nutrients which are driving this whole
17 coastal system are ultimately derived from the deep waters in
18 the Gulf of Alaska. And we still are relatively ignorant about
19 how this supply takes place, under which conditions and how it
20 changes.

21 The message is that the oceans are a common, which
22 unlike the terrestrial habitat, cannot be purchased, but we can
23 protect them with, first of all, better management, secondly,
24 some sort of consideration of marine reserves or some other
25 sort of marine protected area designation. But we can't

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1 protect below the water surface without some knowledge. For
2 instance, the juvenile herring in Prince William Sound, we're
3 just beginning to define the bays that are good juvenile
4 herring habitat and bays which are not good juvenile herring
5 habitat. And we're doing this just in time because the road to
6 Whittier will soon be open and we will see a flood of
7 visitation and use of these habitats go up quite a bit by
8 boaters and other recreational users and we must find a way to
9 make these two uses compatible.

10 The fact is, in the broadest sense, marine habitat is
11 more than just an intertidal cobble beach, it is more than an
12 estuarine river mouth, it is more than offshore rocks for where
13 harbor seals haul out. It is the processes in the oceans that
14 maintain productivity and diversity of marine life.

15 What are the implications of this broader concept of
16 habitat? First, productivity has bounds and it should be our
17 goal to live within these bounds. That is, some of the
18 productivity of the ocean we take for ourselves, some we leave
19 for the rest of the ecosystem to remain healthy and sustain
20 itself and to remain diverse. But to live within these bounds
21 requires knowledge of the ocean processes. We must know how
22 the ocean system changes and it does change. We know now, very
23 clearly, that in the late '70s, 1976, '77, '78, a large series
24 of changes started to take place. Crab and shrimp populations
25 tumbled, Steller sea lions began a long downward trend in

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1 abundance in the Western Gulf of Alaska. Harbor seals started
2 to drop and are still dropping and varied seabird populations
3 have undergone downward trends as well.

4 At the same time a number of flat fish and cod
5 increased greatly. Killer whales have been on the increase and
6 salmon production has been at an all-time high in the Gulf of
7 Alaska. We know that there are natural factors, such as
8 climate as well as anthropogenetic factors that are involved,
9 but to identify agents and causes requires long-term monitoring
10 and research. Obtaining good information does not ensure good
11 resource management decisions, but the lack of knowledge or
12 insufficient knowledge raises the risk that, on the one hand,
13 we'll be too conservative or restrictive in our allowance in
14 the use of these natural resources, possibly, for example,
15 inappropriately blaming commercial fishing for Steller sea lion
16 declines.

17 On the other hand, we may be too liberal in our
18 allowance of harvest and lead to the decline of the exploited
19 species and other species that depend on them in ways which we
20 may or may not understand.

21 So what can we do? We must define the bounds of
22 productivity and this requires monitoring of key ecosystem
23 components and processes and research programs that helps
24 identify cause and effect in the ocean. Recent events in the
25 Bering Sea, such as the plankton bloom of coccolithofords in

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1 1997 and downward decline of the Bristol Bay salmon return
2 shows us the importance of having good long-term data to
3 understand what is occurring and what can be done to respond.

4 We can build on the results of the EVOS Science Program
5 and couple these with other efforts, such as the GLOBEC Program
6 and the Ocean Carrying Capacity Program which have similar
7 missions in the Northern Gulf of Alaska but will not be here
8 over the long-term.

9 Finally managers and stakeholders need real-time
10 information and long-term predictability. These managers and
11 stakeholders rarely have all the data that they need to make
12 fully informed decisions about current issues, for example,
13 fish allocations, much less those of the future, for example,
14 shall we invest in crab or pollock vessel and gear. Of course
15 decision-makers will always want more information than is at
16 hand, would love to have accurate crystal balls and we
17 certainly can't supply the kind of crystal ball and clarity
18 that they would ideally like to have.

19 What is in our grasp, however, is the ability to
20 maintain a core long-term program on a multi-decadal scale,
21 over 100 years or more, that takes the pulse of the spill area
22 ecosystem and to direct shorter term, three to five years,
23 focused research programs to address significant problems and
24 opportunities that arise as the marine ecosystem and human
25 needs and priorities change.

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1 At any time agencies and stakeholders should be able to
2 look at snapshots of the marine ecosystem, including the status
3 of its fish and wildlife resources, as well as have a sense,
4 based on the best possible scientific information of where the
5 ecosystem is headed over the foreseeable future. This
6 information can be brought to bear on a whole range of short
7 and long-term decisions regardless of whether one is a resource
8 manager, commercial fisher, conservationist or village resident
9 leading a subsistence lifestyle. Even the owner of tour
10 company.

11 To summarize, to have sustainable coastal and oceanic
12 ecosystems we must harvest these within the bounds of their
13 productivity. These bounds change continuously with climate
14 and man's activities and the bounds can only be found and
15 tracked through monitoring and research. This is not only a
16 societal need, but it is a scientific consensus as well as a
17 legislative mandate, such as in the Magnuson-Stevens Fisheries
18 Reauthorization Act.

19 In conclusion the reviewers are proud to be associated
20 with the Trustee Council and the Exxon Valdez Restoration
21 Program. The habitat areas that have been protected, the
22 science that has been carried out and adaptive process by which
23 the Trustee Council and the Restoration Office makes decisions
24 are truly exceptional and a model for other restoration
25 programs throughout the nation. In our judgment, regardless of

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1 any personal roles we may or may not play in the future, the
2 most effective way to fill the Trustee Council's mission of
3 restoring a productive ecosystem and providing a reasonable
4 standard of living is to establish a research program and
5 monitoring program that will, in perpetuity, foster the
6 conservation and sustained use of the marine ecosystem that
7 bore and still bears the brunt of the effects of the oil spill.

8 Thank you very much. And now I'd like turn over the
9 mic to Dr. Peterson for amplifying a few comments.

10 DR. PETERSON: Thanks, Bob. I want to thank
11 you all, too, for the opportunity to regale you a little bit
12 and to, I hope, start the process on its way which I view as a
13 very significant decision, maybe the most significant decision
14 that many of you and maybe the corporate body of the Trustees
15 has yet to make.

16 Let me tell you a little bit about myself, I don't want
17 to do that at length, obviously, but what I want to explain is
18 that while I am a researcher, I do research on basic science
19 that may not ever have application. I do research on
20 restoration, on resource enhancement, on management and its
21 effectiveness and on conservation. So I cover a lot of the
22 bases that are handled by the EVOS Trustee Council. But in
23 addition, and that's why I began this, I am active resource
24 manager. I have been on our Marine Fisheries Commission in the
25 state of North Carolina with two gubernatorial terms for over

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1 14 years now. And I, for the last 12 years straight, served as
2 the Vice Chairman of our Environmental Management Commission
3 and the Chair of its Water Quality Committee. So I practice
4 management and in that practice I hope to practice conservation
5 as well, so I'm not purely a researcher and I don't come here
6 trying to argue to feather my nest.

7 In fact, I'd go so far, too, as to say that those who
8 would say that the research, in the academic community, who
9 comes and argues for this money being put in a permanent
10 Restoration Reserve fund because it will advantage them, it
11 will make for more money in academia for research are probably
12 wrong. It's my judgment that if we allow resources to go down
13 the tubes, that's when the money becomes available for
14 research. And the better that you do your job and the better
15 that you allow, through the knowledge gained in this process,
16 managers and conservation people to do their job, the less
17 money there's probably going to be for academic researchers.
18 So I don't think I'm arguing inappropriately from a viewpoint
19 of self-interest. Besides which, I, by virtue of being a coast
20 away I'm rarely here doing the research anyway.

21 But I wanted to say all that before I defend what I
22 want to come here to defend. And I want to defend the notion
23 and support the notion that you establish a Restoration Reserve
24 fund that is donated largely, but not exclusively, to research
25 and restoration and enhancement. And let me give you some of

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1 the reasons why I think that you ought to take this action.

2 First, let me say that there will be both lingering
3 long-term effects of the oil spill and also lingering high
4 profile public concerns and suspicions that deserve evaluation
5 and deserve possible action. If this process dies in a couple
6 of years you will not be able to address either of these
7 categories, the concerns, whether they're real or not, and the
8 reality. Let me give you an example, I mean clearly the Sound
9 is improving, clearly the system is recovering, but let me give
10 you an example as a practicing ecologist of something that's
11 happening in the Aleutians right now that I would predict with
12 some confidence will loom in the horizon for the spill area and
13 for Prince William Sound.

14 At this moment, right now, the harbor seals and Steller
15 sea lions of the Aleutian Chain have declined in abundance by
16 so much that killer whales have been forced to prey on sea
17 otters, an almost unprecedented thing. That predation has been
18 so intense that entire islands in the Aleutian Chain are now
19 devoid of sea otters. And that has induced the entire cascade
20 of effects that is very well-known as one of the most important
21 of these indirect effects that we have in our history and
22 knowledge of ecology. Which is to say, in the absence of the
23 sea otters, we have expanding sea urchin populations, those
24 graze the kelps tremendously. The absence of the kelps removes
25 fish habitat and so we get a cascading of effects moving

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1 through the entire ecosystem.

2 Well, I would say with no recovery in sight for Prince
3 William Sound harbor seals and with the continuing general
4 decline, can this Aleutian switch in the killer whales' diet
5 and, therefore, the consequences, be far behind for the spill
6 arena. I don't think so. But if you keep a fund alive to see
7 whether this, then, ultimately becomes something happening in
8 the spill area, we'll have a vehicle and the public will have a
9 vehicle with which to explore these sorts of long-term
10 consequences of the spill that I don't view as unreasonable
11 and, in fact, would even elevate to the level of being likely.

