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1 EXXON VALDEZ OIL SPILL  
2 TRUSTEE COUNCIL MEETING  
3 October 22, 1999  
4 10:00 o'clock a.m.  
5 NOAA Conference Room  
6 Juneau Federal Building, #455  
7 Juneau, Alaska

8 TRUSTEE COUNCIL MEMBERS PRESENT:

9 U.S. DEPARTMENT OF COMMERCE - NMFS:	MR. STEVE PENNOYER
10 (CHAIRMAN)	Director, Alaska Region
11 STATE OF ALASKA -	MR. CRAIG TILLERY
12 DEPARTMENT OF LAW:	Trustee Representative
13	for the Attorney General
14 STATE OF ALASKA - DEPARTMENT	MR. FRANK RUE
15 OF FISH AND GAME:	Commissioner
16 U.S. DEPARTMENT OF INTERIOR:	MS. MARILYN HEIMAN
17	Special Assistant to the
18	Secretary for Alaska
19 U.S. DEPARTMENT OF AGRICULTURE -	MR. DAVE GIBBONS
20 U.S. FOREST SERVICE	Trustee Representative
21 STATE OF ALASKA - DEPARTMENT	MS. MICHELE BROWN
22 OF ENVIRONMENTAL CONSERVATION:	Commissioner
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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON

Executive Director

3

EVOS Trustee Council

4 MS. SANDRA SCHUBERT

Director of Restoration

5 MS. REBECCA WILLIAMS

Executive Secretary

6 DR. ROBERT SPIES

Chief Scientist

7 MR. PHIL MUNDY

Science Coordinator

8 MS. TRACI CRAMER

Director of Administration

9 MR. ALEX SWIDERSKI

Alaska Department of Law

10 MS. MARIA LISOWSKI

U.S. Forest Service

11 MS. GINA BELT

U.S. Department of Justice

12 MR. BRUCE WRIGHT

NOAA

13 MR. JIM KING

Public Advisory Group

14 Present Telephonically:

15 MS. CHERRI WOMAC

EVOS Staff

16 MR. HUGH SHORT

Community Facilitator

17 MR. JOE HUNT

Communications Specialist

18 MS. CLAUDIA SLATER

Alaska Department of Fish &

19

Game

20 MS. DEDE BOHN

U.S. Geological Service

21 MR. KEN HOLBROOK

U.S. Forest Service

22 MS. MARIANNE SEE

Alaska Department of

23

Environmental Conservation

24 MR. STEVE SHUCK

U.S. Fish and Wildlife

25

Service

26 MR. GLENN ELISON

U.S. Fish and Wildlife

27

Service

28 MR. BARRY ROTH

U.S. Department of Interior

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P R O C E E D I N G S

1  
2 (On record - 10:01 a.m.)

3 CHAIRMAN PENNOYER: Okay, good morning, I think  
4 we'll go ahead and get started now. My name is Steve Pennoyer  
5 and I've been asked to chair this session, be the Federal Chair  
6 for this session. I notice all Trustee Council agencies are  
7 represented here. We got Craig Tillery from the State of  
8 Alaska, Attorney General's Office; Marilyn Heiman, Special  
9 Assistant to the Secretary for the Department of Interior;  
10 Michele Brown, Commissioner of Alaska Department of  
11 Environmental Conservation; Frank Rue, Commissioner, Alaska  
12 Department of Fish and Game; Dave Gibbons, representing the  
13 U.S. Forest Service; and I'm Steve Pennoyer, representing NOAA  
14 and the National Marine Fisheries Service.

15 So I note everybody is present and accounted for, I  
16 think we might as well go ahead and start the agenda. The  
17 first item on the meeting agenda is the approval of the agenda  
18 and I'd ask if anybody has any additions or comments on the  
19 agenda itself.

20 Molly McCammon, I meant to recognize Molly McCammon,  
21 the Executive Director as well.

22 MS. McCAMMON: Yeah, Mr. Chairman, I have two  
23 additions to the agenda for your consideration. One is action  
24 on 17 Larsen Bay Small Parcels on Kodiak Island.

25 CHAIRMAN PENNOYER: Where does that appear on

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1 this?

2 MS. McCAMMON: That would be.....

3 CHAIRMAN PENNOYER: Item 6?

4 MS. McCAMMON: .....Item 6, we could take it up  
5 there, but that's actually an action item. The other one is  
6 under presentation on the Gulf Ecosystem Monitoring Program, I  
7 have a proposed draft resolution for your consideration and  
8 action and that has been circulated to all of you. I'd like to  
9 add that to the agenda.

10 CHAIRMAN PENNOYER: Ms. McCammon, that was  
11 circulated this morning then?

12 MS. McCAMMON: No, it was circulated yesterday.

13 CHAIRMAN PENNOYER: It's in the package, okay.

14 MS. McCAMMON: Yeah.

15 MS. HEIMAN: What was that again?

16 MR. RUE: The resolution.

17 MS. McCAMMON: The resolution on working with  
18 Native villages on GEM.

19 MR. RUE: And which is the action item, I'm  
20 sorry?

21 MS. McCAMMON: That's an action item, our  
22 proposed action item.

23 MR. RUE: That's the action item, got you,  
24 okay.

25 MS. BROWN: And then Larsen is a potential?

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1 MS. McCAMMON: And then the Larsen Bay tax  
2 parcel.

3 CHAIRMAN PENNOYER: Does anybody have any  
4 problems with those additions to the agenda?

5 MR. RUE: No.

6 CHAIRMAN PENNOYER: Hearing none, they're  
7 added. Any others? Commissioner Rue.

8 MR. RUE: I need to be out of here by 2:30 or  
9 3:00, so I see a 5:00 o'clock adjournment, hope we can move  
10 along quicker than 5:00 o'clock.

11 CHAIRMAN PENNOYER: Executive Director  
12 indicates to me 3:00 or 4:00 o'clock is a possibility, and if  
13 we're at 2:30, then we'll compromise on 3:00 potentially. That  
14 do it for you?

15 MR. RUE: Let's shoot for 2:30 and go to 3:00.

16 MS. HEIMAN: We flew all the way down here from  
17 Anchorage to visit with you, Frank.

18 MR. RUE: Good, then we'll be efficient in our  
19 visit.

20 MS. HEIMAN: We don't fly out until 7:30,  
21 so.....

22 MR. RUE: So you'll enjoy Juneau, it's about up  
23 to Chernobyl for a tourist spot.

24 (Laughter)

25 CHAIRMAN PENNOYER: Okay. All right, so the

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1 agenda is approved, we agree to try and work through this  
2 process, including lunch hour, to get done by 3:00 o'clock, if  
3 at all possible, and I think we should go ahead then and start  
4 down the list.

5 The first item is the approval of the August 9th and  
6 September 9th meeting notes; does anybody have any comments on  
7 either one of those?

8 (No audible responses)

9 CHAIRMAN PENNOYER: The only question I have,  
10 Ms. McCammon, is the notice that the undertaking of the  
11 archaeological repository work between September and December  
12 of '99, and this is now getting well into October; do you have  
13 any progress on that or were you going to report that later?

14 MS. McCAMMON: I was going to report on that in  
15 my report.

16 CHAIRMAN PENNOYER: That's fine, thank you very  
17 much. Any other comments on the two meeting notes, for either  
18 August 9th or September 9th, any problems or reservations on  
19 approving them?

20 (No audible responses)

21 CHAIRMAN PENNOYER: Hearing none, they are  
22 approved.

23 The next item we go to, I believe, is Executive  
24 Director's report; is that correct?

25 MS. McCAMMON: That's correct.

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1 CHAIRMAN PENNOYER: Ms. McCammon, proceed.

2 MS. McCAMMON: Mr. Chairman, there are a number  
3 of items I wanted to report on to you since our last meeting.  
4 The Public Advisory Group took a field trip to Prince William  
5 Sound in September, a number of the PAG members and staff went  
6 to Cordova and Tatitlek. We had intended to boat from Cordova  
7 to Tatitlek to Valdez and, due to anticipated weather, that  
8 never materialized, we ended up flying to Tatitlek and spending  
9 the morning there.

10 In Cordova we met at the Prince William Sound Science  
11 Center and was given a presentation by Gary Thomas and some  
12 other staff members on some of the programs that the Science  
13 Center has undertaken in the last several years and some of  
14 their thoughts on future work. We also toured the Fleming Spit  
15 parcel and sport fish access project out there that was funded  
16 through the State criminal funds. We toured the waste oil  
17 facility that was funded under the Solid Waste Management Plan.  
18

19 We also met with the City Council for an extensive  
20 meeting on their proposed community facility in Cordova. We  
21 held a public meeting that night. I think by the time we met  
22 with all the various groups during the day, there were only two  
23 public members at the meeting that night, but they also  
24 included the Executive Director of the Cordova District  
25 Fishermen's Union, so that was very helpful to get that input

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1 from fishing interests.

2           The next day we did take two groups out to Tatitlek,  
3 meeting with Gary Kompkoff, head of the Village Council,  
4 touring the Fish and Game processing facility, their oyster  
5 project, talking to him about their plans for the archaeology  
6 project and getting a sense of some thoughts that Tatitlek has  
7 in terms of fitting into a long-term program into this GEM  
8 Program.

9           So I think, overall, it was very worthwhile for the  
10 Public Advisory Group to get out to that part of the Sound. We  
11 anticipate that this is the last field trip for the Public  
12 Advisory Group. Over the last several years they've gone to  
13 Kodiak, Seward and Kenai River. We did Chenega, Valdez and  
14 pretty much every -- Port Graham, Seldovia, Homer, so pretty  
15 much every major, every area in the spill area has been visited  
16 by the Public Advisory Group over the last five or so years.  
17 And in terms of trying to wind down the program and do a  
18 smaller effort, I think this is the last field trip.

19           Financial report, I wanted to -- you should have in  
20 front of you a copy of the financial report as of September  
21 30th, 1999. The main thing I wanted to call your attention to  
22 is the last page, which is a spreadsheet on our investments in  
23 the Restoration Reserve. And I think you should be able to see  
24 there are two lines that are bolded and these are A3 and B2 and  
25 these are investments that are maturing on November 15th. It's

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1 the policy of the Council to take action on whether to reinvest  
2 these funds in the reserve. Since our future investment  
3 structure, which I'll get into, is so kind of in limbo, what  
4 we've been doing for the past couple of years is putting those  
5 funds in a liquidity account.

6 This happened last year, also, and I did go back and  
7 look at what action the Council took. The Council did not make  
8 a motion, did not take any affirmative action, but both the  
9 Department of Justice and the Department of Law did submit a  
10 court order to ensure the funds would go -- the principal and  
11 interest would go into the liquidity account. So I just wanted  
12 to bring that to your attention.

13 CHAIRMAN PENNOYER: Are you asking for action  
14 at this point?

15 MS. McCAMMON: I don't think -- no action was  
16 taken last year, it's whether -- Craig and I are going back and  
17 forth like this, researching it, but there was no motion last  
18 year, it was basically an informational item to the Council,  
19 unless you would want to do it differently this year.

20 MR. TILLERY: That's right. No, I think --  
21 that's right, if we're not going to reinvest in the Reserve  
22 Fund with a new set of bonds, which we're not going to do.

23 MS. McCAMMON: Correct.

24 MR. TILLERY: Then we don't need a Council  
25 action, but the court -- we didn't think we needed a court

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1 action either.....

2 MS. McCAMMON: You did.....

3 MR. TILLERY: .....we thought the existing  
4 order provided for it, but the court asked us to submit  
5 something.....

6 MS. McCAMMON: Correct.

7 MR. TILLERY: .....so we'll need to do that  
8 again.

9 MS. McCAMMON: Correct, yeah. And I have  
10 copies of the court orders here that were filed last year.

11 CHAIRMAN PENNOYER: Ms. McCammon, is there  
12 anything in particular we should learn from the figures on the  
13 spreadsheet?

14 MS. McCAMMON: Well, I mean, it's just  
15 informational that we do have these funds that are invested and  
16 they vary, the yield ranges from a low of 4.8 percent to a high  
17 of 6.3 percent, depending on when they were purchased and when  
18 they actually mature. This ties in with our efforts to get the  
19 funds, at some point in time, out of the Court Registry  
20 Investment System. And I also wanted to report to you on the  
21 status of that legislation.

22 As you know, the legislation, we did reach agreement on  
23 language with Senator Murkowski on his stand-alone legislation,  
24 the bill did pass out of the Senate Energy Committee, it had  
25 hearing, it was passed out. It received unanimous support from

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1 all members of the committee, there was no opposition from  
2 anyone to the language as we finally worked it out. We have  
3 been working with Senator Stevens' office to attempt to get  
4 this attached to an appropriations bill this year, we're still  
5 working on that, it is not -- thus far has not been successful,  
6 but we've been working very closely with them. There's still a  
7 number of opportunities, assuming there's another budget bill  
8 that gets passed in the next 18 months. There, hopefully, will  
9 be opportunities to get that added. I'm still -- I don't know  
10 what our chances are actually of succeeding, but we're still  
11 optimistic and hopeful and working closely.

12 MR. RUE: If we don't get it on this year's  
13 appropriation bills, what's Plan B? What does Murkowski say?  
14 Does he say what he would do; introduce it as a stand-alone  
15 piece of legislation?

16 MS. McCAMMON: It's already been introduced as  
17 stand-alone, then we can try to work that through and get that  
18 passed, would be another way or, in all likelihood, waiting  
19 until next year and working through the appropriations process  
20 again is another option. But I'd say it's delayed by at least  
21 a year if we don't get it this fall.

22 MR. RUE: Anything more the Council can do, do  
23 you think, to push that?

24 MS. McCAMMON: Marilyn.

25 MS. HEIMAN: Do you have an estimated amount of

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1 money that we would lose if we had to wait another year?

2 MS. McCAMMON: It's hard to say, it's based on  
3 a number of assumptions, but I'd say six to eight million  
4 dollars. We've already just in the last two years, since we  
5 started working on this, we've lost at least 18-20 million  
6 dollars.

7 CHAIRMAN PENNOYER: What is the barrier to  
8 getting it done, is it any particular -- is it just timing to  
9 do it and it's add-on to an appropriation bill and it's  
10 everything from Pacific salmon funding to I don't know what  
11 else that was added and this is not an issue. Just not really  
12 getting introduced?

13 MS. McCAMMON: It's -- I don't really know  
14 quite what the barrier is because it doesn't require additional  
15 funds, it benefits lots of groups.

16 MS. HEIMAN: Right.

17 MR. RUE: Who could tell us -- could Senator  
18 Stevens' staff tell us a barrier -- tell you a barrier?

19 MS. HEIMAN: We know what the barriers are.

20 MR. RUE: You do?

21 MS. McCAMMON: We know there's some barriers,  
22 we're trying to work them out.

23 MR. RUE: I'm not thinking.

24 MS. HEIMAN: Well, the barriers are Senator  
25 Murkowski tied it to the Glacier Bay Bill and he wanted to say,

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1 we'll give you that, if we get this, and there's no way  
2 Interior is going to go along with that. I know we have  
3 different views on that, but, yeah, right, you'd go for that.  
4 And I, in another life, might have gone for that too.

5 MR. RUE: What's the problem -- what's the  
6 problem there?

7 MS. HEIMAN: Okay, and then Interior -- I have  
8 gotten to John Barry, our budget Assistant Secretary for policy  
9 and Budget and I did talk to the White House yesterday about  
10 this. It was not on the White House's radar screen,  
11 interestingly enough, so hopefully -- and then I was just  
12 talking to Chris Schabacker from Senator Stevens' office and it  
13 was unclear what process the Interior appropriations bill will  
14 go through now because of -- it was passed on the floor  
15 yesterday, the House floor, the conference report was adopted,  
16 but the President has got a lot of problems with what's in  
17 there, so now we're -- we don't know where that's headed and if  
18 there's an opport -- there will be another opportunity for  
19 negotiation, and if there is, we'll be right in there,  
20 hopefully, with this. I don't know.

21 CHAIRMAN PENNOYER: So it could actually happen  
22 this fall?

23 MS. McCAMMON: It could.

24 MS. HEIMAN: It's possible, but it's not -- I  
25 would say it's 50/50 at best.

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1 CHAIRMAN PENNOYER: We're not anticipating any  
2 real floor add-ons in our budget I know. There may be  
3 discussion, but I don't think.....

4 MS. HEIMAN: You have a separate budget, right?

5 CHAIRMAN PENNOYER: Yes, we do.

6 MS. HEIMAN: And what's the opportunities  
7 there, anything in your budget?

8 CHAIRMAN PENNOYER: I doubt it. I think  
9 the.....

10 MS. HEIMAN: Has it passed the floor already  
11 or.....

12 CHAIRMAN PENNOYER: No, I don't believe it has  
13 and the census -- and we're still hung up on the census. See,  
14 we got the census thing built into our commerce budget.....

15 MS. McCAMMON: Commerce, State, Justice.

16 CHAIRMAN PENNOYER: .....so I think that's  
17 going to be a problem. I don't think they're going to focus on  
18 anything else.

19 MS. McCAMMON: I think there's also U.N. fees  
20 is in your budget.

21 CHAIRMAN PENNOYER: Yeah.

22 MS. McCAMMON: So it's expected to be.....

23 MR. RUE: U.N. fees, let's get on that train.

24 MS. McCAMMON: .....it's expected to be vetoed.

25 MS. HEIMAN: So there's opportunities, but

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1 we've all got to sort of focus on them right now, I guess.

2 CHAIRMAN PENNOYER: Well, if you think there is  
3 an opportunity, I'd be glad to go ahead and try and push it,  
4 but I think there are a lot of other things that are being  
5 pushed, too, and I'm not sure we're going to be heard.

6 MS. McCAMMON: I think that's the problem, is  
7 everyone has a list of things they're trying to push and it's  
8 just a question of whether this falls through the cracks or  
9 actually rises somewhere to the top, somehow. And we're  
10 working a lot of different angles, I'll be back in Washington  
11 next week. We're making a lot of different efforts from  
12 different approaches.

13 CHAIRMAN PENNOYER: It seems to be kind of a  
14 no-lose thing, I don't under.....

15 MS. McCAMMON: It's a no-lose thing.

16 MR. RUE: Yeah, but everyone's leveraging it,  
17 though.

18 CHAIRMAN PENNOYER: Since you do have the  
19 compensation already in Glacier Bay, I'm not sure why it's  
20 still an issue, that's.....

21 MR. RUE: Well, it's leveraging time, so  
22 everyone's holding out their little leverage points.

23 CHAIRMAN PENNOYER: Yeah. Next year won't be  
24 much better, it's election year, the budget will be a lame duck  
25 budget and it's kind of the -- it might get very strange,

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1 so.....

2 MR. RUE: Well, I know, you don't have to tell  
3 me and I'm ready, I'll vote for it. Wait a minute, I don't  
4 have a vote, okay.

5 MS. McCAMMON: Yeah.

6 CHAIRMAN PENNOYER: Right. Okay, what else do  
7 you have to report?

8 MS. McCAMMON: I also wanted to report on  
9 habitat protection, that all of the payments for Eyak, AJV,  
10 Shuyak, all of the payments have been made this fall. The  
11 Randalls, as part of the Afognak Joint Venture acquisition, the  
12 Randalls were given the opportunity to buy that inholding, and  
13 they have made that purchase.

14 We have a discussion this afternoon, probably after  
15 lunch, by the time we get to it, on the small parcel process  
16 and, as I mentioned earlier, we do have 17 of the Larsen Bay  
17 tax parcels ready -- we think, ready to go. There's one little  
18 review of a resolution that's still being worked out.

19 Our annual workshop of all of our researchers is now  
20 scheduled for January 18th and 19th in Anchorage at the Captain  
21 Cook. Last year our workshop was changed to March, but this  
22 year we're back to the January workshop. We also expect, at  
23 that time, the first meeting of the National Research Council  
24 Review Group, probably the day after that meeting.

25 For archaeology, to answer your question, Mr. Pennoyer,

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1 the contract with Chugachmiut has been signed for developing  
2 the business plan for the proposal for the repository and to  
3 start the initial solicitation process for the individual  
4 display facilities in the villages. We also have a contract  
5 that's been signed with Northern Economics, Pat Burden, in  
6 conjunction with Livingston Sloan, for a review of the business  
7 plan, so that's already been signed. They will actually be  
8 reviewing a draft of the contract for the business plan and  
9 putting any input -- providing any input that they see needs to  
10 be added as that gets developed. It's Chugachmiut's plan to  
11 contract with the Institute of Social and Economic Research at  
12 the university to do their business plan.

13 So those are all underway. We should have the business  
14 plan in December, early December, have it reviewed, I'm not  
15 sure it will be ready for Council action by December 16th,  
16 probably not until January. So.....

17 MS. HEIMAN: Do we have a meeting on December  
18 16th?

19 MS. McCAMMON: We do have a meeting on December  
20 16th, yes. It's on your schedule.

21 MS. HEIMAN: No one has told me that, yet.

22 MS. McCAMMON: It's on your schedule.

23 MS. HEIMAN: I'm not in the state then.

24 CHAIRMAN PENNOYER: Do we have a preliminary  
25 agenda for that meeting?

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1 MR. RUE: Can we come to where you're going?

2 MS. HEIMAN: Hawaii.

3 MS. McCAMMON: It's on deferred projects.

4 CHAIRMAN PENNOYER: Oh, that's right, okay.

5 MS. McCAMMON: Deferred projects, and we  
6 anticipated it to be a teleconference meeting and probably  
7 about two hours, so -- I think you're in Juneau.

8 MR. GIBBONS: Yeah, I got 11:00 to 1:00 or  
9 something.

10 MS. McCAMMON: We did it from 11:00 to 1:00 so  
11 that you could do it during lunch.

12 MR. RUE: So you can call Marilyn in Hawaii.

13 MS. McCAMMON: Okay. And that was my only  
14 other item about the meeting on December 16th on deferred  
15 projects. We have over a million dollars worth of deferred  
16 projects still being considered, additional information. We  
17 have a workshop in mid-November on herring, November 14th and  
18 15th, I believe.

19 MR. MUNDY: 15th and 16th, I think.

20 MS. McCAMMON: And we should have all the  
21 information -- I don't know, somewhere around there. We should  
22 have all the information for you to take action at that  
23 meeting, but if you're not here, we need to figure that out,  
24 but it has been scheduled for the last two months, so somebody  
25 just hasn't told us.

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1 And that's it for my report today.

2 CHAIRMAN PENNOYER: Thank you very much. Are  
3 there questions on the Executive's Director's report?

4 (No audible responses)

5 CHAIRMAN PENNOYER: Okay, Ms. McCammon, the  
6 next thing we've noticed is the public comment period. We have  
7 a couple of action items today and I have a list of people that  
8 have signed up here to -- do these people wish to comment or is  
9 this just.....

10 MS. McCAMMON: Those checked are public.

11 CHAIRMAN PENNOYER: Okay.

12 MS. McCAMMON: I don't know if they wish to  
13 comment or not.

14 CHAIRMAN PENNOYER: And I guess we've done  
15 this, normally, by location. I don't know all the locations  
16 that are on line, but start here in Juneau, are there any  
17 public comments here in Juneau?

18 MS. R. WILLIAMS: Just one.

19 CHAIRMAN PENNOYER: We have a list, I guess.  
20 Is this the list?

21 MS. R. WILLIAMS: Right next to Dave, Patty,  
22 right there.

23 CHAIRMAN PENNOYER: Okay. And as you comment,  
24 if you'd identify yourself, your name, spelling your name, if  
25 you would, for the recorder and then please go ahead.

