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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 Public Meeting
4 Thursday, August 3, 2000
5 10:30 o'clock a.m.
6 645 G Street
7 Anchorage, Alaska

8 TRUSTEE COUNCIL MEMBERS PRESENT:

9 U.S. DEPARTMENT OF COMMERCE,	MR. JAMES W. BALSIGER
10 NMFS: (Chairman)	Director, Alaska Region
11 STATE OF ALASKA -	MR. CRAIG TILLERY
12 DEPARTMENT OF LAW:	Trustee Representative
13 STATE OF ALASKA - DEPARTMENT	MR. FRANK RUE
14 OF FISH AND GAME:	Commissioner
15 U.S. DEPARTMENT OF INTERIOR:	MS. MARILYN HEIMAN
16	Special Assistant to the
17	Secretary for Alaska
18 U.S. DEPARTMENT OF AGRICULTURE,	MR. DAVE GIBBONS
19 U.S. FOREST SERVICE	Trustee Representative
20 STATE OF ALASKA - DEPARTMENT	MS. MARIANNE SEE
21 OF ENVIRONMENTAL CONSERVATION:	for MS. MICHELE BROWN
22	Commissioner

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON	Executive Director
3 MS. SANDRA SCHUBERT	Director of Restoration
4 MS. PAULA BANKS	Administrative Assistant
5 DR. BOB SPIES	Chief Scientist
6 DR. PHIL MUNDY	Science Coordinator
7 MS. SARAH WARD	Community Facilitator
8 MS. DEBORAH HENNIGH	Special Staff Assistant
9 MS. VERONICA CHRISTMAN	DNR
10 MS. DEDE BOHN	U.S. Geological Service
11 MR. KEN HOLBROOK	U.S. Forest Service
12 MR. STEVE SHUCK	U.S. Fish and Wildlife Svc.
13 MR. BARRY ROTH (Telephonically)	U.S. Department of Interior
14 MR. BILL HAUSER	ADF&G
15 MS. CLAUDIA SLATER	ADF&G
16 MS. CAROL FRIES	ADF&G

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1 P R O C E E D I N G S

2 (On record - 10:43 a.m.)

3 CHAIRMAN BALSIGER: I will accede the
4 chairmanship, so we'll call the meeting to order. It's
5 about 10:43 this morning, August 3rd, 2000. Five of the
6 Trustees in attendance or by designee.

7 The first item on the agenda is the approval of the
8 agenda. Any comments on the agenda by -- do we call
9 ourselves Trustees, Molly?

10 MS. McCAMMON: Yes. And you need six to
11 approve the agenda.

12 CHAIRMAN BALSIGER: Oh, we do?

13 MS. McCAMMON: Yeah. What we could do is
14 go into public comment period, it starts at 10:45.

15 CHAIRMAN BALSIGER: All right. So be
16 thinking about the agenda then and be thinking about the
17 approval of the 2000 July 5 meeting, but in the absence of
18 the full Council, let's start the public comment period.
19 Whom do we have on the phone for public comments?

20 MS. McCAMMON: We have Monica Reidel in
21 Cordova.

22 CHAIRMAN BALSIGER: Can we start with
23 Cordova?

24 (No audible responses)

25 CHAIRMAN BALSIGER: Is anyone in Cordova?

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1 (No audible responses)

2 CHAIRMAN BALSIGER: Do we have anyone in
3 Juneau?

4 MR. MEACHAM: Chuck Meacham here just
5 listening in, I don't have any testimony to provide. I'm
6 with the PAG.

7 CHAIRMAN BALSIGER: And no one else there
8 with you, Chuck?

9 MR. MEACHAM: No, no one.

10 MR. ANDREWS: No, but I'm on from Juneau,
11 too, Rupe Andrews, I'm going to be giving a report here in
12 a few minutes on the last PAG meeting.

13 CHAIRMAN BALSIGER: Okay. Thank you.
14 That's on the agenda following the public comment period, I
15 believe.

16 MR. ANDREWS: Right.

17 CHAIRMAN BALSIGER: Is there anyone from
18 Kodiak on the line?

19 MS. PILLIAN: Yeah, this is Valerie Pillian
20 from Kodiak, I don't have any public comments but I'm here.

21 CHAIRMAN BALSIGER: Are you there alone?
22 No comments.....

23 MS. PILLIAN: I'm all by myself.

24 CHAIRMAN BALSIGER: Thank you. How about
25 Cordova, is anyone on in Cordova yet?

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1 (No audible responses)

2 CHAIRMAN BALSIGER: Is there any public
3 comment from this room?

4 (No audible responses)

5 CHAIRMAN BALSIGER: Please.

6 MR. HENRICHS: Yeah, I'm Bob Henrichs,
7 President of the Native Village of Eyak. It's been a while
8 since I've been here. I thought I'd stop in and see what
9 you guys were up to again. We'd like to see that Community
10 Facilitator Program funded instead of it being cut like it
11 seems to -- like it's going to get cut.

12 And our tribe has put in numerous proposals over
13 the past two years and we seem to run into a brick wall in
14 getting them funded and we've asked for technical
15 assistance and we don't get that either. And we're not too
16 happy about it. We're the largest tribe in the Chugach
17 region, we're the largest tribe in Prince William Sound or
18 on the Copper River, but we seem to run into a brick wall
19 when we want to get a project funded and we're having a lot
20 of serious problems in our area.

21 And you Federal agency representatives have a
22 presidential directive that you should consult with us, so
23 we'll consider this our consultation with Eyak and the
24 Federal Trustees and our advice to you on these proposals
25 is unless there's tribal involvement, don't fund any of

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1 them.

2 And that's all I have to say. Any questions?

3 CHAIRMAN BALSIGER: Any questions?

4 MR. RUE: I have a quick question, if I
5 could, Mr. Chair.

6 CHAIRMAN BALSIGER: Please.

7 MR. RUE: Could you give us some specific
8 example of the projects that you put in and haven't
9 received funding for?

10 MR. HENRICHS: Sea otter monitoring in Orca
11 Inlet, they're dying off there, and probably because of the
12 cannery waste. Monitoring of sea lions, they're on the
13 endangered list and it could affect the economy in our area
14 if they shut down fishing because of them, but we can't get
15 money to monitor them. Additional research on the Copper
16 River so they can have more timely data to make decisions
17 on openings and closures, because with the way some of the
18 other fisheries have gone, that's one of the last mainstays
19 we have to support a lot of the people there, and
20 that's.....

21 MR. RUE: Uh-huh, okay.

22 CHAIRMAN BALSIGER: Thank you. Any other
23 questions from the Trustees?

24 (No audible responses)

25 MR. RUE: Thanks.

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1 CHAIRMAN BALSIGER: Thank you, Bob. Any
2 other public comments from this room?

3 (No audible responses)

4 CHAIRMAN BALSIGER: How about Cordova, has
5 Monica Reidel come on line?

6 (No audible responses)

7 CHAIRMAN BALSIGER: Last chance for public
8 comment. Well, this isn't the last chance, but at least in
9 this particular session.

10 (No audible responses)

11 CHAIRMAN BALSIGER: Hearing none, I believe
12 we finished the public comment.

13 Molly, do you feel you can start any of your
14 reports.....

15 MS. McCAMMON: Yes.

16 CHAIRMAN BALSIGER:in the absence of
17 Marilyn?

18 MS. McCAMMON: Yes, I can. I can go ahead
19 with that.

20 CHAIRMAN BALSIGER: Maybe we should tell
21 Rupe that we're going to skip over agenda item 3, even
22 though we approved -- well, we didn't approve the agenda,
23 but we'll skip over number 3 in the non-approved agenda in
24 the absence of one of the Trustees and Ms. McCammon can
25 start with some of her reports first.

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1 MS. McCAMMON: Thank you, Mr. Chairman>
2 There are two reports for your information, one is in your
3 packet, and that's the financial report as of June 30th,
4 2000, and the second is the quarterly project status
5 summary as of June 30th, and that's on the table in front
6 of you. And both of these reports are similar to ones
7 you've received in the past indicating the status of the
8 funds in the Joint Trust Fund as of June 30th, 2000 and
9 what's anticipated as of September 30th, 2002.

10 And then with the project status report summarizing
11 the status of reports and then also giving you an idea of
12 what's going on with projects that are currently underway.
13 As of June 30th, most of the project PIs were getting ready
14 to go out in the field, they're now -- most of them are
15 either -- their field work is either underway or soon to be
16 completed or they're working on reports and analysis. So a
17 lot of the projects that we've had in the past are actually
18 coming to closure after this year.

19 (Ms. Heiman arrives - 10:52 a.m.)

20 MS. McCAMMON: I did want to report just
21 one brief item on the status of investments of the Joint
22 Trust Funds. In your packet under court request transfer
23 of funds, the request to the court has been made to
24 transfer the funds from the Court Registry Investment
25 System to the State of Alaska, Department of Revenue. That

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1 request is still being reviewed and we hope to have it
2 acted upon, hopefully, next week. The Court Registry
3 Investment System has been preparing for this, they
4 understand it will be soon to occur, so things are underway
5 and it should happen pretty smoothly.

6 The other thing in your packet is a status report
7 on the Habitat Protection Program. And this is primarily
8 to summarize the action that was taken at the July 5th
9 meeting in terms of extending offers, authorizing new
10 appraisals for new parcels and also directing the staff to
11 continue to work with the non-profit to see if there is a
12 way for a non-profit to administer the Council's Small
13 Parcel Program. So this status report, basically,
14 summarizes the action that was taken at that meeting. And
15 currently, based on that action, there's approximately --
16 close to \$2,000,000 worth of active small parcels that are
17 currently being worked on.

18 And in the status report behind this summary memo
19 are individual parcels -- there's more detail on each
20 individual parcel and where they are in terms of acreage
21 and the numbers.

22 For Koniag, there's another discussion with Koniag
23 this week, we continue to make progress on extending the
24 current conservation easement and working out the details
25 of that easement. It's complicated in some respects just

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1 because it's adding Camp Island to the easement, and
2 there's some additional details that are being discussed in
3 terms of potential limits of users of the river at
4 sensitive times and things of that nature. So we're not
5 prepared to bring a final package to the Trustee Council,
6 we're hoping that that will happen, though, probably mid to
7 last of September, it could flow over into early October,
8 but it should be hopefully September. We're very close on
9 that one.

10 The other item that I wanted to report on is the
11 status of planning for GEM, the Gulf Ecosystem Monitoring
12 Program. The program document that I think all of you have
13 seen, dated April 21st, 2000, is currently under review by
14 the National Research Council. They are scheduling their
15 second meeting in Anchorage, either the first week of
16 October or the third week of October, and we don't have a
17 firm date yet, but it will be sometime in October and a
18 portion of that meeting will be opened to the public. And
19 they will probably, at that time, request some additional
20 testimony from various individuals and agencies, but we
21 haven't got that request yet.

22 However, as part of the next step, which is
23 developing the actual research and monitoring plan, we just
24 completed three, what we refer to, as focus groups. And at
25 these meetings we laid out an outline of an -- it was a

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1 bare outline of a suggestion of the draft plan. We had
2 representatives from stakeholder groups, the Public
3 Advisory Group, community facilitators, resource managers,
4 agency managers, scientists who have been involved in the
5 program and others who haven't been involved directly in
6 the program. There was actually quite a mix at all of the
7 meetings and they were very helpful in terms of fleshing
8 out some further details about putting together an actual
9 plan.

10 The first meeting started out focusing on the
11 Prince William Sound area and that was attended by the most
12 people and most of the agency managers and agency
13 scientists. I think we had over 45-50 people there. And
14 the large size, I think, kind of prevented -- it made it
15 difficult to have a lot of dialogue until people started
16 peeling off toward the end of the day, we had more
17 extensive dialogue.

18 The Cook Inlet meeting had, I think, around 25-30
19 people and the Kodiak meeting, because of Kodiak, we had a
20 number of people by phone, and that ended up being around
21 15-16 people. But I think they were really helpful in
22 terms of trying to figure out what people's main interests
23 are in a long-term monitoring program and what we need to
24 focus on. What also became really clear through this
25 discussion is that there's not going to be a monitoring

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1 plan that fits equally the entire region, that any kind of
2 a plan will have to be tailored to specific areas in the
3 northern Gulf, that they're not all equal in terms of
4 resource availability and abundance and issues relating to
5 those resources.

6 The next step now as part of this planning effort
7 is to develop a more detailed draft plan. That, then, will
8 be used as the basis for discussion at our October
9 workshop, which is now scheduled for October 12th and 13th
10 at the Regal Hotel here in Anchorage. And this will be
11 used as a very intensive work session, we anticipate
12 somewhere between usually 175-250 people will be there.
13 This will be past researchers for the EVOS program and
14 current ones, as well as some people who are particularly
15 invited because of their expertise in working with
16 monitoring programs.

17 And from that work session we hope to have what we
18 see as close to a final draft for the initial research and
19 monitoring plan. That, then, would be presented to you,
20 hopefully, in November and then go out for public review
21 and public comment on it. Any revisions will be made
22 following that and then come back to you for your approval
23 by mid-January. Assuming that happens, then it would go on
24 to the National Research Council for their review at that
25 time. And they would incorporate that review and those

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1 comments of the plan into their overall comments of the
2 entire program.

3 And as we're putting together this plan, we'll be
4 in close touch with the review committee and letting them
5 know what approach is being taken. Any insights that they
6 have to us as we develop it, they'll be giving it to us
7 informally as we go through the process also.

8 So that is our major effort right now in this fall
9 and this winter is putting together that plan.

10 CHAIRMAN BALSIGER: Okay, that sounds like
11 a good plan, assuming that NRC doesn't find a major problem
12 with the program which would make it difficult, perhaps, to
13 roll the plan into it, but I.....

14 MS. McCAMMON: Correct.

15 CHAIRMAN BALSIGER:think that's a
16 good procedure.

17 MS. McCAMMON: That's correct. The one
18 other thing that I wanted to do is to take this opportunity
19 to introduce two new staff members to all of you. Debbie
20 Hennigh is the new special assistant for administration,
21 and she took Traci Cramer's place, and she's been a great
22 addition to the staff. The other new staff person is Sarah
23 Ward, who is the new community involvement coordinator,
24 Sarah's right there, who took Hugh Short's place. And
25 Sarah just started about a week or two ago. So it's great

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1 to have more people back in the offices, we had quite an
2 exodus here out of state. And we have heard from everyone
3 and they're all having a great time out of state, but we
4 miss them all, too.

5 And that concludes my report.

6 CHAIRMAN BALSIGER: Thank you. Ms. Heiman,
7 we started without you, did the public testimony of which
8 there was one person from the audience, Mr. Bob Henrichs,
9 and no -- although we have people listening from Juneau and
10 Kodiak, I believe, there was no comment from there. We
11 skipped over approval of the agenda in your absence, so
12 perhaps we can go back to that. The agenda is seven items
13 long, and I'd ask any Trustee if there's a comment on the
14 agenda?