12 Now, second, let me make another argument for why I
13 think longer-term research options are something that serve the
14 interests that have brought you to this job that you fill. And
15 that is the fish and wildlife of Alaska are simply a national
16 treasure, as well as being a potentially sustainable basis for
17 the Alaska economy and culture. I don't need to tell you that,
18 who live here, but by not living here I can crow about what a
19 wonderful system this is and what a grave responsibility you
20 all have for trying to preserve that into the future. In my
21 judgment that system deserves a special long-term funding
22 source so that we can monitor the long-term health and trends
23 in the system and so that we can feed that understanding into
24 better management in the system.

25 The management that we all move and strive towards

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1 these days, whether we ascribe to this terminology or not, is
2 adaptive management. And that simply means that management
3 agencies are learning from their experience and learning from
4 science and learning as they go. That is a long-term and, in
5 fact, a never-ending process because it's a continued feed back
6 and forth between the resource and the knowledge gaining system
7 and the managers and the consequences of management actions. I
8 would view keeping a permanent research fund here as something
9 of vital importance for conservation, management and the very
10 economy and culture of this state.

11 Let me give you an example here as well. In North
12 Carolina, a dinky place relative to Alaska in terms of how much
13 it's got in fisheries, how much it has in wildlife, mammals and
14 seabirds. In North Carolina about three years ago, a
15 far-sighted legislator who's probably, through this vehicle, on
16 his way to Congress, a far-sighted legislator established in
17 our state just such a fund, a permanent fund for fisheries
18 resource grants totally a million dollars a year. This was a
19 huge figure for as small as we are, meaning that about, let's
20 say, 5,000,000 a year that the permanent research fund here
21 might generate is probably small in comparison. This has been
22 an exceptionally valuable investment. It has been extremely
23 popular, both in the state and nationwide, encouraging many
24 imitators, and as well I have used it directly in my management
25 actions because knowledge is coming in from that work.

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1 Third, I would argue that a major benefit of this
2 entire process and the way the Trustee Council has been
3 established and has conducted its work, is the actual process
4 by which we're all brought here around the table and by which
5 research scientists, conservationists, managers with radically
6 different portfolios, some of them State, some of the Federal,
7 some of them with fins, some with feathers and the public and
8 the users of resources have been brought together. This is
9 actually the essence of ecosystem-based or community-based
10 management that we talk together and don't partition the system
11 up into little components without talking to each other. And
12 that has been one major feedback and one major outcome of the
13 entire EVOS process.

14 With long-term research support from this fund it will
15 be possible to continue this process. And that has the
16 ability, for example, to help separate various potentially
17 competing hypotheses for explaining resource declines. For
18 example, separating anthropogenic from natural declines, from
19 separating one type of anthropogenic affect from another. And
20 as Bob mentioned earlier, one of the biggest problem is that
21 our management often has to be exceptionally conservative in
22 the absence of knowledge and that conservatism can very much
23 hurt the local economy and the local culture. One example of
24 this is the Florida net ban, where there was a perceived
25 problem, the solution was a radical one, it was removal of all

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1 nets, when, in fact, I think, and I think others would support
2 me, that that goal for conservation could have been achieved in
3 a way that would have allowed some of the fishing to
4 legitimately take place that didn't endanger the resources that
5 people were trying to protect.

6 So the difficulty is that something is going to be
7 blamed, some actions are going to be taken and if you have
8 knowledge and can use that in the pursuit of better management
9 then it's a win/win situation.

10 Fourth, I would also like to argue that with the
11 existence of some other programs for funding various activities
12 in the Northern Gulf of Alaska, in the Bering Sea and in Alaska
13 more generally, there is opportunity if you continue to have
14 money that you bring to the table, there is opportunity for you
15 to leverage that money and to, in fact, drive the agendas of
16 these other programs in the direction that is appropriate and
17 in the spirit of what the settlement has enabled you to do
18 around this table.

19 The one program that I speak to and can speak at length
20 to because I was the initial chair of this for three years
21 before I turned to better things and got my life back. The one
22 program I can speak to explicitly is the GLOBEC Program. The
23 GLOBEC Program is one that's devoted to looking at the
24 long-term global change and its anthropogenic components. That
25 influence on physical oceanography and the subsequent

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1 influences on ocean productivity and fisheries production and
2 marine ecosystems, in a very broad context, that program has
3 committed itself to a Gulf of Alaska study that will run
4 perhaps seven or eight years. As a former chair, I can say
5 that those people want to be guided locally and would love to
6 have interacting dollars to help define exactly what they do.
7 It ratchets up the knowledge base that you can gain by coming
8 to the table and having them do the physical oceanography, the
9 climatology, the weather buoys, all that physic stuff that I
10 can tell you is so expensive, while you focus on the resource
11 base and build programs around that. It's a wonderful
12 opportunity, but it's an opportunity that will die if there
13 aren't those funds to bring to the table.

14 Finally, let me just appeal to you in the following
15 way. I think that by planning ahead with research, by gaining
16 knowledge of the system, we can avoid repeating some of the
17 hugh problems that have occurred for the Chesapeake Bay and the
18 Georges Banks, for example. And what I'm arguing here is that
19 it is far easier to understand and protect a system, to sustain
20 it, than it is to restore it. It's easier, in a sense, of the
21 science you need to do and it's easier in the sense of how many
22 dollars you need to spend. And I would argue that with this
23 action of creating a fund that allows research, research for
24 conservation and research for management, we have the greatest
25 chance of sustaining the values, sustaining the goods and

00119

1 services that are provided to so many people, country-wide,
2 nation-wide and world-wide, by the Alaska coastal ecosystem.

3 And speaking argumentatively, but from the heart, let
4 me say this relative to habitat. As a conservation biologist I
5 am deeply committed to the protection of habitat. I firmly
6 believe that most of our problems with endangered species and
7 with other conservation issues country-wide are a habitat
8 problem and based at the habitat level.

9 But then let me say that rather than buying habitat in
10 chunks, here and there, if, in fact, you can use the knowledge
11 base gained from research around management to then develop the
12 management tools that allow that activity to consistently go on
13 and not threaten the resources that you are trying to protect,
14 you have actually extended habitat preservation, habitat
15 protection much further than by the purchase. And I'm not
16 trying to be negative or argumentative, I think you've bought
17 some wonderful habitat and Afognak is a place that I think is
18 just superb, that's not the, you know, only one, but it jumps
19 to mind. And you've done tremendous things with that money.
20 But if save a scope of the money remaining and then try to
21 envision the scope of the management and conservation problems
22 that will likely lie ahead as Alaska grows, as continued
23 resources are used and, perhaps, abused. I think the long-term
24 solution cannot be -- cannot ever achieve a scope to buy and
25 protect all that habitat, but rather needs the knowledge base

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1 to manage man's activity there in a way consistent with our
2 conservations basis.

3 So that's just -- you know, I'm just trying to play the
4 role here of an outsider and being argumentative coming and
5 presenting what I think are truly reasons why you should move
6 ahead with setting up this fund. And it's not the easy road,
7 you know the management of it, the organization of it and so on
8 will be a challenge. But I think it's the right road and I
9 duly urge you to move ahead with it and gain more input and
10 discussion among yourselves.

11 And I'll refer all questions to Phil Mundy.

12 MS. McCAMMON: Phil, did you want to say
13 something here?

14 DR. MUNDY: I don't have any prepared comments.
15 I just want to point out that on behalf of the Alaska
16 Department of Fish and Game I just finished a survey of world
17 scientific literature on conservation science and I was really
18 pleased to find that there is a merging broad scientific
19 consensus on what sustainable resource management is. And what
20 I did for the Department of Fish and Game was to apply those
21 principles that I found in the scientific literature on
22 conservation of natural resources in general to salmon and I
23 was stricken by the fact that we're moving away from managing
24 single species for commercial purposes more towards the concept
25 of protecting ecosystem functions and uses, which is a fine

00121

1 idea and it's something, for example, that's being looked at in
2 forest management down in the Columbia Basin for some time.

3 But getting to that, the information requirements for
4 this are extremely stringent. We are -- single species
5 management has been practiced in the marine environment for so
6 long because the information requirements are relatively easy
7 compared to trying to look at managing the function and uses of
8 an ecosystem. So we're at the point where the scientific
9 community and the public expects ecosystem management, but we
10 need to figure out what that is and try to step up and meet the
11 information requirements for that ecosystem management.

12 Copies of that are available from the Department of
13 Fish and Game.

14 MR. RUE: I thought you brought a few of them
15 with you, Phil.

16 MR. BALSIGER: So, Phil, you said you were
17 stricken, now, that usually has a negative thing, like you've
18 been struck down. I gather you mean you were over --
19 recognized this and it was startling to you.

20 DR. MUNDY: Well, I was stricken by the
21 enormity of the challenge, you know, of how we're.....

22 MR. BALSIGER: But you're not alarmed that we
23 need ecosystem management?

24 DR. MUNDY: I think that's a terrific idea, I'm
25 just a guy whose had to write and defend fishing regulations in

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1 court and when I think about coming in with the information or
2 the data to support all this, it's a staggering challenge.

3 MR. BALSIGER: Well said.

4 DR. PETERSON: And I might add to that,
5 Mr. Chairman, I served on this National Academy Panel on the
6 Bering Sea ecosystem and we were looking at ways to understand
7 the ecosystem and monitor it into the future, much the same
8 challenge as perhaps lies ahead of us here and we were
9 staggered by the fact that one of the first things you wanted
10 to know was the zooplankton. And whoever measures the
11 zooplankton, these are the basic food source for all the fish
12 and many seabirds that then lead up the tropic level. And the
13 most basic of information about the food chain was not there.