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1 MS. BROWN-SCHWALENBERG: Good morning, my name  
2 is Patty Brown-Schwalenberg and that's spelled S-C-H-W-A-L-E-N-  
3 B-E-R-G, I'm with the Chugach Regional Resource Commission. I  
4 just wanted to comment on about three different issues this  
5 morning to the Trustee Council, and I appreciate the  
6 opportunity to do so.

7 First, I want to update the Trustee Council on a couple  
8 of the projects that you helped fund. The Clam Restoration  
9 Project ended as of September 30th, and I believe it was quite  
10 successful, we were able to plant the amount of clams that we  
11 were supposed to on the beaches and, more importantly, I think  
12 the community support for the project, even though the project  
13 was generated from the community level, it's actually  
14 increased, not only in the villages that have gotten benefits  
15 from the program, but other communities as well. So as a  
16 result we were able to take the last year of funding and match  
17 it with some other funding from another source and continue the  
18 project for the next year, with the opportunity for two  
19 additional years of funding from that same funding source. So  
20 that was a positive outcome, I think, and I appreciate the  
21 Council's support there.

22 We've also recently received a \$550,000 grant from the  
23 Alaska Science and Technology Foundation for the Qutekcak  
24 shellfish hatchery to develop culture methods for gooey duck,  
25 cockles and purple hinge rock scallops, so we're really going

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1 great guns with that area of mariculture, and I think we owe a  
2 lot of it to the Trustee Council for believing in us to support  
3 the Clam Project for the number of years that you did.

4 The other project I wanted to update you on is the  
5 construction of the Port Graham Hatchery. The construction has  
6 begun, as a matter of fact, they're scheduled for completion  
7 sometime in late November, so we're going to be having an open  
8 house at that time and you'll all receive invitations. We got  
9 all of the -- we worked real hard over the past couple of years  
10 to find the money to get it constructed and, of course, the  
11 Trustee Council's financial support was a great assistance in  
12 that regard as well, so we're planning on using that facility  
13 not only for Port Graham and Nanwalek, but for other  
14 communities that want to restore their damaged salmon stocks.

15 Next, I want to update you on the natural resource  
16 management actives in the Chugach region. We've been meeting  
17 with -- CRRC has been meeting with the village chiefs in each  
18 of the seven communities that we work with on subsistence  
19 issues, and this has been going on since the beginning of the  
20 summer. And we've been discussing a whole gamut of issues,  
21 including the road to Whittier, the Federal assumption of  
22 management and the GEM, Gulf Ecosystem Management Project. And  
23 as a result of those meetings, we put together a field trip to  
24 visit my tribe in northern Wisconsin, the Lac de Flambeau Band  
25 of Lake Superior Chippewa Indians. And Sandra Schubert was

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1 able to come along with us for a couple of the days. And the  
2 reason we went there was to familiarize the tribes up here with  
3 a professional tribal natural resource management program. Our  
4 tribe has a whole natural resource department and they do  
5 conservation enforcement, fisheries and wildlife management,  
6 fish culture, environmental protection and water resource,  
7 forestry. And so they had the opportunity to see a whole  
8 program and maybe a vision for what can be done up here in  
9 Alaska.

10 We also visited a day with the Great Lakes Indian Fish  
11 and Wildlife Commission, which is an intertribal commission  
12 that manages resources off the reservations on public lands.  
13 And the reason we went there is because I think that's very  
14 similar to the corporation lands and the public lands in  
15 Alaska, so that the tribes do have -- will have the opportunity  
16 to enter into cooperative agreements with village corporations  
17 and other entities to manage lands off -- in their traditional  
18 use areas, but not directly in the village, since the tribes  
19 really don't have lands in Alaska. And so they were able to  
20 look into different co-management projects that the commission  
21 handles, funding, how they operate and there was a real  
22 learning process going on there.

23 And then the last day we met as a group just amongst  
24 ourselves to see what did we see and how can we bring that back  
25 to Alaska and how can we use it in the Chugach region. And one

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1 of the things that they wanted to do is really get on board  
2 with developing the natural resource programs, and part of the  
3 communities have started and the rest of the communities -- we  
4 brought someone from Kodiak, too, and they also have a natural  
5 resources program, but they're all very excited about getting  
6 going, now that they can see, you know, what does a natural  
7 resource program do and how they cooperate with the State and  
8 the Feds to manage the resources in their areas. So as a  
9 directive by the village chiefs, at our village chiefs meeting  
10 and as a directive of the people involved in the field trip, we  
11 were to develop a region-wide natural resources management plan  
12 and individual tribal natural management resource plans by the  
13 end of FY2000.

14 And within that we also put funding from our BIA grant  
15 to provide the biological assistance to the communities so they  
16 can actually start getting their programs on line and do some  
17 scientific research and monitoring type activities in their  
18 communities that are -- that they feel are important to the  
19 community members.

20 The recent promise, I guess, by Governor Knowles to  
21 recognize the tribes in the State of Alaska is a real exciting  
22 proposition and we're interested to see actually how that plays  
23 out, because I think that'll be the first opportunity to do  
24 some partnering with the State for managing activities.

25 All that I tell you because the Gulf Ecosystem

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1 Monitoring Project, I think, can play an integral part in all  
2 of that. By the time we get our programs up and running to a  
3 point where I think we can participate in the GEM in a more  
4 meaningful way, as far as science is concerned, I think is just  
5 about the time GEM will be coming on line, and so we're real  
6 excited about getting those programs started. As a matter of  
7 fact, we had four village chiefs at that field trip and Gary  
8 Kompkoff from Tatitlek went home and had a Council meeting four  
9 days later. He called me the very next day and the Council  
10 directed him to make it his top priority, two days later he  
11 faxed me a draft ordinance, natural resource management  
12 ordinance authorizing the tribe to develop this program and  
13 putting codes and ordinances governing their people for harvest  
14 and, you know, seasons and things like that, and asked me for  
15 my input and get it back to him as soon as possible, so they're  
16 really anxious to get going on it and I think that they will be  
17 one of the model villages for the rest of the region.

18 The final thing I wanted to talk about was the Gulf  
19 Ecosystem Monitoring Project, and I haven't -- I just saw this  
20 latest draft, so maybe my comments may be outdated, but we gave  
21 the community people that were involved in the field trip a  
22 copy of the draft GEM and Henry Huntington was there also and  
23 he kind of gave an overview of what was included in it, and I  
24 have to tell you that, I guess, the first response was the  
25 community people were disappointed that they weren't involved

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1 in the initial planning meetings of it. And we understand that  
2 Hugh and Henry were involved as technical advisors, but they  
3 really felt like there should have been some kind of community  
4 participation.

5 The other shortfall they saw was that of the obvious  
6 exclusion of the human uses and perspective when looking at the  
7 ecosystem. And we know this has been a recurring problem, but  
8 the holistic approach that, you know, the Native culture views  
9 as essential in their world view, I think, is contrary to,  
10 unfortunately, to what the Trustee Council has to work with, so  
11 I'm hoping that we can somehow work together to address that  
12 issue more effectively.

13 And then the discussion for opportunities for tribal  
14 and community monitoring research on community-based projects,  
15 we felt was very limited in the document. I think it needs a  
16 little more work. The work that -- when discussing the GEM  
17 proposal about work that has been done by the agencies, Federal  
18 and State, there wasn't any mention of the work that CRRC and  
19 the tribes in the oil spill-affected area had done, and they  
20 noticed that right away. They felt that they should have had  
21 some recognition for the work that they were participating in.

22 And, finally, the tribal community fund was not  
23 mentioned in the GEM and we understand why and we understand  
24 that the Trustee Council is not taking any action on it and  
25 we're not asking you to take any action on it, but some of the

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1 leaders in the meeting felt like they were a little frustrated,  
2 they had put in countless hours with all those petitions that  
3 you received earlier and the letters of support and the  
4 tremendous amount of money people spent coming to the Trustee  
5 Council meetings and testifying and there was no mention at  
6 all. And so we think that the language in the GEM should be  
7 broad enough to allow the tribal communities with a window of  
8 opportunity to include the community fund later on in the  
9 planning process. And I discussed this with Molly last week, I  
10 guess, it was, and as a result we worked together to develop a  
11 draft resolution that you have before you. And so I support  
12 that resolution, I hope that you give it your consideration as  
13 well.

14 Let's see, what else did I want to talk to you about?  
15 I guess that was about it. I think the GEM can play an  
16 important role in the natural resource process that the tribes  
17 are currently working on, and I look forward to working with  
18 the EVOS staff and trying to get the communities more involved  
19 in the Gulf Ecosystem Monitoring Project as well.

20 So, if you have any questions, I'll be happy to answer  
21 them.

22 CHAIRMAN PENNOYER: Thank you very much for a  
23 very complete and helpful report and for your kind words, too,  
24 in the process. Do Trustee members have questions or  
25 observations? Commissioner Rue.

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1 MR. RUE: Yeah, I appreciate the report, too.  
2 And I guess as an aside, I would appreciate working with you on  
3 projects prior to GEM.

4 MS. BROWN-SCHWALENBERG: Uh-huh.

5 MR. RUE: We've had good success around the  
6 state working with nonprofit and tribal organizations,  
7 depending on who's kind of the active entity in a particular  
8 region on ongoing monitoring projects or resource assessment  
9 projects. I suggest, if you all are ready, to sit down and  
10 talk about what would be priorities outside of EVOS, outside of  
11 GEM, to get started on a cooperative working relationship.

12 MS. BROWN-SCHWALENBERG: Uh-huh. Yeah, there  
13 are a couple of communities that are concerned about the moose  
14 populations and so that's, you know.....

15 MR. RUE: Yeah, right, that kind of thing.

16 MS. BROWN-SCHWALENBERG: .....one area that's,  
17 you know, not related to EVOS, but something that we're working  
18 on.

19 MR. RUE: Sure.

20 MS. BROWN-SCHWALENBERG: I mean we're going to  
21 go forward with this, you know, irregardless of GEM, but.....

22 Oh, I thought of one more thing I wanted say.

23 CHAIRMAN PENNOYER: Go ahead.

24 MS. BROWN-SCHWALENBERG: You know, talking  
25 about tribal or community participation and community  
involvement, I have to admit that it was a little inopportune

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1 to have the meeting during the AFN week in Juneau, we can't get  
2 any people to be on line, we can't get anybody to come to  
3 Juneau and I'm sure it wasn't a deliberate attempt, but people  
4 just don't think about those kinds of things, and maybe there  
5 should be a better effort in trying to look at the calendar and  
6 see what's going on so that the Native people can be involved.

7 CHAIRMAN PENNOYER: Thank you for the  
8 suggestion. Are there any other comments or questions?

9 (No audible responses)

10 CHAIRMAN PENNOYER: Molly, did you have  
11 anything you wanted to comment on in terms of the process?

12 MS. McCAMMON: I guess -- Patty and I have had  
13 a lot of discussion on this and I really appreciate all the  
14 effort and work she's put on it. I think some of it -- the  
15 misunderstandings developed as a misunderstanding of the  
16 planning process this summer, because what we were working for  
17 was developing the scientific underpinnings of the GEM Plan and  
18 we did have the working group. We asked Patty who would be  
19 most appropriate to sit on the working group, it wasn't our  
20 intent that that was necessarily reflected involvement or lack  
21 of involvement of the villages themselves, we were looking for  
22 their technical scie -- science advisors, basically. And the  
23 people who were chosen were Hugh Short and Henry Huntington and  
24 they were actively involved in it.

25 We know that this aspect of the program is not fully

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1 developed and that's because it has been -- it's an evolving  
2 concept. We're doing cutting edge kinds of things that are  
3 just starting to be done worldwide and we really are kind of  
4 advancing some very new things. And so if it looks like  
5 there's a gap compared to what the agencies have or others  
6 have, it's because we're at the very beginning of the process  
7 here.

8           What I had hoped in the resolution that we'll talk  
9 about when we get to GEM is that this reaffirms the Council's  
10 commitment that, yes, traditional knowledge, community  
11 involvement, stewardship will be a part of GEM and we will work  
12 with Native villages and the communities to have that be a part  
13 of GEM. What is this and how is that a part of GEM, we don't  
14 know yet, and it will probably be, at least, a couple of years  
15 as we work through this process, as we develop it. But it's  
16 just to reaffirm that there is a commitment there and that it  
17 will be part of it, that we don't have it as fully developed as  
18 other aspects of it, but that doesn't mean that the commitment  
19 to it isn't there.

20           And we were hoping with this resolution that Patty  
21 would be able to take this back to the villages and say, yes,  
22 they haven't acted on the request for the community set-aside,  
23 they haven't acted positively or negatively, but let's set that  
24 aside for right now and work at what is it that we want to see  
25 in terms of stewardship, community involvement, traditional

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1 knowledge and those kinds of things. And that's what we're  
2 committing to working on in the next couple of years.

3 CHAIRMAN PENNOYER: Okay, thank you very much.  
4 Are there -- is there anybody else in Juneau that needs or  
5 wants to testify? Public testimony?

6 (No audible responses)

7 CHAIRMAN PENNOYER: Okay, I don't know -- I  
8 know some people that have signed up that are on the line, but  
9 I don't know who wishes to testify, so I think I go to  
10 Anchorage now, is there anybody in Anchorage that wishes to  
11 testify?

12 (No audible responses)

13 CHAIRMAN PENNOYER: Anchorage?

14 MS. WOMAC: I believe Theresa Obermeyer wants  
15 to make a comment.

16 CHAIRMAN PENNOYER: Fine, please go ahead.

17 MS. OBERMEYER: Good morning. Now, am I  
18 addressing the Trustee Council?

19 CHAIRMAN PENNOYER: Well, we set a certain  
20 amount of time for public testimony and some of the members  
21 have to leave rather early, so we'd like to keep the testimony  
22 fairly brief if we could.

23 MS. OBERMEYER: Oh, sure. Theresa Obermeyer  
24 and I do always know that it is not as good for me to talk by  
25 teleconference rather than by in person. See, but I was going

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1 to say hello -- just to mention a couple of things. I'm  
2 passing out to the people here in Anchorage just the State  
3 warrants and I will give extra copies to the staff so that the  
4 members of the Trustee Council can get them.

5 And, of course, why do I come? Well, I look really at  
6 the first word of this organization, Exxon. And I'd like to  
7 mention a few things about Exxon. First of all, Jim Branch is  
8 the President of the Resource Development Council this year and  
9 he is the state manager for Exxon at this point in time. And,  
10 of course, many other points about Exxon. Exxon still, to my  
11 knowledge, has never paid the lawyers that went to court over  
12 the Exxon Valdez oil spill litigation and I thought they were  
13 supposed to be oral arguments in Seattle in May of '99, and I  
14 have no idea if they were even held or what the result is.

15 Our media, I guess -- you know, I can't get very much  
16 information, and I don't have any way really to check, either,  
17 and I really would like to know that by the way.

18 Then just to mention about Exxon, and I, of course,  
19 raised four young children in state and I want us as thinking  
20 adults and as Americans to realize that it is Exxon that is  
21 behind this statewide high school graduation test that is  
22 suppose to start in March of 2000, unless we, as thinking  
23 people, stop this and either file suit against the State Board  
24 of Education or simply by majority vote of any school board in  
25 the state, this test could be stopped. And there could, at

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1 least, be thinking about it. It's like everything that goes on  
2 here is a fait accompli, and no one rises up. I marvel, is all  
3 of life a bureaucracy?

4 But, anyway, just to mention this morning, and I'll  
5 pass this out, too. We got Bar results. Who are these people?  
6 What if for 16 -- almost 16 years, my husband has been writing  
7 an essay test in the only state in the United States that  
8 doesn't have a law school. And let me just ask you people,  
9 rhetorically, I know I can only speak for myself. I, as an  
10 ethical person, wouldn't take someone's money once without a  
11 thought of helping them. This group -- and I want to be very  
12 firm in my verb here, they have stolen, they have literally  
13 stolen my money 28 times. You see, it's a very long, and I  
14 cannot explain all of this in my brief comments, but in some  
15 states you don't even have to take a test to be licensed, in  
16 fact, the state where Fran Ulmer comes from. You graduate from  
17 any of the state law schools in the State of Wisconsin, you are  
18 handed your diploma in one hand and your law license in the  
19 other. No questions asked.

20 So, you know, do we also know that Fran Ulmer is an  
21 attorney and so is her husband, Bill Castle, although you won't  
22 read her name in your directory of attorneys. Why -- to me,  
23 the only book that matters in this state is this directory of  
24 attorneys. You know, there aren't contracts where I live,  
25 there's just a -- there are pieces of paper and I like to hope

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1 for and believe in contract, but after what I know about our  
2 courts and lawyers, I would question any contract. But I would  
3 like to make sure that something is fair and I'd like to be  
4 helpful.

5 I would field questions if you have them. My comments  
6 are more of a global nature.

7 CHAIRMAN PENNOYER: Ms. Obermeyer, I thank you  
8 very much, we're probably going to get into the GEM here and we  
9 have a lot of work to do on it.

10 MS. OBERMEYER: Oh, sure. And your name, sir?

11 CHAIRMAN PENNOYER: I'm sorry?

12 MS. OBERMEYER: Your name, sir?

13 CHAIRMAN PENNOYER: My name is Steve Pennoyer,  
14 I'm the National Marine Fisheries representative.

15 MS. OBERMEYER: Oh, sure.

16 CHAIRMAN PENNOYER: I'm chairing the meeting.

17 MS. OBERMEYER: Okay. I'm sorry, I was not  
18 here at the beginning of the meeting so I did not hear when  
19 roll was taken, and I just am stopping by. If there's any  
20 follow-up, feel free to contact me individually and I'll be  
21 glad to explain further and give you documents.

22 CHAIRMAN PENNOYER: Okay, we.....

23 MS. OBERMEYER: Thank you, Mr. Pennoyer, and I  
24 just know you're going to do good things.

25 CHAIRMAN PENNOYER: Well, we appreciate that,

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1 and I'll ask the Trustee Council members if they've got any  
2 comments. And for your information, all the Trustee Council  
3 agencies are represented here at this meeting.

4 MS. OBERMEYER: Thanks, and have a great  
5 meeting.

6 CHAIRMAN PENNOYER: Thank you very much.  
7 Is there anybody else in Anchorage that wishes to testify?  
8 (No audible responses)

9 CHAIRMAN PENNOYER: I don't know who else is on  
10 the line, so maybe if -- let's -- I'll just go around a few of  
11 the areas, like Kodiak. Anybody from Kodiak on the line that  
12 wishes to testify?

13 MR. OSLIN: Yeah, somebody from Kodiak, Mr. --  
14 Chairman Pennoyer, I think I have that right. This is Dan  
15 Oslin from Alaska Oceans and Fisheries Foundation.

16 CHAIRMAN PENNOYER: That's fine, Dan, thank you  
17 very much. Go ahead, please.

18 MR. OSLIN: I didn't have an opportunity to see  
19 your monitoring plan, however, there were a couple of comments  
20 from the Foundation. We really appreciate the work you guys  
21 have done in Prince William Sound in monitoring and the  
22 programs that you have set up there for ecosystem analysis and  
23 we'd like to see those expanded into the rest of the spill  
24 area. In particular in the monitoring program that you're  
25 considering, we would like to suggest placing some ocean

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1 monitoring buoys in other areas of the spill, in particular,  
2 two locations we think would help out, one monitoring buoy off  
3 of the Chiniak Marmot Bay, outside of Kodiak on the east side  
4 of the island. And one monitoring ocean monitoring buoy in the  
5 Shelikof Straits which would be at the south end of the  
6 Shelikof Straits.

7 We think that having these type of buoys and their  
8 ability to monitor would greatly increase the knowledge at  
9 those parts of the spill area and also give great information  
10 for fisheries management and analysis of what's going on in the  
11 ocean for a long time.

12 Also like the earlier speaker, and I didn't get her  
13 name, from Juneau, the Foundation strongly supports the use of  
14 local knowledge in your monitoring programs, we think that the  
15 traditional knowledge that can be gained from the village  
16 around the spill area, including Kodiak on the other side of  
17 the Shelikof, Chiniak and -- not Chiniak, but Chignik and also  
18 the village around Prince William Sound and the ones in the  
19 Lower Cook Inlet. It would be of great assistance, we would  
20 urge you to include them and then, perhaps, people in those  
21 areas for local knowledge monitoring. This could be done on an  
22 annual basis with some of your monies.

23 Those are the two areas we feel that you could enhance  
24 your program with and we'd like see moved out of the Prince  
25 William Sound into Lower Cook Inlet and cover the Kodiak Island

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1 area as well and the rest of the spill area.

2 Thank you very much for the opportunity to comment and

3 I hope I've been brief.

4 CHAIRMAN PENNOYER: Thank you very much for

5 your comments and being to the point. And I'd ask Trustee

6 Council members if you have questions or comments on his

7 testimony?

8 (No audible responses)

9 CHAIRMAN PENNOYER: I would note that we're

10 getting a presentation of the GEM Plan today and I'm glad

11 you're going to get to sit in and listen to it. And I think

12 it's on website, so it's available to.....

13 MS. McCAMMON: It will be on the web.

14 CHAIRMAN PENNOYER: It will be on the web

15 shortly to review, and we'd appreciate you doing that and your

16 further comments.

17 MR. OSLIN: Thank you.

18 CHAIRMAN PENNOYER: Any other? Commissioner

19 Rue?

20 (No audible responses)

21 CHAIRMAN PENNOYER: Okay, thank you very much,

22 Dan. Anybody else from Kodiak?

23 (No audible responses)

24 MS. McCAMMON: Cordova.

25 CHAIRMAN PENNOYER: Cordova, anybody from

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1 Cordova who wishes to testify ?

2 MS. BIRD: Yes, Steve, this is Nancy Bird at  
3 the Prince William Sound Science Center. I don't have any  
4 comment, I just have a request. Molly referred to a resolution  
5 as an action item for you all today, that, if I understood  
6 correctly, is on the GEM Program. Is there a possibility that  
7 that could be faxed to us here?

8 MS. McCAMMON: Yes.

9 CHAIRMAN PENNOYER: I believe that is so, and  
10 I'd ask that that be done to any of the locations that are on  
11 line if we can do that.

12 MS. McCAMMON: About individual locations, we  
13 can fax it to the Science Center, and if anybody else wishes a  
14 copy we just need to know a fax number for them.

15 CHAIRMAN PENNOYER: Okay. Do you have your fax  
16 number, Nancy, or do we have it here?

17 MS. BIRD: The fax number here is 424-5820.  
18 Thank you very much, we just are curious what it states, maybe  
19 you'll be reading it later and we'll continue to listen.

20 MS. McCAMMON: We will.

21 CHAIRMAN PENNOYER: We will, but it will  
22 probably be helpful if you have it in draft.

23 MS. BIRD: We have found the GEM Program Plan  
24 on the website yesterday and that was very helpful. We're just  
25 going through it.

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1                   CHAIRMAN PENNOYER: Okay. Thank you very much  
2 for your comments. Are there any questions by Trustee Council  
3 member, observations?

4                   (No audible responses)

5                   CHAIRMAN PENNOYER: Thank you very much.  
6 Anybody else from Cordova, Nancy, or are you the only one?

7                   (No audible responses)

8                   CHAIRMAN PENNOYER: Cordova, anybody else wish  
9 to testify?

10                  (No audible responses)

11                  CHAIRMAN PENNOYER: Let's go to.....

12                  MS. BIRD: There's several others listening in  
13 here, but no one else has any comments.

14                  CHAIRMAN PENNOYER: Okay, thank you very much.  
15 Let's go to Valdez, anybody from Valdez wish to testify?

16                  (No audible responses)

17                  CHAIRMAN PENNOYER: Okay, thank you. Anybody  
18 from Seward?

19                  (No audible responses)

20                  CHAIRMAN PENNOYER: Homer?

21                  (No audible responses)

22                  CHAIRMAN PENNOYER: Is there anybody else on  
23 the line in any of the locations that's on the line that wishes  
24 to testify, would you please give your name and announce your  
25 intent?