15 MR. GIBBONS: I move to approve.

16 MR RUE: Second.

17 MS. HEIMAN: Second.

18 CHAIRMAN BALSIGER: Any dissention?

19 (No audible responses)

20 CHAIRMAN BALSIGER: The agenda, then, is
21 approved as prepared for us. The second item on the
22 agenda, still under number 1, was the approval of the July
23 5th meeting -- approval of the minutes of -- I guess
24 they're not minutes, they're meeting notes of the July 5th
25 meeting. Those notes were in the notebooks that were sent

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1 around. Is there any comment on those from any Trustee?

2 MS. SEE: Move to approve.

3 CHAIRMAN BALSIGER: Is there a second?

4 MR. GIBBONS: Second.

5 CHAIRMAN BALSIGER: Any dissention?

6 (No audible responses)

7 CHAIRMAN BALSIGER: Then we have adopted by
8 consensus the meeting notes from the July 5th meeting.

9 Let's see, so we're back to the Executive Director's report
10 of which there were four parts, are there any questions or
11 comments from Trustees on Ms. McCammon's presentations?

12 MS. SEE: I have one.

13 CHAIRMAN BALSIGER: Please.

14 MS. SEE: Yes, I just wondered what you
15 anticipated as the date for availability of the draft plan
16 that will be going out in advance of the October meetings?

17 MS. McCAMMON: In advance.

18 MS. SEE: In advance.

19 MS. McCAMMON: I would like to have it done
20 by late September, but it'll be in advance, I mean, folks,
21 before they come to the meeting, will have a copy of it and
22 they'll be able to review it and think about it and bring
23 information, new information, to the meeting. So whether
24 it's 10 days or 14 or what, I can't tell you for sure.

25 CHAIRMAN BALSIGER: Dave.

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1 MR. GIBBONS: Yeah, Molly, you mentioned
2 the dates of those EVOS workshop is the 12th and 13th of
3 October, is that.....

4 MS. McCAMMON: Yes.

5 MR. GIBBONS: Okay. I had 10th, 11th, and
6 12th down so they've been changed to.....

7 MS. McCAMMON: Yes, there has been a
8 change.

9 MR. GIBBONS: Okay.

10 MS. HEIMAN: A little?

11 MS. McCAMMON: A little.

12 CHAIRMAN BALSIGER: Any other questions or
13 comments?

14 (No audible responses)

15 CHAIRMAN BALSIGER: I noticed on this
16 quarterly project status summary there's an Attachment B
17 that shows projects that are behind schedule or on which
18 there is no activity, and there's some 20-some projects
19 listed, something like that. Is this a typical state of
20 project resolution at this time of the year? I know
21 there's lots of reasons research projects don't get done,
22 but this being my first go-around, I thought I'd ask if
23 it's sort of the way things have been?

24 MS. McCAMMON: Well, it doesn't mean that
25 the research project itself didn't get done, it's the

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1 report and in most cases what happened is that project PI
2 has left and movee either out of state or onto new work or
3 something like that. We made a very concerted effort to
4 take care of the initial backlog from 1972, 1973 [sic] and
5 even the NRDA reports, which predates the settlement, and
6 have made a lot of progress on those. But obviously
7 there's still some reports there that we need to look back
8 now and decide whether we're ever going to get them and
9 whether it's time to just declare it quits.

10 In terms of the most recent years, 1998, 1999,
11 those are about typical for right now, so we really don't
12 anticipate much of a problem with those at this point. I
13 would like to go back and clean up a few of these -- well,
14 we still have one from the '92 Work Plan, two from the '93
15 Work Plan, so there's a couple here that we'll have to go
16 back and review. They've been promised, we've made
17 agreements with the agencies and they've been promised,
18 but, for whatever reason, those agreements haven't been
19 met, either due to staff changes or various things.

20 CHAIRMAN BALSIGER: Thank you. Any other
21 questions, comments from Trustees?

22 (No audible responses)

23 CHAIRMAN BALSIGER: Hearing none, we move
24 on, I guess, to what appears to me to be the big deal at
25 this meeting which is the Work Plan.

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1 MS. McCAMMON: Public Advisory Group
2 report.

3 CHAIRMAN BALSIGER: Oh, I'm sorry, Rupe
4 Andrews we skipped. I made a special note to go back and I
5 failed to go back, so please, let's have the PAG report.

6 MR. ANDREWS: Thank you, Mr. Chairman. My
7 name, for the record, is Rupe Andrews, I'm Chair of the
8 Public Advisory Group. I'd like to make a brief report on
9 the July 20th meeting of the Public Advisory Group in
10 Anchorage.

11 The July 20th PAG meeting was the last of the
12 present PAG members. The final two-year session of the PAG
13 under the restoration agreement runs from October 1, 2000
14 to September 30th, 2002. The EVOS staff is currently
15 recruiting for PAG vacancies. There was a brief discussion
16 re the future of the organization of the PAG to the GEM
17 Program and how it would function for the Trustees. And
18 I'm sure you'll be glad to know we didn't come to any
19 conclusion.

20 The PAG heard reports from Executive Director Molly
21 McCammon concerning the Trustee investment policies. We
22 learned that the research portion of the fund would be
23 managed as a perpetual endowment but to remain flexible.
24 The PAG is in agreement with the Trustees' approach. There
25 were general comments by PAG members expressing agreement

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1 with the Trustees' decision to invest funds through and
2 with the Department of Revenue.

3 The PAG discussed habitat protection and the
4 possible arrangement with a non-profit, such as the Nature
5 Conservancy or the Conservation Foundation, to operate a
6 small parcel program under the direction of the Trustee
7 Council which would prioritize the parcel purchases. Non-
8 profits do provide flexibility that the Trustees do not
9 have. The PAG was pleased to have the opportunity to exam
10 and comment on future proposals this fall at a
11 teleconference meeting. We understand that a draft
12 agreement is due in September.

13 Among the PAG members present there was debate as
14 to using non-profits to do Trustee Council work,
15 specifically non-profits have their own agendas and do not
16 answer to the general public, which they do not necessarily
17 represent. The feeling expressed non-profits may
18 inappropriately skew the process.

19 Staff presented a status report on the GEM Program.
20 The April revised GEM draft has been received by all PAG
21 members. At this point GEM is a program, not a plan, and
22 is under review by regional focus groups, among others.
23 The draft monitoring plan is due for public comment in late
24 September and because of this the EVOS workshop will be
25 moved to October to focus on this monitoring program. PAG

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1 members are alerted to have input to the focus group
2 sessions.

3 A brief note is made regarding commingling the
4 Trustee Council funds with others. Executive Director
5 McCammon pointed out that any mingling of funds would take
6 place with those groups or individuals who may want to
7 mingle their funds with EVOS funds in cooperative efforts
8 and cost sharing. One PAG member expressed a desire to see
9 a link between research and monitoring and using this
10 information for the management of resources.

11 The annual Work Plan for 2001 was reviewed with
12 Chief Scientist Bob Spies, cluster by cluster. There was
13 discussion about how projects related to resource
14 management was just normal agency management. In other
15 words, are EVOS funds paying for normal agency management
16 protection? This is a gray area with many factors involved
17 and we didn't come to any conclusion.

18 Herring research in Prince William Sound was
19 discussed in depth with PAG members pretty much in
20 agreement that this should be a competitive research
21 proposal to fund some level of assessment of herring stocks
22 in non-traditional herring areas. Executive Director
23 McCammon said she would recommend 85,000 be set aside for
24 herring research proposals. If an adequate proposal is not
25 received then no proposal would be accepted. No quorum was

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1 present, so no vote was taken.

2 Lastly, the PAG discussed a need for recreational
3 use plan for Prince William Sound. Visitor figures
4 continue to climb with each year, bearing impacts on all
5 resources. This is a statewide phenomena, but Prince
6 William Sound may be especially vulnerable in view of the
7 oil spill and recovery process since.

8 The meeting was adjourned at 3:05 p.m. And that
9 concludes my report, Mr. Chairman.

10 CHAIRMAN BALSIGER: Thank you, Mr. Andrews.
11 Any questions from the Trustees for the PAG? Ms. Heiman.

12 MS. HEIMAN: Yeah. Mr. Andrews, this is
13 Marilyn Heiman, I was curious, was that a majority of the
14 group or did everyone agree about the non-profit and the
15 land for the acquisitions and purchases?

16 MR. ANDREWS: Ms. Heiman, there was no
17 general agreement. There was discussion, there was some
18 disagreement and there were some that probably agreed.
19 Unfortunately we did not have a quorum, we didn't take any
20 vote on this at all, but we did discuss it pretty much and
21 various viewpoints were received. And the negative
22 viewpoints were that, of course, as I mentioned, some of
23 these groups have their own agenda, they're not responsible
24 to the general public and possibly the process could be
25 skewed. There were other comments to the effect that non-

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1 profit groups are non-political, non-activist in the
2 critical area and that they would offer the flexibility
3 that the Trustees could use. I have some combination of
4 profit and non-profit, I'm not sure how this is going to
5 work. But, anyway, I thought it was worthwhile to express
6 those viewpoints to the Trustees.

7 CHAIRMAN BALSIGER: Thank you. Anyone else
8 from the Trustees?

9 (No audible responses)

10 CHAIRMAN BALSIGER: Thank you, it was a
11 fine report, Mr. Andrews.

12 MR. ANDREWS: You're welcome.

13 CHAIRMAN BALSIGER: Can we move on to the
14 2001 Draft Work Plan, please?

15 MS. McCAMMON: Yes. This is in your packet
16 under FY01 Work Plan. And also before you there is a
17 spreadsheet C which we'll be going through, too. It's
18 purple and it's changes from the 7/27/00 spreadsheet,
19 because as soon as we do any spreadsheet it almost
20 instantly becomes obsolete. There's a few changes.

21 But, in summary, basically this year we received
22 114 proposals totalling \$13.4 million worth of requests.
23 This compared to last year's requests of 133 proposals
24 totalling \$16.5 million in requests. So the amount of the
25 number of proposals and the amount of funding was

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1 definitely less than it was last year.

2 The recommendation is to fund or further consider
3 funding 60 projects totally about 6.4 million. Of this, 15
4 projects totalling 1.7 million are proposed to be deferred.
5 At the meeting this spring the Council did set a cap for
6 the Work Plan this year of \$6,000,000. And so if all of
7 the defers were to be funded it would go over that cap, so
8 obviously not all of the defers are going to be funded.

9 But that cap of 6,000,000 compares to the current
10 fiscal year Work Plan of 75 projects totalling 8.3 million.
11 So we are going down dramatically in terms of the overall
12 Work Plan from a high of about 24,000,000 and just working
13 our way down to the current year of 8.3 million and to next
14 year of 6,000,000. But the goal is to get to that
15 sustainable level in the next year of about 6,000,000 total
16 for the Work Plan and administrative costs.

17 So what we have before you is a combination of the
18 administrative costs, which is in the 100 budget, the cost
19 for supporting Habitat Acquisition Program, which is the
20 126 budget, and that detail is in here. Another
21 installment into the Restoration Reserve of \$12,000,000,
22 additional funds for archaeology.

23 MS. HEIMAN: Molly, are you reading off
24 something that we have?

25 MS. McCAMMON: No.

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1 MS. HEIMAN: Okay. Because I'm not
2 tracking you at all.

3 MS. McCAMMON: Yeah, you're not, I'm
4 summing for you.

5 MS. HEIMAN: Okay. All right.

6 MS. McCAMMON: Then we'll go through the
7 details.

8 MS. HEIMAN: Okay.

9 MS. McCAMMON: And additional funds for the
10 archaeology repository. So there's a number of items that
11 we need to go through, the main part of the Work Plan and
12 then some additional items in addition to that. But the
13 final motion to be considered encompasses all of those into
14 the entire Work Plan.

15 So what we have in the packet are a number of
16 spreadsheets which you've seen before. The numbers
17 spreadsheet, Spreadsheet A, which is cluster by cluster and
18 that's how Dr. Spies will be presenting the information,
19 cluster by cluster. We have Spreadsheet B which is the
20 text for each recommendation, it includes the project
21 abstract, the Chief Scientist recommendation and my
22 recommendation following public comment. We have, under
23 the deferred list, just a summary here of all the projects
24 that are recommended to be deferred for a decision in
25 December.

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1 Then the next item is a new projects list, and this
2 just goes into more detail on the types of new projects
3 that are being recommended for funding this year. We also
4 have broken out for you the bench fees for projects to be
5 done at the Alaska SeaLife Center. And you can see that
6 there are only four projects that are recommended for going
7 forward at this time.

8 And then following that we have the 100 budget,
9 which is the administrative budget, the 126 budget, habitat
10 support, the Restoration Reserve and then a request for
11 support costs for the archaeology project. Before we
12 leave, we also have a supplemental request from the
13 Department of Interior for this year's budget for habitat
14 support costs.

15 So with that, what I'd like to do is have Dr. Spies
16 give you an overview of the program now and then walk
17 through, cluster by cluster. In the past we've worked from
18 the numbers spreadsheet and then referred to the other
19 spreadsheet as needed.

20 CHAIRMAN BALSIGER: I wonder if I could --
21 just as quickly as you can, principally for my benefit,
22 what process did you go through to lead to this.....

23 MS. McCAMMON: To this recommendation?

24 CHAIRMAN BALSIGER:to do not fund,
25 fund, defer, do not fund?

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1 MS. McCAMMON: The process used for
2 reviewing and developing these recommendation began on
3 April 15th when proposals are received here, they go
4 through a number of reviews at that time. One of the
5 reviews is scientific peer review and we have a group who
6 meets in late May who goes through all of the project
7 proposals and reviews them, scores them and develops a
8 recommendation from the Chief Scientist. At the same time
9 staff does and additional review for such items as does the
10 project meet restoration policies adopted by the Trustee
11 Council? Are there late reports from this particular
12 proposer? Does this project duplicate anything else that's
13 being done? Are the objectives in this project similar or
14 different than projects in the prior year's worth of work?
15 And if they're the same, what happened, how come those
16 objectives weren't accomplished in that other year's worth
17 of work?

18 So it goes through all of that, the budgets are
19 reviewed, a lot of items are questioned, trying to get the
20 budgets kind of honed down. And from that we then develop
21 a draft recommendation. We meet with agency staff when we
22 do this, it's attended by two Public Advisory Group
23 members, it's also done in consultation with the Community
24 Involvement Coordinator, although this was right at the
25 time Hugh Short was leaving. And from that we develop a

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1 draft recommendation that then goes to Draft Work Plan.

2 The Draft Work Plan is submitted -- this document
3 here, which goes out in June of 2000. The Draft Work Plan
4 is then made available to the public for comment. We held
5 a public hearing in July, at the same time, or the night
6 before the Public Advisory Group met and reviewed it. All
7 the public comment that we've received is included in your
8 packet, although there's some additions, also, on the table
9 in front of you.