14 CHAIRMAN TILLERY: Questions and comments?
15 Ms. Williams.

16 MS. D. WILLIAMS: The one example you gave of
17 the killer whales and the sea others is the kind of example
18 that would cause a Department of Justice attorney to go
19 screaming out of this room because what can you do with that
20 information? How can you use that information in any
21 management way or any restoration way?

22 DR. PETERSON: Well, good question. And I
23 concur with you that the Marine Mammal Protection Act limits a
24 lot of what you might do directly there but, you know, in the
25 absence -- I certainly wouldn't suggest that the absence of

00123

1 that information would help any. You know what I mean? In
2 other words, it's good to know those connections and what the
3 linkage is.

4 MS. D. WILLIAMS: But to the extent that we
5 have scarce dollars and we're trying to restore, how can you
6 get any kind of restoration story out of that example? I mean
7 we have scarce dollars and we're trying to use our dollars to
8 restore.

9 DR. PETERSON: (Indiscernible - simultaneous
10 speech) kelp.

11 CHAIRMAN TILLERY: My understanding was that
12 the point of that discussion was that seal were declining, that
13 had led to this and we got them declining in Prince William
14 Sound and if we can understand that, for whatever reason.....

15 DR. PETERSON: That's certainly the obvious,
16 you know, retort. If indeed we can solve the causes for seal
17 decline and arrest that decline and bring them back to where
18 they were 20 and 30 years ago, we've eliminated the potential
19 for prey limitation in the transient killer whales which are
20 the group that are the marine mammal eaters. So that would be
21 a precautionary move and suggests that added attention to the
22 research that Kathy Frost and others have been doing on harbor
23 seals and their recovery makes tremendous sense.

24 After the fact -- I mean, that's why I didn't jump to
25 that answer immediately, you know, if you close it down stream,

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1 if we haven't done anything until the point where the harbor
2 seal are suddenly starting to attack the sea otters and reduce
3 their population then that presents a bigger challenge. But I
4 just give that as one example. I suspect I could find more,
5 but that's the one, that to me, is of such interest and such
6 public concern, probably, because it's so many gaudy animals
7 with a lot of -- a large constituency and it's a realistic one
8 that's happening now.

9 DR. MUNDY: I have one, too. May I answer
10 that? I guess what I have to say is I have no idea how you use
11 that in the management context, and that is exactly the point
12 of what we've been saying. Ten years ago before the oil spill
13 if you had said to anyone who managed salmon in Prince William
14 Sound that we'll be able to manage the pink salmon harvest with
15 pinpoint accuracy to separate wild salmon from hatchery salmon
16 by using test fishing operations, they would have laughed in
17 your face. We just didn't have the technology, we didn't have
18 the know-how, nobody had any idea how to do it economically.
19 We had -- you could put tags on fish, but that was so expensive
20 you couldn't possibly catch enough a fish to make the tagging
21 program worthwhile.

22 Now we have, by virtue of the program that the Trustee
23 Council has put in place in Prince William Sound, we put bar
24 codes in the earbones of all of the hatchery salmon and so we
25 had to sample only very few of them, a few fish in general, to

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1 figure out exactly what we're going to do. I think that
2 clearly the call in the Magnuson-Stevens Act and the
3 requirements under the Endangered Species -- implementation of
4 the Endangered Species Act for ecosystem management requires
5 that should you go forward and try to figure out some
6 relationships, I certainly don't think we're going to make
7 sense out of all the information we got right now.

8 MS. D. WILLIAMS: A few comments, if I could?
9 I think clearly the otolith marking program is one where ADF&G
10 came and said we want to develop this management tool that we
11 will use for restoration. Who can argue with that? It's a
12 management tool to use for restoration. I was concerned about
13 the example where there is not apparent management tool for
14 restoration, okay. The scientific community comes to us or the
15 technology community comes to us and say, here are a list of
16 management tools that we can show have a relationship with
17 restoration, that can be used for restoration, that's a whole
18 different issue than just saying, wouldn't it be interesting to
19 just observe this trend that is going here and see if it's
20 going here, and knowing there's nothing you can do about it.
21 You can observe it, but there's nothing you can do about it,
22 which is a frustration that I have and I know Justice has with
23 a lot of scientific proposals that come to us.

24 Going to talking about the Magnuson Act, though, and
25 this, of course, Dr. Spies also said. This is another concern,

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1 obviously, we do have national mandates now to understand our
2 marine ecosystems, not just Prince William Sound, all marine
3 ecosystems to define grounds of productivity, to have the North
4 Pacific Fishery Management Council or the general fishing
5 management councils make decisions based on the best ecological
6 information. This is a national mandate and I think a lot of
7 people will say because it is a national mandate, it's
8 certainly not unique to Prince William Sound ecosystem. It
9 should be funded through national dollars or through other
10 dollars that, you know, address these Magnuson Act, Endangered
11 Species Act requirements.

12 And, again, to use scarce restoration dollars for a
13 national mandate, to use scarce restoration dollars for normal
14 agency function is something GAO is concerned about, other
15 people have expressed concern about. I do not see the
16 distinction between the national mandates that you described
17 very beautifully and Commerce is involved in implementing and
18 our restoration, you know, our scarce restoration dollars. How
19 we could justify using scarce restoration dollars for those
20 national mandates and agency functions?

21 DR. SPIES: Well, whether those are national
22 mandates or not, I think there's a local need and if you talk
23 to the fisheries managers in Alaska about the information needs
24 they have a real ongoing need for information that they're not
25 getting. And this is a program that would bring protection to

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1 marine resources much the way that protection has been brought
2 to terrestrial and fresh water resources under the Trustee
3 Council's Habitat Program. And I think we saw that at the
4 beginning of the spill, there was suppose -- Fish and Wildlife
5 Service and others were supposed to be keeping track of all
6 these bird populations that they're responsible for. The fact
7 is that the funds were not available to look at those and we
8 had huge gaps in our databases to what was done.

9 So the mandates are always probably more and in most
10 cases than we have available. And so my rationale was to bring
11 some balance to the where the oil spilled and where most of the
12 injured species are versus threshold marine, the threshold for
13 fresh water habitat.

14 CHAIRMAN TILLERY: Commissioner Rue.

15 MR. RUE: I think it's -- the example that was
16 given by Dr. Peterson of the sea otter, urchin, killer whale,
17 harbor seal is a fascinating example. It has lot of management
18 implications we're facing in here, whether it's got any
19 restoration value, I mean, it was an example, it may or may not
20 "qualify" for the funding that we might eventually have. But
21 it may, who knows the role or do we know the role of a kelp
22 forest ecosystem in salmon survival? We have damage sal --
23 that is where -- that's fish habitat and if you get rid of kelp
24 you have a crab ecosystem because the otters aren't crabs and
25 you don't have the pelagic fish doing as well, so the system

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1 goes on and on and you can see changes which may be effecting
2 resources that were damaged by the spill, so even -- that
3 example is not -- is a fascinating one and is not off the mark
4 even for restoration dollars, I don't think, necessarily.

5 MS. D. WILLIAMS: You're going to go kill
6 killer whales?

7 MR. RUE: What do you do about it?

8 MS. D. WILLIAMS: Yeah.

9 MR. RUE: Maybe we harvest urchins so that the
10 kelp -- we have a commercial urchin harvest which allows kelp
11 to recover in the absence which provides better habitat for
12 otters. I mean there are ways you may be able to enhance the
13 survivability of otters while seals are in recovery. There are
14 lots of things I can imagine. I mean we face that management
15 decision in Southeast right now. We know otters are coming
16 back, which means urchins are going to disappear, so we have
17 urchin fishery, do we up our harvest rate in anticipation of
18 that resource basically being gone anyway?

19 MS. D. WILLIAMS: But one aspect of that.....

20 MR. RUE: So there's interaction.

21 MS. D. WILLIAMS:example was it's
22 occurring now where there's no impact from EVOS, is it going to
23 move over here, right? And, again, is it your recommendation
24 that we no longer worry about any connection with the oil spill
25 that we're just going to watch interesting marine biological

00129

1 effects?

2 DR. PETERSON: I made the connection and that
3 is to say that it's the decline in the normal prey that forces
4 the killer whales to, you know, shift.

5 MS. D. WILLIAMS: Right, but that's occurring
6 in the Aleutians now, that has nothing do with the oil spill.

7 DR. PETERSON: That's correct. And the point
8 is that in Prince William Sound, in the spill area, we have a
9 decline which is in the same resources, that is to say harbor
10 seals. Steller sea lions aren't resident there enough for us
11 to have designed a study to assess the impact there, although
12 it's possible it's similar. So that there, when and if it
13 happens, it could even be more severe, but it sets the stage
14 for the same sort of dynamics that are happening on the
15 Aleutians.

16 MS. D. WILLIAMS: Is it your recommendation
17 that the -- to the extent a research endowment fund is created
18 that it still be connected with the oil spill or do you think
19 it ought to be opened up for any bounds of productivity or
20 ecosystem-based research?

21 DR. PETERSON: In my judgment that is a very
22 important legal question that you'll need to beat around, in
23 part, because of the terms of the settlement or to, then,
24 change those terms.

25 MS. D. WILLIAMS: Putting aside -- but you're

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1 making a recommendation. Putting aside what we know
2 (indiscernible - simultaneous speech).....

3 DR. PETERSON: My recommendation is the longer
4 we go the farther away we are, and should be, from tying
5 directly to the damaged resource and the injury and the closer
6 we ought to come towards a longer term notion of dealing with
7 the ecosystem and sustaining the populations in it, whether it
8 be for conservation or for direct use by subsistence, fishing,
9 enjoyment, passive uses, whatever. So I mean I think that's
10 what I really see as the opportunity here, to extend a legacy
11 to future generations where you can say, I help set that up and
12 I helped ensure that that system was going to be sustainable
13 because it does all these neat things of getting the people
14 together around the table, monitoring it so that we understand
15 it better and so that we allow managers to respond in an
16 appropriate way.