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1 (No audible responses)

2 CHAIRMAN PENNOYER: I think that completes  
3 public testimony then, Ms. McCammon, unless you have something  
4 else to add in this regard.

5 MS. McCAMMON: No.

6 CHAIRMAN PENNOYER: So what's the group's wish,  
7 do you wish to take a five-minute break or do you want to go  
8 ahead with the GEM Plan?

9 MR. GIBBONS: Can we take a five minute?

10 CHAIRMAN PENNOYER: It's been requested we take  
11 a five-minute break, may we please do that and get you a cup of  
12 coffee or whatever and then we'll come back and start on the  
13 GEM Plan.

14 MS. McCAMMON: Mr. Chairman, before we take a  
15 break.....

16 CHAIRMAN PENNOYER: Oop, wait a minute,  
17 everybody stand down.

18 MS. McCAMMON: .....there was one item. Tami  
19 Yockey who has been working with the Trustee Council for a long  
20 time, for years, as you know, had twins this past spring and  
21 she has decided to stay home full-time with her two young boys  
22 and.....

23 MR. RUE: She got a choice, huh?

24 MS. McCAMMON: .....this is a certificate of  
25 appreciation for all of the work that -- her contributions to

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1 the Restoration Program, and I'd like to pass this around and  
2 have everyone sign it, too, during the break.

3 CHAIRMAN PENNOYER: Okay, during the break,  
4 then, we'll pass this around, if everybody could sign it and  
5 we'll try and get back in about five minutes, Commissioner Rue  
6 has a date. Thank you.

7 (Off record - 10:55 a.m.)

8 (On record - 11:05 a.m.)

9 CHAIRMAN PENNOYER: Okay, everyone is accounted  
10 for and present. I'd like to go ahead and get started on the  
11 next item, which is the presentation of the GEM Plan to the  
12 Trustee Council by Dr. Spies and Dr. Mundy and -- who's going  
13 to do that?

14 MS. McCAMMON: I'm starting.

15 CHAIRMAN PENNOYER: Ms. McCammon is going to  
16 start. So this is the presentation of the Gulf Ecosystem  
17 Monitoring (GEM) Program.

18 MS. McCAMMON: You can call me Dr. McCammon,  
19 too.

20 CHAIRMAN PENNOYER: Dr. McCammon is going to  
21 start. Thank you. Just you can't operate on me, but,  
22 Dr. McCammon, go ahead.

23 MR. RUE: Doctor Science.

24 (Laughter)

25 MS. McCAMMON: Thank you, Mr. Chairman, what I

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1 first want to just go back to is the actions that the Trustee  
2 Council took on March 1st concerning the Restoration Reserve  
3 and long-term restoration needs. Just as a reminder, at that  
4 time, the Council adopted a resolution that said, following --  
5 taking aside \$55,000,000 of the remaining funds for additional  
6 habitat protection, the remaining balance of funds on October  
7 1, 2002, will be managed so that the annual earnings will be  
8 used to fund annual work plans that include a combination of  
9 research, monitoring and general restoration, including those  
10 kind of community-based restoration efforts consistence with  
11 efforts that have been previously funded by the Council, such  
12 as subsistence restoration, traditional ecological knowledge,  
13 Youth Area Watch, cooperative management and local stewardship  
14 effort, as well as local community participation in ongoing  
15 research efforts.

16 At that time the Council directed the Restoration  
17 Office and the Chief Scientist, under the direction of myself,  
18 to begin to develop a long-term research and monitoring program  
19 for the spill region that will inform and promote the full  
20 recovery and restoration, conservation and approved management  
21 of spill area resources. We were directed to do this by  
22 working with and soliciting the views of the Public Advisory  
23 Group, community facilitators, resource management agencies,  
24 researchers, other public interests, as well as coordinate with  
25 other marine research initiatives.

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1 In, I believe, April, we met with you and, at that  
2 time, laid out the timetable for development of what we refer  
3 to as the GEM Program, the Gulf Ecosystem Monitoring Program.  
4 And we're using that as a working title. We did begin to -- we  
5 took an outline and began fleshing out the document in April  
6 and May. We convened a small working group that was chaired by  
7 myself and the Chief Scientist, Dr. Spies, that met two times  
8 during the -- I believe in May and then again in August,  
9 developing the scientific underpinnings for the Gulf Ecosystem  
10 Monitoring Program.

11 We've had numerous drafts that have been revised  
12 numerous times, they've been viewed by individual scientists,  
13 agencies, different public people, it hasn't gone out to a full  
14 blown public review. But we do have a new draft now that we'd  
15 like to present to you today and walk you through that. We  
16 have a Public Advisory Group meeting scheduled for next Tuesday  
17 in Anchorage that we'll be going through this draft. Depending  
18 on your comments today, it would be our intent to seek broader  
19 public input at this time, to meet with stakeholder groups,  
20 anybody who requests us to meet with them. With communities,  
21 to work very closely with the community facilitators and the  
22 Native villages, to work with all the communities in the spill  
23 area and others. To have, then, a revised final draft in early  
24 January.

25 The National Research Council is planning on putting

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1 together their review committee in the next couple of months  
2 and they are hoping to have their first meeting right after our  
3 January workshop, so sometime around the 20th, 21st of January.  
4 The review, report -- their review then takes approximately a  
5 year, they would have a final report ready the next January.  
6 So we'll be working with them over the next year on their  
7 review of the program.

8           So we basically have three years to get the program  
9 completely fleshed out, reviewed, developed and then prepared  
10 for implementation by October of 2002.

11           In your packet you have a document, the Draft Gulf  
12 Ecosystem Monitoring Program. Dr. Mundy and Dr. Spies will be  
13 walking you through that, they have a presentation. I  
14 apologize to the folks in Anchorage and on line in that they  
15 won't be able to see the presentation, they'll only be able to  
16 hear it. The document is on the web, it's already been  
17 accessed by somebody, so it is up and running.

18           And with that, I'll turn it over to Dr. Mundy who's  
19 going to begin.

20           MR. MUNDY: Thank you, Ms. McCammon.  
21 Mr. Chairman, members of the Council and members of the public.  
22 My name is Phil Mundy, M-U-N-D-Y, and I am the Science  
23 Coordinator for the Trustee Council and I would like to also  
24 introduce a person who is well known to most of you, Dr. Bob  
25 Spies, who is the Chief Scientist.

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1 I'm going to lead off today with the first three  
2 sections of the document. For those of you who are with us by  
3 conference call, the document is at [www.oilspill.state.ak.us](http://www.oilspill.state.ak.us).  
4 And I would recommend to you, if you have access to that, to  
5 look at the Table of Contents, you'll be able to follow my talk  
6 today by following along with the Table of Contents.

7 Now, during the first presentation to the Council there  
8 was a good deal of discussion and a good deal of concern about  
9 the way that the document was structured, whether the document  
10 was properly structured to do the job. And so today the  
11 approach I'm going to take is to tell you how we put the  
12 document together, why we put it together that way. I'm not  
13 going to lecture from the book, I think you've got the book, so  
14 I want to tell you something about why we did what we did.

15 The first part is the introduction, and that's where we  
16 set the stage for telling people what's the problem, the why,  
17 the where, the when of it. And the second part is the vision  
18 for GEM, once we get you to identify with the problem, if we  
19 get you to understand that problem, then we want you to see the  
20 Council's vision for the solution to this problem. The  
21 structure and approach, we have a problem, we have a solution,  
22 how do we get there? Then the scientific context, this is how  
23 we tell you what we know and what it is we need to find out  
24 before we can solve the problem.

25 So this is the short version of what the problem is,

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1 and that is that the solid historical context necessary to  
2 understand the changes, that's changes due to oiling or changes  
3 due to natural environment, just is not there in most cases.  
4 Solution: Work to understand the source of the change,  
5 whatever they may be, natural or man made. And so then the  
6 question is, why would we want to do this?

7 The first answer here is that effective conservation  
8 and management requires improved understanding of ecosystems.  
9 Why? Protect basic human interests, provide better information  
10 to managers, increase ecological information. We want to  
11 improve understanding of recovery and that is to tell the  
12 difference between climate and humans. The effects of climates  
13 and what we do to the environment. And then to maintained  
14 sustained use, that is, understand things like sea lions versus  
15 trawlers.

16 CHAIRMAN PENNOYER: Throw light on the versus  
17 theory, will you please? Interactions between, right?

18 MR. MUNDY: Interactions between, yes. So in a  
19 recovery context, the answer to -- the question is, why?  
20 Because recovery from oil can only be determined through long-  
21 term research and monitoring. Why? Because we must supply the  
22 historical context in order to understand recovery. Why?  
23 Well, damages were compounded by climate and the effects of  
24 other species, meaning that they were confused between the two  
25 in some cases. Why? Because the status of some resources are

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1 still unknown.

2 Now, just to make the point, we have five resources  
3 here, cutthroat trout, wilderness areas, Dolly Varden,  
4 Kittlitz's murrelet which is pictured here, and rockfish, which  
5 are still on the list of resources of recovery unknown. Again,  
6 it was due to lack of historical context on these resources  
7 that we were unable to determine the status. And, in some  
8 cases, where the resource is still listed as recovering,  
9 uncertainty there is created by the lack of historical context.

10 Okay. Now, in the balance of Section I, the  
11 Introductions, Sections B through I, for those of you who are  
12 following along on the Table of Contents for the document,  
13 we've gone into a good deal of detail on establishing the why,  
14 establishing the reasons that we would want to do these kinds  
15 of things. And I know that some of these things will be of  
16 more interest to some than others, and I'm going to move fairly  
17 quickly through these and I would encourage you to stop me, to  
18 interrupt and to ask questions as we get to a section that  
19 you're particularly interested in and I've gone too fast or I  
20 apparently glossed over it. We have a lot of material today  
21 and so I'm going to be moving fairly quickly and giving you  
22 bumper sticker versions of what we have in the text here. So  
23 please feel free to cut in and make me slow down if I'm moving  
24 too fast.

25 Okay, in Section B we've established the information

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1 that's available about lingering effects of the oil spill and  
2 what we need to do to try and understand these. Human uses and  
3 activities, that's new this time, and we recognize the fact  
4 that you have 70,000 people living in the immediate area of the  
5 oil spill, over 260,000 people have road access to the Kenai  
6 Peninsula and to Prince William Sound by Valdez, soon to be  
7 access by Whittier, so that the majority of the people in the  
8 state have road access to the majority of the areas. So you've  
9 got human development and then add to that a million tourists a  
10 year. So the human development pressures are here and  
11 increasing.

12 Global climate changes, we have some model indications  
13 that the temperature, sea surface temperature, in the North  
14 Pacific, particularly in the Southern Gulf of Alaska could  
15 increase by as much as 10 degrees C over the next 10 years.  
16 These are physical models and I -- it's even hard for me to  
17 understand in what that might mean in terms of species  
18 composition. And let's assume that they are off, they're off,  
19 let's assume that they're double too high, well, it could be  
20 five degrees and that would still be a substantial change in  
21 the species. So global warming is a context that we wish to  
22 understand.

23 Fishery ecosystem management, the public is  
24 increasingly expecting us to manage interactions among species,  
25 interactions between harvesters and species that they're not

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1 harvesting, but that may be affected by the harvest, and the --  
2 one of the things that we need to take a look at is that  
3 ecosystem management is not something that we really know how  
4 to do very well. People are demanding ecosystem management,  
5 scientists -- you go for the book on ecosystem management, it's  
6 pretty thin at this point in time, so it's something we need to  
7 be developing.

8 Marine habitat protection. We need to know what it is  
9 we need to protect.

10 Food safety and contaminants, it's important for us to  
11 be ahead of this, to be out in front of it, to know where these  
12 things are coming from, where they are, whether they are  
13 problems for human health, whether they might be problems for  
14 ecosystem health.

15 Communities, people that live in the area, the local  
16 people who are in immediate contact with the resource and who  
17 may use it for subsistence on a regular basis need this kind of  
18 involvement.

19 And, lastly, the thing that we're finding is that there  
20 is an enormous amount of activity out there, there are a lot of  
21 State and Federal agencies, United Nations, intergovernmental  
22 transboundary organizations doing work out there. These are  
23 not well coordinated, in fact, even though we have organization  
24 that have made great strides in this area for the past five to  
25 six years, such as PICES, which is the North Pacific Research

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1 Organization, we still lack coordination in the area of marine  
2 science in the Gulf of Alaska.

3 Okay. So now that we've established what the problems  
4 are and the reasons for going after these problems, take a look  
5 at Section II, this is the vision for GEM, what does the  
6 solution look like? What is the Council's vision for solving  
7 the problem? Okay, the mission, boiled down to its essence, is  
8 healthy ecosystem through improved understanding.

9 Okay, the goals, and this is the whys in Sections,  
10 should be A through I, turned into what, that is turn the  
11 reasons for doing this into ways to get to solutions.  
12 Geographic scope, Northern Gulf of Alaska, and we need to  
13 emphasize that when we say Northern Gulf of Alaska, we  
14 definitely include Prince William Sound, Cook Inlet, Kodiak and  
15 the Alaska Peninsula.

16 Okay, here is a map of the spill area, it doesn't show  
17 the spill, but this is meant to emphasize the communities on  
18 the -- such as Ivanof Bay, Perryville, Chignik, Chignik Lake,  
19 Karluk and so forth in the spill area. This is to show that we  
20 have an emphasis on community involvement and that we are  
21 looking at community-based programs as part of the GEM Plan.

22 Now, on the other hand, we have this vision of the Gulf  
23 of Alaska, and this Dr. Spies is going to be talking to you  
24 about this in a good more detail, so let me just talk about the  
25 details of this map a little bit. And, again, for those of you

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1 on the telephone, we're working with a satellite vision of  
2 Figure 1. Now, these color contrasts don't necessarily mean  
3 anything, that I know of, other than we have different water  
4 masses here. But take a look along the coast here, along the  
5 Bering Ice Field, this is Kayak Island down here in Prince  
6 William Sound and Kalgan Island, Middleton Island out here and  
7 Kalgan Island, I'm sorry.

8 MR. RUE: Montague.

9 MR. MUNDY: Montague Island, I'm in the wrong  
10 inlet. And take a look at the water masses here and note the  
11 complexity here just below the Bering Ice Field and southeast  
12 of Prince William Sound. Lots of fresh water here, but right  
13 in the middle you've got marine water. And then if you move  
14 around the corner of the Kenai Peninsula below Seward and back  
15 up around into Cook Inlet, notice the influence of the Susitna  
16 River and the Kenai and Kasilof River, this is Lake Tustumena  
17 and this is Lake Skilak up here on the Kenai Peninsula, but  
18 look at the differences here. We tend to think of Cook Inlet  
19 as one body of water, we tend to think of the offshore areas as  
20 homogeneous as a glass of drinking water, but these areas are  
21 really quite different. This part of Cook Inlet up here, there  
22 is Kalgan Island, at this time, these areas are very different  
23 and Dr. Spies will be talking to you about some of the  
24 differences we've seen in the birds and the mammals and the  
25 fish that are directly related to these differences that we can

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1 see from the satellite image.

2 Okay. And, lastly in the vision, Section II, we talk  
3 about the funding potential, the investment of the Council  
4 being approximately \$115,000,000 and the return being, in the  
5 long-term, being approximately 5.75 million dollars a year.

6 We also addressed the governance, and the governance in  
7 the foreseeable future in the GEM Plan is the Trustee Council  
8 structure.

9 Okay. Now under the goals section, we talk about what  
10 to do to meet human needs. And this, again, we're still in  
11 Section II. Track lingering oil spill injury, detect and  
12 understand changes in the marine ecosystem, distinguish natural  
13 variability from human influence, improve fish and wildlife  
14 management, integrate and synthesize species information, get  
15 baseline on water quality and contaminants, identify important  
16 marine habitats and basic life history and habitat requirements  
17 of marine species. Okay. Again, in the goals section we talk  
18 about how to meet human needs. And how are we going to go  
19 about addressing these goals.

20 The first thing that we've done is we put together a  
21 database to help us identify research and monitoring gaps. We  
22 are in the process of assembling the current understanding of  
23 biological production in the Gulf of Alaska and we're  
24 synthesizing this, putting it together into a story. We need  
25 to continue to synthesize the -- that is to make a coherent,

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1 intelligible story out of the research and monitoring. And  
2 then we put these together, put the gaps, the current  
3 understanding and the synthesis to help set priorities for  
4 research, and particularly for the GEM Program.

5 And the last element that the Trustee Council specified  
6 as an approach is we're going to use our funds to leverage  
7 funds from other programs because we need to recognize that one  
8 program with the amount of money that we have is not going to  
9 monitor the whole Gulf of Alaska. We're, obviously, going to  
10 be relying heavily on programs operated by State, Federal  
11 agencies and intergovernmental organizations and United Nations  
12 programs.

13 Okay, now we move on to Section III, this is where we  
14 talk about the process and the institution, these are the ideas  
15 that have been laid down. Many of these will be familiar to  
16 you because a great many of these we draw from the structure of  
17 the Restoration Program itself. Some of the operating  
18 principles we had we feel that have worked fairly well and  
19 produced a good product for the public and these we intend to  
20 continue.

21 So under structure and approach, we address that we're  
22 going to have two scientific elements here, long-term  
23 monitoring and research and there will be an interaction  
24 between long-term research and monitoring where the monitoring  
25 program funded by GEM and by other parties will feed

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1 information to the research program. The research program will  
2 help us produce products for management agencies, things that  
3 people can use to manage the resources better, information for  
4 economics, for buying fishing boats and things like that. And  
5 so the interaction between the two, the research program  
6 advises the monitoring program, the monitoring program advises  
7 the research program and we get -- both of them are the basis  
8 for products for the public.

9 Communities and local stewardship is part of our  
10 approach, the idea that people who are involved with the  
11 resource need to be part of this monitoring plan and that the  
12 communities being in the middle of the resources and, in some  
13 cases, heavily dependent on them, are uniquely interested in a  
14 lot of cases in these resources.

15 Science management program, we're going to continue the  
16 concepts, many of the concepts that we started in the  
17 Restoration Program and we will be modifying these,  
18 streamlining them and making them more cost effective.

19 Continue the peer review process that has resulted in over 300  
20 peer reviewed scientific literature publications, in addition  
21 to the many reports that have also been produced, and since  
22 these come into my e-mail mailbox, I can tell you we have 300  
23 publications and climbing, we get new reprints and publications  
24 every day.

25 Data management synthesis and public information. This

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1 is an extremely important part of the structure and approach  
2 that is going to be much more emphasized under GEM than it was  
3 under the Restoration Program because we expect to see a lot of  
4 information coming through. And so data management and putting  
5 that -- is going to be important. Also putting that data  
6 together into a story that the management agencies and the  
7 public can understand and use is going to be extremely  
8 important. And, of course, synthesis, putting together a story  
9 based on the data is obviously the basis for public  
10 information.

11 Okay. Under the research end of things, the three  
12 elements here are management and conservation, that is the idea  
13 that this data does not exist in a vacuum, it's not being  
14 produced solely for the sake of science, although we hope that  
15 it will be good basic science, but also will deliver a product  
16 to management agencies who deal with birds, fish and mammals  
17 and to members of the public who rely on this economically and  
18 for subsistence.

19 Lingering oil injury, clearly again, that's part of our  
20 approach. If we find continuing oil injury, if we find  
21 continuing restoration needs, we're looking at these. And  
22 exploring, monitoring data adaptively. And basically what this  
23 means is that we take the monitoring data, it's not just logged  
24 into a book, the monitoring data has to go to people who are  
25 going to try to make sense out of it and also tell us if we're

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1 monitoring the right things.

2 Science management principles and policies, again,  
3 drawn from the Restoration Program with a peer review process,  
4 but streamlined to reduce costs.

5 Proposed elements of GEM science management, scientific  
6 leadership and peer review. We have a process for an open  
7 process for getting the things that we need to run the program,  
8 getting proposals and passing them through. And then  
9 coordination with other programs and projects. Again, I  
10 emphasize that we're a relatively small program and networking  
11 coordination is absolutely essential for our success, but also  
12 something that's badly needed.

13 Data management synthesis and public information. I  
14 think I've previously covered these, they will be more  
15 important under the GEM Program than they have been in the  
16 Restoration Program.

17 Okay. Now, before we turn this over to Dr. Spies who's  
18 going to talk to you about the models and the concepts about  
19 what we already know that we can use to get going, we need to  
20 talk a little bit about some of the history of science that can  
21 give us a lot of direction here.

22 So for those of you on the telephone we're now in  
23 Section IV, Parts A and B. And in Section A we address  
24 guidance from prior programs and in Section B we address  
25 existing agency programs and projects. Now, there's a lot of

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1 guidance from prior programs that's been developed since about  
2 1991. Under the legislation, I believe it was '91, that  
3 created the Alaska Regional Marine Research Plan, we have  
4 several goals, and I think the goals will be recognizable to  
5 you because they look a lot like what the Trustee Council has  
6 established.

7 Distinguish between natural and human induced changes  
8 in marine ecosystems. Stimulate the development of data  
9 gathering and sharing system, and provide a forum for  
10 discussion among the scientific community concerning water  
11 quality and ecosystem health. Water quality and ecosystem  
12 health are separated in this case because EPA was a major part  
13 of this program.

14 Bering Sea Ecosystem Research Plan is out there and the  
15 Bering Sea and the Gulf of Alaska are linked in a lot of  
16 regards and many of the same agencies and research programs and  
17 scientists who work on the Bering Sea are also in the Gulf of  
18 Alaska. Again, look at the similarity between what they came  
19 up with in the Bering Sea Ecosystem Research Plan. Natural  
20 variability in the physical environment causes shifts in  
21 trophic structure and changes in the overall productivity of  
22 the Bering Sea. You could insert Gulf of Alaska and you'd have  
23 GEM.

24 Human impact leads to environmental degradation  
25 including increased levels of contaminants, loss of habitats,

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1 increased mortality on certain species in the ecosystem.

2 Again, central interests of the GEM Plan, okay?

3 All right. Now, we also have -- because of the  
4 policies pursued by the Trustee Council in the past, we now  
5 have a substantial scientific legacy, we have a lot more  
6 ecosystem information than we otherwise would have had, because  
7 of the Trustee Council's efforts. As I mentioned earlier, we  
8 have over 300 peer reviewed scientific publications and these  
9 are going to be included in the future, in an appendix, we  
10 didn't put those in this document, but for scientists, such as  
11 the Natural Research Council and others who will be using this  
12 document we think that will be an important reference.

13 And then basic ecological information was developed  
14 under SEA Program, Nearshore Vertebrate Predators and the APEX  
15 Predator Program and lots of individual projects over the  
16 years.

17 Oceanographic data existing programs and projects.  
18 This is one where we've had to work pretty hard because there  
19 is lots out there and they are not in one place, they're not  
20 under one umbrella by any stretch of the imagination. We split  
21 this into oceanographic data and that's typically  
22 phytoplankton, zooplankton, small plants and animals and  
23 physical observations, like temperature and salinity. Then we  
24 have large plants and animals, mostly animals, which we call  
25 macrofauna. And most of these agencies will be familiar to

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1 you. For example, oceanographic data the NOAA, the National  
2 Oceanographic Atmospheric Administration is a major player  
3 here. And the birds, mammals and fish, the familiar agencies,  
4 Alaska Department of Fish and Game, Department of Interior,  
5 NOAA/NMSF. NOAA/NMSF are so important they're here twice.