10 So from that additional public comment, public
11 review -- and over the six-week period we receive
12 additional information from the proposers that may affect a
13 recommendation. So some recommendations that were funded
14 contingent on receiving certain kinds of information, that
15 contingency has been removed because the questions have
16 been answered. In some cases the additional information
17 has resulted in a change from a defer to a fund, sometimes
18 it's from a fund to a do not fund, kind of depends on the
19 type of information.

20 CHAIRMAN BALSIGER: Okay. And so if a
21 reason -- this was broached slightly in the PAG before, but
22 if a reason for not funding was it appears this is a normal
23 agency management function, would the normal agency be
24 asked if this was a normal function or is this sort of an
25 Executive Director or interpretation of what the Executive

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1 Director thinks the normal agency function should be?

2 MS. McCAMMON: Well, it's actually a gray
3 area and we have a policy in the Restoration Plan that says
4 restoration funds will not be used to fund normal agency
5 management. And we spent quite a bit of time with the
6 Public Advisory Group and with the General Accounting
7 Office auditors, actually, on this issue and how you better
8 define it. And for direct oil spill restoration, kind of
9 the general concensus then, if this is work that would not
10 have been done except for the oil spill, then it's not
11 normal agency management. But almost everything that this
12 program does is within some agency's mission or mandate.
13 But due to historic funding levels often these kinds of
14 things would never have been done in the past and the
15 likelihood of them being done in the future is very slim.

16 So it is a gray area, it's subject to
17 interpretation. We've tried -- we spent a lot of time with
18 the Public Advisory Group and with the accounting office
19 trying to better define that and nobody could -- some
20 people thought we got -- had it better defined, but others
21 thought that drifted even farther from the intent the
22 policy, so no one was ever able to agree on actual
23 definition.

24 CHAIRMAN BALSIGER: Thank you.

25 MS. McCAMMON: But I think this whole issue

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1 of normal agency management, as we transition into a
2 broader Gulf Ecosystem Monitoring Program, needs to be
3 reviewed again because that tie to the direct oil spill
4 injury may not be as strong, because we're looking at
5 things more broadly, so how you define that, I think, we'll
6 need to exam that again.

7 CHAIRMAN BALSIGER: Thank you.

8 MS. HEIMAN: Mr. Chairman.

9 CHAIRMAN BALSIGER: Yes, please.

10 MS. HEIMAN: I just have a couple of
11 questions. I'm still lost a little bit with all these
12 different pieces of paper. One thing I would like to know
13 is what is the total amount that is suggested to be funded?
14 Is that this.....

15 MS. McCAMMON: The total amount that is
16 suggested to be funded of the actual Work Plan, including
17 the funds and defers total \$6.391 million.....

18 MS. HEIMAN: And where is that shown, is
19 that in this.....

20 MS. McCAMMON:and that includes the
21 defers. That is at the bottom of your sheet.

22 MS. HEIMAN: This?

23 MS. SCHUBERT: Look on the motion which is
24 the bottom.....

25 MS. McCAMMON: It's on the motion. Thank

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1 you.

2 MS. SCHUBERT: The second purple sheet

3 there.....

4 MS. HEIMAN: Yeah.

5 MS. SCHUBERT:at the bottom are the

6 numbers

7 MS. McCAMMON: At the bottom are the

8 numbers.

9 MS. HEIMAN: Oh, okay.

10 MS. McCAMMON: The summary numbers right

11 there.

12 MS. HEIMAN: Okay. So the total number is

13 18,000,000?

14 MS. McCAMMON: That includes 12,000,000 for
15 the Restoration Reserve.

16 MS. HEIMAN: Which is this Work Plan with
17 all these projects?

18 MS. McCAMMON: No, the Restoration Reserve
19 is just taking money out of the account and setting it
20 aside for long term.

21 MS. HEIMAN: Okay. So the amount we're
22 funding is 4.6 million?

23 MS. McCAMMON: Yes.

24 MS. HEIMAN: For this year. And of that
25 4.685 what is ongoing and what, you know, what's the total

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1 ongoing versus -- sorry.

2 MS. McCAMMON: Versus new?

3 MS. HEIMAN: Yeah?

4 MS. SCHUBERT: I can get that for you.

5 MS. HEIMAN: Okay. And your summary would
6 have been great. I mean, I was trying to follow the
7 numbers, but they were going by too fast and that summary
8 was great because it explained, you know, what was last
9 years versus this year. So last year we funded how much
10 for the Work Plan?

11 MS. McCAMMON: Eight point three million.

12 MS. HEIMAN: And this year we're spending
13 4.6 million?

14 MS. McCAMMON: Well, ultimately six,
15 between this meeting and December, the cap is six.

16 MS. HEIMAN: So things that say defer.....

17 MS. McCAMMON: Are until December.

18 MS. HEIMAN:would be in the six?

19 MS. McCAMMON: Correct.

20 MS. HEIMAN: Not out of the four?

21 MS. McCAMMON: Correct.

22 MS. HEIMAN: Okay, thank you.

23 MS. McCAMMON: Correct.

24 MR. RUE: So if you look on the spreadsheet
25 that has the Executive Director's recommendation it shows

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1 6.388, which is amended by the purple first page to
2 6.452.....

3 MS. McCAMMON: I know.

4 MR. RUE: That's okay, I get it.

5 MS. McCAMMON: And in the past we've come
6 in.....

7 MS. HEIMAN: Where are you getting this

8 6.388?

9 MR. RUE: One more forward. There's a

10 6.387.7, which is FY01, Executive Director's
11 recommendation.

12 MS. HEIMAN: Uh-huh.

13 MR. RUE: Two million of that is deferred
14 until December.

15 MS. HEIMAN: Okay.

16 MR. RUE: Am I tracking so far, roughly?

17 MS. McCAMMON: Uh-huh. (Affirmative)

18 MR. RUE: Okay. So the decision is about
19 \$4,000,000.

20 MS. HEIMAN: I got you, I'm with you now.

21 MS. McCAMMON: All right. And in the past,
22 at one time, we came in and said okay, just throw this out
23 and we're going give you new ones that have the new numbers
24 in it, but it turns out that most of the time people have
25 been scribbling on these.....

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1 MS. HEIMAN: Right.
2 MS. McCAMMON:and they have all their
3 notes.....
4 MS. HEIMAN: Notes, right.
5 MS. McCAMMON:and so they're looking
6 -- so I apologize for the paperwork.
7 MS. HEIMAN: No, but thanks for the
8 explanation.
9 CHAIRMAN BALSIGER: That's fine. Any other
10 questions?
11 (No audible responses)
12 CHAIRMAN BALSIGER: If not, let's move
13 forward, please, Molly, with your.....
14 MS. McCAMMON: Dr. Spies.
15 MR. RUE: Before we get going on this,
16 Molly, what our sort of schedule for the day? Do we have
17 one?
18 MS. McCAMMON: Basically we have to go
19 through the Work Plan, the 100 budget, there's the
20 archaeology report and additional funds for that. There's
21 the supplemental for the habitat and then dealing with the
22 revised procedures.
23 MR. RUE: We going to take a break for
24 lunch or we.....
25 MS. McCAMMON: We have lunch being

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1 delivered, we can take -- there's no executive session
2 planned, but we are having lunch delivered.

3 MR. RUE: Okay, so we can just kind of keep
4 on working.....

5 MS. McCAMMON: Yeah.

6 MR. RUE:and the public can suffer.
7 Okay.

8 MS. McCAMMON: For the amount of public
9 here there's probably enough.

10 CHAIRMAN BALSIGER: Thank you. Please,
11 Dr. Spies.

12 DR. SPIES: Well, good morning. I'm
13 pleased to be here, Mr. Chairman. What I'd like to do is
14 describe, in a summary state, kind of what the Work Plan is
15 about this year, referring particularly to the categories
16 of scientific effort that we're undertaking and try to put
17 a little bit of historical context on that. And then give
18 you a little bit of an update on the ecosystem status,
19 where we are with the recovery from the spill. And then go
20 into the components of the Work Plan by cluster.

21 As you are probably well aware, we are in a
22 transition period with the scientific program at the
23 present time and we've got different mixes of sciences.
24 We've moved along in the early days, of course, we were
25 focused mainly on the injury from the spill and trying to

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1 identify opportunities for restoration and tracking
2 recovery. As we moved on we saw that some species were not
3 recovering at the rate at which we had hoped they'd recover
4 and we had to ask why those species are not recovering.
5 And we took much more of an ecological turn than in about
6 1994, instituted large ecosystem projects at that stage and
7 we're still in the process of seeing the maturation and the
8 results of those sorts of studies come in to the process
9 and be considered.

10 At the same time we're administratively looking at
11 a lower budget and a transition into a long-term monitoring
12 program, or we're preparing for that and have been
13 preparing for that over the last couple of years, with
14 funding particular projects in the Work Plan that will help
15 us design a good program for the Trustee Council in the
16 coming years and be prepared to actually start sampling in
17 2003. And so it's a transition period that we're in right
18 now, we're reaping tremendous benefits, both in terms of
19 results from these studies that are guiding future
20 activities and also tremendous contributions to the peer
21 review literature. The scientific program has
22 approximately 330, I think perhaps even more now, peer
23 reviewed publications in the scientific literature, I think
24 a record that the Trustees can well be proud of. And we've
25 made solid contributions to management questions in a

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1 number of different areas, in particular, on the ground
2 restoration.

3 So what's the status of the ecosystem presently?

4 Well, the good news is that recovery is proceeding quite
5 well. However, there's some caveats, and a couple of
6 things that we should keep in mind. First of all, there
7 are still long-term effects in the ecosystem. Secondly,
8 there is still lingering oil in the environment. And,
9 third, we are kind of waiting for a boost from nature.

10 Let me start with that first point first and give
11 you some examples of some of the long-term effects. The
12 intertidal communities took a large hit, a lot of oil ended
13 up in the intertidal communities, there was a lot of
14 aggressive cleaning and we saw impacts in '89, '90 and '91
15 that were fairly severe and we've seen some recovery in
16 that direction but recovery is not complete. We still see
17 evidence of long-term effects in the intertidal,
18 particularly on things, like clams, that have not fully
19 recovered from the spill effects.

20 Another example is the sea otter. Sea otters
21 around Knight Island area took a very large hit at the time
22 of the spill. We still do not see prespill numbers of sea
23 otters around Knight Island. And I'll mention those again
24 in terms of oil exposure. Harbor seals and many seabirds
25 have not returned to prespill levels, particularly in

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1 Prince William Sound where they have been studied most
2 intensively. We note the Pacific herring has not returned
3 to prespill levels. We've have currently a very small
4 biomass of Pacific herring in Prince William Sound,
5 something around 30,000 tons. We still think that there is
6 a possibility of continuing injury to pink salmon and we're
7 actively investigating those with some continuing studies,
8 which I'll talk about when I get to the cluster in the Work
9 Plan.

10 The second point is that there's still lingering
11 oil in the environment. Because of the armored beaches
12 along much of the affected shoreline, because of retention
13 of oil by mussel beds, there is oil -- it's going down
14 fairly steadily, but it's going to be a long process for
15 that oil to completely disappear. It appears that there is
16 continuing oil exposure to some higher trophic level
17 organisms, such as sea otters, harlequin ducks and pigeon
18 guillemots. We have employed some sensitive biochemical
19 markers during the last four to five years and we see
20 elevations in enzymes that indicate exposure to oil and so
21 we continue to be concerned that. The physiological
22 implications or health implications of those are still not
23 clear. There's also probably some limited exposure to
24 intertidal flora and fauna, particularly from retained oil
25 under boulders and in mussel beds.

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1 And, thirdly, we're kind of waiting for nature to
2 do its things and to work its natural healing processes.
3 We know that these hydrocarbons that were spilled in '89
4 are going down, 11 years later there's still some in
5 pockets and we worry about the potential effects of those,
6 and they are slowly being oxidized by a number of different
7 processes and different sorts of energetic processes in the
8 environment and the oxidation from things like hydrocarbon
9 degrading microorganisms.

10 We're also, I think, waiting for a boost from
11 nature in that we now have good evidence that primary
12 productivity has been depressed during the '90s relative to
13 some earlier periods and we think that increasing the
14 primary productivity, possibly coming soon, if some of the
15 predictions of some the climatic models are correct, could
16 occur. But those models don't have a lot of predictive
17 power yet and haven't been tested very thoroughly.

18 So kind of given that series of caveats, let's move
19 into the Work Plan here.

20 MS. HEIMAN: Actually, Mr. Chairman, could
21 I ask some questions about that.....

22 CHAIRMAN BALSIGER: Yes, please.

23 MS. HEIMAN:before you go -- is that
24 okay.....

25 DR. SPIES: Sure.

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1 MS. HEIMAN:to interrupt you, because
2 it's an excellent report and I'm really glad that you're
3 putting a summary together now, I don't know if it's
4 required or that you just decided to do it, but it really
5 helps me because often people ask me, especially in
6 Washington, D.C., what's the status of the spill? And I
7 would love it if I could get that sort of on one page, just
8 sort of where we are in 2000 summer, you know, that I could
9 give to people and tell them.

10 I wanted to ask, is there any kind of map that
11 shows where the oil is still located in the Sound?

12 DR. SPIES: We have very detailed maps that
13 were put together by DEC back in '89 and '90 and '91, I
14 believe, I'm a little unsure about the total number, but
15 those are early on in the process, they were from the beach
16 walks. There is a proposal in this year's Work Plan to go
17 back and redo some of those and it won't be as complete and
18 as detailed, but it will be fairly detailed and I think
19 it'll provide the kind of information you're interested in.

20 MS. HEIMAN: Okay. And that's part of our
21 Work Plan this year.....

22 DR. SPIES: Yes, it is.

23 MS. HEIMAN:or already was approved?

24 MS. McCAMMON: This year.

25

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1 DR. SPIES: It's part of the -- it's a
2 proposed.....
3 MS. HEIMAN: And is that a new project?
4 DR. SPIES: It's a new project, yeah. It's
5 going back and repeating some of the past work.
6 MS. HEIMAN: And when you say we're having
7 trouble in the intertidal zones.....
8 DR. SPIES: Uh-huh.
9 MS. HEIMAN:is that mostly in Prince
10 William Sound?
11 DR. SPIES: Mostly that's been documented
12 in Prince William Sound, although the injury was throughout
13 the spill area.
14 MS. HEIMAN: And -- yeah, I know.
15 DR. SPIES: Right.
16 MS. HEIMAN: But as far as now where we're
17 still seeing the intertidal problems.
18 DR. SPIES: Right, we're doing -- most of
19 the investigation that's producing those data are focused
20 in Prince William Sound and we don't have much out outside
21 the Sound.....
22 MS. HEIMAN: Uh-huh. Oh, I see, I see.
23 DR. SPIES:to either rule in or rule
24 out those continuing injuries.
25 MS. HEIMAN: I see. Now, when you do this

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1 mapping project that's in this year's Work Plan, will that
2 also show those areas where we're having intertidal
3 problems or.....