17 Because this -- Commissioner Rue was right on the mark
18 here and I was trying to think of -- the species, cod, is one
19 which is important in eel grass sorts of habitat that are
20 likely to decline in this system, too. And so that you would
21 misinterpret the causes of many fish declines if you didn't
22 understand this linkage to the grassed and vegetated habitats
23 that might be affected and, therefore, make poor management
24 decisions affecting other users when there are alternatives.
25 This was before the Japanese market for urchin roe developed,

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1 so now you wouldn't do this, but in Southern California when
2 some of these problems are happening they went out with clubs
3 and organized dive teams to club urchins and had these
4 grotesque sort of urchin bashing things, just to respond to
5 this management need. Here we have a better use for urchins
6 nowadays, but it definitely suggests management responses that
7 you might make.

8 MS. D. WILLIAMS: And I'm not going to beat
9 this horse anymore, but going to the sea otter analogy,
10 obviously that is research that begun, we -- Fish and Wildlife
11 Service is responsible for sea otters under the Marine Mammal
12 Protection Act. We radio collar sea otters, we have found the
13 radio collars in killer whales. We count sea otters, we have
14 seen that there are diminished populations. We do that in
15 Prince William Sound as well as on the Aleutians. That doesn't
16 take a lot of research money or monitoring, that's normal
17 agency function. Counting sea otters, if there -- we find sea
18 otter radio collars in killer whales and we fewer sea otters,
19 we know, you know, there's a relationship here. And so I'm
20 trying to back with that analogy or other things to EVOS and
21 why you think we would need restoration dollars for that kind
22 of normal agency function? And, clearly, we already know the
23 relationship between sea otters and sea urchins and kelp and so
24 forth.

25 DR. PETERSON: I think you understate the value

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1 of science. If you think that the agency monitoring is
2 sufficient to understand the process, I would argue that it's
3 not. And in many cases these processes are happening at lower
4 levels in the ecosystem where there is no monitoring. And that
5 was the reason for my mention of the zooplankton. I remember a
6 cartoon in the New Yorker, back when I was growing up and
7 mother used to get it, so I used to read it and fumble through
8 the cartoons, but, you know, it was one of these cartoons and
9 two women sitting having coffee and one was saying "yes, but
10 who speaks for the plankton?" And, you know, it's just that
11 sort of thing, that the understanding of the process in this is
12 really important to understand it. The physical forces are
13 going to affect largely the lower base of the ecosystem first.
14 Some of these harvest things are going to affect the top of the
15 ecosystem because that's where we look at big things to
16 harvest. And it's knowledge of both of them, simultaneously,
17 and how they work together that I think is so valuable to
18 affect a good management program and a good conservation
19 program.

20 DR. MUNDY: You know, the nexus between the
21 national mandates and the Magnuson-Stevens Act and your
22 restoration objectives is the need to understand the ecological
23 processes. You can't understand restoration objectives if.....

24 MS. D. WILLIAMS: Which is required right now.

25 DR. MUNDY: Yeah, you can't understand

00133

1 restoration -- the problem in assessing damages was
2 understanding where they fit in terms of the ecological
3 processes that they were a part of. The problem we had in
4 devising restoration schemes and restoration projects was the
5 very same one. So I think that it's not a matter of
6 duplication of effort in terms of turning the Restoration
7 Reserve towards understanding ecological processes, more it's a
8 matter of getting some synergy between Federal programs.
9 You're getting a bonus here, you're going to produce
10 information that's vital to meeting restoration objectives,
11 nonetheless, that same information will also be very useful
12 implementation of the Magnuson-Stevens Act and the Endangered
13 Species Act.

14 CHAIRMAN TILLERY: Mr. Wolfe.

15 MR. WOLFE: Mr. Chairman, maybe redirect it a
16 little bit here.

17 CHAIRMAN TILLERY: You can direct it a lot if
18 you want to.

19 MR. WOLFE: Deborah can.....

20 MS. D. WILLIAMS: Right, that's fine, we're
21 done.

22 MR. WOLFE: And Deborah can think of some other
23 issues. But, you know, I keep going back to the list of
24 recovering or not recovering species and trying to figure out
25 what kind of research proposal is going to work for that, and

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1 particularly when I look at some of it and it says that seals
2 have been declining for 20 years and, yes -- and they're still
3 declining. And in my mind I can't fix on what portion of that
4 decline that's going on now really relates to the spill and how
5 much we should be focusing on that and I think that's where you
6 guys can help us out by synthesizing some of the information.
7 I know we're doing that at this point in time, but I don't know
8 how quick that information is going to be available and, you
9 know, go right on over to the herring it says, herring are
10 starting to recover, most of the problem that we found with the
11 reason that they crashed in '93 was virus and fungus, not the
12 spill, but maybe the spill caused that, but in any case -- but
13 you say that we need to be careful about what kind of impacts
14 coming from Whittier Road because it might affect those
15 critical habitats. And I agree, but that's a little bit
16 different than oil spill restoration and so I'm having a hard
17 time getting my mind around those kinds of things, so somehow
18 or other I'm really struggling with how all these pieces fit
19 together because I understand we have a need to do something
20 out there, and I know that we need to look at ecosystem bases
21 or from the ecosystem context, but I also know that if you're
22 going to eat an apple you eat it one bite at a time, so you got
23 to pick it apart and start working with each piece of the
24 puzzle or whatever you want to say. And so far, I think, we're
25 still massaging this big thing and I'm wanting to get down and

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1 start looking at some of the individual pieces to see what we
2 can pick out and start focusing on and do some things over the
3 next few years.

4 DR. SPIES: I think we're saying two things.

5 One is that we need to maintain our capability to look at the
6 recovering system from the spill. We fully realize that the
7 changes in the environment complicate that picture.

8 MR. WOLFE: Yeah.

9 DR. SPIES: But what we're saying -- we're
10 clearly advocating for an evolution of the Science Program
11 towards -- just as the Habitat Program, we're not going to sell
12 the habitat back after -- to the people that we bought it from
13 after a few years, after the resource has recovered. We're
14 arguing for long-term protection of the resources through a
15 gauged active marine program that monitors the processes in the
16 ocean and interacts with the managers and stakeholders.

17 MR. WOLFE: Yeah. I'm not disagreeing with
18 you. My concern is at some point, we on the Fed side, at
19 least, have to do some sales job of what we're going to do with
20 this Restoration Plan or research to Justice and it has to be
21 linked, pretty close, to some things that we can say were a
22 result of the spill and maybe it will leverage dollars, other
23 dollars, or something. And it may, you know, fringe or push
24 the envelope on where we should or shouldn't be, but it's
25 defining that envelope that we can look at, that, to me, is

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1 still very hazy at this point in time.

2 CHAIRMAN TILLERY: Mr. Balsiger.

3 MR. BALSIGER: Mr. Chairman, I think it's
4 important that that discussion take place because to me it's
5 very difficult to figure what the bounds are of the things you
6 want to do. It's certainly not any harder for me to see the
7 connection between -- even these examples in the Aleutians and
8 the oil spill than it is to see a connection between some
9 clear-cut 100 miles up a river someplace in the oil spill.
10 Because there was no oil up there either. And to me it's --
11 that's equally part of the problem as is the research questions
12 and ecosystem and ecological connections we're trying to make.
13 So I think it would probably be important to have this
14 discussion and try to discover what the bounds are on the
15 research we're talking about.

16 MR. RUE: I know we're just starting this and
17 you're just throwing some ideas out there. And I think, you
18 know, Jim makes a very good point. I also think that we need
19 to -- one of the statements, of the many that made a lot of
20 sense here, to me.....

21 MR. WOLFE: Good recovery, good.....

22 (Laughter)

23 MR. RUE:for instance, that you're going
24 to spend a lot of money on things as they go down the tubes,
25 we've sure seen that with the disaster in Bristol Bay,

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1 suddenly, you know, we lost a lot of ability to understand
2 what's going on in Bristol Bay over time because of the way the
3 runs were just pouring in and it seemed easy. All of a sudden
4 things go upside down and people are willing to pour money into
5 finding out, well, why, you know? Anyway, I mean, that's just
6 a truism, I think, of human nature.

7 But I think the idea that science could allow us to
8 understand those things that man causes versus those things
9 that nature is causing and what is driving systems, will help
10 us understand how to restore, what actions we can take will
11 effectively restore injured resources and what things are
12 beyond our control, what things are driven by systems that had
13 -- that are changing and we can't do anything about it. But --
14 so, one, effective management, understanding what are the human
15 caused changes, so that we can change those and vary our
16 behavior to accommodate species that perhaps are under other
17 stresses from an oil spill and natural changes. I think we can
18 become much more effective in responding and restoring things.
19 So to me there's an exact link there, a very important link
20 right there to understanding the system better.

21 MS. D. WILLIAMS: I can say that as, again,
22 sort of collecting things. We've talked about getting more
23 information on community projects. One thing that would be
24 very helpful for me, and I think I heard this from Jim's
25 comment, too, is in talking about research is to come up with

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1 some examples. You may or may not chose not to put but one
2 example out, but come up with some examples of this is re.....

3 MS. McCAMMON: Jim put it on (indiscernible -
4 laughter).....

5 MS. D. WILLIAMS: This is research, you know,
6 we really think needs to be done, that has this kind of
7 relationship with restoration. And has these kind of
8 management benefits, so that if this res -- you know, so that
9 someone, even though I have a biology undergraduate degree,
10 someone with my simple mind can say, okay, this research shows
11 this, then, you know, Jim and Frank could do this. Or that
12 would have some restoration benefits. Or the research shows
13 this and for some reasons to remain indefinite and that's going
14 to be, you know, obvious that some research may not answer the
15 questions that you're seeking to answer at a hypothesis you're
16 seeking to prove or disprove.