6 MR. RUE: They're redundant, too, I guess.

7 (Laughter)

8 MR. MUNDY: All right. Now two groups that may  
9 not be as familiar to you that are extremely important in this  
10 area, they're what I call transboundary organizations I  
11 mentioned. This is Pacific International Council for the  
12 Exploration of the Sea, but they call themselves the North  
13 Pacific Research Organization, PICES. IPHC is the halibut,  
14 International Pacific Halibut Commission. IPSOC no longer  
15 exists but its successor, the PSC, the Pacific Salmon  
16 Commission, is there and IPSOC left a very important scientific  
17 legacy. And the same is true of the International North  
18 Pacific Fisheries Commission and its successor the North  
19 Pacific Anadromous Fish Commission, there is an incredible  
20 legacy of information in these international treaty  
21 organizations of the North Pacific.

22 This is the Arctic Monitoring and Assessment Program  
23 which is under the Arctic Council and these people study  
24 contaminants in the Arctic and they have stations in the Bering  
25 Sea, but they do not have stations in the Gulf of Alaska, and

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1 this is a -- at the present time a major shortcoming.

2           And then we have also organizations that are more  
3 focused, like the Pacific States Marine Fisheries Commission,  
4 which is based in Portland, they, for example, coordinate  
5 interstate fisheries in the United States and they have the  
6 coded-wire tag database which is a record of every recovery of  
7 every coded-wire tag in every salmon from California to Alaska,  
8 including Canada since 1972.

9           Down under global climate change there is a very large  
10 community out there and it's a scientific community and an  
11 international community, not necessarily based on governments,  
12 such as United States and Canada, but more on organizations  
13 like the Intergovernmental Oceanographic Commission, the IOC,  
14 not the -- this is not the Olympics. Out of UNESCO in the  
15 United Nations and they have the Global Oceans Observation  
16 System, this is called GOOS and they have WOCE, that's the  
17 World Ocean Circulation Experiment. Then there's the IGBP  
18 program which, again, transcends a lot of national boundaries.  
19 We have GLOBEC, which is now functioning in the North Pacific  
20 studying things like pink salmon and physical processes that  
21 lead to the production of pink salmon.

22           Then this is the Joint Ocean Flux Experiment, that  
23 should be JGOSF for people who are into acronyms here. And  
24 they're looking at movement of energy and matter through  
25 currents throughout the world, including the North Pacific.

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1           Okay, so now we're back to a picture, to a scientific  
2 vision, as opposed to our community vision of the spill area,  
3 and I'll turn it over to Dr. Bob Spies.

4           DR. SPIES: Thank, Phil. I'll just take a  
5 minute to boot up this second program here.

6           MS. McCAMMON: This is just for our recorder,  
7 so you don't have to speak into that. Actually that one that  
8 goes to the teleconference.

9           DR. SPIES: Okay. All right.

10          MR. RUE: We're now on page two of the.....

11          DR. SPIES: Section IV.

12          MR. RUE: Section IV.

13          DR. SPIES: Yeah.

14          MS. McCAMMON: Page two of the outline or page  
15 36, probably, actually getting into page 44 in the document.

16          DR. SPIES: This will be Section D, starting on  
17 page 51.

18          Okay, taking off where Phil left. He kind of provided  
19 the context in terms of processes, goals and where we want to  
20 go with the program. This is kind of a bird's-eye view or  
21 bumper sticker compilation with where we are with understanding  
22 ecological change in the Gulf of Alaska and some of the driving  
23 forces for that, particularly we want to ask the question, does  
24 climate link to ecological change? And we want to look at some  
25 of the trends in climate that occur in the North Pacific Ocean,

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1 indeed over the broader Pacific, and understand some of those,  
2 first of all, as a basis for understanding some of these  
3 fluctuations.

4         There's three trends or cycles in the Pacific Ocean  
5 that are important, that are expressed. Mainly the sea surface  
6 temperature and recorded is a history of at least 140 years,  
7 this data had just recently been compiled. And let's talk  
8 first in the trend, not a cycle, but a trend, as we saw it, in  
9 terms of historical record for global warming. And you can see  
10 there in the map of the world that the warm areas are in red  
11 that have warmed over the course of the last 140 years and the  
12 cooler areas, which are very limited, are in blue. And just  
13 ignore any ups and downs, if you look at the long-term mode and  
14 the average is right at -- the average is given a value of zero  
15 and we're looking at deviations. So below -- from about 1860  
16 to about 1938 we had lower than normal temperatures for this  
17 period, and then starting in the early '40s, and particularly  
18 in the 1980s we saw a quite dramatic warming of the sea surface  
19 temperature, which does signal the global warming phenomenon.

20         Let's turn next to a cycle, and this is a relatively  
21 short-termed cycle called the ENSO cycle, which stands for the  
22 El Nino Southern Oscillation cycle, we're all pretty familiar  
23 with that, we've had a number of strong ENSO events in the last  
24 10 years. This actually originates in the tropics and it has  
25 to do with the movement of heat across the ocean. Very

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1 briefly, in the tropic when the trade winds blow across the  
2 equator from the east here, they keep this warm water pooled up  
3 over in the Western Pacific. But when these trade winds relax,  
4 we get a push of warm water across the Pacific. This is South  
5 America and the residents of South America are quite familiar  
6 with this because it essentially shuts down production in the  
7 upwelling system that exists off the west coast of South  
8 America and drastically affects their lifestyle.

9         And then this heat wave moves up then along the coast  
10 of Central and North America and definitely affects the Gulf of  
11 Alaska. It takes about 18 months to two years to get this warm  
12 water moved up here, but it definitely does move as a heat  
13 wave. The ENSO event.....

14         If we can just go back for a moment, Dave?

15         .....has about a four to five year cycle on average and  
16 at anywhere from two to seven years you can see that these --  
17 we've had quite a few ENSO events over the last 140 years.  
18 Again, these are plotted as sea surface temperatures, as  
19 deviations from the long-term average, which is zero here.

20         The next cycle that greatly affects the North Pacific  
21 is the Pacific Decadal Oscillation and there's actually -- just  
22 as a little bit of a background here, there's kind of an  
23 opposite effect that happens. This particular graph relates to  
24 temperature in this box in the mid-Central Pacific in the  
25 Northern Hemisphere, whereas the Gulf of Alaska is usually --

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1 when this is warm the Gulf of Alaska is cold and vice versa.  
2 So this is actually kind of the opposite trend, but it's  
3 fluctuating the same way as the Gulf of Alaska. And we have  
4 trends here that are on the order of -- or cycles on the order  
5 of 20 to 30 years. And the last large one that we saw started  
6 in about 1977, this is what we call the Pacific Decadal  
7 Oscillation.

8 And to understand a little bit more, focusing in on the  
9 Gulf of Alaska, itself, and the North Pacific, to understand a  
10 little bit more about the climate and how it affects the  
11 oceanography and eventually biological production and we have  
12 to understand something about the wintertime positioning of the  
13 Aleutian low pressure zone. This cycles on a 20 to 30 year  
14 cycle that we saw before and when the Aleutian low pressure  
15 zone is in the northwest -- more in the northwest part of the  
16 Gulf of Alaska, the northeast part of the Gulf of Alaska, and  
17 it is particularly intense, average about below a thousand  
18 millibars during winter and this has the effect of accelerating  
19 some of these currents. And the currents are rotating in the  
20 same way and polar gyre here is the atmosphere is, and then  
21 when this.....

22 MS. HEIMAN: What is that you said? Millibars?  
23 Say that again.

24 DR. SPIES: Yeah, that's the atmospheric  
25 pressure so it's about 1,000 millibars or below is a very low

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1 pressure average and about 1020 millibars would be a high  
2 pressure for this particular system.

3 MR. WRIGHT: We used to measure that in inches  
4 of mercury, now the metric measurement of that is.....

5 CHAIRMAN PENNOYER: Barometer.

6 DR. SPIES: Right, it's a barometer --  
7 barometric.

8 MR. RUE: So today's probably 990 outside.

9 MR. MUNDY: And falling.

10 MR. RUE: And falling.

11 DR. SPIES: Okay, we can move on to the --  
12 okay, then at -- over 20 -- every 20 to 30 years this -- the  
13 average position in the wintertime of the low pressure zone is  
14 more to the southwest. And if we can go to the next slide it  
15 shows some of these fluctuations and the history of the  
16 fluctuations. And atmospheric pressure in the North Pacific  
17 associated with the Aleutian low pressure movement, so we can  
18 see there, starting about 1977, we had an incidence of very  
19 below normal pressure, again measured in millibars, of this  
20 Aleutian low pressure zone being in the northwest Gulf of  
21 Alaska being very intensely developed. And we're going to be  
22 focusing on that because it's a big signal and there's a lot of  
23 correlation of the biological effects with that signal.

24 And to just to give you a little bit more background on  
25 how this -- these events are played out through the

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1 oceanography, again, some of the major currents in the Gulf of  
2 Alaska, again, they're -- the gyre in the North Pacific, the  
3 subpolar gyre in the Gulf of Alaska is rotating the same way  
4 that the -- all the currents are going the same direction on  
5 average that the atmospheric low pressure system in winter is  
6 moving.

7           And we have, basically, the trans Pacific current, a  
8 west wind drift here that's the bottom of the polar gyre, it  
9 comes across and it impacts North America, about the level of  
10 the Queen Charlotte Islands, there it splits into the  
11 California current to the south and the Alaskan current to the  
12 north. Now, when the Alaskan current -- it's quite broad when  
13 it first moves into the gyre and that's because it follows the  
14 shape of the shelf, more or less, it's very broad here and then  
15 it narrows in the north and as it moves west, it's now called  
16 the Alaska Stream, it's located right on the edge of the  
17 Continental Shelf and it's moving quite quickly up to about 100  
18 centimeters a second or more, so it's very swift current and  
19 it's several times the size of the Mississippi River.

20           Now, there's another isolated.....

21           MS. HEIMAN: Explain the difference between the  
22 two different belts that are going on.

23           DR. SPIES: Okay, I'm going to talk about the  
24 next one, I've been talking just about the currents with the  
25 green ball, okay?

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1 MS. HEIMAN: Okay.

2 DR. SPIES: And that this gyre here that's out  
3 over the Continental -- edge of the Continental Shelf and into  
4 the Central Gulf. And then there's up near the shore, which is  
5 called the Alaska coastal current, and this is the pink ball.  
6 And it's what's called -- oceanographers call it an eastern  
7 boundary current. Now, what that essentially means is that  
8 it's gathering all the fresh water runoff. Remember the  
9 satellite photos that Phil showed with the lighter colored  
10 green and blues in the nearshore area, that was all the melt  
11 and precipitation that's going into the coastal zone. And that  
12 forms a current that is less dense and less salty and so it  
13 floats on the rest of the sea water and wind tends to blow it  
14 up -- since it's floating, the wind can blow it around and it  
15 blows it up against the coast as it moves around.

16 Okay. Let's just review a couple of things about  
17 biological production, this is a copepod, this bud. Molly  
18 wanted to know what that was. And what we're dealing with is a  
19 kind of a balance of different forces of factors in the ocean  
20 that affect biological production, that is, basically we're  
21 talking about planktonic production, but it also applies  
22 equally well as to nearshore algae and kelps.

23 Animals and plants sink to the bottom of the ocean and  
24 when they sink to the bottom of the ocean there are processes  
25 there and decay, bacterial decay and so forth that regenerate

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1 the nutrients. So the nitrates that are so important for  
2 biological production are down here and they need to get up  
3 here, and the way they get up into the photic zone where the  
4 light is and the plants can grow, is that they get turned over  
5 either -- brought up through upwelling or turned over from wind  
6 mixing. At the same time if the plants that are in the surface  
7 layer are going to be as productive as possible, they have to  
8 stay in the surface layer and can't be mixed down too deep  
9 where there's not enough light for them to grow.

10 So we got kind of a -- we need the wind and we need  
11 some turbulence to move the nutrients up, but we can't have too  
12 much if we want to maintain maximum production because we'll  
13 mix some of these plants and animals out of their prime  
14 habitat. And, in fact, we've done some basic work during the  
15 SEA Program that you've sponsored for the last six years, and  
16 we're now able to quite well predict the phytoplankton biomass,  
17 and this is work that's done in Prince William Sound, based on  
18 a couple of rather simple physical measurements.

19 The first of that is a measurement of sluing and death  
20 at the entrance of Prince William Sound in the spring, how the  
21 water column is stratified in the spring. And then the force  
22 that mixes that water column is the wind. And using those  
23 factors, there's a model that Dave Enslinger built with his  
24 students, University of Alaska, and this is the red line, the  
25 predicted phytoplankton over the course of the growing season,

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1 staring with the 60th day of the year and going through the  
2 180th, it's essentially late March until about August. And you  
3 can see there that the actual dots, the actual phytoplankton as  
4 measured in the field quite -- did a very good job -- I mean  
5 the model did a very good job of tracking the actual levels in  
6 the Sound.

7 And, of course, the things that consume, the little  
8 bugs, the copepods that we saw in the last slide that consume  
9 the algae follow on from their food sources and they begin to  
10 grow a little bit later, delayed from the phytoplankton, but  
11 the model is able to predict those as well, there's a little  
12 bit more variability with the yellow dots here, but the average  
13 is predicted quite well.

14 Now, if we might go back just for a moment to the  
15 phytoplankton bloom, I think Phil would like to make a comment.

16 MR. MUNDY: Yeah, I just wanted to point out to  
17 the Council members here that this kind of modeling is exactly  
18 what we're looking at in GEM because it illustrates how to take  
19 relatively inexpensive and precise physical measurements on  
20 temperature and salinity and relate these to a biological  
21 phenomenon, phytoplankton production, which is relatively  
22 expensive and difficult to measure and then this can be related  
23 back to things that directly impact human needs in communities,  
24 and that is, you'll note, that the X-axis here is time, okay?  
25 And the timing of the juvenile fish, the juvenile salmon as

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1 they come out of their streams with respect to this is  
2 extremely important to their survival and by taking these kinds  
3 of measurements, which we have in the past, we don't have  
4 measurements of phytoplankton bloom in the past all the time,  
5 but we do, in a lot of cases have wind and temperature and  
6 salinity, we can go back and try to see how the phytoplankton  
7 bloom, and the timing of it, has impacted recruitment of  
8 salmon. Also phytoplankton is the basis for production that  
9 drives the birds and the mammals in these areas, so this kind  
10 of model, although it's a simple red line down the screen, this  
11 is a relatively important part of the GEM Program.

12 MS. HEIMAN: How much does a study like this  
13 cost? I mean I'm sure it depends on the area, but  
14 phytoplankton studies that track that?

15 DR. SPIES: This is relatively cheap now, as  
16 long as the buoys are in place for taking the basic data. Wind  
17 speed is available from a number of existing NOAA buoys in the  
18 area, I don't know exactly applicable which buoys they use, but  
19 they do have that data coming in. And then right now the  
20 Trustee Council has funded for next year putting buoys in  
21 Hinchinbrook entrance and tracking saline and temperature with  
22 depth, which is the other input that we need.

23 MR. MUNDY: You're basically trading off vessel  
24 time versus having fixed technology, so you're talking about  
25 trading off costs of tens of thousands of dollars a year for

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1 the fixed technology to hundreds of thousands of dollars a year  
2 to go out and actually directly measure the phytoplankton.

3 DR. SPIES: Okay. Now we don't, unfortunately,  
4 have a long historical record of phytoplankton biomass in the  
5 North Pacific or even the Northern Gulf of Alaska. We do have  
6 satellite images available from NASA and, to some extent, from  
7 NOAA that look at chlorophyll A levels over the entire North  
8 Pacific and you can see interesting patterns of production  
9 geographically, we don't have historical record. We do have  
10 some zooplankton data that's been gathered, in part, by the  
11 Japanese and analyzed by Rick Brodeur from Seattle. And I've  
12 showed you another version of this in an earlier talk, but this  
13 contrasts -- again, going back to the climate and the Pacific  
14 Decadal Oscillation, this contrasts a negative PDO and that's  
15 where the pressure is not very strong and there's not a lot of  
16 intense circulation. The conditions for standing stocks of  
17 zooplankton during the '50s and '60 in the spring and summer,  
18 so this shows you in white, yellow and a couple of shades of  
19 orange the higher biomasses of zooplankton.

20 And that contrasts with a positive PDO, and this is  
21 data taken during the springtime, again, in the '80s when we  
22 can see a much, much more extensive and higher biomasses of  
23 zooplankton through the Gulf of Alaska. Now, unfortunately, we  
24 don't have much in the way of nearshore data in these areas  
25 here and that's quite unfortunate, that's a gap that really

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1 needs to be filled. But this data is interesting in that it  
2 does show a kind of ring structure here around the edge of the  
3 Gulf of Alaska, right out at the edge of the shelf, it looks  
4 like. And this was actually predicted by Ted Cooney back in  
5 1987, he thought the production in the Central Gulf of Alaska  
6 was blown inshore by Ekman transport, that is the wind just  
7 pushing material inshore would result in a kind of a ring of  
8 zooplankton here. This is most likely what the salmon feed on,  
9 so it's very, very important and it'll play into our model.

10 Okay, let's go on.

11 MR. RUE: So it's more wind driven than  
12 upwelling on the edge of the Continental Shelf or a  
13 combination?

14 DR. SPIES: It appears to be that.

15 MR. RUE: Wind?

16 DR. SPIES: Wind. There is Central Gulf of  
17 Alaska upwelling, we'll cover that point.

18 MS. HEIMAN: And who's funded those studies to  
19 date, those zooplankton studies?

20 DR. SPIES: I believe a lot of that data was  
21 from the Japanese, but Rick Brodeur, who works for NOAA to  
22 process the data was funded by NOAA and he looked at all the  
23 available data. There's a lot of holes and gaps in it, but  
24 there's enough of a big pattern to really suggest some of these  
25 interesting processes.

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1                   MR. WRIGHT: The Japanese use a lot of vessels  
2 of opportunity, vessels that are transporting stuff across the  
3 Gulf of Alaska and that's where a lot of that data was  
4 collected. So it's inexpensive and they've made it available  
5 to the whole scientific community.

6                   DR. SPIES: So let's move on to the next  
7 trophic level, fishes and also shellfishes, which consume  
8 plankton and zooplankton and see what they're doing in relation  
9 to some of these large scale climatic changes, particularly the  
10 Pacific Decadal Oscillation. We know the salmon catches in the  
11 Gulf of Alaska have varied widely during this century, this  
12 perhaps -- there are other sort of data we could look at, but  
13 this provides a record back to 1900 for catching millions of  
14 fish and this is all species over the -- that are landed in  
15 Alaska and we can see a couple of trends that we see in a lot  
16 of other data sets on salmon in Alaska. A very large step  
17 increase starting the late '70s, again, this is the start of  
18 the Pacific Decadal Oscillation where we saw all that  
19 zooplankton in the Gulf of Alaska on that former slide, you  
20 know, very suggestive that these fish have a lot to eat out  
21 there and the water temperature is warmer as well.

22                   Then we've had previous periods where we saw similar  
23 things during the late '30s and '40s, although this catch is  
24 not the same as the abundance of salmon out in the Gulf and we  
25 don't count salmon directly in many cases, but it's a good

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1 index probably, we think. There's some other economic factors  
2 that go into this.

3 Let's move on to the next slide.

4 Then here brings the story a little bit closer to home  
5 in terms of pink salmon which we've studied extensively during  
6 our program. And this is catch from Central Alaska for pink  
7 salmon, we see the same sort of thing. Don't worry about this  
8 blue line, it's the statistical average during these different  
9 climatic factors. But what we do see is two positive PDOs, one  
10 in the '30s and another on in the late '70s and '80s, very high  
11 catches, particularly in this most recent PDO. And then we had  
12 this negative Pacific Decadal Oscillation during the '50s and  
13 '60s, the catches were quite low, relative to the periods  
14 before and after.

15 These sort of trends are not limited to salmon, but  
16 affect many, many of the species of fish and shellfish out in  
17 our shelves that are important, not only from the standpoint of  
18 fisheries, but also the standpoint of food for higher trophic  
19 levels. And this -- again, I don't know if you can see the  
20 graph here, this is time, 1973 up to 1989 and this is percent  
21 of catch and these are the trawl catches that NOAA, and done  
22 cooperatively with the Alaska Department of Fish and Game,  
23 again the step function here about 1977 is a tremendous  
24 decrease in shrimp catches on the Shelf. This is out in  
25 Kodiak, Alaska Peninsula data. And then increasing in cod-like

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1 fish, these are pollock and cod in the dark blue, the so-called  
2 gadids, and then the flat fish, you know, the yellowfin sole  
3 and so forth, increasing a little bit more gradually, but  
4 definite increases from very, very low catches of these flat  
5 fishes to very large catches during the '80s.

6         And the crab recruitment show a similar sort of  
7 phenomenon, and this includes data not only from the Gulf of  
8 Alaska -- these are two Cook Inlet databases, Kodiak Island  
9 database, this is a Bering Sea database and a South Alaska  
10 Peninsula data for crab recruitment. This is Gordon Kruse's  
11 data, Alaska Department of Fish and Game and this is your brood  
12 years from the late '60s to the '80s. In any case, during the  
13 last strong positive PDO, starting about 1977, we saw  
14 decreases. In some cases, it's quite interesting, we did see  
15 changes in earlier '70s, so something we don't understand  
16 completely. But definitely downward trends, like the shrimp,  
17 during the positive PDO.

18         Of course the Gulf of Alaska is also renowned for  
19 seabird populations and there's a whole variety of different  
20 bird life that depends on the productivity in the Northern Gulf  
21 of Alaska. And seabird colonies are very good indicators of  
22 productivity in the marine ecosystems and it's been known for a  
23 long time where you find very productive eco -- parts of the  
24 ecosystem you get large colonies of seabirds. So let's look at  
25 some of the seabird populations in the Gulf of Alaska and focus

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1 in on Cook Inlet again and kind of put a biological overlay on  
2 some of the physical phenomena that we've seen that we saw from  
3 that satellite photo that Phil showed earlier. And he pointed  
4 out, again, this fresh water inflow that would probably  
5 increase during '70s with the increased precipitation and  
6 warmer temperatures. We saw this fresh water moving down the  
7 western side of Cook Inlet right past this Chisik Island  
8 colony, but in Gull Island there's another large seabird colony  
9 that showed kind of contrasting populations trends.

10 If we can just move on to the next slide?

11 These are murrelets and we did see murrelets as well as some  
12 other species at Chisik Island, all declining during this  
13 positive PDO, where we believe that the fresh water increased  
14 quite a bit coming down the Cook Inlet, so their habitat is not  
15 very productive and they had to go a long way to feed, so  
16 they're not raising as many chicks and they're not doing as  
17 well in terms of the population.

18 If we can move on to Gull Island, which is in the mouth  
19 of Kachemak Bay and if you see the satellite photos you know  
20 that the stratification is not a big problem in the entrance of  
21 Cook Inlet. That water gets turned over all the time and it's  
22 very, very productive, there's a lot of upwelling. And here we  
23 see that these same populations of seabirds in the colony of  
24 Gull Island are all increasing during the same period.

25 Let's have a look at another higher trophic level, the

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1 marine mammals, and two of the species of concern are harbor  
2 seals and sea lions. And here we see, I believe these are sea  
3 lions in the Gulf of Alaska and they're of interest not only  
4 for their own conservation, for what effects they have on other  
5 species in the system and what fisheries they depend on and the  
6 interaction between harbor seals and pollock, as we all know,  
7 is a topic of great concern and trying to understand that  
8 relationship is something that we need to look into further.

9         The harbor seals are important populations in the  
10 Northern Gulf of Alaska and we know that the Native populations  
11 have depended for a long time, they've had a low level of  
12 harvest for a long time and for thousands of years they've been  
13 hunting harbor seals in the Gulf of Alaska. And the harbor  
14 seals have been declining and if we look a couple of different  
15 places Tugidak Island in the Kodiak Peninsula and these are --  
16 NOAA data show that there's been a decline in the '80s, a  
17 possible increase, but there's a lot of noise here -- when the  
18 populations get low there's a lot of noise in the data,  
19 possibly an increase, but we're not too terribly sure about  
20 that.