4 DR. SPIES: Yeah, it's almost all
5 intertidal work.

6 MS. HEIMAN: Okay.

7 DR. SPIES: All right.

8 MS. HEIMAN: All right. Thank you very
9 much.

10 DR. SPIES: Okay, sure.

11 MR. RUE: A couple of questions also. The
12 predictive models you've talked about, is it the idea that
13 we're going to see more sandlance, caplin with a cooling of
14 the Gulf versus pelagic.....

15 DR. SPIES: We think that's part of it.
16 There's a Japanese worker called Minobe, and Phil Mundy, in
17 fact, the Science Coordinator, has been on this issue
18 pretty well and looking into the planning for GEM and
19 looking into how we -- as you probably know we have what we
20 call a conceptual foundation in the GEM plan that kind of
21 lays out some of the ideas about how the system may be
22 working. One of those ideas is that there's long-term
23 fluctuation in the climate and Minobe was able to resolve
24 some of those fluctuation in the climate based on
25 barometric pressure changes into a couple of different

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1 signals.

2 One that varies on a period of about 20 to 30 years
3 and another one on a period of about 50 years. And those
4 things are headed in the direction -- if our conceptual
5 model is right, and this is very speculative, but if our
6 conceptual model is right, those are headed in the
7 direction of possibly seeing some increases in inshore
8 productivity. And it does relate to the cold water changes
9 as well. As you probably heard, caplin are widely
10 distributed this year and we haven't seen large numbers of
11 caplin for some time on a consistent basis in the spill
12 area.

13 MR. RUE: Uh-huh. The other one I was
14 curious about, and I probably should know more about this
15 right now without having to ask you, but the low tolerances
16 that pink salmon seem to have for oil, one of the more
17 interesting results from some of the Auke Bay lab work.
18 Has there been any further documentation, arguments, where
19 are we with that issue? We're seeing a lot of issues
20 today.

21 DR. SPIES: Yeah, there's quite a bit of
22 study results and there still is a very active area, a very
23 controversial area still and I can probably best address
24 that when I talk about the pink salmon cluster.....

25 MR. RUE: Okay.

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1 DR. SPIES:and some of the projects
2 that are continuing to address part of that.

3 MR. RUE: Okay, good.

4 MS. HEIMAN: Can I just ask a very quick
5 follow-up to what Frank was talking about. Are the
6 temperatures cooling in the Gulf? I mean, I've been going
7 over this a lot, but I'm just -- is this just this year or
8 is this part of the Pacific Decadal Oscillation?

9 DR. SPIES: I haven't seen the temperatures
10 from this year, but they have generally been cooling over
11 the last couple years relative -- because we have this El
12 Nino, La Nina phenomenon and we did have very warm
13 temperatures several years ago and it's cooling off
14 relative to that.

15 MS. HEIMAN: Okay.

16 DR. SPIES: These cycles seem to be
17 superimposed, you got this four to five year cycle and you
18 got 20 to 30 year cycles and you got 50-year cycles, so
19 it's not a simple picture.

20 MS. HEIMAN: Okay. I know, that's why I
21 don't know -- that's why when I ask this question I don't
22 -- I keep getting confused because, you know, when we look
23 at certain time frames it looks like it's warming,
24 then.....

25 DR. SPIES: Yeah.

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1 MS. HEIMAN:now here it's cooling.

2 DR. SPIES: Well, when we first started
3 looking into this, you know, some of the first ideas the
4 scientists had is we would flip-flop back between one
5 regime and the next regime and we saw a big shift in '78.
6 And if you look at Minobe's data, all -- everything is
7 moving in the right directions to produce that kind of
8 major dramatic shift. But it's not just an A or B, it's
9 complicated, I mean, these things are adding in different
10 ways and subtracting in different ways over time, so it's
11 not just one state or the next state.

12 MS. HEIMAN: Uh-huh. And so are the trends
13 going to continue, is that's what is expected in the Gulf?

14 DR. SPIES: Yeah, we expect these long-term
15 changes.

16 MS. HEIMAN: The cooling?

17 DR. SPIES: Exactly what they'd be and
18 whether we can predict them we don't know, we don't have a
19 lot of confidence yet.

20 MS. HEIMAN: But the cooling is expected to
21 continue for.....

22 DR. SPIES: That I can't answer.

23 CHAIRMAN BALSIGER: So just to be clear,
24 you're not making any statements relative to global warming
25 right now?

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1 (Laughter)

2 DR. SPIES: No, I'm not.

3 CHAIRMAN BALSIGER: Okay.

4 DR. SPIES: That's one of the other long-
5 term trends, though.

6 MS. HEIMAN: So there's global warming,
7 there's the Pacific Decadal Oscillation and then there's
8 Minobe, or however you said, his study. What else is
9 there?

10 MS. McCAMMON: La Nina, El Nino.

11 MS. HEIMAN: Okay.

12 DR. SPIES: Basically -- there's three
13 things based on temperature, there's a long-term global
14 warming that we call it, it's about 160 years of relatively
15 continuous increase of about a degree over a century. Then
16 there's the 20 to 30 year Pacific Decadal Oscillation, as
17 it's called, and then there's this roughly four to five
18 year La Nina, El Nino cycle. And Minobe looks at not
19 temperature, it's barometric pressure.

20 DR. MUNDY: Sea level pressure.

21 DR. SPIES: Yeah. But the two are related.

22 MS. HEIMAN: And the Pacific Decadal
23 Oscillation shows also cooling as well?

24 DR. SPIES: No, I don't think so.

25 MS. HEIMAN: Maybe I'll ask.....

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1 MS. McCAMMON: Yeah, it's hard to comp.....

2 DR. SPIES: The cooling appears to be

3 related to La Nina right now.

4 MS. HEIMAN: Okay. And that's four to five

5 year period?

6 DR. SPIES: Yeah, on average.

7 MS. HEIMAN: Thank you. Sorry.

8 DR. SPIES: Okay. No.

9 (Off record comments - re: microphones)

10 CHAIRMAN BALSIGER: We still have people on

11 the telephone, do we not? Is there still someone in

12 Kodiak?

13 (No audible responses)

14 CHAIRMAN BALSIGER: Is there anyone in

15 Juneau?

16 MR. MEACHAM: You have me in Juneau but,

17 boy, there's a lot of static on for some reason.

18 CHAIRMAN BALSIGER: I think that we're just

19 working with the microphone for the speaker to use that

20 addresses the telephone, so probably until he gets it

21 clipped on his belt you'll hear some static, but I just

22 wanted to be certain you were there.

23 DR. SPIES: Hopefully you won't get a lot

24 of feedback, Chuck, but let me know if it persists, maybe

25 putting it on my tie here will help.

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1 (Off record comments - re: microphones/feedback)

2 DR. SPIES: Okay, I'll be going through by
3 cluster, and we traditionally start with the salmon. And,
4 as you'll recall, we've broken down and categorized some of
5 the projects under sources of activities of the Restoration
6 Program. For pink salmon we've got two, one is to research
7 and monitor toxic effects of the oil and the second
8 provides better management information for pink salmon
9 fishery.

10 So let's start with the first one. There's three
11 projects there. Conclude Project 454, which is the NOAA
12 sponsored project, looking at persistent oil contamination
13 in some of the stream mouths and seeing if the oil is
14 available, and apparently some of the oil is still
15 available -- hope this kind of answers your question,
16 Frank, some of the oil appears to be still biologically
17 available that's in those stream mouths.

18 There's also some discussion about the mechanism by
19 which the oil on the stream banks gets to the bottom of the
20 stream to affect the eggs. And we now have pretty good
21 evidence that, in fact, it's happening with the movement of
22 water through the boulders at the base of the stream.

23 So we're recommending a conclusion of 454 that's
24 investigating oil availability and that also includes some
25 work on the biomarkers that look at the induction of

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1 enzymes that are sensitive to oil.

2 Project 476 which is another oiling project with
3 pink salmon, is a continuing project and we're looking at
4 the effects of oil incubation on reproduction. And one of
5 the objectives over the next couple of years is to see, in
6 fact, if the F-2 generation, that is fish who are the
7 offspring of parents who were exposed as young, so this is
8 not the first generation, but the second generation, are
9 showing any effects due to previous exposure. And that's
10 being conducted at the Auke Bay Lab.

11 Project 492 addresses some of these controversies
12 that have been raised between Trustee sponsored scientists
13 and Exxon sponsored scientists. There's been a paper
14 published by a couple of Exxon biologists, or Exxon
15 sponsored biologists, that have alleged that the embryo
16 studies on which we base the injury to the early life
17 stages are biased and that, in fact, the dead eggs were
18 killed by the sampling is the assertion. And we're taking
19 this quite seriously and there is a focused study that's
20 going to look at this specific question.

21 Under the provide better management information for
22 pink salmon, we're proposing and recommending a
23 continuation of Project 190, which is the genetic linkage
24 map for the pink salmon genome. This project has been
25 going on for some time, it's been very successful, it's

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1 mapped quite a few of the traits on the chromosomes of the
2 pink salmon genome and there are fish out there that result
3 from familiar crosses that's going to let us know a little
4 bit about the differential survival value of some of those
5 traits that have been mapped for the pink salmon genome.
6 So those fish are to sea now and this project provides
7 funding for the processing of -- making crosses and
8 processing genetically the material gained from those
9 crosses.

10 And, secondly, we're proposing to conclude --
11 recommending conclusion of Project 366, which is remote
12 video monitoring of escapement of pink salmon. This has
13 been a relatively successful project that's looked at
14 developing remote video technology to partially supplement
15 or completely replace monitoring of pink salmon escapements
16 to streams.

17 Any questions on that particular cluster?

18 MS. HEIMAN: Mr. Chairman.

19 CHAIRMAN BALSIGER: Ms. Heiman.

20 MS. HEIMAN: So how does this video project
21 exactly work?

22 DR. SPIES: There's a remote video set-up
23 on a stream that also has a weir and it's comparing the
24 counts from the videotape that is reviewed once it gets
25 back -- it's retrieved from the field and reviewed back at

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1 Fish and Game headquarters and they compare those with the
2 amount of fish that have gone through the weir.

3 MS. HEIMAN: It's underwater?

4 DR. SPIES: No, it's sits on a tower and
5 looks down on, through the water and counts the fish that
6 can be seen, the water's quite -- it's a clearwater stream
7 that it's on.

8 MS. HEIMAN: So you actually can see in the
9 video.....

10 MR. RUE: Probably put a white board, a lot
11 of them have like a white.....

12 MS. HEIMAN: Underneath?

13 DR. SPIES: There's a white board.

14 MS. HEIMAN: Something so that you can see
15 the.....

16 MR. RUE: Yeah. Well, like on the bottom
17 so that you can see the fish as they come across there.

18 MS. HEIMAN: Uh-huh. And the purpose is to
19 count the fish and you'll be able -- so will you need to
20 have somebody stand there if you have a video?

21 DR. SPIES: Right, and it's potentially a
22 cost-effective means of doing this thing. I think Fish and
23 Game would be interested if they could somehow under these
24 kinds of scenarios and tight budgets could have a tool that
25 could help them do some of their work at a little less

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1 cost.

2 MR. RUE: Right. We have very few -- when
3 you look around the state and the number of streams, the
4 number we actually count escapement is pretty small. This
5 would allow you an inexpensive way to get an accurate count
6 of spawning escapement. Right now we do a lot of pink
7 salmon sampling by flying, kind of looking out an airplane,
8 which is not a very precise method. This could be a very
9 inexpensive, but way more precise method. And you can see
10 \$11,000 is fairly inexpensive. That's not whole cost.

11 MS. HEIMAN: Right, that's not the
12 maintenance or the running of it or the project.

13 MR. RUE: No, but.....

14 DR. SPIES: There's also a component of
15 this that might be carried on in the future relative to
16 using microwave transmission to send real-time data back to
17 Fish and Game headquarters rather than just relying on
18 retrieving the videotapes, so that's potential future
19 refinement of this kind of thing.

20 MS. HEIMAN: Right.

21 DR. SPIES: Okay. The Pacific herring
22 cluster. Molly mentioned a project here that I'll discuss
23 as well. There's two general categories here and a project
24 under each. The first is to investigate the causes of the
25 crash that occurred in '93-94. And we have sponsored a

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1 long-term study that's being concluded in 01, it's effect
2 of disease in population recovery. It's being done by
3 Carey Marty, UC Davis, in cooperation with Department of
4 Fish and Game. There's been very good results from that
5 study and some recommendations relative to some of the
6 pound fisheries for Pacific herring.

7 The next category is the investigate ecological
8 factors. If you recall from last year what we did was
9 sponsor Brenda Norcross, University of Alaska-Fairbanks, to
10 summarize where we were with pink salmon. She was one of
11 the leaders in the SEA Project that is concluding now and
12 she is looking at the whole -- all the information that we
13 have about Pacific herring, their role in the ecosystem and
14 how we can best understand the way those populations
15 function out there and to make recommendations as to what
16 to do next. We had last year a whole series of different
17 proposals that followed on, and it's very difficult to try
18 to relate on to the other to make any kind of priority
19 between those proposals. So she's just finishing this now,
20 and we're going to follow up on that this following year.
21 As you heard, the Public Advisory Group is quite interested
22 in seeing something going on there on the ground, so there
23 is a proposal to set aside \$85,000 for potential projects.

24 Now, in the invitation we did not ask for any
25 herring projects, so the idea here is if there's something

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1 that's apparent to be done, that we would issue some sort
2 of limited further invitation.

3 Any questions on herring?

4 MR. RUE: I'm just actually questioning the
5 amount of money, 100 versus 85 to show.....

6 MS. McCAMMON: Mr. Chairman, originally we
7 had 15,000 in there for a second workshop this winter and
8 so if we were actually going to do some kind of field work
9 then we added 85,000 to the original 15, so that's how we
10 got 100, but it's all speculative, we don't really know.
11 But we should get this report some time in September and
12 we'll have an idea then about what kinds of activities
13 might be useful to go forward with.

14 MS. HEIMAN: So do we have the money to
15 fund everything that says defer by it? That we're
16 deferring?

17 MS. McCAMMON: No.

18 CHAIRMAN BALSIGER: Not quite.

19 MS. HEIMAN: What is the amount difference?

20 MS. McCAMMON: Three hundred thousand,
21 approximately.

22 DR. SPIES: SEA and related projects. SEA
23 refers to the Sound Ecosystem Assessment, we had a large
24 project that ran for seven years, this is being wrapped up
25 this year and so this is kind of follow on work mainly from

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1 that project. It's looking at the factors that affect age
2 class strength of Pacific herring and pink salmon in Prince
3 William Sound.