17 But as we get farther from the event and as global
18 warming and El Nino and ozone depletion and all those other
19 factors put their heavy hand onto the scale or their big
20 numbers into the equation, I have a harder and harder time
21 figuring out how we're going to be able to use research that
22 looks to the oil spill in reaching management decisions. And
23 that may get to your -- you got to bust out of the oil spill,
24 but even then, how we can use research to help management to
25 restore the species. Let's not even tie it to the oil spill

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1 necessarily. How can we use research at this point to better
2 manage the species to lead to restoration benefits? I just
3 need, personally, you know, as many examples as you can come up
4 with of actual research that would help restore the species.

5 I have no problem, simple mind, I have no problem
6 knowing that every tree we save or the marbled murrelet is good
7 for restoration. But, you know, when I asked the fellow from
8 Seattle, what causes -- I mean, you could research that up the
9 yang-yang, but we know it was habitat destruction, we know it
10 was clear-cutting in the watershed and we know it was dams, you
11 know. And so.....

12 MR. BALSIGER: Hatcheries and harvest the four
13 Hs.

14 MS. D. WILLIAMS: Right.

15 DR. PETERSON: Can I give you one quick answer?

16 MS. D. WILLIAMS: Yeah.

17 DR. PETERSON: It's unrelated to this system,
18 so we can't argue about that part of it, whether it's
19 connected, but just from my real life. And that is we had a
20 problem with bay scallops, which are an important resource
21 harvested by retirees as well as a commercial fishery. Bay
22 scallops exist where there's a bay and they exist in the eel
23 grass beds of these bays. The bays are disconnected so there
24 are a bunch of them. It turns out the bay scallop larvae only
25 live for about seven days in the water column, they're

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1 transported by the physics. And we had a red tide event, the
2 red tide event completely wiped out the bay scallops in the bay
3 that had yielded 60 percent of the fisheries harvest for the
4 last 30 years, all the records they had of it.

5 For three years after it there was no recovery at all.
6 So I went out and studied with the physical oceanographer, we
7 looked at larvae lifetimes, we looked at the physics of where
8 the larvae went. We were able to conclude, preliminarily, that
9 that place would almost never get the larvae back again unless
10 we did something to manage it. And what we had to do, we then
11 collected a bunch of scallops before they're spawning season,
12 adults, hauled them in there, put them in these little pens
13 where they were really happy with each other and in a year we
14 had 50 percent of the recovery, in two years we had a
15 commercial fishery and it's continued on consistently.
16 And.....

17 MS. D. WILLIAMS: Great. You give example like
18 that for EVOS, and that's what I want to see.

19 DR. PETERSON:and that's -- well, but you
20 know, I can't do it for the next 3,000 years and hopefully the
21 permanent fund will go that long.....

22 MS. D. WILLIAMS: Right.

23 DR. PETERSON:and there will be problems
24 that can be solved by science. No all can be. And I don't
25 mean to say science is very efficient. You know we go off on

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1 tangents and fail utterly in a lot of our ideas, but it is the
2 way of knowing and it's a way of -- you know, science is a
3 process, in other words, of throwing out ideas that didn't work
4 and focusing in on the ones that did. And otherwise you're
5 left with suspicion and with other sorts of things that aren't
6 nearly as an effective tool. And that's just, you know, that
7 sort of practical example of which I'm sure there will be
8 bundles over, you know, the next millennium.

9 MS. D. WILLIAMS: Right. And also going back,
10 and I'm sure we're preparing this for the 10th anniversary, but
11 I'd find it very helpful, otolith marking is one. On beyond
12 otolith marking, what have we learned from our science in the
13 last nine years that Jim and Frank have used in making
14 management decisions, so they can say this has helped restore
15 the species? I'd love to see those examples.

16 DR. MUNDY: Yeah, I'm writing a paper.

17 MS. D. WILLIAMS: Okay, good. And that might
18 help us think creatively about how we can extend that.

19 DR. MUNDY: I got my man working on it over
20 here.

21 DR. PETERSON: But I think you're right, that
22 it's time to look at that question and to move some of the
23 science more into the application arena.

24 MS. D. WILLIAMS: Yes, exactly.

25 CHAIRMAN TILLERY: I think one of the things

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1 that it's important to keep in mind, there are species that
2 were injured that we can't fix the oil spill problem. We don't
3 have harbor seal hatchery, we don't have a killer whale
4 hatchery, but because there are other pressures on those
5 animals, if we can figure out why those other pressures are
6 causing things, we can essentially substitute a fix for that
7 other event for the fix that we can't do because of oil. And
8 so I'm thinking all those sort of need to play into your
9 thinking.

10 DR. PETERSON: Absolutely. And that requires
11 some broader ecosystem knowledge.....

12 CHAIRMAN TILLERY: Precisely.

13 DR. PETERSON:to know where the various
14 pressure points are in that population. So if you can't deal
15 with this one, you might work on this one over here, which
16 might be clear-cutting which didn't have anything to do with
17 the damages, but may well help the recovery.

18 CHAIRMAN TILLERY: It's another thing that we
19 also add the time dimension to it, because it seems like you
20 might fix it now, but in 10 years something pops up that
21 doesn't exist now and why you need sort of a continual source
22 or a way to look at these kinds of things and tell people how
23 to fix them, because threats aren't going to stop as long as
24 man keeps doing things and nature keeps doing things, new
25 problems are going to show up. It would seem to me.

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1 DR. PETERSON: That's my adaptive management
2 story, you've got to continually be learning and feeding back.

3 MR. RUE: And your marbled murrelet may never
4 get to the tree if don't know what the heck it's eating out in
5 the bay and how that's all interacting, let's say a commercial
6 fishery that could be depleting the forage fish or whatever it
7 is that they're depending on. I mean, for instance, we have
8 not opened forage fish commercial fisheries, we have gotten
9 lots of requests to open capelin fisheries and things like
10 that, but you start harvesting the base, you know, the base
11 part of the ecosystem which -- you know, we can buy all the
12 trees we want, but if something can fly from the tree and eat
13 it, but, you know, we could open those things, I suppose.....

14 MS. D. WILLIAMS: Right. But in looking at the
15 future.....

16 MR. RUE:but if we don't understand all
17 those interactions.....

18 MS. D. WILLIAMS:I mean, how do we
19 balance science versus habitat acquisition? And that's the
20 balance we have to come to. I mean if it's all science and you
21 can't acquire habitat, wait a minute, because you said,
22 something it may help us do is identify the habitat that's most
23 valuable.

24 DR. MUNDY: Absolutely.

25 MS. D. WILLIAMS: If it's 90 percent science or

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1 80 percent science, but only a little bit, you know, community
2 projects and, you know, a few pennies for habitat acquisition,
3 that's what concerns me. I want the biggest bang for the buck
4 for restoration with the dollars we have and that's why I'm
5 obviously being critical with you guys, you guys are advocates,
6 we didn't have the same kind of advocacy for habitat
7 acquisition, today. Molly gave a very straightforward report,
8 but it was not advocacy. You gave us advocacy so you deserve
9 some critical questions, but, you know.....

10 MR. WOLFE: You may not agree.

11 MS. D. WILLIAMS: Yeah. But we have to, you
12 know, make a real hard decision on what's going to give us the
13 biggest restoration bang for the buck. And that's all I'm
14 trying to reach. And I have to have and I think, Jim, and I
15 can't speak for anyone, just a much clearer image about the
16 restoration bang for the buck for research.

17 DR. PETERSON: But, Ms. Williams, I mean, I
18 appreciate it tremendously, don't think for a moment I don't.
19 Your days, your weeks and hours sitting here and your efforts
20 to protect that habitat, it's going to live and return
21 dividends for generations. That's wonderful. But ask yourself
22 this philosophical question, why should we allow management to
23 go on that allows private activities on private lands to
24 threaten public commercial -- public values, public resources?

25 MS. D. WILLIAMS: Ask Senators Stevens,

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1 Murkowski and Congressman Young that question.

2 DR. PETERSON: Well, I think it's largely a
3 knowledge-base. I think that conservation is compatible with
4 economic growth, provided it's done in a knowledgeable way.
5 And so that's where I would throw back, you know, as a
6 philosophical thing the issue of science that let's us manage
7 those activities so we can still timber, so we can still fish
8 and yet maintain the values that they might otherwise threaten.

9 CHAIRMAN TILLERY: This actually is probably a
10 good point, we need to move on to our action item on the agenda
11 as we're nearing -- but this has been stimulating and
12 helpful.....

13 MS. D. WILLIAMS: Yeah, it's been very helpful,
14 thank you.

15 CHAIRMAN TILLERY:and very much
16 appreciated and hope you guys kind of keep showing up at these
17 meetings.

18 MR. WOLFE: Appreciate it.

19 MS. D. WILLIAMS: Yes.

20 MS. McCAMMON: I thought we were moving to
21 discussion.

22 CHAIRMAN TILLERY: Yeah, we did.

23 MS. BROWN: I think we did.

24 MR. RUE: You left the room and.....

25 (Indiscernible - laughter and multiple voices)

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1 CHAIRMAN TILLERY: Anyway.....