21         We move on to Prince William Sound where we've done a  
22 lot more work, a lot more stations and have treated the data  
23 extensively for corrections for conditions under what's been  
24 taken, but in any case, we've been monitoring about 25 sites,  
25 we can see the red dots here indicate the harbor seal

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1 populations. Trend sites that Kathy Frost and Lloyd Lowery  
2 have been doing under our program. And we've had declines in  
3 the '80s and we can see these are graphed and continued to  
4 decline in the '90s in harbor seals, so, you know, these guys  
5 probably aren't getting enough to eat and they probably had  
6 more to eat in the past.

7           Again, the sea lions in the Gulf of Alaska, their  
8 populations are declining as well, particularly in the Western  
9 Gulf of Alaska and this is Western Gulf of Alaska data showing  
10 declines from the '50s all the way through the '90s.

11           Those are some of the correlative things we see between  
12 large scale ecological change across the Gulf of Alaska and  
13 climate, but that's not a very satisfying picture and it's not  
14 enough to be very predictive, we need to understand exactly how  
15 climate plays out. We've seen some of those effects in  
16 oceanography, but let's look a little closer at some of those  
17 oceanographic physical processes and how they might play out  
18 through the biology. And we're dealing mainly with the largest  
19 signal that we see and that's the Pacific Decadal Oscillation,  
20 because they had such a large number of correlations. Let's  
21 deal with that.

22           And this becomes one model in which we've been  
23 encouraged by our scientific reviewer so far to really put  
24 forward a conceptual model that might try to harmonize all  
25 these different trends and data. What are the actual processes

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1 underlying this, put some ideas out there. So here is our  
2 preliminary idea and this may well be modified as we move along  
3 because our preliminary idea of how things work during  
4 different Pacific Decadal Oscillations. So let's cover the  
5 positive PDO here, what's happening with the physics and then  
6 we'll move on to the biology.

7 Well, as the atmospheric pressure is low and centered  
8 over the Northwest Gulf of Alaska, just like a tornado moving  
9 over the land, it's going to spin up things off the bottom,  
10 just like a tornado moves things up into the air. This gyre  
11 spinning now is going to move more cold deep water up than it  
12 did previously, so we get more upwelling of the nutrients  
13 that's being released from the decadent material on the bottom.  
14 At the same time in the winter we got.....

15 MS. HEIMAN: What causes that? I know you say  
16 it's there, but what makes that happen?

17 DR. SPIES: Any time you have a spinning vortex  
18 it tends to pull thing up through the center of it.

19 MS. HEIMAN: And that's just the currents  
20 there, it makes it spin?

21 MS. McCAMMON: Wind.

22 DR. SPIES: Yeah, the currents are moving in a  
23 clockwise with.....

24 MS. HEIMAN: Oh, the one you showed us before.

25 DR. SPIES: .....in concert with the

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1 atmospheric changes in the wind.

2 MR. MUNDY: And the wind pushes water off the  
3 top and that water has to be replaced.

4 DR. SPIES: Right, exactly. And the winds  
5 acting in concert here blow in shoreward out of the middle of  
6 the low pressure towards the shore. This wind transport, wind-  
7 driven transport, the surface water, oceanographers call  
8 Ekman's transport.

9 At the same time this is moving inshore, in the inshore  
10 areas because of the warmer.....

11 (Off record comments - noise in hallway)

12 DR. SPIES: The warmer temperatures that occur  
13 with these positive PDOs and the greater precipitation result  
14 in a couple of things that -- more snow and glacier melt as  
15 input as fresh water and more rain. So this Alaska coastal  
16 current strengthens, it becomes fresher and strengthens. Now,  
17 this is a wind current that's less dense, so when this dense  
18 sea water moves inshore it hits this and it's kind of a block,  
19 so it downwells, it moves down underneath this, this lens of  
20 less dense fresh water.

21 Let's move on to what might be the biological  
22 consequences of these kinds of phenomena. Well, remember we  
23 talked about the need to keep the animals in the upper layer.  
24 Well, it turns out during the positive PDO that in the  
25 springtime as the surface of the ocean warms the mix layer is

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1 actually not as deep. So that keeps more of the production up  
2 close to the light source. At the same time we've got these  
3 nutrients coming up from below, which is a tremendous source of  
4 production, nitrates in the concentrations in the deep waters  
5 of the Gulf of Alaska, some of the highest on earth. So we got  
6 a good chemostat, we're able to cook things along pretty good  
7 on surface here, a lot of production. And we saw that in the  
8 zooplankton picture, you know, there's a lot of zooplankton  
9 around.

10 Okay, this stuff moves inwards, but it hits this Alaska  
11 coastal current and it acts as a block and it downwells, this  
12 material. Now, we don't know where it downwells, they don't  
13 have a lot of data, but we think somewhere on the outer shelf  
14 or on the slope because we get increased transport of organic  
15 material and decreased, actually, shoreward transport. So  
16 while there's a lot of production out there, not all of it is  
17 getting inshore. In fact, we think less of it than in the  
18 negative PDO.

19 At the same time because of the -- the -- lot of  
20 stratification inshore in the water because of lots of fresh  
21 water, warmer temperatures, and it turns out in the summer,  
22 although in the winter there's strong winds, in the summer the  
23 winds are weaker in a positive PDO, and that's going to turn  
24 over less. So all of the physical factors are conspiring to  
25 make inshore production less during a positive PDO.

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1           Let's move over to the negative PDO, conditions we  
2 might have seen in the '50s and '60s, for instance. First the  
3 physics, again. Well, this time the Aleutian low pressure has  
4 moved to the southeast, we've got -- the gyre does not spin up  
5 as well, we don't have as much intense low pressure and so  
6 there is decreased upwelling, there's decreased transport of  
7 materials and there's actually decreased downwelling during  
8 these periods, more of an opportunity for this offshore stuff,  
9 although it's moving slower, and not as energetically, there's  
10 more chance for this to get onshore. And because we got  
11 decreased precipitation, decreased melting and stronger winter  
12 winds there's more of a turnover of water in the nearshore  
13 area.

14           So let's look at the biological consequences of this  
15 sort of regime. Here we have less planktonic production  
16 because the mix zone is deeper, we've got decreased supply of  
17 material because there's less downwelling. More of the  
18 material that is produced, although less of it is being  
19 produced, more of it can get inshore because there's less of an  
20 inhibition in the inshore areas to get this offshore material  
21 moved inshore. This wedge is not as strong. At the same time  
22 because we have increased salinity, decreased stratification  
23 and more summer winds, we actually think there is more  
24 production inshore.

25           So that's kind of our basic model of how, you know,

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1 we're getting out there on the edge, kind of -- this is how we  
2 think the system might work.

3 Now, there are alternative explanations and people have  
4 been putting out different sorts of ideas and there's a bunch  
5 of different data on how the food is being produced and how  
6 that matches with the needs of the consumers and how that has  
7 changed over time, but I think the important thing is to have a  
8 model and to have a program that can test this model as well as  
9 other possibilities. So that's kind of where we're coming  
10 from.

11 Now, there are a couple pieces of data that tend to support  
12 this -- the physical model, that I thought I'd just show up  
13 here because we just recently got ahold of them. And this is  
14 from an unpublished manuscript that Mantua and Steve Hare have  
15 put together, but this is the upwelling index and the anomaly  
16 in the upwelling index, this is just based on wind speed and it  
17 measures how much of this deep nutrient-rich water can actually  
18 get onshore. And we can see the negative anomalies here from  
19 about 19 -- somewhere around 1980, we had a few positive after  
20 '70, so it somewhere around 1980, all the way through the early  
21 '90s in a couple of different locations on the Northern Gulf of  
22 Alaska. We think this supports and strengthens the -- some of  
23 the concepts and the physics that we just put forward.

24 And the next slide shows -- just direct your attention  
25 here, it says 10-year running average of salinity of the GAK

00084

1 line, this is off Seward and we're supporting some of this work  
2 now, along with GLOBEC. We can see there's increasingly fresh  
3 water over the last 20 years in the inshore areas as measured  
4 along the GAK line. So there's another piece of information  
5 that tends to support that increased salinity and increased  
6 stratification inshore areas during the positive Pacific  
7 Decadal Oscillation.

8 So that's kind of the scientific context. Now, what  
9 needs to be done next is to develop those into some solid  
10 questions and in your document in Section E, starting on page  
11 74, there's a number of questions outlined that relate to each  
12 of the parts of the program that we're talking about. We're  
13 not going to -- in the interest of time, we're not going to go  
14 through all of those.

15 And also, we're entering into a two to three years  
16 process where we're going to be defining and narrowing the  
17 scope of what this is going to be, we're going to be going out  
18 for a lot of input, asking other scientists, other groups, what  
19 should we be measuring? How should we be measuring, so we can  
20 eventually get down to where we're going to measure it, when  
21 we're going to measure it, what are we going to measure and  
22 what is it going to cost to do. And we're going to let the  
23 process define that, but we think there's some definite  
24 questions that we've highlighted and asterisked that are  
25 probably going to be pretty much unavoidable based on the kind

00085

1 of background we've given you, certain things that are going to  
2 end up in the program, other parts of it are yet to be defined.

3 CHAIRMAN PENNOYER: You had a comment, a  
4 previous comment, on a 10-degree temperature change in  
5 (indiscernible - laughter and simultaneous speech).....

6 MS. McCAMMON: Are you going to retire before  
7 that happens?

8 CHAIRMAN PENNOYER: I'd just as soon avoid  
9 that. I'm not certain there's a purpose to this program if  
10 that's the prediction.

11 MR. MUNDY: That's -- well, Steve, you well  
12 know the problem with making one year ahead forecasts in  
13 fisheries and although the physicists -- the physical  
14 oceanographers like to tell me that they have more precise  
15 science than we do, I'm not sure that's necessarily the case,  
16 but that does come out of that World Ocean Circulation  
17 Experiment, WOCE, that I talked about under intergovernmental  
18 programs. And that's a circulation model that you can take off  
19 the shelf now, that a lot of biologists are picking up on and  
20 starting to use for looking at those kinds of consequences.  
21 So, again, a 10-year ahead forecast in terms of the weather,  
22 you can take that for whatever it's worth. But, nonetheless,  
23 the -- if you look at some of the data that we've got off of  
24 the North Pacific, we recently got a thousand year signal off  
25 of the oceanographers on temperature, on sea surface

00086

1 temperature anomalies. And exactly how they do this, please,  
2 don't ask me, but it's published, so I hope they got it right,  
3 but.....

4 MR. WRIGHT: They use ice cores and tree rings.

5 MR. MUNDY: Well, I was afraid somebody was  
6 going to tell us.

7 MR. WRIGHT: Here's six copies, you can pass  
8 them around.

9 MS. HEIMAN: A thousand years.

10 MR. MUNDY: But in any event, what this tells  
11 us is that the decade of the 1990s, for certain, is the warmest  
12 decade in the last thousand years. So is global warming real?  
13 Is it here? It's here.

14 MR. WRIGHT: And that model says that in the  
15 next 10 years we'll see as much warming as we've seen in the  
16 last 100 years, so we're quite possibly entering an area where  
17 it's unprecedented in our experience, we have no experience  
18 seeing these type of temperatures in this region. Which means  
19 things like the area in which salmon are able to reproduce now  
20 will either shift north and east or will disappear altogether.

21 MR. RUE: Reproduce or grow?

22 MR. WRIGHT: So it -- consequences could be  
23 severe and it could happen really fast from now on.

24 MR. MUNDY: You mean both graze and reproduce,  
25 right?

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1 MR. WRIGHT: Yeah, right, right now. But  
2 things could happen fast if these models are true. It's a good  
3 time to get out of fisheries management.

4 CHAIRMAN PENNOYER: They discussed the  
5 relationship between sea surface temperature, and temperature  
6 at depth.....

7 MR. RUE: Or salmon management.

8 MS. McCAMMON: Become a lawyer.

9 MR. RUE: You might get into tuna management.

10 CHAIRMAN PENNOYER: .....the relationship  
11 between sea surface temperatures and temperatures at depth?

12 MR. MUNDY: Yeah, I think the world ocean  
13 circulation model is a two-dimensional model, so I'm not  
14 certain that they can handle all three dimensions at one time.  
15 I know that sounds silly, but it's extremely difficult to do  
16 these kinds of things in the first place. So getting to -- but  
17 I don't think they have handled the depth.

18 CHAIRMAN PENNOYER: Well, I think there's.....

19 MR. WRIGHT: (Indiscernible - away from  
20 microphone) papers for that, but that individual that published  
21 that would love to come talk at one of our conferences, our  
22 Restoration Workshop conferences.

23 CHAIRMAN PENNOYER: Well, it's a clear  
24 expectation thing because obviously these types of observations  
25 come head-on with things like recovery plans for marine mammals

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1 and recovery resources in the oil spill and dramatic changes  
2 we've seen in the shellfish and finfish populations of Alaska  
3 occur with less temperature change than that, I believe,  
4 typically goes to that, so interesting. Another very good  
5 reason for GEM to exist in terms of predictability for social  
6 and economic reasons, as well as things like recovery plans and  
7 sea lions.

8 MR. GIBBONS: Mr. Chairman.

9 CHAIRMAN PENNOYER: Mr. Gibbons.

10 MR. GIBBONS: I got a question. When you were  
11 talking about the goals on page 21 and you were talking about  
12 how to meet human needs, I didn't see any goal identified for  
13 perhaps creating additional resources for such things as  
14 subsistence or that fits under the general restoration  
15 category, research, monitoring and general restoration. Have  
16 you guys thought about that or.....

17 MR. MUNDY: Yeah, that's definitely there and  
18 we're taking that under the title of community involvement and  
19 traditional knowledge, because that's sort of the overarching  
20 approach. Perhaps sometimes we didn't -- you know, I told you  
21 I gave you the bumper sticker version of the program this  
22 morning, moved over it fairly quickly, but we most definitely  
23 are interested and sensitive to community monitoring, local  
24 uses of resources and particularly subsistence resources in a  
25 number of areas, and particularly contaminants is one of them.

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1 Is that what you were.....

2 MR. GIBBONS: Well, yeah. I was actually  
3 looking for a goal in that regard, you know, if the need  
4 presents itself that the Trustee Council would try to -- you  
5 know, under the general restoration.....

6 MS. McCAMMON: It's part of our program,  
7 whether it's a specific goal or actually trying to -- I mean  
8 the goal is to have healthy resources and whether that means  
9 you have to do increased -- any kind of enhancement or any kind  
10 of research or restoration activity, that falls within it, so I  
11 think it meets within the goal of the overall mission of the  
12 resources so that people can use them as they have in the past.  
13 We don't have a specific targeted goal for that purpose and  
14 it's something we can look at.

15 MR. MUNDY: But allow me to point out a couple  
16 of the goals here that do include that and do directly address  
17 that. That's on page 21, and that is improve fish and wildlife  
18 management through development and application of new  
19 information and technologies. And particularly, when you're  
20 talking about the subsistence issue, it's increasingly  
21 important to be precise, the management of these resources and  
22 the interaction of the management of these resources with  
23 climate change and with other uses of the resource, such as  
24 commercial use of the resources is now as complex as it's ever  
25 been in the time that I've been here.

00090

1           And I think also provide integrated and synthesized  
2 information on the status, trends and health of fisheries,  
3 seabirds, marine mammals and other marine resources, again, a  
4 direct relevance to the communities and subsistence users in  
5 the state.

6           And then the next one, provide information on water  
7 quality and contaminants in fish and wildlife consumed by  
8 people and I think that's a major issue for subsistence users  
9 is their confidence in the resource and the fact that it is  
10 untainted.

11           MR. GIBBONS: I guess I was more targeting --  
12 in the past the Trustee Council has funded some, you know,  
13 subsistence programs, increased sockeye at Soft Lake or  
14 whatever, and would the Trustee Council in the general  
15 restoration category look at that? That's what I was trying to  
16 get out.

17           MS. McCAMMON: Oh, it's still allowable within  
18 the overall program, you can still look at that. Whether you  
19 set that as one of your top five goals, you know, I don't know,  
20 but it's definitely allowable, permissible, would be considered  
21 part of the program.

22           MR. GIBBONS: Okay. I just want to bring that  
23 up to the surface a little bit -- a little more.

24           MS. McCAMMON: Yeah.

25           MR. RUE: Mr. Chairman, I guess I would, first

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1 of all, like to thank Dr. Mundy, Dr. Spies and Molly and her  
2 staff for putting together what I think is a very logical, you  
3 can follow along with why we're doing things, what we're doing.  
4 Whether you agree with it or not is something else. I think  
5 it's one very well put together and it's a great way to start  
6 the process now with the public and the scientific community.  
7 I had a lot easier time following where we were going with this  
8 than I have in the past, so I really appreciate the work that  
9 went into this, I think it was very good, I really do think  
10 it's good.

11 And, you know, I guess I have more process questions  
12 than anything else. I thought that was a terrific presentation  
13 that we just got; is that the kind of thing we're going to be  
14 taking out to the public? Because I think that would be  
15 really.....

16 MS. McCAMMON: It'll be tailored to different  
17 audiences, obviously some people will.....

18 MR. RUE: Yeah, I think folks would really  
19 enjoy that.

20 MS. McCAMMON: And they would make it shorter,  
21 but, yeah, a good idea.

22 MR. RUE: I would think that kind of thing -- I  
23 mean members of the audience here who watched it might give you  
24 some feedback, but I thought it was very understandable,  
25 particularly since you were available for kind of interactive

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1 discussions. Some of us had earlier exposure to some of those  
2 concepts so they come in the door a little easier and stick, at  
3 least partially. But I think that could be a very useful  
4 exercise in the communities and.....

5 MS. McCAMMON: This is also something we could  
6 put with just a narrative to it, we could put this on the web,  
7 too.

8 MR. RUE: Boy, that would be really -- I think  
9 that would be great.

10 MS. McCAMMON: The document itself is on the  
11 web.

12 DR. SPIES: We could have a self-playing web  
13 thing if you have enough memory on your computer.

14 MR. RUE: Uh-huh. Yeah, so when we were  
15 talking earlier about process, this now goes out for public  
16 review, comments, scientific -- I didn't track it exactly.

17 MS. McCAMMON: The greater sci -- I mean, it's  
18 out there.

19 MR. RUE: Okay, but you're going to be holding  
20 meetings around the spill area?

21 MS. McCAMMON: We'll be holding meetings around  
22 the spill area, with individuals, stakeholder groups, with  
23 communities, with -- we'll be going up to -- we've already met  
24 with a number of university people, they have been very  
25 actively involved with this, but we'll probably do a formal

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1 presentation up in Fairbanks and go to Cordova and meet with  
2 CDFU and the Science Center and folks in Cordova and Kodiak,  
3 the villages.

4 MR. RUE: And we'll get the National  
5 Science.....

6 MS. McCAMMON: Well, you'll get the results of  
7 that and then based on that, if we need any fine-tuning,  
8 tinkering on the document itself, it still needs to be -- it  
9 needs polishing, it's still rough, I mean we got a lot of stuff  
10 put in.....

11 MR. RUE: Yes, sure, and I had a few little  
12 edits here to.....

13 MS. McCAMMON: Yeah, it's still rough, yeah.  
14 If you only had a few, you haven't -- there's a lot.

15 MR. RUE: Well, I haven't read the whole thing.  
16 I've read one page and.....

17 MS. McCAMMON: And at one point we just said,  
18 we got to get it out there. I mean we could spend -- and we'll  
19 do that polishing next.

20 Then we want to come back to you and it probably -- I  
21 don't think we'll be ready by December 16th, my guess it'll be  
22 early -- mid-January and we would have the document that we as  
23 staff, based on the public comment and all, we believe reflects  
24 should go out for additional -- for the NRC review. Which  
25 doesn't mean it's still not going through additional review and

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1 comment and evolution, but -- and if we're not ready at that  
2 time, I'm fully committed that if we're not ready to give it  
3 the NRC at that time, we don't. They're not -- they're doing  
4 it as a service to us, we're not doing it for them.

5 MR. RUE: Right.

6 MS. McCAMMON: So it's when it's ready, but  
7 just trying to get this implemented by October 2002, if we can  
8 get it then and get it through that review process.

9 MR. RUE: Then I guess, what I assume will  
10 happen, if I can, Mr. Chair, is that.....

11 CHAIRMAN PENNOYER: Go ahead.

12 MR. RUE: .....if the public doesn't have major  
13 philosophical or structural problems with this, but more, we're  
14 ready to start the implementation, we got some projects people  
15 for you to fund, you know, they're into that mode, we probably  
16 won't have to spend a lot of time going back to the public,  
17 except to let them know of any changes that the NRC comes in  
18 with. I mean, is that kind of the plan?

19 MS. McCAMMON: Uh-huh, right.

20 MR. RUE: You'll sort of react to how the  
21 public accepts this or doesn't as to how much public input you  
22 have when we're finally done.

23 MS. McCAMMON: Right.

24 MR. RUE: It may be more public education than  
25 input.

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1 MS. McCAMMON: Yeah.  
2 MR. RUE: And then here's the process for you  
3 all to be involved.  
4 MS. McCAMMON: Yeah.  
5 MR. RUE: So that's the plan?  
6 MS. McCAMMON: Yes.  
7 MR. RUE: Sounds pretty good.  
8 CHAIRMAN PENNOYER: When do we finally say  
9 "done?"  
10 MS. McCAMMON: With the GEM Program?  
11 CHAIRMAN PENNOYER: I mean not done with the  
12 GEM Program, but done with acceptance of this as the outline?  
13 What's your keen [sic] for the final date for the final date  
14 for the Trustee Council to say, yes, on that and the governance  
15 and the rest of it?  
16 MS. McCAMMON: I say about January 10th,  
17 January 15th.  
18 MR. RUE: Of this year?  
19 CHAIRMAN PENNOYER: This coming year?  
20 MS. McCAMMON: 2000, yeah.  
21 UNIDENTIFIED VOICE: For the draft?  
22 MR. RUE: For the draft?  
23 MS. McCAMMON: For the draft.  
24 MR. RUE: Then a year of NRC?  
25 MS. McCAMMON: And then a year of review, we

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1 get the final report from NRC in January 2001 and at that time  
2 is when you say, this is it.

3 CHAIRMAN PENNOYER: Okay.

4 MS. HEIMAN: Mr. Chairman. This is Marilyn  
5 Heiman for those of you on the phone. I just have some  
6 questions and maybe this is too early to ask this, but of your  
7 scope of money, let's say it's 5.7 million a year, what  
8 percentage do you see spent on oceanographic, physical kinds of  
9 things that we were just talking about, science versus species,  
10 research on watersheds, you know, indicator species?

11 MS. McCAMMON: Well, I think just -- the 5.7  
12 million, we have to take with what we have in existing  
13 authority and we are -- that's our existing authority. I'm  
14 really hopeful that we'll be able to have a lot more than 5.7  
15 million a year, but it's all in Congress' hands at this point.  
16 We've always looked at it as kind of a balance, probably kind  
17 of a 50/50 roughly. I mean something like 2-2.5 million on the  
18 monitoring side to 2-2.5 million on the research side. And  
19 that's very rough and it could be -- there could be some  
20 changing over time, we might start out a little smaller on the  
21 monitoring as we're getting the program up and running, taking  
22 more advantage of existing programs and agencies, maybe not  
23 able to do as much to fill in the gaps as we might if we had a  
24 larger amount of money available. So the research part,  
25 certainly at the very beginning, is going to be completing the

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1 direct oil spill effects work that we're still working on, and  
2 that will probably be changing over time, over the next three  
3 to five years. That's kind of our rough -- what we've been  
4 talking about.