4 Two categories here, investigating ecological
5 factors and developing monitoring techniques. Under
6 ecological factors we're recommending to you to conclude
7 Project 389. 389 was a project that developed a three-
8 dimensional ocean simulation or circulation model of Prince
9 William Sound and that's been very successful. During the
10 SEA Project they only really had money enough to run that
11 for one of the four years of intensive field work, so this
12 is to fund rerunning the input data during those years and
13 hopefully reap some benefit in terms of relating that back
14 to some of the biological phenomenon that were documented
15 during the period.

16 At the same time we're putting in place a piece of
17 the foundation I think we're going to need for the future
18 in terms of having these circulation models in coastal
19 environments, that those are really building blocks because
20 they determine the way things move in the Sound and
21 interact with the biological system, so they're very
22 important. And part of this project, actually, has
23 included using, for instance, the spawning areas of the
24 Pacific herring and looking at where the larval herring
25 would be distributed around the Sound and that's a really

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1 good tool to follow on development and interact with some
2 of the Pacific herring research that needs to occur for us
3 to fully understand those populations.

4 The second category, developing monitoring
5 techniques. We're recommending continuation of Project 195
6 which is pristane monitoring in mussels. This project is
7 showing very promising results in that the pristane that's
8 accumulated in the mussels, because of the circumstances of
9 where the juvenile pink salmon are on the inshore area
10 feeding on -- avoiding predators and feeding on
11 accumulations of inshore plankton, the overlap of the
12 mussels with those -- in that environment with the pink
13 salmon allows us to make some predictions that appear to be
14 relatively promising in terms of large amounts of pristane
15 in the mussels, indicate a pretty healthy age class
16 development in pink salmon. And there's been
17 relationships, significant relationship found between the
18 survival in the returning salmon and the amount of pristane
19 in mussels. A very innovative project, it's also being
20 integrated with Project 452, the third one down, which has
21 been deferred pending development of a more detailed
22 integration plan in the DPD between 452 and 195.

23 But I might skip to 452, it is a hydroacoustic
24 assessment of pink salmon and plankton in the nearshore
25 areas that we're proposing to integrate with 195. It was

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1 submitted by the Prince William Sound Science Center under
2 a different banner that -- with slightly different kinds of
3 objectives, but we think it makes sense and this was
4 identified during the peer review process to link those two
5 together.

6 Skipping back to 393, that's the second one down,
7 that's that food web structure and change in Prince William
8 Sound, we've funded this for a couple of years and we're
9 deferring that project simply to evaluate the data that's
10 just now coming out of that project to see what kind of
11 progress has been made before making a final recommendation
12 to you in December.

13 Project 552 which is a measurement of an
14 oceanographic exchange between Prince William Sound and the
15 Gulf of Alaska, we think an important ongoing process to
16 monitor on an annual basis. This is being recommended for
17 continuation as well.

18 MR. RUE: Mr. Chairman.

19 CHAIRMAN BALSIGER: Yes, Frank.

20 MR. RUE: A couple of questions on these.
21 One, sort of the difference between a funding contingent
22 and deferring? Some of these sounds like it's some of the
23 similar issues.

24 MS. McCAMMON: A fund contingent usually is
25 a report that's late, missing a manuscript, that's almost

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1 all of them, I think, for the fund contingents.

2 CHAIRMAN BALSIGER: But that's wrapped into
3 the \$4.3 million?

4 MS. McCAMMON: Yes.

5 CHAIRMAN BALSIGER: Fund contingent?

6 MS. McCAMMON: Yes.

7 MR. RUE: Yeah, okay, we're assuming. Then
8 the other question, is there some of these projects that
9 look at sort of fundamental processes in the Sound which
10 could have implications for a long-term research program,
11 are they saying how often you ought to go back and revisit
12 it to make sure your model, you know, that measured
13 processes during a five-year stretch may or may not be
14 representative of a 50-year time frame. Are they saying we
15 ought to go back and recalibrate, relook?

16 DR. SPIES: We had that very much in mind,
17 you know, tell us -- having some of these projects that are
18 ongoing, gathering data, please analyze your data and to
19 tell us how often we should be sampling.

20 MR. RUE: Yeah, so it's once every 10 years
21 or every year or whatever.

22 DR. SPIES: Right, exactly.

23 MR. RUE: Okay. So we'll have
24 recommendations at the end of these.

25 DR. SPIES: Yeah, in fact, there's a

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1 harlequin duck project that I'll talk about where we asked
2 them to please make some recommendation because you're
3 recommending \$80,000 worth of work every year, do we have
4 to do this every year. Do we have to do this every year?

5 MR. RUE: Right.

6 DR. SPIES: We don't have the analysis done
7 yet to know whether we have to do it every year.

8 MR. RUE: Right. I'm thinking for GEM over
9 the long term there may be some things that we need to
10 just.....

11 DR. SPIES: Yeah, exactly, with limited
12 amount of funds you want to make sure that you're not
13 spending more money than you really need to get the data.

14 MR. RUE: Well, not only that, but
15 anticipating costs so that you're ready to put them back in
16 the water and, you know, every increment of time that makes
17 sense.

18 DR. SPIES: The next cluster is cutthroat
19 trout/Dolly Varden and other fish and just one category.
20 The scientific area there is investigate ecological
21 factors. Three projects there, Project 396, which is the
22 shark assessment project and this is trying to understand
23 populations of salmon and sleeper sharks that have
24 apparently increased in Prince William Sound and perhaps
25 through the greater part of the northern Gulf of Alaska in

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1 the last 10 to 15 years. And we've simply deferred that
2 project until we can see some results from this current
3 effort this year to see if some of the somewhat challenging
4 objectives that are laid out for that project can actually
5 be met.

6 Project 404 are the archival tags, king salmon, and
7 the next project, 478, are related. These are being
8 proposed by the Department of Interior, Jennifer Nielsen, a
9 very competent investigator. As you remember, you voted --
10 recommend funding Project 478 last year and because of some
11 funding delays, transferring funds and so forth, it's off
12 to a little bit of a late start. What we're recommending
13 is that we conclude this project this coming fiscal year,
14 but not start Project 404, which is not the same technology
15 but a similar technology, but by the same investigator,
16 using archival tags rather than satellite tags that we kind
17 of get 478 completed or well underway before we start the
18 next project and that's the reason for the consideration of
19 deferral.

20 MS. HEIMAN: Is the 478 the halibut? I'm
21 just trying to flip through here.

22 MS. McCAMMON: Yes.

23 DR. SPIES: Yes.

24 MS. HEIMAN: That's the old project and
25 this additional funds that you needed for that project?

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1 MS. McCAMMON: Yes.

2 DR. SPIES: That includes.

3 MS. McCAMMON: She got started late.

4 MS. HEIMAN: Right. And she explained that
5 to me and, you know, we talked about how we need to have it
6 a year cycle so that we can see what's happening with the
7 light and that was the whole purpose of that study.

8 DR. SPIES: Right.

9 MS. HEIMAN: So what you're suggesting --
10 she was saying that something like if she starts this
11 September, which is something she thinks they'll actually
12 start with the review, I think that's right, was in like
13 Sep.....

14 MS. BOHN: It was August.

15 MS. HEIMAN: August, September that we
16 would do it for a full cycle, until August again.

17 DR. SPIES: These are the satellite tags on
18 the buoys?

19 MS. BOHN: And the halibut and, yes, on the
20 buoys.

21 DR. SPIES: Right.

22 MS. HEIMAN: So are you saying that we
23 would wait until next September to start the pink salmon or
24 wait until you have some data from the work she's doing and
25 then.....

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1 DR. SPIES: We just want to see some
2 progress.
3 MS. McCAMMON: Right. We deferred until
4 December.
5 MS. HEIMAN: Okay. And then the other --
6 it's fund contingent on the 6.9 because you're still
7 waiting on something from her? I'm sorry, that's the 6.9
8 million -- I mean, thousand, so you get 1478. It says fund
9 contingent.
10 MS. McCAMMON: The contingency.....
11 MS. HEIMAN: I'm looking at an old list
12 maybe.
13 MR. RUE: No, no.
14 DR. SPIES: 478?
15 MS. McCAMMON: The contingency has been
16 removed, it's a fund now.
17 MR. RUE: Yeah, it's a fund.
18 MS. HEIMAN: Okay, great, sorry. That's
19 right.
20 MR. RUE: On the shark, what was the deal
21 with deferring sharks?
22 DR. SPIES: We just want to see some
23 data.....
24 MR. RUE: This year, that's right.
25 DR. SPIES:this year to see if they

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1 are going to meet some of the objectives.

2 MR. RUE: Okay, got you.

3 DR. SPIES: They have some fairly ambitious
4 objectives there.

5 MS. HEIMAN: Great, thank you.

6 DR. SPIES: Next is the marine mammal
7 cluster.

8 MS. McCAMMON: Diving.

9 DR. SPIES: They're diving, yeah.

10 (Laughter)

11 DR. SPIES: Two categories there, research
12 and monitor populations and then develop monitoring
13 techniques. And the first group we have one killer whale
14 investigation, it's a long-term investigation that's going
15 on and there's quite a bit of interest in the recovery of
16 the AB pod that took quite a precipitous decline at the
17 time of the spill.

18 And the next project is 064 which is the harbor
19 seal monitoring habitat trophic level and that is deferred
20 just based on, again, some promised manuscripts submitted.

21 The next four projects are all projects on harbor
22 seals, as well. Project 245, which is a harbor seal
23 biosampling -- although we have quite a few harbor seal
24 projects that are concluding next year and we were a little
25 uncertain as to whether we should be continuing Project 245

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1 to continue to get the Native hunters to supply tissues
2 that can be used by harbor seal investigators, we have
3 quite a bit of support for that project and we were asking
4 particularly about whether investigators continue to need
5 tissues from harbor seals during this fiscal year, and the
6 answer seemed to be a resounding yes, they do. And so
7 we're recommending that the harbor seal biosampling go on,
8 even though we don't have a lot of harbor seal projects in
9 the water during that particular year. We believe that
10 harbor seals are a likely candidate for some of the GEM
11 studies for a variety of different reasons and so we would
12 like to see a continuous archive of these tissues that
13 might be useful to answer questions in the future.

14 MS. HEIMAN: Were you saying you were
15 having difficulty with the hunters? Or what is the diff --
16 I forget what the difficulty exactly is to get the data.

17 DR. SPIES: Well, we don't have a lot of
18 active EVOS projects investigating harbor seals in the
19 field in this particular fiscal year, 2001, so we wondered
20 why do we really need the biosampling to continue during
21 that period.

22 MS. HEIMAN: I see. I see.

23 DR. SPIES: And so we sent letters and
24 asked for letters of support from the scientists that might
25 possibly use these tissues. It got quite a bit of support,

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1 more than -- it fairly surprising how many people that they
2 will use this in the future.

3 MS. HEIMAN: Right.

4 DR. SPIES: Given the fact that we think
5 we're going to be doing something with harbor se.....

6 MS. HEIMAN: Is it possible that those
7 folks that are collecting those samples could also be
8 collecting -- they take a tissue sample or are they just
9 taking -- do you know what kind of samples they're taking?

10 DR. SPIES: There's a whole host of.....

11 MS. HEIMAN: They go through the whole
12 thing, lung and liver and all that stuff?

13 DR. SPIES: Yeah, it's kind of like a
14 taking a pig, everything but the squeal.

15 MS. HEIMAN: I just did it yesterday,
16 actually, in Barrow. We sampled a seal, so that's why I'm
17 asking.

18 DR. SPIES: Yeah.

19 MS. HEIMAN: And is it -- so you're going
20 to send that stuff based on what these scientists are
21 interested in looking at?

22 DR. SPIES: Right, in the future. And that
23 way we could use brains, or we could use intestines or we
24 could use the thyroid gland.

25 MS. HEIMAN: Well, we have.....

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1 MS. McCAMMON: And then get archived.

2 MS. HEIMAN: Right. We have a tissue
3 archival project U.S.G.S. is doing and we're archiving the
4 tissue purposefully for contaminants.

5 DR. SPIES: Right.

6 MS. HEIMAN: And it would be -- I would
7 really like to know a little bit more about how we can get
8 some of that information that's already being taken, you
9 know, and also do some of these contaminants, look at them,
10 you know.

11 DR. SPIES: Uh-huh.

12 MS. HEIMAN: You know, if you're already
13 going to take the tissue and test if for some things, it
14 seems like adding a few other tests to it for contaminants
15 might not be.....

16 DR. SPIES: And if they're collected in the
17 right way, using clean techniques.....

18 MS. HEIMAN: Right.

19 DR. SPIES:and they won't get
20 contamination and chain of custody.

21 MS. HEIMAN: Could we talk about that a
22 little bit more because.....

23 DR. SPIES: Sure.

24 MS. HEIMAN: Yeah, I would really like to
25 figure out ways if we have ways to collaborate on what's

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1 already being done.

2 DR. SPIES: I can't tell you offhand
3 whether any of those tissues that have been collected under
4 the harbor seal project have been used for contaminants.

5 MS. HEIMAN: Marianne was there, too, she
6 was holding the guts and the liver and stuff, too, she was
7 right there with me.

8 MR. RUE: Should we have lunch, guys?

9 (Laughter)

10 MS. McCAMMON: It's spaghetti.

11 DR. SPIES: So just to conclude that
12 particular subsection there. Those last three projects on
13 there, 341, 371 and 441 are all studies that were carried
14 out mainly at the Alaska SeaLife Center and these are being
15 recommended for conclusion in fiscal year 01.

16 The next category is develop monitoring techniques
17 and that project is recommended to you. This is a SeaLife
18 Center project investigating endocrine and immune system
19 function. And this goes back to the question of
20 contaminants again, because one of the things that these
21 systemic organic contaminants can cause is impairment of
22 the immune function and also interference of hormones and
23 this looks at thyroxin and some of the corticoid steroids
24 that are manufactured in the adrenal glands and also looks
25 at the circulating hemoglobins in the blood stream and

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1 relates those back to the contaminant burden that the
2 animal is carrying.

3 CHAIRMAN BALSIGER: This project's brief
4 abstract refers to involvement of the Alaska Native Harbor
5 Seal Commission. I was wondering, is that involvement
6 collecting samples, is that some of the.....

7 DR. SPIES: Yeah, that would actually be
8 Project 245, I believe.

9 CHAIRMAN BALSIGER: It's under 558, the
10 brief abstract talks about Alaska Native Harbor Seal -- but
11 mostly it looks as if it's in.....

12 DR. SPIES: Right, the Harbor Seal
13 Commission is the entity that we fund through 245 there.

14 MS. McCAMMON: But I think in 558, the idea
15 is to compare samples from harvested animals versus samples
16 taken from live animals and do some comparisons there.....