2 MS. McCAMMON: Before we move to our action
3 item, Mr. Chairman.....

4 CHAIRMAN TILLERY: Ms. McCammon.

5 MS. D. WILLIAMS: Thanks, guys.

6 DR. SPIES: Good questions. I didn't think it
7 was advocacy.

8 CHAIRMAN TILLERY: Call them as he sees them.

9 MS. McCAMMON: I'd like to know where the
10 Council would like to take this next? And just for the benefit
11 of getting discussion going, I did have staff prepare for
12 discussion, draft the potential elements of a long-term
13 Restoration Program without putting any kind of percentages or
14 dollar figures or emphasis like that on it, but just to get the
15 discussion going, based on things that we heard from the Public
16 Advisory Group and from the public, you have that before you.

17 The Public Advisory Group has asked to have a joint
18 session with the Trustee Council at some time in the future.
19 People have asked me when they [sic] think the Council will
20 make a decision and all I've been able to tell them thus far is
21 when six people agree, which may not be in my lifetime. I don't
22 know. So I think in the memo at the beginning here I had -- in
23 hopes of trying to work through some kind of -- getting to a
24 point of a decision, I suggested a possibility if we could
25 focus on the categories of uses and try to flesh out some of

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1 the details of those, then perhaps saving how much goes to
2 which one we'd kind of, you know, get ourselves in to that
3 discussion though the back door. That's one approach.

4 There could be other approaches and maybe you need
5 additional different kinds of information or different kinds of
6 presentations. I had thought we might set up the meeting with
7 the Public Advisory Group for late October, early November.
8 You also have a meeting set for December 15th, here in Juneau
9 to finish up the Work Plan, to do the deferred projects, that's
10 another time to have another discussion and so I'd like to ask
11 you for some unanimous direction.

12 CHAIRMAN TILLERY: Comments? Suggestions?

13 MR. RUE: I think my feeling is we ought to set
14 up a schedule for deliberations, so we know what's coming and
15 trying to set an agenda for when we want to discuss certain
16 things. And I'm not sure what the right progression is, but it
17 seems to me we perhaps ought to look at some of the conceptual
18 issues first, and see if there's agreement. For instance, if
19 we don't want to talk about how much research, we ought to at
20 least talk about what research.

21 MS. D. WILLIAMS: What kind of research?

22 MR. RUE: Well.....

23 MS. D. WILLIAMS: Sorry.

24 MR. RUE:for instance, should it be
25 limited to the spill area?

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1 MS. D. WILLIAMS: Yes.

2 MR. RUE: Should it be limited to injured
3 species? Should it go beyond what's been injured? I think
4 there's some conceptual questions whether you peg the amount of
5 dollars that we ought to have.

6 MS. D. WILLIAMS: Yes.

7 MR. RUE: And so perhaps we ought to put some
8 of those questions on a particular agenda. I don't know,
9 that's one thought.

10 MS. D. WILLIAMS: And, Mr. Chairman.

11 CHAIRMAN TILLERY: Ms. Williams.

12 MS. D. WILLIAMS: One question, and I concur
13 with Commissioner Rue in terms of let's ask those conceptual
14 questions. I think that's very good. One thing I'd like, and
15 I'm looking to Barry and Maria and so forth, and Craig,
16 associated with those conceptual questions is what can we do
17 within existing authorities and what would require legislation
18 or some other modification of existing authorities? And so
19 when we get to that discussion, I think we really need to know
20 what we can do within existing authorities and what would
21 require legislation or other authorities.

22 CHAIRMAN TILLERY: Precisely the point I was
23 going to make.

24 MS. D. WILLIAMS: Okay.

25 CHAIRMAN TILLERY: I think that once we start

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1 looking at these things -- I think Molly's draft is a good
2 place to start. I think we need to start looking at the
3 legalities of these actions and the permutations of them.
4 Permanent endowments, do we do them?

5 MR. WOLFE: Right.

6 CHAIRMAN TILLERY: Moving outside the spill
7 zone, can we do it? I mean all those kinds of things that are
8 different or at least another step. What do we have to do to
9 be able to do them, if we decide to do them?

10 MR. RUE: Right.

11 MR. WOLFE: I would.....

12 MS. McCAMMON: Mr. Chairman -- go ahead.

13 MR. WOLFE: Go ahead.

14 MS. McCAMMON: Would it be helpful if we took
15 this draft, if you got back to me by a certain date with any
16 other kinds of conceptual issues related to these various
17 categories that you would like us to explore and then we kind
18 of fleshed out some of this and then an actual discussion on
19 the draft for the next meeting?

20 MR. WOLFE: I -- that was -- Mr. Chair.

21 CHAIRMAN TILLERY: Mr. Wolfe.

22 MR. WOLFE: That was kind of what I was going
23 to suggest is that we focus -- and you had indicated late
24 October, if at all possible, we need to focus a lot quicker
25 than late October. And one day at time is not getting us

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1 anywhere real fast. And while I don't want to commit a lot of
2 time, I'm thinking that we need to set aside a couple of days,
3 like we did when were in the restoration planning stage, to try
4 to really focus and get some production on this. But your
5 draft is a starting point. And our -- you know, if we got some
6 suggestions to have you flesh out, I think we mentioned a
7 couple of things today that might be helpful for us to have on
8 the table to sit around and start working on this. But I would
9 like to see this come to closure before the end of the year if
10 at all possible. Maybe it's not as critical now as it may have
11 been at one time, but.....

12 CHAIRMAN TILLERY: It'll start getting critical
13 around 2001.

14 MR. WOLFE: It's definitely -- to me, though,
15 it's important that we get something on the table and not
16 continue to just drift along on this thing, so I'm willing to
17 commit some additional time before the month's out, for sure.

18 CHAIRMAN TILLERY: Commission Rue.

19 MR. RUE: Mr. Chair, what were talking about is
20 having Molly and her staff and/or the Department of Law, the
21 Department of Justice talk about what are realities within the
22 current consent decree, and all that, for some of these ideas.
23 That may take some time. I assume people have other jobs and
24 other things they have to do between now and the end of October
25 or even November. I assume we'd be into that discussion some

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1 time in November.

2 And I was also going to ask if we don't want to start
3 asking what else is being done out there, since the normal
4 agency activity, normal agency responsibilities, the
5 Magnuson-Stevens Act seems to factor into folks' thinking,
6 maybe we need to bring folks in here who can talk about those
7 issues. And are we simply duplicating or not? And how could
8 you relate to those other actions? I mean, if we want to get
9 into that whole arena, that's going to take a little more time
10 to.....

11 MR. WOLFE: Get ready for?

12 MR. RUE:get ready for. We'll get
13 someone to come in and talk about it or have us do the research
14 and.....

15 MR. WOLFE: Mr. Chair, I think that Maria and
16 Craig and Barry and some of the others kind of know what we can
17 and can't do or what the legal ramification or limits are on
18 some of this stuff already, because we've been through this for
19 a lot of years.

20 CHAIRMAN TILLERY: No, I don't think that's
21 quite true.

22 MR. WOLFE: Okay.

23 CHAIRMAN TILLERY: I have some ideas about
24 these things, when I see these, you know, I think legally,
25 okay, God, I wonder if we can get away with it; if we can do

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1 that and, you think, well, you can probably do this or do that,
2 but you don't go down and dot the i's and dot the t's and make
3 sure there's not a glitch down the road.

4 MR. WOLFE: All right.

5 CHAIRMAN TILLERY: So it's got to be done. And
6 just timing-wise, it's going to be very difficult for us to get
7 to that before we finish these large habitat acquisitions,
8 because we're pretty much been working all of our other work
9 staff to this.

10 MR. WOLFE: I can see Maria nodding her head in
11 the back of me.

12 CHAIRMAN TILLERY: I can sense that, too.

13 MS. LISKOWSKI: And the other aspect of this is
14 getting an answer from Department of Justice in a quick manner
15 and you all know how quick they are to respond, sometimes, to
16 our questions, so we have to add that in as a factor, too.

17 MR. WOLFE: Yeah.

18 MS. D. WILLIAMS: I'm trying to look at real
19 deadlines out there and I know one of our goals was to have
20 this issue resolved in time for announcement at the 10th
21 anniversary.

22 MR. WOLFE: That's right.

23 MS. D. WILLIAMS: March. And if we still see
24 that as a real goal, as a significant event and we would
25 announce it and unless there's some other goal -- I know, Jim,

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1 you said end of the year and that has a certain appeal, but in
2 terms of a real deadline I see March. If we starting counting
3 back, you know, Maria, you and your staff could count back from
4 then and see how can we get to the point, assuming there can be
5 a meeting of six minds, how could we have the information, at
6 least, to be able to make a decision in time to make this
7 announcement part of the 10th anniversary celebration.

8 MS. McCAMMON: Mr. Chairman, it seemed to me in
9 looking at the kinds of options and the legal questions, what
10 -- the way we've kind of approached it in the last year is
11 telling people focus on what you want to do. If you come up
12 with what you think is the best optimal use of the funds and
13 what you want to do, and then you look at what are the ways to
14 accomplish this, using existing authorities, and then what if
15 you did seek our new authorities, could you do it even better
16 if you had new authorities? And then you kind of have two --
17 look for two ways of achieving what you want to do.

18 And we've tried to focus it kind of in that direction,
19 rather than saying, immediately, what are we limited to, what
20 are our boundaries already existing as a result of existing
21 law. And it seems like we get more creative legal advice by
22 figuring out, first, what it is you want to do and then looking
23 at what kinds of boundaries you have and it seems like people
24 are able -- the lawyers are able to come up with better ways of
25 guiding us.

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1 So I would suggest that we kind of maybe take a
2 two-prong approach here of focusing on what it is you really
3 want to do and then working with the lawyers to say, okay,
4 well, if you kind of want to do this, how would we do it if we
5 didn't want to go out and change the law and what the existing
6 authorities are, but if we had to, does that give us more
7 flexibility or, you know, able to enhance a program in some way
8 or whatever? So I would kind of suggest we do kind of both at
9 the same time.