5 MS. HEIMAN: Could I just -- before you explain  
6 more and I still don't understand when you say research versus  
7 monitoring, can you define for me, how does that break down?

8 MS. McCAMMON: Monitoring is observations, it's  
9 where you count things you take.....

10 MS. HEIMAN: Right, but as far as my question  
11 was species and.....

12 MS. McCAMMON: You observe, you monitor  
13 species, so it's not just the oceanography.

14 MR. RUE: How many.

15 MS. HEIMAN: But you might do research on  
16 species as well?

17 MR. RUE: Sure.

18 MS. McCAMMON: But you do research on species  
19 as well. I can't.....

20 MS. HEIMAN: So it didn't divide out the way I  
21 just sort of.....

22 MS. McCAMMON: .....I cannot divide it the way  
23 you gave it to me.

24 MS. HEIMAN: It's way too early in the process  
25 to have a sense of what that would be and how much these things

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1 would cost?

2 MS. McCAMMON: Right.

3 MR. RUE: Mr. Chair, I'd be very concerned if  
4 we did start doing that kind of split at this point.

5 MS. HEIMAN: Well, I'm not asking anyone to do  
6 a split, I'm just getting a sense of how the vision of this  
7 Gulf Ecosystem Monitoring process will work. I mean, are we  
8 really moving towards a more physical oceanographic, looking at  
9 temperatures and models, like you've discussed, or are we  
10 moving -- you know, and I've heard from my scientists and  
11 obviously that's where some of these questions are coming from.

12 MS. McCAMMON: Yeah, right, and we've talked to  
13 a lot of them.

14 MR. MUNDY: Yeah, we've talked quite a bit  
15 about this and I would point out that we got a, in my mind,  
16 about a two-year process here in trying to get the science  
17 straight before we can give you some advice that'll allow you  
18 to do the policy allocation of the resources that would come at  
19 the end of that. We have -- just these hypotheses that Bob put  
20 up on the screen, these have just come into focus, literally,  
21 in the scientific consciousness within the last five years.  
22 And people have been pecking around the edges of these things,  
23 but people have not stepped forward and said, yeah, we know how  
24 it works, this is how it works. And that's quite an  
25 undertaking.

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1           Now, you take that and then go out there and match all  
2 of those agency programs, all of the United Nations programs,  
3 the State, the Federal programs, the international treaty  
4 operations and put that down on top of the theories we got and  
5 then ask the question, are we monitoring the right things, are  
6 we taking the right kinds of observations to see whether these  
7 theories work or not? And those theories go all the way from  
8 the middle of the Gulf of Alaska all the way into the  
9 watersheds. Okay, they have ramifications, you know, not just  
10 for the open ocean, but also for the coastal area and for the  
11 rivers and streams and terrestrial ecosystems as well, they're  
12 all linked. It's all the same thing. So I would say it is a  
13 process that takes a long time before we can give you the kind  
14 of advice on which you'd make those policy calls, those policy  
15 decisions. It's going to take a bit of time.

16           CHAIRMAN PENNOYER: A follow-up question would  
17 be though that's true for the GEM, but there are a lot of  
18 people out there making those choices right now, very large  
19 amounts of money, and certainly the North Pacific Research  
20 Board, the University of Alaska, you know, even last year was  
21 making the choices Marilyn was talking about. How much do you  
22 spend on physical oceanography, biological oceanography or  
23 other things. And so we're playing into a process that is  
24 already ongoing with a lot of money being spent, mega dollar  
25 times the amount we have to spend. And as we do that, I'm glad

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1 to hear you're taking that sort of thing into account, because  
2 all those things are going to be influenced by what we do, but  
3 we're influenced by what they do, too.

4 MR. MUNDY: Of course.

5 MR. RUE: Mr. Chair, I have a question on -- I  
6 don't know if it's the right question for now, but it's sort of  
7 the mood setting that we may need to be doing as policy makers.  
8 In shopping this around to the various agencies and scientists,  
9 internal to our agencies, are you getting folks thinking  
10 outside of their own little box? Because I think the real  
11 benefit of this kind of a program is folks don't have to have  
12 their agency agenda. They shouldn't have their agency agenda.  
13 Now, we'll all have our experiences and it's hard to divorce  
14 ourselves from that, but I'm hoping that you're getting good  
15 help from those scientists who are helping build this little --  
16 this ark that you're going to float out there.

17 MR. MUNDY: This has been a.....

18 MR. RUE: And if not, let me know, because.....

19 MR. MUNDY: .....one of the most pleasant  
20 experiences.....

21 MR. RUE: Good.

22 MR. MUNDY: .....Mr. Commissioner, of my career  
23 because we had a hard time getting people to think inside the  
24 box on this one.

25 MR. RUE: Oh.

00101

1 MR. MUNDY: Because we were asking -- we were  
2 hoping that people would come up with specific suggestions for  
3 science from within -- you know, in addition to the big picture  
4 science, which they did very well, we wanted some specific  
5 recommendations which people might interpret as feathering your  
6 own nest, but we had a very hard time getting the feather your  
7 own nest kinds of recommendation because people did enter the  
8 process in that think outside the box, think of the big picture  
9 kind of context.

10 MR. RUE: The global thinking, right. Good. I  
11 think that's good.

12 MR. MUNDY: So this has been very pleasant.

13 DR. SPIES: I think without the Trustee Council  
14 legacy though, with SEA and NVP and APEX, that we really laid  
15 the foundation for that sort of thing.

16 MR. RUE: That's good. Good. I just wanted to  
17 know if we needed to do any more foundation laying, it sounds  
18 like we don't, that's good.

19 MR. MUNDY: Looks good from here.

20 MR. RUE: Good.

21 CHAIRMAN PENNOYER: Other questions of Trustee  
22 Council members relative to the presentation or other aspects  
23 of preparation of the plan?

24 (No audible responses)

25 CHAIRMAN PENNOYER: We have a resolution that

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1 is in the book as well and we have a lunch that should be here  
2 by now, I assume we're going to try to do an executive session,  
3 maybe lapping past lunch, and that's primarily about two items,  
4 there are some legal questions about the resolution itself we  
5 need to discuss before we take it up fully for a decision and  
6 there's also some land acquisition that's going to occur over  
7 the lunch time, too, in executive session. So if you're ready,  
8 perhaps I could get a motion to adjourn to executive session.

9 Mr. Tillery, you have one in place?

10 MR. TILLERY: Mr. Chairman, I would move that  
11 we go to executive session to discuss habitat protection  
12 issues, as well as to solicit and receive legal advice with  
13 respect to some of the GEM Program issues.

14 CHAIRMAN PENNOYER: Do I have a second?

15 MS. BROWN: I'll second.

16 CHAIRMAN PENNOYER: It's been moved and  
17 seconded we do that; is there any objection?

18 (No audible responses)

19 CHAIRMAN PENNOYER: If not, can we tell the  
20 public when we're liable to be coming back in open session?  
21 Would it be 2:00 o'clock or 1:30 or what's your view?

22 MS. McCAMMON: If we're trying to adjourn by  
23 3:00, I'd say 1:30 at the latest.

24 CHAIRMAN PENNOYER: Okay, we'll come back into  
25 public session at 1:30 and take up the balance of the agenda at

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1 that time. We're adjourned until that point. Thank you.

2 (Off record - 12:35 p.m)

3 (On record - 1:30 p.m.)

4 CHAIRMAN PENNOYER: Okay, I'd like to reconvene  
5 the meeting of the Trustee Council and briefly report that we  
6 had an executive session over the lunch hour, as we had  
7 originally talked about, to discuss some legal matters relative  
8 to the GEM resolution and also legal matters relative to the --  
9 matters relative to the land acquisition process.

10 We are now out of that, we're back in session and I  
11 believe we've had a review of the GEM Program, the next item on  
12 the agenda is probably the resolution relative to the GEM  
13 Program. I believe a copy was passed out to you and,  
14 Ms. McCammon, do you want to introduce this, please?

15 MS. McCAMMON: Yes, Mr. Chairman, this is a  
16 draft resolution, there's a few changes since the draft that  
17 was placed earlier in the morning. The major change in the  
18 resolution before you, and I don't know if we need a motion.  
19 Well, I guess you do to discuss it, but the major change is  
20 trying to consolidate some of the action items in the "Be it  
21 further resolved" and streamline it. It eliminated the very  
22 last "Be it further resolved" and kind of incorporated the  
23 concepts into the second to the last one, so it's "Be it  
24 further resolved that the Exxon Valdez Oil Spill Trustee  
25 Council hereby expresses its commitment to fully involve Alaska

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1 Native villages, as well as other residents in communities of  
2 the spill region in developing a program that includes  
3 community involvement, traditional ecological knowledge,  
4 stewardship and education."

5 CHAIRMAN PENNOYER: Okay. Ms. McCammon, and  
6 there's two punch line items, it says "Therefore be it  
7 resolved" previous to that it says.....

8 MS. McCAMMON: Yes.

9 CHAIRMAN PENNOYER: ..... "that the Exxon Valdez  
10 Oil Spill Trustee Council hereby recognizes the time, effort,  
11 hard work and dedication the Native villages have committed in  
12 support of a set-aside fund for community initiated projects  
13 and their interests in participating in the development and  
14 implementation of the Council program."

15 MS. McCAMMON: Yes.

16 CHAIRMAN PENNOYER: Followed by the paragraph  
17 you just read.

18 MS. McCAMMON: Right.

19 CHAIRMAN PENNOYER: And I believe we all had a  
20 chance to look at the whereases and I would ask for a motion on  
21 this resolution.

22 MR. RUE: So moved.

23 CHAIRMAN PENNOYER: Do I have a second?

24 MS. BROWN: Second.

25 MR. RUE: Well, Mr. Chairman, I move that we

00105

1 adopt -- Trustee Council adopt the resolution as described.

2 CHAIRMAN PENNOYER: It's been moved and

3 seconded we adopt the resolution concerning the involvement of  
4 Natives in the Gulf Ecosystem Monitoring Program; is there any  
5 further comment on this?

6 (No audible responses)

7 CHAIRMAN PENNOYER: Is there any objection to  
8 the adoption of the resolution?

9 (No audible responses)

10 CHAIRMAN PENNOYER: We consider it, therefore,  
11 adopted. Thank you.

12 And I believe the next item, Ms. McCammon's

13 presentation and discussion on the small parcel process?

14 MS. McCAMMON: Yes. Mr. Chairman, in your  
15 packet you have a memo and discussion document on the future of  
16 the Small Parcel Program. As part of the March 1st resolution  
17 the resolution identified three issues that require further  
18 consideration. The priority, criteria and decision-making  
19 process for specific parcel selection, the extent of public  
20 involvement in the future program and the possible role of a  
21 non-governmental organization to implement the program after  
22 October 2002.

23 We put together -- staff, this was prepared by Sandra  
24 Schubert in consultation with a number of folks, a draft  
25 discussion paper to begin to address the issues that were noted

00106

1 above. And also to describe some of the opportunities that are  
2 out there for potential small parcels.

3 So I'd like to just walk you through this quickly and  
4 if there are any questions or concerns we can address them as  
5 we go through.

6 CHAIRMAN PENNOYER: Ms. McCammon, before you  
7 start on this.

8 MS. McCAMMON: Yes.

9 CHAIRMAN PENNOYER: Is this an action item, do  
10 you expect comments now? Is this going to be something  
11 reviewed for a future meeting or.....

12 MS. McCAMMON: Well, this isn't a specific  
13 action item, other than to give our staff further direction on  
14 where we go from here, and so I did -- in talking with Sandra,  
15 I said, what do we want to be told to do, and we actually have  
16 some ideas in terms of future direction. And I can share this  
17 with you at the end and, I'm sure, through the discussion you  
18 probably have your own ideas, too, on future direction for us.

19 CHAIRMAN PENNOYER: Okay, would you go ahead  
20 then?

21 MS. McCAMMON: Sandra, why don't you come up  
22 here, too, and if we need to and probably Alex, too, since he's  
23 been intimately involved in the small parcel program.

24 The first part of the discussion paper is a summary of  
25 the current process, talking about program administration and

00107

1 nomination. Parcels are submitted to the Council and forwarded  
2 to a multi-agency review team for evaluation and ranking.  
3 Appraisals and negotiations are authorized by the Council on a  
4 parcel by parcel basis.

5 The appraisals are conducted by the relevant resource  
6 agency and reviewed by both State and Federal review  
7 appraisers. We have purchase negotiations that are conducted  
8 by the agency land management staff and State and Federal  
9 attorneys. Purchase offers can only be made with approval of  
10 the Council. The cost of the administrative functions are  
11 funded through Project 126, this also includes funds for the  
12 administration of the Large Parcel Program and we don't  
13 segregate costs between those two, it's all lumped together.

14 The nomination process, we had some broad public  
15 notices with ads in May of 1994, again in March of 1995. It  
16 was a very broad solicitation at that time. Since that time  
17 there's been no active outreach program, since 1995, but still  
18 an additional 120 parcels have been nominated since that time.  
19 So we have, in effect, what we call a soft moratorium which is  
20 focusing on trying to get the original acquisitions completed,  
21 but accepting additional nominations from agencies, from the  
22 public, from other, kind of as they come in, but not actively  
23 soliciting.

24 We have a whole evaluation and ranking process that was  
25 developed in 1994 with threshold criteria for willing sellers,

00108

1 seller acknowledges the purchase price must be at or below fair  
2 market value, within the spill area, parcel must be linked to  
3 restoration of injured resource or service and a parcel that  
4 can be incorporated into public land management systems. So a  
5 Trustee agency has to be willing to accept management  
6 responsibility for that parcel, in one case, we've done this  
7 through the City of Homer, but typically it means a Trustee  
8 agency.

9 In addition, although not a threshold criteria, we  
10 commonly refer to small parcels as under 1,000 acres, although  
11 there's a little bit of -- we've had three that are slightly  
12 over 1,000 acres.

13 So we have the evaluation criteria and we went through  
14 in a couple of pages here to -- or one page, on page two of  
15 this discussion draft describing -- we have linkage,  
16 protection, management, and a way of ranking and evaluating  
17 individual parcels. I think this was particularly useful when  
18 we did the broad solicitation and got, you know, a large number  
19 of parcels submitted all at once. Kind of sifting through and  
20 figuring out which ones were the best ones.

21 The Council adopted a 12-step process for appraisal,  
22 appraisal review and appraisal approval, this applies to both  
23 large and small parcels. Prior to the soft moratorium all  
24 parcels ranked high or moderate with scores of 20 and above  
25 were automatically appraised without further Council action.

00109

1 Since the soft moratorium has been in effect, each appraisal  
2 has to be specifically authorized by the Council, unless an  
3 agency pays for the appraisal using non-EVOS funds. That has  
4 happened in a number of cases.

5 Then the Council must offer -- must approve each offer  
6 to purchase and once that is approved, the managing agency  
7 develops a purchasing agreement, they do the title search, they  
8 do all the things that lead to an actual acquisition. Each  
9 purchase agreement includes a reciprocal conservation easement  
10 under with the non-acquiring agency acquires a conservation  
11 easement on it. So that's in the Large Parcel, but it's also  
12 in the Small Parcel Program.

13 The Council took significant public comment when the  
14 Small Parcel Program started, all action is taken at public  
15 meeting, which are publicly noticed, public comment is invited.  
16 However, a formal notice of public review and a formal review  
17 period is not a step in the Small Parcel Program. Some small  
18 parcels have generated a lot of public comment, many of  
19 generated none.

20 To date, the Council has spent 18.5 million to purchase  
21 7,100 acres and has approved roughly three million on an  
22 additional 1,400 acres. We have several other parcels that  
23 have been identified that we're hoping to make purchase offers  
24 on if we can reach agreement.

25 So kind of the end result of the current process is

00110

1 that of the 382 small parcels nominated to date, all but four  
2 have now been evaluated, six ranked high, 13 ranked moderate,  
3 the balance ranked low or failed to meet threshold criteria.  
4 And these were breaks in the distribution of scores that the  
5 Council designated for that purposes. And the main  
6 significance of high and moderate, originally, was that they  
7 automatically went forward for appraisal, whereas now, nothing  
8 goes forward for appraisal without Council authorization.

9 Of those in the low category, the Council has  
10 designated 52 individual parcels as parcels meriting special  
11 consideration, several of these had scores of 18, which is just  
12 below the cutoff for moderate. In addition and in conjunction  
13 with several large parcel acquisitions, specifically Shuyak and  
14 Tatitlek, the Council designated as parcels meriting special  
15 consideration all of the parcels to be considered in a  
16 particular package. The Kodiak Island Borough tax parcels,  
17 Larsen Bay shareholder parcels and the Tatitlek homesite  
18 parcels.

19 And of the 44 small parcels purchased by the Council to  
20 date, three were ranked high, seven were ranked moderate and 34  
21 were ranked low, but designated parcels meriting special  
22 consideration. So in the acquisition, the bulk of the  
23 acquisitions have been coming from the low, but parcels  
24 meriting special consideration.

25 So looking at the current -- that's the current

00111

1 process. So looking at that in terms of the future program,  
2 FY2002 and beyond or even possibly in the next couple of years,  
3 there are a number of questions that arise from this  
4 discussion.

5 Program administration: Should the Council or a  
6 nonprofit administer? The Conservation Fund submitted a letter  
7 describing how it might administer a small parcel program, and  
8 I think in front of you you have a copy of their original  
9 letter and proposal. Just last week the Nature Conservancy  
10 submitted a proposal to do something similar with some ideas on  
11 how they might do a program like that. There's some interest  
12 on the part of nonprofits, too, to administer a Small Parcel  
13 Program. A nonprofit could have more flexibility, they could  
14 be more innovative, they could have more ability to leverage  
15 outside funds. They might have the ability to buy a parcel,  
16 protect part of it, sell off the other part for a profit and  
17 use those funds then to buy other areas with habitat value.  
18 They could have more -- be more innovative in that sense.

19 On the other hand, the current Council agency process  
20 is in place, functioning, transferring authority for the  
21 program to a nonprofit may require new State or Federal  
22 legislative authorization.

23 Parcel nominations: Should there be another broad  
24 public solicitation? The one we had in 1994 and '95 resulted  
25 in a large number of nominations that did not meet the

00112

1 threshold criteria, almost 50 percent of them, as well as a  
2 large number that ranked low. Evaluating and ranking this  
3 large of a number of submissions takes a lot of commitment of  
4 resources on the part of the agencies participating in that.  
5 The fact that over 120 nominations have been received since the  
6 two solicitation periods closed suggests that the ground work  
7 that we've laid -- most folks know that program is available,  
8 certainly the agencies do, the agencies often are the ones, for  
9 management reasons, that know what are of importance to the  
10 habitat and to the resources in their particular land areas  
11 that they're responsible for. And so, typically, it's the  
12 agencies that bring forth these, or the public, that's where it  
13 typically comes from. However, new opportunities are likely to  
14 continue to arise, it's possible that another broad public  
15 solicitation may generate some parcels that wouldn't come  
16 forward typically.

17 In the area of parcel evaluation and ranking; the  
18 threshold criteria: Are the criteria still appropriate? The  
19 criteria that each parcel be linked to restoring an injured  
20 resource or service may exclude parcels that would provide  
21 opportunities to enhance rather than directly restore an  
22 injured resource or service, or that might contribute to a more  
23 general ecosystem benefit.

24 The habitat program was designed to provide injured  
25 species added protection over the period they need to recover

00113

1 naturally, this kind of approach may not be quite as applicable  
2 over the longer term when we're looking at the long-term health  
3 of the ecosystem as well.

4           Parcels may also be excluded by the criteria that the  
5 purchase be at or below fair market value. Some of the  
6 Council's large parcel acquisitions have been for more than  
7 fair market value, it is possible that similar flexibility may  
8 -- in a small parcel might result in addition opportunities for  
9 habitat protection. On the other hand, having this criteria  
10 for small parcels has certainly simplified negotiations with  
11 land owners. I'm sure we've been able to maximize our funds  
12 and get more for the dollar by having that requirement.

13                           MR. RUE: And they also fit better, the  
14 small parcels.

15           MS. McCAMMON: The whole purpose for appraised  
16 value, it's based on comparables in the market place and small  
17 parcels have comparables, whereas the problem we found with the  
18 Large Parcel Program is that there were no comparables. And so  
19 it was hard to justify that that appraised value truly  
20 reflected the market when there was no market to begin with,  
21 but certainly in area of small parcels there is a market and  
22 we have actually been, I think, pretty successful in terms of  
23 getting the parcels that were of most concern and importance to  
24 -- for restoration purposes.

25           The agency sponsorship criteria might also be reviewed,

00114

1 in at least two instances lands purchased by the Council have  
2 been transferred to a city or borough government. Some non-  
3 governmental organization, such as a trust, the Nature  
4 Conservancy and others, also might hold -- they also hold and  
5 manage lands, so there might be some need to review this.

6 And in terms of the evaluation criteria and formula,  
7 are they still appropriate? The large majority of the parcels  
8 purchased or under consideration were not ranked high or  
9 moderate, they were designated parcels meriting special  
10 consideration. This suggests that the current process somehow  
11 isn't capturing those elements that we have been looking for in  
12 the small parcel program. And that some changes in this  
13 process appear to be warranted.

14 One of the elements there is emphasizing management  
15 benefits. An analysis -- we don't know why the parcels  
16 meriting special consideration exactly ranked low, we haven't  
17 really looked at that completely, but in most instances it was  
18 because a resource management agency believed that the  
19 management benefits of acquiring that parcel were not captured  
20 in the evaluation criteria. And so looking at that in terms of  
21 adding more -- putting more emphasis and importance on  
22 management benefits may be something -- may be appropriate.

23 Other aspects: The definition of key habitat. The  
24 current definition excludes feeding habitat and migration  
25 corridors. By contract the large parcel definition includes

00115

1 that. The definition of public use in regard to link to  
2 injured service, the current definition is the only public  
3 access or the only or best subsistence sport fishing site in  
4 the area, so it's a very, it's a fairly narrow definition. The  
5 large parcel criteria simply refers to high public use.

6 The scoring system doesn't allow parcels to be scored  
7 based on their relative value within a particular category, so  
8 it either has linkage or it doesn't, either it has management  
9 benefit or it doesn't. It doesn't give you the ability to  
10 weigh it, but in this particular case it's really significant  
11 benefit for versus, yeah, it has benefit, but not as  
12 significant.

13 In lieu of the current evaluation and scoring scheme, a  
14 process that relies on agency priorities could be put in place,  
15 based on agencies' internal evaluations and individual needs.  
16 This would be similar to what we're currently doing for the  
17 Kodiak Island tax parcels, the Larsen Bay shareholder parcels  
18 and the Tatitlek homesite parcels, where we've put aside a lump  
19 sum for each of these packages. Individual parcels are then  
20 sought by the acquiring agency, they still have to go through a  
21 review process but basically it comes pretty much from the  
22 agency themselves in terms of describing benefits of that  
23 acquisition. It would be -- that kind of approach would be  
24 simpler to develop and implement and may be of a more  
25 appropriate scale for a smaller program.

00116

1           Emphasize regional distribution. In 1994 the Chief  
2 Scientist and the core reviewers had recommended the habitat  
3 program be geographically balanced throughout the spill area in  
4 order to provide optimum protection. The majority of acreage  
5 purchased to date for, through the Small Parcel Program is in  
6 the Kenai region where 5,000 acres, compared to roughly 1,000  
7 in the Kodiak and 350 acres in Prince William Sound. The  
8 majority of the acreage in the Small [sic] Parcel Program, on  
9 the other hand, has been primarily in the Kodiak region,  
10 331,000 acres, 248,000 in Prince William Sound, 56,000 in the  
11 Kenai region.