17 DR. SPIES: And there will be some of that
18 in there.

19 MS. McCAMMON:and so that the samples
20 are being provided through the Harbor Seal Commission,
21 yeah.

22 CHAIRMAN BALSIGER: Thank you.

23 MS. McCAMMON: But I think what Marilyn
24 brought up on 245, though -- I mean right now there is no
25 comprehensive contaminant sampling in the state and if

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1 there's not a particular researcher requesting a sample for
2 something those samples probably aren't being taken.

3 MS. HEIMAN: Sitting in a freezer.

4 MS. McCAMMON: Well, I don't even know if
5 the right kind of tissue is being taken and archived for
6 any future program that might develop.

7 MS. HEIMAN: You mean with this project
8 right here or with other projects?

9 MS. McCAMMON: With any other project.

10 MR. RUE: No, forever. For the archival
11 record.

12 MS. HEIMAN: No, we are.

13 MR. RUE: Every year you take them?

14 MS. HEIMAN: Yeah, we have -- I wouldn't
15 say thorough, we have a tissue sampling program, if we're
16 working with the North Slope Borough, for example, we have
17 -- and I am working very hard right now to get funding to
18 analyze that stuff that's sitting in the freezer, actually,
19 so -- I mean, yes, we are working on this and there is a
20 comprehensive program, we're trying to make it more
21 comprehensive, so that I want to talk about it.

22 MS. McCAMMON: I understand, but what we
23 could do is see whether the right tissues, when they are
24 taking samples from these harbor seals they take ones in
25 response to our researchers. And if those particular

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1 researchers are not doing any contaminants work, I don't
2 know for sure if they're taking the right kinds of samples
3 that then would be archived.

4 MS. HEIMAN: Oh, I see, so you're.....

5 DR. SPIES: In addition, they have to take
6 them with.....

7 MS. HEIMAN: That's what I'm -- and that's
8 why I'm saying I would like to talk to you about how we
9 could coordinate.....

10 MS. McCAMMON: So we can follow up on that
11 and see if that can be done.

12 MS. HEIMAN:and collaborate, yeah.

13 MR. RUE: Does DEC or EPA have a program to
14 collect samples around the state?

15 MS. HEIMAN: No, just U.S.G.S., it's
16 actually an MMS funded project and U.S.G.S. is doing the
17 work and we really need to do a better job in figuring out
18 a more comprehensive approach, so this could tie into that.

19 MR. RUE: Because there's food issue here,
20 too, besides just mammal health.

21 MS. HEIMAN: What they're eating in.....

22 MR. RUE: Right, if they're eating them and
23 then.....

24 MS. HEIMAN: Oh, I see, yeah.

25 MR. RUE: Because there's another level in

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1 the food chain here. Two levels.

2 MS. HEIMAN: Yeah, and maybe for -- you
3 know, as we figure this out we can -- for next year, not
4 this year's funding, but as we do next year's try to make
5 it, you know some of this fit in with what we are doing.

6 DR. SPIES: And that could well fit in with
7 the GEM Program, too.

8 MS. HEIMAN: Yes.

9 MS. McCAMMON: Because in the GEM Program
10 we are talking about contaminant sampling throughout the
11 food chain and geographically and coordinating that.

12 MR. RUE: And, Marilyn, I have some things
13 in my freezer you could sample, too.

14 MS. HEIMAN: Okay, thank you.

15 (Laughter)

16 MR. RUE: Check them out, they're not
17 labeled.

18 MS. HEIMAN: They're not labeled.

19 DR. SPIES: The other part of that is
20 you've got to take the tissues in the right way. It's
21 quite possible to contaminate with the chainsaw, exhaust or
22 some other sort of.....

23 MS. HEIMAN: No, that's right, that's
24 right.

25 DR. SPIES:you have to have some.....

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1 CHAIRMAN BALSIGER: He's referring to your
2 butchering style, I think, Frank.

3 (Laughter)

4 MR. RUE: Yeah, on my fish?

5 MS. SEE: And that's why we were shown the
6 protocols when we were in Barrow was just to be shown the
7 contaminants protocols, they're very rigorous just for that
8 reason.

9 DR. SPIES: Right. Can't just throw them
10 in the back of your ATV and haul them down the road.

11 MS. SEE: Even to the type of bag you use,
12 yeah.

13 DR. SPIES: Yeah. Okay. Are there any
14 further questions on this cluster?

15 (No audible responses)

16 MR. RUE: We going to take a short break
17 here?

18 MS. McCAMMON: Lunch is here.

19 CHAIRMAN BALSIGER: Well, lunch is here, so
20 would the Trustees like to take a break between marine
21 mammals and seabirds, is that where we are?

22 MR. RUE: Yeah, I think that's a good idea.

23 MS. HEIMAN: I do, too.

24 MR. RUE: Fifteen minutes?

25 MR. MEACHAM: This is Chuck Meacham, I'm

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1 going to go ahead and sign off now, but thank you very
2 much.

3 MS. McCAMMON: Are you going to rejoin us,
4 Chuck?

5 MR. MEACHAM: I don't think I will be.

6 MS. McCAMMON: Okay.

7 MR. MEACHAM: Thank you.

8 CHAIRMAN BALSIGER: Thanks, Chuck.

9 MR. MEACHAM: Uh-huh, bye now.

10 CHAIRMAN BALSIGER: Is anyone else on the
11 telephone line?

12 MS. PILLIAN: Valerie is still here also.

13 MS. McCAMMON: You'll call back in?

14 MS. PILLIAN: Yeah.

15 MR. ROTH: Barry Roth still here.

16 MS. McCAMMON: Barry Roth, okay.

17 CHAIRMAN BALSIGER: Okay, thank you. We're
18 going to take a 15-minute break or until, let's.....

19 MS. McCAMMON: 12:30?

20 CHAIRMAN BALSIGER: 12:30 will be 20
21 minutes, so we'll make it a hard 20 minutes and soft 15,
22 how's that?

23 (Off record - 12:11 p.m.)

24 (On record - 12:34 p.m.)

25 CHAIRMAN BALSIGER: Dr. Spies, if you have

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1 sustained yourself, perhaps you could lead us into the next
2 segment?

3 DR. SPIES: Is there anyone on the
4 telephone?

5 MS. McCAMMON: Barry Roth from Interior, so
6 you do need to be wired.

7 DR. SPIES: Okay, I'll put this microphone
8 back on, didn't want to get mayonnaise and mustard on it.

9 So we had completed marine mammals just before the
10 lunch break. The next cluster is the nearshore ecosystem
11 cluster. Three categories there under this particular
12 cluster, first is research mechanisms limiting recovery and
13 then there's research and monitoring the recovery and then
14 investigate ecological factors.

15 Under mechanisms limiting recovery we're
16 recommending continuation of Project 290 which is the
17 hydrocarbon database that's maintained at the Auke Bay
18 Laboratory. Revise interpretive and archiving services for
19 any hydrocarbon data that's gathered under the auspices of
20 any of the EVOS Trustee Council projects.

21 We're recommending deferral of 486, which is mussel
22 bed and predators. And what this project was trying to do
23 was to try once again -- we have several times made an
24 effort to make linkages between the residual oil and the
25 mussel beds and the predators that may be feeding on them

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1 and this is a very difficult process in terms of sampling
2 because these mussel beds are widespread and the visitation
3 of a particular sea otter or pigeon guillemot may be very
4 transitory and so it challenges the sampling. Now,
5 investigators are actually -- had a relatively innovative
6 approach to try to put some video monitors out there, but I
7 think the view of most of the reviewers was that the kind
8 of information that would be provided by this would not be
9 enough, really, to hang your hat on. And given the cost of
10 this project it was somewhat of a lower priority in terms
11 of the other items in the Work Plan, so the recommendation
12 was to defer that project for consideration in December.

13 The next subcategory is monitoring recovery,
14 research and monitoring recovery. And a number of
15 different project under -- six projects there. We're
16 recommending deferral of Project 407, which is the
17 harlequin duck population dynamics and it was going back to
18 the -- Commissioner Rue, the questions you had about how
19 frequently do we do this and we asked them to please
20 consider some kind of power analysis as to how often you
21 need to sample and how frequently and this sort of thing.
22 Because they were proposing continuing sampling on an
23 annual basis or \$80,000 worth in fiscal year 01. So we're
24 hoping to get that kind of input and as to whether we need
25 to do that every year. That's the reason for deferral.

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1 Project 423 is population change in nearshore
2 vertebrate populations. That's an ongoing project that's
3 looking at such things as sea otters in Prince William
4 Sound, it's a follow-on from the nearshore vertebrate
5 predator project and some of the findings from there.

6 Project 534, the next project, is related to 423
7 and it is an examining of the evidence for induction of
8 P4501A in sea otters. And this is an enzyme that responds
9 to oil exposure and actually increases and you can measure
10 the increase of the enzyme or the increase in the enzyme
11 activity, good indication to exposure to contaminants. By
12 and large the PCBs have been -- is another group of
13 compounds that do induce this, they have been excluded
14 pretty much by past studies of some of the other predators
15 in the system, so we believe this indicates or is strong
16 support for a continuing exposure of low levels of
17 hydrocarbons in the sea otters on the west side of Prince
18 William Sound, so following up on that sort of work.

19 We're recommending beginning Project 543 and this
20 relates back to the earlier question from the Trustees
21 about how much oil is remaining in Prince William Sound.
22 This is in the intertidal project, and that's a two-phase
23 project. We're providing funds to actually spend some time
24 designing a project, we don't want to do exactly the same
25 thing that was done before, so we're going to have kind of

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1 a design and a workshop, if I recall, and then the full
2 budget for the project will come in the second step.

3 And we're recommending conducting Project 551 and
4 this is looking at marine algal species collected under the
5 Coastal Habitat Program in '89, '90 and '91. And this is
6 paying for the systematics of those algae that are
7 accumulated under that project and is kind of some of the
8 basic work that needs to be done to really fulfill the
9 contribution that the Trustee Council has made to our
10 knowledge of invertebrate and algal communities in the
11 northern Gulf of Alaska.

12 And, finally under this cluster, Project 599, which
13 is the evaluation of the Yakataga oil seeps and this
14 relates back to questions about the origin of residual
15 hydrocarbons in the bottom of Prince William Sound,
16 whether, in fact, those come from outside the Sound and
17 what the source might be. And there's somewhat of a
18 controversy that's been going back and forth between Exxon
19 chemists and chemists working for the Trustee Council as to
20 whether oil seep or coal or source rock of some sort, some
21 sort of natural source, might be contributing that
22 background. And that's an important question because it
23 relates to biological availability. If it is coal, like
24 our chemists are suggesting, and not oil then that has
25 different implications because coal is not biologically available.

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1 MS. HEIMAN: Coal is not what?

2 DR. SPIES: Biologically available. The
3 hydrocarbons that are in coal generally aren't absorbed
4 into the animals.....

5 MS. HEIMAN: Oh, I see.

6 DR. SPIES:the same way that
7 hydro.....

8 MS. HEIMAN: And they think that from what
9 data they have to date it might be coal and not oil?

10 DR. SPIES: Yes, there's some suggestions
11 of that. There's a lot of really detailed chemistry that
12 goes on with that and so there are arguments on both side
13 about ratios and this and that. That'll be concluded, if
14 you'll support that project, fiscal year 01.

15 And finally, investigating ecological factors,
16 Project 532, which is a retrospective analysis of nearshore
17 communities. We're recommending deferral of this. This
18 project was originally submitted back in April as a rather
19 ambitious program to look at a lot of different aspects of
20 nearshore communities, and captured some very interesting
21 questions about the fluctuation of those in relation to
22 climate and other sorts of factors, particularly over the
23 long term. The reviewers liked a lot of the ideas in
24 there, but they thought it was way too ambitious for the
25 amount of money that was proposed. We asked for a possible

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1 reconsideration by the principal investigator. We got a
2 more focused DPD earlier this summer and that is out for
3 review presently with someone that's very qualified to look
4 at questions of paleoecology (ph) and one of the basic
5 ideas here is take shells from middens that are along the
6 Katmai coast, some very good archaeological sites over
7 there and try to retrieve a kind of a record of climate
8 from some chemical measurements in the shells. A very good
9 reviewer is looking at that right now, we have not gotten
10 feedback yet.

11 CHAIRMAN BALSIGER: Before you move from
12 this, one of the projects that didn't get funded was the
13 long-term monitoring of intertidal communities and I
14 understand that this project is one that's monitoring
15 basically intertidal injury since the spill, I think.

16 DR. SPIES: Right.

17 CHAIRMAN BALSIGER: And the reason
18 indicated that it isn't being funded, it says that this
19 appears to be a normal agency management function. Of
20 course, this particular is a NOAA project and it's been
21 brought to my attention that this is not a normally funded
22 project by any part of NOAA and that in the absence of
23 these funds it probably won't be done. And I know it's
24 expensive, it's \$320,000, partly because it's extending
25 monitoring into some examinations of the use of this -- the

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1 utility of this for testing hypotheses.

2 DR. SPIES: Right.

3 CHAIRMAN BALSIGER: So I don't know whether
4 it's possible, if it was of interest to continue monitoring
5 without doing the rest of it, to separate out part of the
6 project or not. I don't know if you have enough of.....

7 DR. SPIES: That -- yeah, there's a number
8 of different aspects to consideration of this project. We
9 like the results that they've done. There was a basic
10 difference in the Trustee studies and the intertidal
11 studies that Gale Hazmack (ph) did and this is what you're
12 talking to, the continuation of those.....

13 CHAIRMAN BALSIGER: Yes.

14 DR. SPIES:in terms of design and
15 there's some differences of opinion on interpretations of
16 the data that's coming from this particular project and we
17 just look at the overall costs, the fact that NOAA has been
18 doing this for 10 years with their own funding.....

19 CHAIRMAN BALSIGER: Actually they've been
20 doing it with restoration funds and not NOAA funds.

21 MS. McCAMMON: Criminal funds.

22 CHAIRMAN BALSIGER: I'm sorry, criminal
23 funds, not with NOAA funds.

24 DR. SPIES: Right. I think there's some
25 very good aspects of work they found, there's differences

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1 of interpretation with the data. They've gone into the
2 thing called crelloism (ph) and lot of our reviewers don't
3 agree with that. I think there's quite of bit of -- but,
4 basically I think it's seen as a lower priority.

5 CHAIRMAN BALSIGER: Well, is it possible to
6 document that as a reason, rather than to say that NOAA
7 should continue funding it with their own funds since it's
8 not accurate this way.....

9 MS. McCAMMON: Sure.

10 CHAIRMAN BALSIGER:and it raises
11 questions, so if another run of this particular page could
12 be made, I think that would be real useful.

13 MS. McCAMMON: Yes.

14 DR. SPIES: Right, I think it comes from
15 this kind of, you know, difficulty to find (indiscernible -
16 walked away from microphone).