10 MR. RUE: Mr. Chair. I don't know if I want to
11 press the issue prematurely, but at some point we may have to
12 do a sense of the group, you know, are we -- you know, half of
13 us thinking, we got to spend all the money on habitat and the
14 other half thinking we got to spend it all or most on research
15 and we're just never going to change, and that was fun, so
16 let's go on and just the Work Plan.

17 (Laughter)

18 MR. RUE: Let's just do the Work Plan and we
19 won't get agreement. Or is there a sense in the group that,
20 yeah, we can probably all agree or we can beat someone into
21 submission if someone is being.....

22 MS. McCAMMON: Want to take a vote today?

23 MR. RUE: No, I don't know, I don't want to
24 push the group faster than it's willing to go, but at some
25 point we are going to have to put a straw poll on the table and

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1 say, generally, where do you think we ought to head with this
2 as a group? And then let's put in a whole bunch of work into
3 it, but before -- if we're just diametrically opposed on how
4 this thing is to be structured, I don't know that I want my
5 staff and/or would ask Craig and his staff to go do a whole lot
6 of research on, you know, how do you wriggle the boundaries if
7 this group is never going to come to an agreement on the
8 overall approach.

9 I don't want to push that today, it's late and I'm
10 going to have to walk out of the room, but at some point we
11 probably need to get a sense of group and how strongly people
12 feel about that. Or are we completely committed before we ask
13 folks to take time out from other work and look at some of
14 these issues.

15 MR. WOLFE: Mr. Chair.

16 CHAIRMAN TILLERY: Mr. Wolfe.

17 MR. WOLFE: In partial response to that. I --
18 you know, to me, before I can give an answer to what you're
19 asking about, are we totally opposed to this; do we want to
20 spend all the money on this or that? I'm not clear, yet, on
21 what -- where the bucks are going to buy us the most for what
22 we're trying to achieve. And if we get a little better sense
23 of that, maybe you can get an answer to your question.

24 MR. RUE: And I assume you're talking about
25 research, Mr. Chair [sic]?

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1 MR. WOLFE: Well, both.

2 MR. RUE: Well, habitat, we've been at the
3 business quite a bit, same with research, but maybe we've been
4 more explicit in how we see long-term restoration and habitat
5 purchases linking, and maybe it's easier for folks to see it
6 because it very tangible, you can imagine that.....

7 MR. WOLFE: A little more, yeah.

8 MR. RUE:you can imagine it better and
9 the links are sometimes harder to see with research. So maybe
10 we need to spend a little time on research is what I think I'm
11 hearing you say.

12 MR. WOLFE: Yeah.

13 MS. D. WILLIAMS: Uh-huh.

14 MR. BALSIGER: Well, Mr. Chairman, I guess to
15 avoid Ms. Williams -- no, I don't want to characterize it as
16 your position, but to avoid any element -- anyone of the
17 Trustees from thinking their position was shortchanged, we
18 probably can't just have an advocacy paper for research
19 developed, we probably need to have some similar document for
20 purchasing habitat and perhaps some similar document for
21 community programs. I mean if those are the three general
22 areas. If you're going to try to put something down in
23 writing, I don't think we ought to just have research,
24 otherwise the other people will feel that they're champions
25 weren't very well presented.

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1 MR. RUE: Yeah. Could we have a workshop on
2 each one and invite folks in and.....

3 MS. McCAMMON: I thought about putting together
4 a document on habitat opportunities and then I felt
5 uncomfortable, that that might be misused or misconstrued by
6 some people.

7 MR. RUE: Uh-huh.

8 MS. McCAMMON: I have a little concern about
9 that.

10 MR. RUE: Right. But you could talk more
11 generally about the options, the opportunities, what has been
12 done, how that's benefited in, say, the Habitat Purchase
13 Program, how that's benefited restoration species and then you
14 could spend -- we just started a discussion here, you could get
15 a few more folks in the room than we had today who had ideas on
16 research and spend a day, half a day, just discussing the idea
17 of research and how it might forward the goals of the Council.
18 Same with habitat. I'm not sure it needs to be, you know,
19 taking all the parcels, for instance, and saying these parcels
20 would have these benefits and we ought to go after them.

21 MR. BALSIGER: Well, you're all completely
22 aware, of course, that I've never been here before. So perhaps
23 every other meeting has been a champion of purposes of habitat
24 purchases, acquisitions and if that's the case then I withdraw
25 my comments.

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1 MS. D. WILLIAMS: Mr. Chair.

2 CHAIRMAN TILLERY: Ms. Williams.

3 MS. D. WILLIAMS: I think it's a very good

4 point and what I really want, and I don't know if I speak for

5 Jim when I say this also. What Molly did is what I want. Here

6 are the opportunities, you know, here are the possibilities. I

7 just want a clear sense of that with community projects and

8 with research. Not advocacy, we don't -- I don't think we need

9 advocacy, we just need to know what are the opportunities.....

10 MR. WOLFE: Opportunities, uh-huh.

11 MS. D. WILLIAMS:what are the

12 possibilities out here and try to strip the advocacy out of it,

13 just say, you know "here's forests" or examples, because right

14 now I have the very fuzzy idea about research and, you know,

15 also not a clear vision of what the community opportunities

16 might be so that we can say, okay, if we go -- you know, let's

17 take our pie slicer out, you know, we have some sense of what

18 this is buying and can translate that into the restoration

19 benefits. And so -- I think we've done a pretty good job on

20 that with habitat, again, the big unknown there is we don't

21 know how many willing sellers there are, but at least we know

22 what's available, potentially. And I would just -- that's what

23 I was asking for with each of the two speakers, is just, you

24 know, take some of the fog and advocacy out of this and just

25 let's have examples of what might be done here.

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1 MS. McCAMMON: Mr. Chairman, we'll do the best
2 we can, but they are three different creatures.

3 MS. D. WILLIAMS: Yeah.

4 MS. McCAMMON: I mean, habitat is very finite,
5 you know the opportunities are there, more opportunities aren't
6 going to be created unless, I don't know, the tide really goes
7 up or there's really -- there's a lot of evaporation or
8 something. I mean, it's a limited amount of opportunities. As
9 we found over time, I mean, in the early days of deciding what
10 to put in the Restoration Plan, one of the ideas was to list
11 all of the projects the Council was going to fund over 10 years
12 and that was -- the approach was decided against because you
13 want to learn every year based on the knowledge you've gained
14 from that year's effort.

15 And certainly the kinds of things we're funding now,
16 either weren't on the list at that time or things that were on
17 at that time decided we didn't need to do after all, they
18 weren't really worthwhile. And so it's very difficult for
19 community project type things and research to be -- to look
20 forward 50 years and say, these are the kinds of things that we
21 should be doing 50 years from now, so you have to keep that in
22 perspective too.

23 MS. D. WILLIAMS: Oh, certainly, certainly.

24 MS. McCAMMON: But we'll do the best we can to
25 come up with a better list for you of opportunities.

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1 MS. D. WILLIAMS: Yeah. Mr. Chairman, I guess
2 the one concern I have in terms of will there be a meeting of
3 the minds is, am I correct in assuming the Governor didn't put
4 his line in cement or throw the gauntlet down with his
5 comments?

6 MS. McCAMMON: That he did or didn't?

7 MS. D. WILLIAMS: That he did not. Or is that
8 the State's position? I mean is that the State's position,
9 "there you have it, no discussion?" If that's the State's
10 position "there you have it, no discussion," then we have a
11 challenge. But I think one thing that would be useful to know
12 whether it is worth going forward was to know whether that a
13 line in cement.

14 MR. RUE: I think you have to decide how
15 precise a line it was. I think.....

16 MS. D. WILLIAMS: Well, it's pretty explicit.

17 MR. RUE: Yeah, I think if you want -- if the
18 Trustee Council wanted to do 75 percent land purchase that
19 would be a non-starter.

20 CHAIRMAN TILLERY: I mean, I've received the
21 letter, I've read the letter, the Governor has not spoken to me
22 personally and told me his views and how strong he feels on
23 this. And I read the letter as his saying "here are my views"
24 and that's what I read.

25 MS. D. WILLIAMS: Okay. So the State Trustee

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1 Council members don't feel bound?

2 CHAIRMAN TILLERY: I haven't yet discussed that
3 with the Governor.

4 MR. RUE: I think there's been direction given
5 and I think, you know, you're going to have to come up with a
6 pretty convincing positions to have a radically different
7 proposal.

8 MR. BALSIGER: So it is (indiscernible -
9 whispered)

10 MR. RUE: Right?

11 MS. D. WILLIAMS: I don't know. I think that's
12 interesting before we have all the information in front of us.
13 I certainly can speak for myself, I do not have a line in the
14 sand, and I don't think Jim does and I don't think NOAA does.
15 I think it's problematic going into this with a line in the
16 cement on the State's part.

17 MR. RUE: I don't know how precise a line
18 though.

19 MS. D. WILLIAMS: There's a pretty precise line
20 that's defined in that letter.

21 CHAIRMAN TILLERY: Are there.....

22 MR. RUE: But for the Trustee Council members I
23 don't think the line -- I think what Mr. Tillery was saying is
24 there may not be as precise a line as you discuss the options.

25 CHAIRMAN TILLERY: Are there other comments?

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1 Molly, do you know where we're headed on this for the next
2 meeting or something like that?

3 MS. McCAMMON: That's why I'm trying to figure
4 out ways to make more money. It's easier to meet everyone's
5 line then. Well, let's see. More information about
6 opportunities for community projects and research. Feedback,
7 say within the next 10 days on this to see if there's any
8 additional conceptual type things you'd like fleshed out.
9 Maybe expand on this and actually get some feedback from the
10 attorneys on this.