12           A lot of this has to do with the fact that in Prince  
13 William Sound just because there wasn't a Native allotment  
14 program there, they don't have the kinds of inholdings and  
15 smaller parcels of private acquisition within Federal land  
16 holdings and State land holdings that is true on the Kenai  
17 Peninsula and on the Kodiak Island.

18           The other question, appraisal and negotiation; is the  
19 current 12-step process still appropriate? Should we  
20 streamline it to provide cost savings, we're getting to a much  
21 small program, we can't afford the 126 budget at the size it is  
22 now, given the kinds of acquisitions we're looking at in the  
23 future. So how should we -- should we look at that and  
24 possibly consider changing that?

25           Should reciprocal conservation easements still be

00117

1 required on each parcel? Should each offer to purchase still  
2 require Council authorization? These are questions, just  
3 looking at the whole process. Should public review be a formal  
4 step in the process where before you can actually do an  
5 acquisition you have to formally notice it for 30 days or 60  
6 days or whatever before actually taking action.

7 In terms of funding, how should the March 1 resolution  
8 provision that 55,000,000 be managed as a long-term funding  
9 source be implemented? Should it be looked at as an endowment  
10 where you're just spending the earnings? Should it be looked  
11 at as a declining balance fund where you spend it over time and  
12 eventually it's all gone? How would you invest it and manage  
13 it over time?

14 And then the last part of the discussion draft just  
15 talks about future small parcel acquisition opportunities in  
16 the Kodiak region, Kenai region, Prince William Sound and  
17 Alaska Peninsula. It covers future possibilities, those that  
18 are in progress for purchases to date. And we could go through  
19 this, but I think the main point through all of this is that  
20 there's no doubt that you can either spend all the money right  
21 now on small parcels, probably in the next few years and commit  
22 those funds or that parcels will be coming up, additional  
23 parcels will be coming up over time, but there is a sufficient  
24 block of private land there that as communities change, their  
25 needs change, as habitat requirements for various species over

00118

1 time that these kinds of things will always be out there, that  
2 that is a pool of land available for small parcel protection  
3 over the long term.

4 So.....

5 CHAIRMAN PENNOYER: What do you want us to do?

6 (Laughter)

7 MR. RUE: Mr. Chairman.

8 CHAIRMAN PENNOYER: Yes, Mr. Rue.

9 MR. RUE: I'm going to make a suggestion, but  
10 before I do, I'd like to hear what Molly recommends we discuss  
11 today versus discuss at a future meeting.

12 MS. McCAMMON: Well, you know, I talked to  
13 Sandra put -- Sandra is now the staff person overseeing -- in  
14 charge of the Small Parcel Program directly and she put  
15 together this and we were trying look at the questions and this  
16 wasn't expected to be an action meeting. On the other hand,  
17 we'd like a little bit of feedback and guidance in terms of  
18 where we go from here and we thought what might be appropriate  
19 in there is some short-term decisions and some longer-term  
20 ones. One would be to go ahead and work with the restoration,  
21 work with the Trustee agencies and the other individuals that  
22 have been involved in the Small Parcel Program, as well as with  
23 representatives from the nonprofit sector, the Conservation  
24 Fund, Nature Conservancy, Trust for Public Lands, some Kachemak  
25 Heritage Trust, whoever, and the Public Advisory Group to do

00119

1 the following:

2 1. By February 2000, which is just next February,  
3 develop recommendations on changes to the evaluation and  
4 ranking process, so that it more adequately identifies all of  
5 the parcels that are of high priority for restoration.

6 2. Develop recommendations on how to solicit parcel  
7 nominations in the future, whether we do broad solicitations or  
8 just count on things kind of coming in. And then ways to  
9 streamline and reduce the cost of the process.

10 The longer-term decisions are the fund management,  
11 declining balance versus an endowment, investment strategy,  
12 inflation proofing, all those kinds of things. Public comment  
13 and involvement, including the role and make-up of the PAG.  
14 And one of the things we've been talking about with -- once  
15 kind of the two funds get -- we got the Habitat Fund and  
16 Research Monitoring and Federal Restoration Fund, it may be  
17 appropriate to think about having two different kinds of Public  
18 Advisory Groups for these two very different purposes. And you  
19 could have different -- involve a different pool of people in  
20 advising on each of those functions. That's one thing the  
21 Public Advisory Group is going to be looking at in the next few  
22 months. So that's kind of a longer-term approach.

23 And then the third is possible nonprofit  
24 administration. How it might work? What role, continuing role  
25 the Council would have? What administrative and legal issues

00120

1 need to be addressed in delegating the authority on how you  
2 would actually do something like that, but that is a longer-  
3 term kind of thing.

4           So those are -- that just was our kind of initial, and  
5 I'm sure you'll have your own ideas on what you'd like us to  
6 do. Now, go ahead, Frank.

7           MR. RUE: Actually, I think this is a good  
8 summary of what I generally -- how I would suggest we move  
9 ahead. I was going to suggest that for the longer-term stuff  
10 we might want to come up with a couple of options, and I had  
11 some thoughts on what a longer-term option I'd like to look at,  
12 might include as sort of the least involvement -- least by the  
13 Council versus another one which might sort of replicate what  
14 we do now, but run by a nonprofit. So I wanted to do sort of  
15 the hands-off model versus the hands-on at least if -- so I'll  
16 get into that in a second, but maybe let other folks think --  
17 if this is generally the two questions, the way we divide up  
18 the questions on this thing.

19           MS. HEIMAN: I like everything on this page,  
20 except the word "small."

21           MR. RUE: Huh. Since we're dealing with the  
22 only land management.

23           CHAIRMAN PENNOYER: Would you explain that,  
24 please, Marilyn?

25           MS. HEIMAN: At the very, very top.

00121

1                   CHAIRMAN PENNOYER: You're talking about all  
2 land management then so.....

3                   MS. HEIMAN: I'm just saying that I know on the  
4 back of this report it does recognize that we're looking at all  
5 types, and I know that this is a very touchy issue and I -- I  
6 guess my interest remain -- is the same as it always has been,  
7 which is we have to protect, you know, what resources we think  
8 are the most important and if they're a little bit larger than,  
9 what is it, a thousand? You know, that it doesn't prohibit  
10 them from being considered, that's all. I mean you might have  
11 a 1,050, you know what I mean? It could be any size. I get a  
12 little nervous with that size limitation because I think we're  
13 looking at science and, you know, salmon streams and places  
14 where we have willing sellers and so I -- and so, therefore, I  
15 really like this document, the one-pager, that describes an  
16 outline, you know, just call it the Parcel Program right now  
17 and if one's called small, that's fine, too, but I think we  
18 need to redefine what that means and I'd rather not go through  
19 that process, what small means.

20                   And then I would like to say that there's more of that  
21 whole theme running through this memo, that makes me a little  
22 more nervous than -- what I'd like to do is wait on the -- I  
23 really like going forward with this time line kind of an  
24 approach, but I would like to wait on the memo -- more detailed  
25 approach in that I know our -- I have my staff putting together

00122

1 what is their recommendations for any habitat protection, you  
2 know, proposals, both from the Park Service and the Fish and  
3 Wildlife Service right now and I don't have that right now to  
4 tell you there's one that's large or not large. But -- so I  
5 don't know, but I'd like to be able to at least have those be  
6 available for consideration.

7 So -- and that's just my views. And I'd rather not  
8 edit this, I haven't -- to be honest with you, I haven't read  
9 this particular resolution yet to -- or not resolution, but  
10 memo, so I'd like to have a little more time with it.

11 CHAIRMAN PENNOYER: Dave.

12 MR. GIBBONS: Yes, Mr. Chairman, I'm somewhat  
13 concerned about removing the word "small." I would hate to  
14 have an agency -- somebody come in even -- you know, like us  
15 come in with the purchase of 5,000 acres that locks up that  
16 money for, you know, the available money for five years, say,  
17 and it all goes to one parcel while -- I know when we developed  
18 this program some of the most valuable land out there is small  
19 parcels, you know, the mouth of the salmon stream, Kenai River,  
20 whatever it is. So I think we need to have some flexibility,  
21 like we've shown in the past, we've gone over 1,000 acres in  
22 Salamatof and stuff. So that flexibility is there, so I have  
23 some concern about removing the word "small."

24 CHAIRMAN PENNOYER: Craig.

25 MR. TILLERY: Mr. Chairman, I do not think the

00123

1 time lines -- or I would disagree with the time lines in this.  
2 They break down the last three into longer-term decisions. I  
3 think that these things, whether you have a nonprofit  
4 management manage it makes a big difference in how you would  
5 deal with evaluation and ranking, on how you might solicit it,  
6 and particular of ways of streamlining or reducing things. I  
7 think that all of these should be looked at in the near-term  
8 rather than in some sort of longer-term, and I think I would  
9 like to have some kind of a recommendation on the whole process  
10 earlier rather than later.

11 CHAIRMAN PENNOYER: Molly, do you have a  
12 feeling for why this is on such a different time line than,  
13 let's say, GEM? I mean we have a process, we're not -- is this  
14 fund -- what comes after the current payments, is it maybe a  
15 different thing? Would you elaborate a little bit why you  
16 think it's necessary to do any of this by February 2000 as  
17 opposed to one piece or another?

18 MS. McCAMMON: Well, the main part, it seemed  
19 that the main reason we were looking at the evaluation and  
20 ranking process is just, for an example, we have four or five  
21 parcels that have already been submitted for evaluation and  
22 ranking and they've been with this group since -- the  
23 evaluation group since July, I believe, and we don't have any  
24 evaluation on them yet. So it's a voluntary group based on  
25 their availability and it's very difficult to get things

00124

1 moving. And it's my view, looking at the history of the  
2 evaluation and ranking that it doesn't really necessarily  
3 capture the reasons for the Council going forward with them.  
4 So if it doesn't -- and we have parcels that are kind of  
5 pending, should we do this and act on this in the next three  
6 years?

7 Under the resolution in March, the Council committed to  
8 basically what's on the list of acquisitions, and anything  
9 beyond that comes from the 55,000,000 in the future. So that's  
10 kind of a longer-term -- it doesn't prohibit the Council from  
11 using -- from doing acquisitions now, as long as it's kind of  
12 deducted from the 55,000,000.

13 CHAIRMAN PENNOYER: Right.

14 MS. HEIMAN: So what you're telling me, this is  
15 not describing the \$55,000,000 pot?

16 MS. McCAMMON: Well, I think it could. I think  
17 the longer-term decisions are more related to the \$55,000,000  
18 pot than the initial developing recommendations by February  
19 are.

20 MR. RUE: That has to do with money we've  
21 already committed.

22 MS. McCAMMON: Right.

23 MS. HEIMAN: So this program -- this time line  
24 and this memo really deal with monies we already have that have  
25 been trans -- that are, somehow, not used, but will be used?

00125

1 MS. McCAMMON: We have commitments and it's  
2 possible that certain acquisitions won't go forward and other  
3 ones will be submitted that may be done in lieu of those. And  
4 so this is to deal with that. You know, I agree with Craig  
5 that there is some.....

6 MS. HEIMAN: A merging.

7 MS. McCAMMON: .....merging of both issues  
8 because if you did something with a nonprofit, your evaluation  
9 might change. On the other hand, do we wait for something that  
10 may be - may not have the likelihood of being implemented,  
11 certainly in the near future, let alone the long future, and  
12 keep waiting on that, depending on this? I don't know. I'll  
13 do whatever you want me to do.

14 MS. HEIMAN: Well, no, I guess my -- you know,  
15 I'm glad - I mean this doesn't really talk about an endowment,  
16 which I think -- I think the more flexibility there is the  
17 better, I mean especially if we're going to a nonprofit,  
18 they're going to be looking at, you know, what are good parcels  
19 and they'll be running them back, I'm sure, through a process  
20 that would involve the agencies and I -- you know, I appreciate  
21 that, but as soon as you start locking in -- I mean as soon as  
22 you take one step forward you start to, you know, buy in and  
23 lock into an approach and I appreciate the language that's put  
24 at the end of this and I know I will hear about the comments  
25 I'm making right now, but I guess I feel strongly enough about

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1 this, until I have more stuff, which I guess is -- Glenn said I  
2 wouldn't need it for this meeting, so I don't have it. Until I  
3 have it, I don't feel like I can lock into any approach for the  
4 future that defines that.

5 CHAIRMAN PENNOYER: Can I make a suggestion  
6 then? I think, you know, hearing around the table, I have some  
7 of the same concerns about small versus large, because my idea  
8 of how a criteria might work can be quite different as to  
9 whether I'm going to tie up all my money and preclude any  
10 further options versus tying up this relatively small part,  
11 then my options are still open, so -- not because I don't think  
12 we should have flexibility on the size of the parcels, I don't  
13 think that's the big deal. I think the big deal is how much  
14 you're going to tie up of your remaining flexibility to do good  
15 work.

16 But I don't think we're ready for this. I think we  
17 need, maybe, to -- Molly, if you have -- what you're saying  
18 here is you need to flesh some of these things out that are in  
19 your discussion paper. You asked some of the questions that  
20 you -- elaborate on some of the provisions in here and say  
21 you're going to present further discussions. I don't have any  
22 problem with staff coming forward with some further ideas on  
23 these things, as long as I'm not locked into this by February  
24 and this by May or some process, but I don't hear that we,  
25 around the table, explored with our own staffs enough what is

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1 in the discussion paper versus what some of these might be.  
2 You're going to come back with some fleshed out things, I can  
3 just about suggest we do this at a future meeting and let you  
4 go ahead and staff flesh out the very items you're talking  
5 about, but not put them on a particular time scale. So if you  
6 want to flesh out your discussion paper, more with what you  
7 have in here, so we can look at it, that's fine, but I don't  
8 think we're ready to tell you exactly here what -- or to come  
9 to any agreement as to the particulars. Commissioner Rue is  
10 though.

11 MR. RUE: I think I would probably agree with  
12 you with one exception. If we've had some parcel languishing  
13 because.....

14 MS. HEIMAN: Right.

15 MR. RUE: .....we haven't done our -- what we  
16 said we would do in terms of evaluation criteria, maybe we need  
17 to, for the short-term, suspend that rule or something, and say  
18 someone can bring a parcel forward with a rationale. I don't  
19 know.

20 MR. TILLERY: We don't have anything  
21 languishing.

22 CHAIRMAN PENNOYER: We've allowed for that.

23 MS. McCAMMON: Yes, we have five that haven't  
24 been evaluated, that have been with the group.

25 CHAIRMAN PENNOYER: But that's not because we

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1 don't have the capability of doing it.

2 MR. TILLERY: Why is that then? We've had  
3 others that.....

4 MS. McCAMMON: They can't get the group  
5 together, I think.

6 MR. TILLERY: We have others that have been  
7 evaluated.

8 MS. McCAMMON: Not in that time period.

9 MR. TILLERY: In the last.....

10 MS. SCHUBERT: Since the end of June.

11 MS. McCAMMON: In the last day, 17 tax parcels.

12 MR. RUE: So I'm just -- there might be one  
13 short -- I guess what I'm saying I'm agreeing with

14 Mr. Pennoyer, except for one thing and there may be a couple  
15 really short-term things that because we -- either that or we  
16 tell our staffs go get together and do it.

17 CHAIRMAN PENNOYER: I don't think there's any  
18 barrier to getting a three ranking in front of this group and  
19 making a decision if somebody brings the stuff to us. I think  
20 probably I have a hard time voting for it, but we have --  
21 there's nothing that says these four parcels can't come  
22 forwards for evaluation. There's been a decision that that's  
23 not a priority of work that we do in the group, but there's no  
24 barrier -- we have no physical criteria barrier, I'm aware of,  
25 that says, this automatically -- or is there? Are they below

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1 the threshold or something? I mean is there some reason.....

2 MS. McCAMMON: No, no.

3 MR. TILLERY: No.

4 MR. GIBBONS: They haven't even been evaluated.

5 MS. SCHUBERT: They've not even been scored.

6 MS. McCAMMON: Yeah.

7 MR. RUE: So can we bring one that hasn't been  
8 scored before us? I don't remember our rules, if we even have  
9 to suspend it.

10 CHAIRMAN PENNOYER: Let's draw one of the four  
11 out of the hat and.....

12 MS. SCHUBERT: I think you haven't. I think  
13 they've always been scored and then moved forward.

14 MS. McCAMMON: Right.

15 MS. SCHUBERT: Because the scoring also  
16 requires some -- or involves some assessment and evaluation,  
17 they look at the resources and, you know, kind of write up the  
18 benefits.

19 MS. McCAMMON: The assessment is typically --  
20 the majority of it is typically done by the agency.....

21 MR. RUE: Interested agency.

22 MS. McCAMMON: .....the interested agency has  
23 the most information on it, typically.

24 MR. RUE: Okay. Well, they must not be very  
25 interested in these.

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1 MS. SCHUBERT: Yeah.

2 MR. RUE: Is that's what going on? I don't  
3 know.

4 CHAIRMAN PENNOYER: Must not be terribly  
5 interested. So I don't know that -- the barrier might be, if  
6 we call for certain evaluations that aren't necessary that are  
7 time consuming and expensive and are a barrier to coming  
8 forward -- I haven't actually heard that. If you take the four  
9 parcels and you come to me and you say, okay, this parcel, the  
10 evaluation is going to take us two years and cost \$2,000,000,  
11 you're only going to spend \$20,000 on it, so it's not  
12 worthwhile, then come and tell us that, but I haven't heard  
13 that.

14 MR. RUE: Okay. I'm assuming agencies that  
15 care about these or people who care about it will get it done.

16 CHAIRMAN PENNOYER: Or are we going to do them?

17 MS. HEIMAN: Meaning come forward with what,  
18 those parcel are.....

19 MR. RUE: Short-term.

20 MS. HEIMAN: .....short-term.

21 MR. RUE: And then -- so link these because I  
22 agree that.....

23 MS. McCAMMON: Pushing to have the group meet.

24 MR. RUE: Yeah, the two and three really  
25 probably do go into the longer-term decision, I agree there's

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1 going to be a couple of ways you may approach this in the long-  
2 term and you might as well lay out those options for  
3 streamlining, because I want to make sure that one option that  
4 gets evaluated is a very streamlined option, where the Council  
5 gives very broad policy direction, says like -- things, like,  
6 it's got to be in the spill area, here's some criteria about  
7 values and we use our ranking criteria and turn them into  
8 general criteria and then, I would say -- then if you have an  
9 agency sponsoring it or an entity the Council okays, then I'd  
10 like the opt -- then that's all you do. And then you have a  
11 Board of Land Trusts overseeing it rather than one particular,  
12 that gives you a regional flavor, so every -- you know, pick  
13 five, the Nature Conservancy, Kachemak Land Trust, Trust for  
14 Public Lands, they sit as an executive committee and they go  
15 out and they find parcels and work them that sort of gives you  
16 geographic and some sort of oversight so one agenda doesn't get  
17 a.....

18 CHAIRMAN PENNOYER: Who administers the  
19 purchase?

20 MR. RUE: They pick who does.

21 CHAIRMAN PENNOYER: Okay.

22 MR. RUE: One particular one will pick it, but  
23 you have an oversight body of multiple land trusts. I mean  
24 something like that, an option like that.

25 MR. TILLERY: What you're talking about is

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1 really we need to look at all this as whole, not try to break  
2 it into long-term, short-term.

3 MR. RUE: Right, that's what I'm suggesting.  
4 There may be a much more hands-on option where the Trustee  
5 Council retains a lot more -- you know we have to go through a  
6 process to get things into a pool, that then an entity goes out  
7 and works with.

8 CHAIRMAN PENNOYER: Molly, do you have enough  
9 direction to set up for a future meeting and this.....

10 MS. McCAMMON: Sure.

11 CHAIRMAN PENNOYER: .....a specific topic?

12 (Laughter)

13 MR. RUE: Why you looking at me? You making  
14 fun.....

15 MS. McCAMMON: I'm not.

16 MS. HEIMAN: Is there a February 2000 meeting,  
17 is that why we have it by February?

18 MS. McCAMMON: You know, it was just arbitrary.  
19 Not capricious, but it was arbitrary.

20 MS. HEIMAN: Well, I mean, I certainly am, you  
21 know, sympathetic to the whole idea.....

22 MS. McCAMMON: Just to sort of give us an  
23 internal deadline.

24 MS. HEIMAN: .....of it, you know, Sandra  
25 doesn't want to go down a road without our concurrence and

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1 she's trying to do her job and, no, I understand that.

2 MR. RUE: How about by February having a rough  
3 draft of an approach on the long-term -- I mean on the whole  
4 thing?

5 MS. McCAMMON: It'll probably more like March  
6 or April, May.

7 MR. TILLERY: Why don't we just kind of leave  
8 it up to Molly to try to pull something together?

9 MS. HEIMAN: Yeah.

10 MR. RUE: Okay.

11 MS. McCAMMON: Yeah. I mean, I think what I'm  
12 hearing is that you want to see the whole thing together.....

13 MS. HEIMAN: And if I could be briefed before  
14 it, I would appreciate it.

15 MS. McCAMMON: .....and we can start doing  
16 that.

17 MR. TILLERY: But in the meantime with  
18 these.....

19 MS. McCAMMON: Start following up on some of  
20 this, but.....

21 MR. TILLERY: .....concepts and questions, we  
22 can be giving you our feedback and you can pull that.

23 MS. McCAMMON: Individual feedback, yes.

24 MR. RUE: Good idea.

25 CHAIRMAN PENNOYER: Okay.

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1 MR. RUE: I'm there.  
2 MS. McCAMMON: Okay.  
3 CHAIRMAN PENNOYER: Next item on the agenda.  
4 MS. McCAMMON: I think the Larsen Bay tax  
5 parcels. Do we have all that material?  
6 MS. HEIMAN: You got a map, Molly?  
7 MS. McCAMMON: Yeah, we've got maps for  
8 everyone.  
9 MS. HEIMAN: Okay.  
10 CHAIRMAN PENNOYER: Maps for everyone, everyone  
11 gets a map.  
12 MS. McCAMMON: Are you going to describe this  
13 Marilyn?  
14 MS. HEIMAN: With your assistance, maybe.  
15 MS. McCAMMON: I don't know, is Glenn on?  
16 (Phone beeps)  
17 MR. GIBBONS: He just got off.  
18 (Laughter)  
19 MR. RUE: We just beamed him up.  
20 MS. HEIMAN: Glenn, are you there?  
21 (No audible responses)  
22 MS. McCAMMON: He's not, so we're on our own.  
23 MS. HEIMAN: Okay.  
24 MR. ELISON: Molly.  
25 MS. McCAMMON: Ah, he is there. Yes.

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1 MR. ELISON: Yeah, I'm back.

2 MS. McCAMMON: Very good.

3 MS. HEIMAN: We were looking for help on the  
4 description of Larsen Bay parcels.

5 MR. RUE: All 32 of them?

6 MR. ELISON: The 17 parcels that are owned by  
7 the Conservation Fund that were -- they're all approximately 10  
8 acres in size and were acquired from Larsen Bay shareholders or  
9 their heirs. They're all located along the shoreline in Uyak  
10 Bay, they have ready access from out of the bay. They  
11 generally have a -- it's going to be an intertidal zone, the  
12 area is used by harlequin ducks. A number of salmon streams  
13 are in the area and they're all fairly embedded within lands  
14 acquired by the Trustee Council back in the agreement reached  
15 in 1995 or '94.

16 While the areas haven't been surveyed for  
17 archaeological resources, the general trend in that area is the  
18 useable sites have rich archaeological resources from centuries  
19 of use. Pigeon guillemots are common in the area, as are  
20 marbled murrelets. Jellies are a very rich part of the  
21 environment right along the coast there in Uyak Bay and the  
22 parcels are very similar in their character.