17 CHAIRMAN BALSIGER: Sure. Yes, please,
18 Dave.

19 MR. GIBBONS: Yeah, Bob, I got a couple of
20 comments here. On this 532, the retrospective analysis.

21 DR. SPIES: Right.

22 MR. GIBBONS: You know, we have a Ph.D., in
23 cultural -- in Prince William Sound and she's found some of
24 the same stuff in her sites there, Linda Yarboro.

25 DR. SPIES: Okay.

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1 MR. GIBBONS: So it would be good to have
2 Gale coordinate with her because there's some stuff that
3 would be closer to the oil spill, I think, that she may be
4 able to use.

5 DR. SPIES: Okay.

6 MR. GIBBONS: And some of that information
7 is coming out now, about changing environments and the
8 layers.

9 DR. SPIES: Okay, we'll try to facilitate
10 that coordination.

11 MR. GIBBONS: Yeah, I just think it would
12 be a good coordination and some benefit.

13 DR. SPIES: Absolutely.

14 MR. GIBBONS: And then on 543, is this --
15 what was it in the mid-'90s that we did clean-up beaches by
16 Chenega?

17 MR. RUE: You mean with the.....

18 MR. GIBBONS: With the cove and the.....

19 MS. McCAMMON: '96.

20 DR. SPIES: Right.

21 MR. GIBBONS: '96. Is this going to.....

22 DR. SPIES: PDS501 cleaning?

23 MR. GIBBONS: Right the PSD501, is this
24 going to overlap some of that again, so we can see
25 what's.....

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1 DR. SPIES: The study has actually not been
2 completely designed yet. There's a design phase in the
3 first part it, so I couldn't tell you offhand whether
4 that'll occur or not, but it's the same laboratory, Auke
5 Bay, that is involved in the evaluation and clean-up, I
6 would think that they would consider some kind of overlap
7 there as a logical follow-up, kind of killing two birds
8 with one stone, follow-up from that clean-up project and
9 also some kind of documentation for any of those sites and
10 around Sluky Bay there were obviously they were obviously
11 heavily impacted. We knew what the concentrations were at
12 the island, so we'll have kind of a time series of
13 information for the document, so I think it would be
14 useful.

15 MS. McCAMMON: Mr. Chairman, part of the
16 reason for this workshop in the fall to kind of settle on
17 the design is that on the one hand you might want to
18 exactly duplicate what was last done in 1993, just so you
19 can track that, but if over time people have learned more
20 and they know a little bit more about where residual oil
21 is, there are study sites that are studying that, there are
22 mussel beds, things like that, so how you bring in, maybe,
23 some new sites, that new information, plus do enough that
24 replicates the old studies is kind of a challenge that they
25 hope to work on at this workshop.

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1 DR. SPIES: Further questions on this
2 cluster?

3 MS. HEIMAN: I'm just reading through this
4 sea otter population survey.

5 MR. RUE: Which one is that?

6 MS. HEIMAN: It's 1520 and you say -- I
7 mean, I think it's compelling that we haven't done follow-
8 up since the oil spill in Kodiak or Kenai on otters,
9 surveys. Can you just tell me a little bit about why you
10 don't want to recommend funding?

11 DR. SPIES: I think that the, you know, sea
12 otter population data that's been gathered outside the
13 Sound was useful. It wasn't as strong a dataset that was
14 gathered in Prince William Sound because the way that the
15 baseline studies were done prespill, they were a lot more
16 documented.....

17 MS. HEIMAN: Oh, I see.

18 DR. SPIES:in Prince William Sound,
19 so that there was -- you know, the information was less
20 precise, particularly on the Kenai, it was mainly
21 helicopter surveys and I think, as I recall, this project,
22 I haven't looked at it since June, there was an aerial
23 survey method that the Trustee Council paid for early in
24 the restoration project to develop. And the idea here was
25 to fly outside the Sound just to check the status. I think

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1 it's a worthwhile objective, but it was a lower priority in
2 terms of competing with the things that are important.

3 MS. HEIMAN: So there was a.....

4 DR. SPIES: I believe -- the question of
5 normal agency management came up here again.

6 MS. HEIMAN: In other words, it's something
7 that we just should be doing, rather than doing through the
8 Oil Spill Trustee Council?

9 DR. SPIES: That was a consideration.

10 MR. RUE: Are you doing it now? I thought
11 there was some.....

12 MS. HEIMAN: We're doing it in the.....

13 MR. RUE: On the Aleutians?

14 MS. HEIMAN:the Chain, that's where
15 we're having a lot of trouble.

16 MR. RUE: Right.

17 MS. HEIMAN: But we still have -- I mean we
18 need more money -- you know, we're still trying to figure
19 that out, but there was -- I'm just trying to get the
20 information. In '89 a survey was done, is that right, on
21 sea otters in the Kenai and Kodiak? Or when was the survey
22 done?

23 DR. SPIES: It was either '89 or '90, I
24 think it was '89. It was a helicopter survey, not the same
25 as the aerial.

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1 MS. McCAMMON: It says '90.

2 MS. HEIMAN: And at that time the
3 population was okay?

4 DR. SPIES: I can't recall the specific
5 recommendations, but based on that survey they were not
6 able to document an injury, based on the survey itself,
7 although there were carcasses collected in that area.

8 MS. HEIMAN: Okay.

9 DR. SPIES: Next cluster is what we refer
10 to as the seabird/forage fish cluster and related projects.
11 Three subcategories here, mechanisms limiting recovery,
12 research and monitoring population and develop monitoring
13 techniques.

14 So under the first group of project, mechanisms
15 limiting recovery, the wrap-up of Project 163, which is
16 APEX, which is one of the large ecosystem studies started
17 in 1995 by the Trustee Council. We asked for a revised DPD
18 that would integrate the synthesis efforts over the next --
19 over this year and fiscal year 01 here and we still think
20 that there are some considerations in fiscal year 01 in
21 terms of how this will be handled. So we're in a deferred
22 mode with a recommendation on that one.

23 MS. HEIMAN: You know what, I think I want
24 to talk about that one a little bit more and understand
25 what's going on there, because that's -- this has been an

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1 ongoing project that we've been doing for a long time, so
2 do they -- if we defer this money until December, does this
3 mean they don't have -- what will that mean for the people
4 who are working on this project, they won't have money in
5 between now and then or.....

6 MS. McCAMMON: That's correct.

7 MS. HEIMAN: And is this due to lack of
8 production of the data that you've been asking for or why
9 are we deferring?

10 DR. SPIES: No, the reviewers looked at the
11 proposal and for synthesizing and wrapping up this project
12 and thought that it was headed in the right direction, but
13 it needed a lot more work. We got a revised proposal then
14 that addressed some of those concerns, but there's still
15 concerns about the last year of the project and how that's
16 going to be handled and integrated and we're still not
17 happy with.....

18 MS. HEIMAN: So what will be held up? I
19 guess I don't understand. What will the 163, is that what
20 it is, 198 -- 198,000 be used for, I mean, to close up this
21 project?

22 DR. SPIES: Right now it's -- as I
23 understand that proposal the idea would be to have two or
24 three people from the project actually summarize everything
25 that was done during the whole project and we think.....

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1 MS. HEIMAN: That's what's left is the
2 summaries?

3 DR. SPIES: The synthesis of the whole
4 effort.

5 MS. HEIMAN: 198,000 in summaries?

6 DR. SPIES: I don't have the breakdown of
7 the project, but the 198, I believe, was that for a two
8 year period, Sandra?

9 MS. SCHUBERT: No, that's for a series of
10 individual manuscripts and then in 02 there was a small
11 amount of money for two people to write up the synthesis of
12 the project.

13 DR. SPIES: We're not happy with that 02,
14 we don't think enough consideration or enough time has been
15 able to be devoted to the question of how the project
16 should be wrapped up. It's a very complex project. It's
17 comparable to SEA and we would like to see a full
18 participation and consideration of the scientific.....

19 MS. McCAMMON: I think one of the concerns
20 with this is that this project came in -- the current
21 fiscal year is one and half million dollars, close to \$1.5
22 million for a close-out of this project, which is two to
23 three times more than we have paid for the close-out of MVP
24 or the SEA Project, so it was substantially higher costs.
25 And as part of that it was our understanding that we would

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1 get the final report this year plus approximately 50
2 manuscripts.

3 So then we got a proposal for another two years of
4 close-out following this on April 15th and a number of the
5 PIs reported to us that they weren't aware that they had to
6 also do manuscripts this year. And so there were some
7 concerns about how the funding this year, what that was
8 actually paying for and what we were getting for that
9 versus what was being asked for next year and the year
10 after.

11 MS. HEIMAN: Why do you think that is, just
12 because they're used to a certain level of funding and
13 certain number of people and now it's phasing out and they
14 need to continue it? Why do you think they're asking for
15 that?

16 MR. RUE: Are they doing other jobs?

17 MS. HEIMAN: Yeah, I mean what are the --
18 what's the issue?

19 MS. McCAMMON: Well, no, I don't think
20 they're working on other jobs at the time. I think -- this
21 paid -- this year paid for a number of people for 12 months
22 of their salary, it's kept them on.....

23 MS. HEIMAN: For several years, right?

24 MS. McCAMMON: Well, they've been working
25 on it, this is the eighth year of a nine year project and

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1 it's phasing out, but there seems -- I think part of the
2 problem is that the leader of the project now lives in
3 Hawaii, so I think that is -- and working at another job,
4 and so trying to lead the project from a distance. So I
5 think that's part of the problem.

6 MS. HEIMAN: Who?

7 MS. McCAMMON: Dave Duffy. As you get to
8 the final wind-down of reports, manuscripts, things like
9 that, it's very difficult to keep a group cohesively
10 together, on track, performing and actually producing your
11 deliverables. One of the problems we've always had with
12 the agencies is that the agencies get their money up front,
13 no matter if they produce the deliverable at the end of
14 year or not.

15 MR. RUE: Why are you looking at me, Molly?

16 (Laughter)

17 MS. McCAMMON: No, I'm not, I'm looking
18 mutually around.

19 MS. HEIMAN: I find it rather interesting.
20 Can you tell me a little bit -- you know, I haven't been
21 around all the years that this APEX has been, you know, but
22 I did hear from my agencies, they wanted us -- you know,
23 this is really important, it needed to be continued, but I
24 didn't get it. I'm really curious about it.

25 MS. McCAMMON: I think this is very

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1 important and I think they're going to be in world of hurt
2 by not getting this funded and having it deferred, but I'm
3 not prepared to give a recommendation on it, because the
4 information is not there.

5 MS. HEIMAN: Well, and I'm hearing you loud
6 and clear because you are making some good points about the
7 fact that to put summaries together and close out a project
8 might not take as much money as was.....

9 MS. McCAMMON: Well, what we're getting for
10 the end product -- the concern is we'll have these 50
11 different manuscripts that tell little bits and pieces but
12 there is no comprehensive synthesis of what the entire
13 project is telling us. And after spending a total, how
14 many million of dollars on this project, that's the very
15 least we should get out of this.

16 MR. RUE: Okay. Can I make sure I
17 understand what you're saying. We expect -- we already
18 paid for this year right now.

19 MS. McCAMMON: Yes.

20 MR. RUE: The money is out there.

21 MS. McCAMMON: Yes.

22 MR. RUE: We expect 50 manuscripts. Was
23 our expectation unreal or are we just -- is it writer's
24 block, difficult?

25 MS. McCAMMON: It was agreed to by the PIs,

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1 they agreed to it. That what they came forward with.

2 MS. HEIMAN: When you say this year, when
3 does this year end?

4 MR. RUE: I mean what we're in right now,
5 not what we're about to fund.

6 MS. HEIMAN: When does that end?

7 MR. RUE: October.....

8 MS. McCAMMON: September 30th.

9 MS. HEIMAN: The Federal.....

10 MR. RUE: Right, the Federal fiscal year,
11 so they have a couple of months to finish all these
12 manuscripts.

13 MS. HEIMAN: And get their act together and
14 tell us exactly what they're going to do, manuscripts, and
15 what's the summary going to look like?

16 MS. McCAMMON: And how they're actually
17 going to produce the synthesis that is a true synthesis.

18 MR. RUE: And who's going to do that
19 because you don't have.....

20 MS. McCAMMON: And who's going to do this.

21 MR. RUE: How many PIs are doing this?

22 DR. SPIES: We believe that the narrowness
23 of what's being proposed now needs to be reconsidered in
24 terms of more people.

25 MR. RUE: I mean, 190.....

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1 DR. SPIES: One of the basic problems we're
2 getting -- this is a tremendous project, it's an
3 accountability question.

4 MS. HEIMAN: Yes.

5 DR. SPIES: And typically with scientists,
6 they're doing all these different things, new insights and
7 so forth and it always takes more time to analyze the data
8 and write it up than you ever think it's going to, it
9 usually takes two or three times -- and that's kind of the
10 basic problem.

11 MR. RUE: Now, whose fault is that, though?

12 MS. McCAMMON: And in the meantime the
13 project is ending and people are already starting to look
14 towards future projects and future funding and so it's
15 difficult to keep people on task to produce the
16 deliverables.

17 MS. HEIMAN: But you're happy with the
18 deliverables that have been proposed, you just don't think
19 they're going to deliver them or you need to rewrite what
20 those deliverables are going to be?

21 MS. McCAMMON: We have asked for a report
22 to us on where they are in producing those 50 manuscripts
23 and that has not been produced to us. However, in talking
24 with a number of individual PIs, they have told us they
25 weren't aware they had been committed to doing manuscripts.

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1 But if you look at the detailed project description that's
2 been in the Work Plan for the last year, it is in there.
3 It's in every quarterly report.

4 MR. RUE: Do we cut off funding now,
5 pending a project completion?

6 MS. McCAMMON: I'd be prepared at any time
7 to call the Council together and try to get -- if they come
8 back with a satisfactory proposal and try to get funding
9 available.

10 MR. RUE: No, I'm talking a penalty.

11 MS. McCAMMON: Just end the project?

12 MR. RUE: I realize this sword cuts
13 everybody here. No, just say -- I mean in most contracts,
14 for instance, there's always a 10 percent you don't give
15 them until you see the final thing. I know all of us would
16 suffer that have projects, but how do you motivate people?

17 MS. McCAMMON: We don't have any way of
18 doing that with agencies.

19 MS. HEIMAN: Right, because then they can't
20 work unless they have money.

21 MR. RUE: Sure they do, it's a huge
22 budgeting nightmare, but it gets managers really focused.

23 MS. HEIMAN: Who are we talking about?

24 What is this 198,000 going to fund? I mean who.....

25 MR. RUE: I realize I'm one of the culprits

00095

1 out there, so.....