11 You want to comment?

12 MR. WOLFE: Not yet.

13 CHAIRMAN TILLERY: Well, what about the PAG?

14 MS. McCAMMON: Do you want to set up anything
15 with the PAG?

16 MR. WOLFE: When is the next.....

17 MS. McCAMMON: This was not advertised as a
18 formal public hearing, it was advertised as a work session, now
19 some people, you know, took the advantage of it and did
20 comment, but it was not advertised, we did not seek, you know
21 -- and at some point that is needed as part of the process, but
22 it could be at a point where you have some kind of a
23 preliminary decision, too, before you make a final decision.

24 Or we could just think about it, staff could think
25 about it and then get back to you with a couple of suggestions

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1 in the next few days.

2 MR. RUE: I guess I feel there could be value
3 in having a session on research that expands on what we did
4 today. We started at 3:30 in the afternoon or 4:00, it was
5 pretty late, and it was, I thought, really interesting, but I
6 think that could be useful in a while. I mean I don't want to
7 do that right away. I'm not sure we can get the people here
8 and figure it out that quickly.

9 MR. WOLFE: You talking a month or two months
10 or.....

11 MR. RUE: I don't know. I'd sort of ask Molly
12 to maybe look into what it might be, if other Trustee Council
13 members agree, to have a discussion building on what we did
14 today. What are some of the opportunities out there?

15 MR. WOLFE: Mr. Chairman.

16 CHAIRMAN TILLERY: Mr. Wolfe.

17 MR. WOLFE: I can tell you that from my
18 perspective, I'd get a lot more out of a joint meeting with the
19 PAG if we could have a discussion on the community
20 opportunities and on the research before we sit down and talk
21 with the PAG, with the PAG group, then I can kind of put it
22 altogether, maybe. That would be my preference.

23 CHAIRMAN TILLERY: Ms. Brown.

24 MS. BROWN: Mr. Chairman, I really do think we
25 would get a lot out of a whole workshop type nature, because I

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1 think if we start talking about lines in the sand before
2 anybody really has a visual or, you know, a gut instinct of
3 what it is we're talking about, you know, we can talk
4 theoretically from now till dooms day and won't do us any good,
5 so I think the workshop on real opportunities is good. I
6 actually kind of like the idea of having it with the PAG
7 members because you want them to.....

8 MR. RUE: At the same time?

9 MS. BROWN:be engaged in that discussion
10 with you.....

11 MR. RUE: Okay.

12 MS. BROWN: hearing it with you, you
13 know, it's not -- at some point -- you know the more people
14 that are brainstorming this, the better off we all are.

15 MR. RUE: Mr. Chair, I'd only suggest that's an
16 awfully large group to brainstorm.

17 CHAIRMAN TILLERY: It's awfully unmanageable.

18 MR. RUE: That's the only problem.

19 CHAIRMAN TILLERY: Yeah.

20 MR. RUE: Six people or eight is a pretty good
21 number, has been my experience if you want to have a
22 discussion. If you get up to 25.....

23 MS. BROWN: Uh-huh.

24 MR. RUE:you get more presentation and
25 you listen and then you ask a few questions, but you don't

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1 necessarily get a discussion going on.

2 CHAIRMAN TILLERY: So, Molly, is that some
3 direction that, perhaps, you should -- and the staff should
4 think about setting up some kind of a workshop that would get
5 into these issues? Perhaps not involve the PAG this early in
6 it and maybe do it in the next month or so.

7 MS. McCAMMON: In the next month in Anchorage,
8 at a meeting with everyone involved. A full day, half day?

9 MR. RUE: I guess.....

10 CHAIRMAN TILLERY: I don't think it matters
11 where it is, particularly, because the PAG is not involved.

12 MS. McCAMMON: Okay. So just wherever we can
13 get.....

14 CHAIRMAN TILLERY: Wherever you can get the
15 people to show up for a day.

16 MR. BALSIGER: Honolulu.

17 MR. RUE: Huh?

18 MR. BALSIGER: If it really didn't matter, I'll
19 thought Honolulu would be good.

20 MR. RUE: Oh, I see.

21 MR. WOLFE: Good man.

22 MS. McCAMMON: Within the spill area.

23 (Indiscernible - multiple voices and laughter)

24 CHAIRMAN TILLERY: Okay. Is that enough
25 discussion on this?

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1 MS. McCAMMON: Yes.

2 CHAIRMAN TILLERY: Any other comments?

3 (No audible responses)

4 CHAIRMAN TILLERY: We do have one action item,
5 it's getting late. Mr. Swiderski, I believe.

6 MR. SWIDERSKI: Yes.

7 CHAIRMAN TILLERY: Koniag subsurface rights?

8 MR. SWIDERSKI: Koniag subsurface rights. I
9 have proposed resolution here and essentially what we have is a
10 proposed agreement from Koniag to sell the subsurface estate
11 that is connected with the approximately 41,000 acres of
12 surface estate that we will be purchasing from AJV. They have
13 agreed to sell it for \$750,000. There would be a one time
14 payment of \$750,000 at closing.

15 We did do a minerals assessment and have a geologist
16 essentially determine that there is not currently known mineral
17 potential or oil and gas potential at the -- within the
18 subsurface estate of the lands that would be acquired.
19 Nevertheless the value in this would be in terms of protecting
20 the -- against the eventuality of a discovery of minerals
21 research. The price is something that's been characterized as
22 -- it's hard to say \$750,000 is a nominal price, but given the
23 amount of acreage it works out to approximately \$18 per acre.
24 And this is, as I'm sure the Council's aware, the first time
25 that we have had a seller who was willing to sell the

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1 subsurface estate connected with a surface estate purchase at a
2 price that is possibly reasonable for consideration by the
3 Council. And I've circulated drafts for a proposed resolution
4 to that effect.

5 CHAIRMAN TILLERY: For purpose of opening up
6 discussion, is there a motion?

7 MS. D. WILLIAMS: Mr. Chairman, I move that the
8 Trustee Council adopt a resolution which would provide for the
9 acquisition of the subsurface estate beneath the AJV land
10 currently owned by Koniag.

11 MS. BROWN: Second.

12 CHAIRMAN TILLERY: It's been moved and
13 seconded. Is there discussion from Council members?

14 MR. BALSIGER: Your fix is in there?

15 MR. SWIDERSKI: It is, yes.

16 CHAIRMAN TILLERY: That was subparagraph (d),
17 is that.....

18 MR. SWIDERSKI: Paragraph -- yes, the
19 acquisition shall be subject to any existing arrangements or
20 rights of the AJV to assess the subsurface estate for
21 activities relating to timber. The harvest of timber in that
22 portion of AJV. That is if Koniag is currently being
23 reimbursed by -- from AJV for use of the subsurface estate to
24 build roads or other activities related to timber harvest, we
25 would acquire that right of reimbursement as part of the

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1 acquisition.

2 MR. RUE: Mr. Chairman, that takes care my
3 concern that with -- as I understand it, with the Native Land
4 Claims, the subsurface includes sand and gravel, which is.....

5 MR. SWIDERSKI: That's correct.

6 MR. RUE:not something that the State
7 normally thinks of as subsurface, but is used for road building
8 and I wouldn't want to be buying something which is then, you
9 know, we would be expected to give it away or used by AJV in
10 road building.

11 CHAIRMAN TILLERY: Other comments?
12 Ms. Williams.

13 MS. D. WILLIAMS: Did we have anything like (d)
14 in the previous draft?

15 MR. SWIDERSKI: No, that was.....

16 MS. D. WILLIAMS: Is there any.....

17 MR. SWIDERSKI: Well, I take that back. You
18 know, most of (d) was there, we modified it slightly -- we
19 modified the language in the first line slightly.

20 MS. D. WILLIAMS: Okay. So we have "that it
21 shall be subject to?"

22 MR. SWIDERSKI: Yes.

23 CHAIRMAN TILLERY: Other comments or questions
24 from Council members?

25 (No audible responses)

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1 CHAIRMAN TILLERY: Okay. All in favor of the
2 motion, signify by saying aye.

3 IN UNISON: Aye.

4 CHAIRMAN TILLERY: Opposed?

5 (No opposing responses)

6 CHAIRMAN TILLERY: The motion carries.

7 And that brings us, I believe, to the end of our
8 agenda. Nothing more, therefore, it is appropriate to have a
9 motion to adjourn.

10 MR. WOLFE: So moved.

11 MR. BALSIGER: So moved.

12 MR. RUE: Second.

13 CHAIRMAN TILLERY: All in favor.

14 IN UNISON: Aye.

15 CHAIRMAN TILLERY: Opposed?

16 (No opposing responses)

17 CHAIRMAN TILLERY: We're adjourned.

18 MS. D. WILLIAMS: Thank you. Great job, Craig.

19 (Off record - 4:56 p.m.)

20 (END OF PROCEEDINGS)

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1 CERTIFICATE

2
3 UNITED STATES OF AMERICA)

4) ss.

5 STATE OF ALASKA)

6 I, Joseph P. Kolasinski, Notary Public in and for the
7 State of Alaska and Owner of Computer Matrix do hereby certify:

8 THAT the foregoing pages numbered 5 through 169 contain
9 a full, true and correct transcript of the Exxon Valdez Oil
10 Spill Trustee Council's Meeting recorded electronically by me
11 on the 28th day of September 1998, commencing at the hour of
12 10:42 a.m. and thereafter transcribed by me to the best of my
13 knowledge and ability.

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

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

18 DATED at Anchorage, Alaska this 7th day of October
19 1998.

20 SIGNED AND CERTIFIED TO BY:

21 _____
22 Joseph P. Kolasinski
23 Notary Public in and for Alaska
24 My Commission Expires: 04/17/00