23 MR. RUE: There any funny deer running around  
24 here?

25 MS. HEIMAN: And did you explain already that

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1 some of these they were -- the money was put forward by the  
2 Conservation Fund with the idea that we would later acquire  
3 them?

4 MR. ELISON: That's correct. The Conservation  
5 Fund stepped in fairly early on in the habitat protection  
6 process because these parcels were being either lost to taxes  
7 or being picked up at deeply discounted prices by nonlocal  
8 people and being used potentially for a number of incompatible  
9 uses. So the Fund started buying these, I think, in 1994 and  
10 did so for about a year and a half or two years. The parcels  
11 originally had significant title problems for a number of  
12 reasons. Those title problems have been cured, for the most  
13 part, after a lot of work with the, you know, the owners,  
14 Koniag, the Justice Department and the State. I think we're  
15 finally ready to take these off the hands of the Conservation  
16 Fund if the Trustees concur. But the parcels are really very  
17 similar in character to the ones held by the Kodiak Borough for  
18 back taxes that we're also trying to pick up, and hopefully  
19 we'll get to those soon.

20 MS. HEIMAN: Could you just walk us through  
21 which parcels they are that we are acquiring with this and what  
22 colors they are?

23 MR. ELISON: The parcels are shown on your map  
24 in orange. Starting in the northern part on the east side of  
25 the bay, there's Parcel 1092 and I'm not sure if you want me to

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1 go down.....

2 MS. HEIMAN: Yeah, just why don't you?

3 MR. ELISON: .....through all of them, but  
4 they're all along the east side of the bay and back up on the  
5 west side. In the southwest corner there are five parcels that  
6 are contiguous. A little farther to the north there, there are  
7 two on that small peninsula. They're generally in nine  
8 locations.

9 MS. HEIMAN: So only the orange ones are the  
10 ones we're talking about right now?

11 MR. ELISON: That's correct.

12 CHAIRMAN PENNOYER: Glenn, would you explain  
13 how this fits in to all the other acquisition strategies we  
14 have. These look like little islands in the midst of a lot of  
15 potentially developmental lands and I presume that's because  
16 the purple area, for example, is something that will actually  
17 -- well, actually the light purple area is something that we're  
18 trying to get now or.....

19 MR. ELISON: The light purple area is land we  
20 already acquired.....

21 CHAIRMAN PENNOYER: Okay, all right, yeah,  
22 okay. So this is just -- these are inholdings in land already  
23 bought?

24 MS. HEIMAN: Inholdings.

25 MR. ELISON: These are inholdings primarily

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1 within areas that we've already acquired and hopefully if we  
2 pick these up, get the Kodiak tax parcels and whatever other  
3 parcels we can get from individuals that are willing sellers,  
4 we'll be able to block up this land and take out these  
5 inholdings.

6 CHAIRMAN PENNOYER: Okay. I wanted you to say  
7 the word "inholdings." Thank you.

8 MR. TILLERY: Mr. Chairman.

9 CHAIRMAN PENNOYER: Yes, Craig.

10 MR. TILLERY: The description here says, for  
11 example, there are several documented bald eagle nests within  
12 the area. Are there any within these parcels?

13 MR. ELISON: Mr. Tillery, I don't know the  
14 answer to your question specifically. There are being  
15 considered approximately 50 10-acre parcels, we've had reviewed  
16 and appraised, I can't tell you specifically which ones have  
17 eagle nests on them and which ones don't.

18 MR. TILLERY: Well, just in looking at this  
19 description, am I correct in thinking we don't know whether any  
20 of these resources exist on any of these parcels, they're just  
21 kind of in the Uyak Bay area?

22 MR. ELISON: We know that those resources exist  
23 on some of those parcels, we didn't go out and write 17  
24 individual descriptions, it would take a very site-specific  
25 review. We know that the general character of the area has

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1 those benefits and it's, I think, reasonable to believe that  
2 each one of those parcels contributes significantly to those  
3 benefits.

4 MR. TILLERY: And my recollection is I don't --  
5 I guess I'd like to ask the Department of Justice whether this  
6 provides an adequate basis for making a decision. I don't know  
7 we've ever done this before where we had a generic description  
8 of a geographic area and approved -- and in the past, hasn't  
9 every small parcel always had an evaluation on it or a benefits  
10 report? That's what we submit to the court, they always have  
11 this benefits report attached to each parcel.

12 MS. McCAMMON: I don't know if we've done one  
13 for Kodiak tax parcels, that had five parcels that had the  
14 combined benefits report for those five.

15 MR. TILLERY: Based upon the general area?

16 MS. McCAMMON: Yes.

17 MS. HEIMAN: Is Barry on the line?

18 (No audible responses)

19 MS. HEIMAN: Obviously not.

20 MR. ELISON: I think he had to leave, Molly.  
21 Steve Shuck tells me that resolution on the Kodiak tax parcel  
22 actually had seven properties dealt with at one time.

23 MS. McCAMMON: I think, Mr. Chairman, what this  
24 shows is the Kodiak tax parcels are -- and the Tatitlek  
25 homesites were done differently than the individual parcels

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1 that come forward for consideration. The Council looked at the  
2 concept of inholdings within this particular region and made a  
3 decision that for restoration purposes it was important to  
4 acquire these parcels for kind of their general, broad,  
5 restoration benefit. And it's different than an individual --  
6 looking at just one individual parcel by itself, it's looking  
7 at the whole concept.

8 And I did want to mention one thing in conjunction with  
9 this. If you recall the whole thing with Kodiak tax parcels  
10 came, as an addition to the Shuyak Island acquisition,  
11 \$1,000,000 to Fish and Wildlife Service to purchase Kodiak tax  
12 parcels. They came back -- Interior came back and requested  
13 that it also be used -- split up and used for Larsen Bay tax  
14 parcels. And so we actually have two funds, two pots of money  
15 that we're tracking right now, the Larsen Bay parcels and the  
16 Kodiak tax parcels. If these 17 are approved then  
17 approximately \$400,000 of that \$1,000,000 will have been spent.  
18 And one of the things that we have asked Interior to do by  
19 January 15th of this coming year is to come back and say, how  
20 are we doing on these inholdings? I mean, kind of what's left  
21 out here; is the remaining funds -- are the remaining funds  
22 going to be needed for all of these acquisitions? Have we hit  
23 the high ones, the most important ones right now? Kind of give  
24 a status report on that pool.

25 MR. ELISON: To put the development trend and

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1 these inholdings in a little bit of context, there have been  
2 four new developments on individual 10-acre parcels in the Uyak  
3 Bay area this year. So it's something that's going on very  
4 actively, people are putting cabins and other facilities on  
5 these and with the potential to expand, so it's -- you know,  
6 there's significant challenge to management of the area and the  
7 integrity of the overall acquisition that's already occurred  
8 down there.

9 CHAIRMAN PENNOYER: Commissioner Rue.

10 MR. RUE: Yeah, you know, when I heard the word  
11 "inholding" and I look at the location of these parcels and I  
12 assume a 10-acre parcel that's roughly square must have a  
13 interior -- a boundary of roughly, what, 500 to 700 feet,  
14 because one acre is 100x200, roughly as I recall from my land  
15 days. And so you get that coastal strip right along the beach,  
16 that is the highest value habitat for many species, right along  
17 the fringe.

18 MS. HEIMAN: Uh-huh.

19 MR. RUE: I go and harass Dave Gibbon's  
20 organization all the time about protecting beach fringe for all  
21 sorts of species, including the one damaged by the spill. So,  
22 to me, that's the idea of inholding, the fact that they're  
23 right on the fringe, the intersection between land and water,  
24 those sorts of places are the numero uno -- are the most  
25 valuable habitat for the kinds of species we're worried about.

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1 And the fact that we've done sort of group assessments of  
2 value, I mean, we just -- we bought this larger chunk and this  
3 sits within it, so unless there's a legal reason we need to  
4 make sure we covered our basis for every single parcel, I feel  
5 comfortable that the value is there. I don't know. Mr.  
6 Tillery, I don't.....

7 CHAIRMAN PENNOYER: I sort of think it's a  
8 little bit like negotiating a large parcel purchase where we  
9 got all excited about set-asides for corporate structures and  
10 we were very worried about the value of the bay or a particular  
11 drainage or something being negatively impacted by the  
12 relatively small development. I don't think that fits for each  
13 of these, and I can't say that, but I think that's what we're  
14 being -- the information we're being given. And so I don't --  
15 that's why I wanted to hear that they were inholdings. I think  
16 it's not much different than a large parcel acquisition  
17 negotiation where you're worried about somebody having an  
18 inholding that's going -- 10 acres destroys the value of 50  
19 acres type of thing or whatever. So I'm not -- and now  
20 recognizing or hearing that these are inholdings to something  
21 we've already done, a larger purpose, are we sort of avoiding  
22 that being downgraded by this type of a development, I think.

23 MR. GIBBONS: Mr. Chairman.

24 CHAIRMAN PENNOYER: Dave.

25 MR. GIBBONS: I got a question. I heard the

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1 term "inholdings" too, but some of these look like they're  
2 inholdings within an inholding because some of the light brown  
3 is still owned by the Native corporations, like in 2006, 2007,  
4 you know, that's an inholding within a Native.....

5 MS. HEIMAN: Do we have plans to look at that,  
6 Glenn?

7 MR. ELISON: We're trying to get those picked  
8 up in this phase two negotiation with Koniag.

9 MS. HEIMAN: Phase two meaning the one we're  
10 working on right now that you're.....

11 MR. ELISON: Correct. So I hope to be able to  
12 basically block up all that coastal ownership in Uyak Bay and  
13 protect the status within the refuge.

14 MS. HEIMAN: Well, when these -- I wasn't  
15 around when these lands were purchased for -- is the purple  
16 actually fee simple or is there a conservation easement?

17 MR. ELISON: Well, the dark purple is.....

18 MS. HEIMAN: Light purple.

19 MR. ELISON: .....conservation easement, the  
20 light purple, as you see on the east side of Uyak Bay is fee  
21 simple.

22 MS. HEIMAN: Okay, so when we made the decision  
23 about this, this was high resource values, I mean, obviously,  
24 because we've only done that with these larger areas, right?

25 MR. ELISON: That's correct, that's the way

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1 they were evaluated.

2 MS. HEIMAN: So it seems to me if they're  
3 inholdings in what we already determined to be a high resource  
4 value area, it seems to me that that seems appropriate that  
5 those continue to be high resource value areas.

6 And the other thing that I had learned when I talked to  
7 Glenn the other day was that these lands, when they were  
8 purchased by the Conservation Fund, they were at risk of being  
9 sold off to not just Native ownership but, you know, just  
10 people who were willing to buy them because these folks were  
11 trying to sell them. So we were keeping these from even going  
12 out of Native ownership.

13 MR. ELISON: That's very true, there was a lot  
14 of bottom feeding going on, for lack of a better term. Because  
15 most of them were, I mean several of them were at risk for back  
16 taxes.

17 CHAIRMAN PENNOYER: I guess the point is,  
18 Glenn, down in the southern part of this map it's pretty easy  
19 to see the 2002 through the 2024, it's either in refuge or on  
20 lands we've already have acquired. It's a little more  
21 difficult to see up in 2007, 2006 and some of the others that  
22 are right in the middle of the corporate lands, so I think  
23 Mr. Tillery's right, there doesn't seem to be an equal  
24 inholding justification for one -- for some versus others, so  
25 -- if you look at 17 you might have a different justification

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1 on five of them than you do on the other 12 or whatever.

2 MR. ELISON: Well, we don't dispute that,  
3 there's a certain amount of faith here that there's going to be  
4 successful negotiation to acquire the surrounding land so that,  
5 as a matter of fact, it is blocked up and it, admittedly, had  
6 not occurred at this point in time, but these parcels are  
7 available now and I think they do have values. It would be --  
8 if we don't pick them up, I think the Conservation Fund is in a  
9 position where they're going to turn around and sell them, they  
10 can't hold them indefinitely. They bought them in an effort to  
11 take them off the market so they wouldn't go into private  
12 ownership for incompatible uses, but lacking our ability to buy  
13 them, they don't have any choice but to put them back on the  
14 market, because they can't hold them just for the taxes.

15 MR. RUE: Mr. Chair, do we have to vote on  
16 this?

17 MS. HEIMAN: What's the timing of this right  
18 now, Glenn? I mean is there -- I mean if we were to delay it  
19 to our next meeting, would the Conservation Fund have that much  
20 time to allow for more review or, you know, are they really  
21 pressurizing [sic] you right now?

22 MR. ELISON: Well, we've been under a lot of  
23 pressure from them for a long time to acquire these parcels and  
24 we've indicated that we think they have significant value from  
25 a restoration standpoint, as well as a refuge management

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1 standpoint. As we go into the first of January they're going  
2 to take on another year of tax liability with them, which has  
3 been a considerable problem for them. I think that's probably  
4 the greatest concern right now.

5 CHAIRMAN PENNOYER: I'm confused now. What  
6 additional information would we have in a subsequent meeting we  
7 don't have now? The status of these within these other  
8 holdings is not going to change between now and the foreseeable  
9 future.

10 MR. ELISON: That's correct.

11 MS. HEIMAN: Well, I was just curious about a  
12 couple of things, but I can ask right now and then we'd have  
13 the information right now. One of these is which of these  
14 light brown areas are part of the Koniag discussions right now?  
15 If you could maybe describe that?

16 MR. ELISON: The areas to the south -- we're  
17 staying out of the Larsen Bay area itself, but the area south  
18 of Uyak Bay, we're trying to get included in the discussions  
19 with Koniag as part of the agreement.

20 MR. GIBBONS: Are they included or are you  
21 trying to get them included?

22 MR. ELISON: Mr. Gibbons, I have to go back and  
23 look at what we submitted to Koniag specific to this southern  
24 area. Originally in 1994 when this whole process started they  
25 withheld some land because of obligations they felt they had to

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1 the Larsen Bay Tribal Council. They've since changed their  
2 view on that and I have to go back and look at the specific  
3 parcel here.

4 MS. McCAMMON: But, Glenn, isn't it true that  
5 we're negotiating with Koniag on making permanent protection  
6 for what's now covered under the easement and the -- what is  
7 it, the western shore of Uyak Bay is not covered -- it's gray,  
8 it's not covered by the easement?

9 MR. ELISON: It's not covered by the easement,  
10 we were trying to get that blocked up as part of it in the  
11 south. Now, the area -- and the area to the east the same way,  
12 on the east side.

13 MR. RUE: That's part of the 26 and a half  
14 million, 27 and a half million.

15 MR. ELISON: Right.

16 CHAIRMAN PENNOYER: So the non-inholding, this  
17 type of lands are how many parcels, 2006, 2007, 1095, 109- --  
18 I mean there's five or six of these that don't fit the exact  
19 inholdings, it's something we've already either purchased or  
20 already own, refuge lands. And those off this map you can pick  
21 those out and those are, perhaps, a slightly different  
22 category. I don't know if there's a rationale -- do we have  
23 trouble proceeding with all of this? Is it all of it or is it  
24 some of these that stand out in our minds?

25 Yeah.

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1 MS. HEIMAN: Well, I guess my question is when  
2 we -- was it just the Department of Interior that spoke with  
3 the Conservation Fund at the time or did this come before the  
4 Council before? It's never been here before, this is the first  
5 time?

6 MS. McCAMMON: No, just the concept of tax  
7 parcels has come before them as inholdings within the refuges.

8 CHAIRMAN PENNOYER: And not necessarily the map  
9 description.

10 MS. McCAMMON: I mean you can look at some of  
11 these and, for example, 1097, 1096, 1098, 1099, I mean that is  
12 within a block that is owned by -- I assume by Koniag. The  
13 chances are these parcels are the only places you can land a  
14 boat and that by purchasing a couple of select parcels you are,  
15 in essence protecting that entire block of land there. I don't  
16 know that for sure, but it's my guess that that could very well  
17 be true, but I don't know that for sure.

18 MR. TILLERY: Let's get.....

19 MR. ELISON: You have an accurate  
20 characterization of these areas.....

21 MR. TILLERY: Mr. Chairman.

22 MR. ELISON: .....that's why they were  
23 selected.....

24 MS. McCAMMON: Right.

25 MR. ELISON: .....because you need a good place

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1 to get on the beach.

2 MS. McCAMMON: Right.

3 CHAIRMAN PENNOYER: Mr. Tillery.

4 MR. TILLERY: I think that's kind of my plan,  
5 where I'm from, is we seem to be asked to approve this based  
6 upon, we assume this and we guess this and it's probably likely  
7 that this, which I think, in the context of this, is probably  
8 fine. It has been different in the past, in the extent that we  
9 are sort of doing something different and I just wanted to make  
10 sure that this was legally acceptable to the Department of  
11 Justice and acceptable to the Department of Interior because I  
12 think it is that kind of standard that needs to be applied  
13 consistently in the future. And I don't -- and I think that if  
14 this was sort of the scrutiny that we were going to use, and I  
15 think it even has implications for any new criteria that we  
16 might develop for small parcels.

17 MS. McCAMMON: Can I suggest an approach,  
18 Mr. Chairman on this?

19 CHAIRMAN PENNOYER: You bet.

20 MS. McCAMMON: Is that staff work with  
21 Department of Interior, we go through these individually and we  
22 provide some additional information, that we come back -- that  
23 we recess this meeting, we come back in maybe two or three  
24 weeks, I don't know how much time, but enough time where we can  
25 take action before December 16th and give the Conservation Fund

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1 time to actually get the acquisitions done before the end of  
2 the year and see which ones have additional questions, but  
3 provide that additional information and get it to you in  
4 advance so you can review it before the meeting and if there  
5 are any additional questions we can get you that information.  
6 And then do a teleconference to move forward.

7 MS. HEIMAN: I think that sounds excellent, I  
8 wish we did every parcel that way. My personal opinion,  
9 though.

10 MS. McCAMMON: Okay.

11 CHAIRMAN PENNOYER: I like the idea, I hope you  
12 don't spend over the 15,000 of our purchase price though on  
13 evaluating whether 1099 is landable by boat or (indiscernible -  
14 interrupted).....

15 MS. McCAMMON: Oh, no, this will just be staff  
16 sitting down to look at.....

17 CHAIRMAN PENNOYER: Thank you.

18 MS. McCAMMON: .....individually.

19 MR. RUE: I would suggest that if Mr. Tillery  
20 or if Justice and Interior are okay with this new standard,  
21 that's fine, too.

22 MR. TILLERY: (Nods affirmatively)

23 MR. ELISON: Mr. Chairman, just so I'm  
24 clear.....

25 MS. HEIMAN: You mean pass it with a.....

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1 MR. ELISON: .....it would be helpful if I knew  
2 what sort of additional information we're looking for. Is it  
3 just that each parcel to be site specifically described?

4 MS. McCAMMON: And why a parcel that's in the  
5 middle of private ownership, why would we want to acquire that,  
6 why would that need to be protected? Is it the only beach  
7 access in that particular area, one of the key ones? Does it  
8 also protect additional areas? A little bit more justification  
9 on individual projects; is that correct, Mr. Tillery?

10 MR. TILLERY: (Nods affirmatively)

11 MS. McCAMMON: Yeah.

12 MS. HEIMAN: Is that -- should I make a motion  
13 that we do what Molly just suggested? Or do we have to make a  
14 motion?

15 MS. McCAMMON: I can just do it.

16 MR. GIBBONS: Just do it.

17 CHAIRMAN PENNOYER: I think one cautionary on  
18 time though, the tax appraisal's a big deal, I think we need to  
19 get this done relatively soon.

20 MS. McCAMMON: Right. And I'm sure Glenn would  
21 commit to working with us and getting it done in the next  
22 couple of weeks.

23 MR. ELISON: Absolutely.

24 CHAIRMAN PENNOYER: Because I can nearly, off  
25 the map, take about half of these and say they're adjacent to

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1 lands we already bought, probably they are inholdings and would  
2 pass that criteria and would be willing to go with them now,  
3 myself anyway, on that basis that we acquired that adjacent  
4 land as a high value and these being inholdings within that, I  
5 think would qualify. The ones that stand out in the midst of  
6 private ownership would be the ones that I -- and there are  
7 maybe seven or eight of those that I would be concerned about,  
8 but I think we need to do this pretty soon.

9 MS. HEIMAN: Mr. Chairman, yeah, I agree with  
10 exactly what you're saying and instead of us trying to pick  
11 them based on something that's not very accurate, get the  
12 information and then we can make those determination, and we'll  
13 try to do them as quickly as possible.

14 MS. McCAMMON: And just do a teleconference  
15 meeting and yeah.....

16 MS. HEIMAN: By teleconference, yeah.

17 MS. BROWN: And you can lump them, you don't  
18 have to go site by site.

19 MS. McCAMMON: Right.

20 MS. HEIMAN: Yeah, make a recommendation to us  
21 on some -- yeah, that would be great.

22 MS. McCAMMON: Okay.

23 CHAIRMAN PENNOYER: And I want to see  
24 personally if you can get off the boat at that point, by the  
25 way.

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1 (Laughter)

2 CHAIRMAN PENNOYER: Never mind, ignore the last  
3 comment.

4 MS. McCAMMON: We tried to get you to do that.

5 CHAIRMAN PENNOYER: I know you tried to get me  
6 to do it, and I didn't because I was off chasing sea lions.

7 MR. GIBBONS: Mr. Chairman, I'd like to make  
8 one point, you said lump them. If they got information on  
9 individual ones I'd like to see it that way, so we don't get  
10 into this lump and.....

11 MS. BROWN: Right, but if they don't have it,  
12 we don't have a duty to go out and.....

13 MR. RUE: Spend 20,000.

14 MS. HEIMAN: Yeah, we don't want to spend a lot  
15 of money to assess.

16 MS. BROWN: .....spend a lot of money when the  
17 whole block is clearly together.

18 CHAIRMAN PENNOYER: Right.

19 MR. RUE: Mr. Chairman, are you ready for a  
20 resolution to recess or do we just do that? A motion to  
21 recess.

22 CHAIRMAN PENNOYER: Well, I want to find out  
23 for sure, does that do it?

24 MS. McCAMMON: Yes.

25 CHAIRMAN PENNOYER: Okay, I would entertain a

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1 motion not to recess, but to adjourn.

2 MR. TILLERY: I move, Mr. Chairman, that we  
3 recess this mission -- this meeting.

4 MS. BROWN: I second it. All in favor.

5 (Laughter)

6 CHAIRMAN PENNOYER: You got to have a unanimous  
7 vote, you're going to stay here until you change that. I'm  
8 going to exercise the (indiscernible - laughter) I don't care,  
9 fine. It's been moved we recess and until we do at least the  
10 teleconference on the property and I think that's a  
11 continuation of this meeting, so that makes sense and so ruled.

12 (Off record - 2:35 p.m.)

13 (MEETING RECESSED)

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C E R T I F I C A T E

1  
2 UNITED STATES OF AMERICA )  
3 ) ss.  
4 STATE OF ALASKA )

5 I, Joseph P. Kolasinski, Notary Public in and for the  
6 State of Alaska and Owner of Computer Matrix do hereby certify:

7 THAT the foregoing pages numbered 4 through 154 contain  
8 a full, true and correct transcript of the Exxon Valdez Oil  
9 Spill Trustee Council's Public Meeting recorded electronically  
10 by Salena Hile on the 22nd day of October 1999, commencing at  
11 the hour of 10:01 a.m. in Juneau, Alaska and thereafter  
12 transcribed by me to the best of my knowledge and ability.

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

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

17 DATED at Anchorage, Alaska this 2nd day of November  
18 1999.

19 SIGNED AND CERTIFIED TO BY:

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