2 MS. HEIMAN:it's -- NOAA, Fish and
3 Game, Department of Interior?

4 MS. SCHUBERT: I can get the budget, it
5 lists -- there's about 10 people, I think who would get the
6 money.

7 MS. HEIMAN: I think it's important if it's
8 causing this much frustration and there hasn't been the
9 work done -- we can come back to it, but I think we should
10 maybe talk about it a little bit. Get it figured out
11 and.....

12 MS. McCAMMON: We can come back to it.

13 MS. HEIMAN: Yeah.

14 CHAIRMAN BALSIGER: We actually don't know
15 that they won't produce all of these things because they
16 still have two months left.

17 MS. McCAMMON: They haven't reported back
18 to us, yeah.

19 CHAIRMAN BALSIGER: So they may be doing
20 exactly what we want, other than the report of the status.

21 MS. HEIMAN: But if we could help in our
22 agencies to make sure that that is being done. I mean, I
23 would be more than happy to help to do that.

24 CHAIRMAN BALSIGER: Surely there's no NOAA
25 people.

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1 MS. HEIMAN: Surely the NOAA people are
2 doing it.

3 (Laughter)

4 DR. SPIES: What is clear from the results
5 so far is that this world class -- they're breaking new
6 ground, it's a fantastic project.....

7 MS. HEIMAN: Yeah, it's exciting, we want
8 to know the results.

9 DR. SPIES: It is exciting, yeah. We're
10 just holding some feet to the fire.

11 MS. HEIMAN: We respect that.

12 MS. McCAMMON: Deferring it was the only
13 way we could get their attention.

14 MS. HEIMAN: And if you need assistance in
15 that, let us know.

16 DR. SPIES: Subsistence cluster. Three
17 subcategories here, enhance or replace injured resources,
18 enhance or replace lost or reduced service and increase
19 involvement of subsistence users in the restoration
20 program.

21 Under the first subcategory on enhancing and
22 replacing injured resources, under Project 131, a small
23 amount of additional money has been requested to write up
24 the results of the project, I believe it's just a 10 or
25 \$13,000, I forget the exact amount. This has been a very

00097

1 successful program, so I think it's worthwhile to document
2 what was done in the report and they need a little bit of
3 additional money to do that. And there are good reasons, I
4 think, weather delays that took a little bit of extra money
5 to do the actual work that they did in the project.

6 Project 247 is the Kametolok River coho salmon
7 project recommended for continuation. This is
8 supplementing the river coho salmon run with stream size
9 egg boxes, also got a large educational component in there.
10 It's been a very successful program.

11 We're recommending continuation of Project 256B,
12 which is Solf Lake sockeye salmon stocking and we're
13 essentially tracking the returns over a couple of years and
14 recommended it again, some of the limnological things that
15 have been originally submitted in the original proposal, so
16 it looks like it needs to go forward in my opinion.

17 And we're recommending defer on Project 482, the
18 biotoxin monitoring program. This looks to be a very
19 successful program but they really expanded the objectives
20 for fiscal year 01 beyond the original objectives of the
21 program and we would like to keep it focused a little bit
22 more just on the Kodiak Island problems that they've been
23 experiencing in the past, the subsistence users over there
24 being poisoned by shellfish.

25 Next subcluster is enhancing or replacing lost or

00098

1 reduced services. We're recommending conclusion of Project
2 273, which is the surf scoter life history and ecology
3 project and continuation of Project 401 for a second round
4 of sampling late this summer, early fall on spot shrimp
5 population, see if that data, for a second year,
6 collaborates the usefulness of having additional data
7 collected on spot shrimp populations in Prince William
8 Sound.

9 Under the next cluster, increasing involvement of
10 subsistence users, we're recommending continuation of
11 Project 052, the community involvement, traditional
12 ecological knowledge project. Continuation of 210, the
13 Prince William Sound/Lower Cook Inlet Youth Area Watch
14 Program. That's been very successful, as you know, and I
15 recommend that you check out the website here at
16 www.micronet.net/users/yaw, Youth Area Watch, very nice web
17 pages managed by the students and teachers in this program.

18 Okay, the next project is 481, the third one down
19 on the last cluster under subsistence, conclude Project
20 481, which is a documentary on intertidal resources that's
21 being done, and was requested by the communities. And
22 Project 610, which is the Kodiak area Youth Area Watch.

23 Are there any questions on the subsistence cluster?

24 MS. HEIMAN: Which criminal monies were
25 used to pay for this Nucheck Spirit Camp?

00099

1 MS. McCAMMON: State criminal funds.

2 MS. HEIMAN: State criminal funds.

3 MS. McCAMMON: For subsistence.

4 CHAIRMAN BALSIGER: I'm not sure this is
5 exactly on topic, but Mr. Henrichs noted that he has
6 several proposals that weren't funded and, of course,
7 they're all in this category. And some of these have to do
8 with monitoring sea otters and the description says they're
9 already monitored by DOI, does Interior ever have the
10 capability of using Alaska Natives as part of the
11 monitoring effort at all? I wonder -- I know that doesn't
12 get to his question of getting money to him, but it would
13 involve the Native communities. I would expect that you
14 probably do that somewhat.

15 MS. HEIMAN: I'm not sure exactly what
16 you're asking.

17 CHAIRMAN BALSIGER: Well, Mr. Henrichs was
18 looking for money to monitor sea otter populations and it
19 says, no, we're not going to give you the money because DOI
20 already does that. Is it possible for DOI to involve the
21 Native communities in their monitoring efforts?

22 MS. HEIMAN: We do do that.

23 CHAIRMAN BALSIGER: I was sure you did,
24 that's why I wanted to say it here so that was more or less
25 state.....

00100

1 MS. HEIMAN: Oh, okay.

2 CHAIRMAN BALSIGER:that, in fact, the
3 Native community is involved in some of these monitoring
4 efforts, even if not supported by oil spill money.

5 MS. HEIMAN: Yeah.

6 MR. RUE: Eyak. Is it the Sea Otter
7 Commission that you work through rather than.....

8 MS. HEIMAN: Well, for Eyak specifically or
9 you talking generally?

10 CHAIRMAN BALSIGER: I was speaking more
11 generally.

12 MS. HEIMAN: Well, let me just speak
13 generally for a moment since we're on the record about
14 subsistence and using Native communities and rural
15 communities. We have put 60 percent of the money that we
16 receive for subsistence fisheries into projects that will
17 be on-the-ground projects that will be either run by the
18 State or Native organizations or rural organizations. And,
19 you know, many of the ones that we're doing with the State
20 are actually -- they are just doing some management, but
21 it's for Native organizations to do the work, so a large
22 chunk of our money is being spent to do that right now. To
23 do whatever it is, counts or -- but it's all fisheries.

24 As far as marine mammals, I don't -- I can't even
25 tell you what we do there. I think -- go ahead.

00101

1 MS. McCAMMON: Mr. Chairman, I know Fish
2 and Wildlife Service, I did talk to them about the sea
3 otter monitoring project in particular and they have been,
4 because of the concerns about the increased number of
5 carcasses that they're finding on the beaches there, they
6 have been concerned about that and they're flying extra
7 surveys. I think the problem is that they are plane survey
8 and they tend to have only the pilot, the counter and maybe
9 one other person. I'm not sure in terms of how much room
10 there is, the type of plane they use for these surveys and
11 all, whether they're able to take someone or have someone
12 -- I would imagine it would have to be someone who is
13 trained in the counting process.

14 But it certainly, I mean, something that I'm sure
15 they attempt to do if they can, because we've encouraged it
16 in our project and it hasn't been very successful. Often
17 this work is very sporadic, it's only a day or two here, it
18 often doesn't pay, it competes with other types of
19 activities going on in the community, the timing doesn't
20 work, which doesn't mean people shouldn't keep trying to do
21 this. It hasn't been real successful in the past.

22 CHAIRMAN BALSIGER: Okay. Thank you.

23 MS. HEIMAN: I think Frank was right, I
24 don't -- and I will check on this because now I am asking
25 the same question, on sea otters and marine mammals, we

00102

1 deal, like, with the Sea Otter Commission and the
2 co-management agreements that we have and it's not dealt
3 with in the same way as fisheries or subsistence --
4 wildlife is dealt with, so I don't know, but I think there
5 is money right now to do that kind of work.

6 DR. SPIES: Okay. Hearing no further
7 questions on the subsistence cluster, let's move on to the
8 habitat improvement cluster. There's one project under
9 protection and restoration, it's the human use and wildlife
10 disturbance model and the request is for money to do a
11 publication. We're deferring that pending a receipt of a
12 final report that's successfully peer reviewed and
13 approved, so that's the reason for the deferral
14 recommendation.

15 Any questions on that? Dave.

16 MR. GIBBONS: Bob, I've got a question,
17 it's more of a clarification. It's on Project 430, the
18 youth restoration corps. It says consider reprogramming
19 unspent capital funds earlier Kenai River restoration
20 appropriations. Do we have any idea how much that is
21 or.....

22 MR. RUE: Which.....

23 MS. McCAMMON: We do. As a matter of fact,
24 we got the -- what were the numbers?

25 MS. SCHUBERT: It might be about 40,000.

00103

1 MS. McCAMMON: Let me see, I got it.

2 MS. SCHUBERT: We've been working with
3 Bonnie to try identify (indiscernible - away from
4 microphone) and we weren't talking about that full amount
5 going to the youth restoration corps, we were just hoping
6 that there was some balance there that might used for those
7 purposes.

8 MR. GIBBONS: I know, because there's some
9 funds with DNR and Fish and Game and.....

10 MS. SCHUBERT: Right.

11 MR. GIBBONS:there's a whole pile of
12 pieces there.

13 MS. McCAMMON: Right. Our audit as of last
14 December, we had three years -- and this gets into this
15 whole thing of lapse of capital projects, which is covered
16 in the revised procedure. We had 18,000 still unexpended
17 or unobligated from the '97 project, 90,000 unexpended or
18 unobligated from the '98 project, and I know this was as of
19 December 31st and I know this number has changed, 195,000
20 for the '99 project and I know that that's not there
21 anymore because that's (indiscernible) Creek project. But
22 there is quite a bit that's unobligated, unexpended,
23 unencumbered from '96 and '98.

24 MR. GIBBONS: And that's in the various
25 agencies?

00104

1 MS. McCAMMON: Among the various agencies,
2 yes. And we can get that broken down where the agencies
3 are.

4 MR. GIBBONS: Okay. Because I would like
5 to maybe look at this in December about, you know, bringing
6 it back up for some work perhaps. They did some work by
7 the Russian River Ferry this year, I know, and they did
8 other work and it's just we get a lot of good PR from this
9 project and a lot of good work.

10 MS. McCAMMON: It is, yeah.

11 MR. GIBBONS: So if there's some carry-over
12 we need to look at it and funnel it for the project
13 perhaps.

14 DR. SPIES: Next cluster is ecosystem
15 synthesis. There's two subcategories here, integrates,
16 synthesize project results and then prepare for a long-term
17 program. Under the first subcategory we're recommending
18 conclusion of Project 391, the Cook Inlet database. A very
19 fine project, they've got a very workable website of
20 metadata links to other ways and cutting edge technology
21 for harvesting data and I think there's some things there
22 that we very well can use in the GEM program and we're
23 having discussions with the investigators there on that
24 particular project.

25 The next subcategory, preparing for long-term

00105

1 program. Project 340, long-term oceanographic monitoring,
2 this is the GAK line off Seward which has got one of the
3 longest continuous databases of oceanographic data in the
4 north Pacific. It's being used in the GLOBEC Program and
5 we think it's going to be a core part of the GEM Program as
6 well for understanding what's going on in the Alaska
7 coastal current, a very important part of determining
8 productivity in the nearshore area of the northern Gulf of
9 Alaska. You've funded this for a couple of years and we're
10 recommending continuation of that funding.

11 Project 360, which is the National Research Council
12 review of GEM. Molly described that process to you this
13 morning, so I won't make any further comment on that.
14 We're looking forward to interacting with the NRC on that
15 in fiscal year 01 as well as within this year.

16 And Project 385, which is the Kachemak Bay
17 oceanographic monitoring that's being -- a small amount of
18 matching funds is being requested to buy some equipment to
19 implement some oceanographic sampling in Kachemak Bay.

20 MS. HEIMAN: Excuse me, is that Kachemak
21 Bay sampling -- is that being done in cooperation with the
22 NERS (ph)?

23 DR. SPIES: Yes, uh-huh.

24 MS. McCAMMON: Yes,

25 MR. RUE: Yeah, NERS matches it.

00106

1 DR. SPIES: And finally Project 630 is
2 planning funds for GEM. I don't know if Molly wants to
3 make any comments on this particular project.

4 MS. McCAMMON: Well, other than the fact
5 that this is almost a place holder budget at this point.
6 We have not been able to really sit down and layout a
7 detailed budget for this project for the next year in terms
8 of what actual pieces of it we need by when, and so we know
9 that Dr. Spies' office, and Dr. Spies has contributed a lot
10 in the past year, so basically we put in his last year into
11 the proposal and we took a month from each of the agency
12 liaisons to contribute to this effort and we will be asking
13 you to do things for that month. And then, in all
14 likelihood, we'll be coming back with a more detailed
15 budget in December. There may be some technical products
16 that we need to -- some maps and things like that we need
17 to have developed.

18 MS. HEIMAN: Can I ask a question, and I
19 think I know that answer, but we're getting -- we're doing
20 some preparation from GEM in this budget and there's some
21 things that we're not doing because we're waiting for GEM
22 in order to do them, and I think that's fine and that makes
23 a lot of sense. But, for example, the Henrichs' study, the
24 looking at those otters that have been washing up on the
25 shore and stuff that you say we didn't fund it because it's

00107

1 not caused by the oil spill, will that -- when we do GEM,
2 when we get into GEM in two more years or whenever it is,
3 how will we decide on studies like that? I mean, we're
4 going to look at indicator species, but is it possible that
5 a study like that would be funded under GEM where you're
6 having -- because one of the things we talked about is this
7 centennial [sic] -- I forget what the word.....

8 MS. McCAMMON: Sentinel species.

9 MS. HEIMAN: Yeah, there you go, not
10 centennial, sentinel species, and I guess I'm just curious
11 -- you know, one of the things that I'm real interested in
12 is whether the cause is -- whether it's temperature or
13 contaminants or other things. Well, if these otters are
14 eating, you know, something from a cannery that's making
15 them sick and washing up on the shore, how will you make a
16 determination under GEM that it's a good idea to look at
17 that issue or not? I mean, will it still be a factor of
18 whether it was caused by the oil spill or is that no longer
19 really the main deciding factor?

20 DR. SPIES: Well, there's kind of two parts
21 to your question. First is that there's kind of two things
22 that can happen in GEM, there's kind of a monitoring and
23 research. And within the monitoring we're proposing a
24 series of measurements, among which are core measurements
25 that we need to protect and continue on for decades in

00108

1 order to get a long-term record. We got to protect those,
2 even if we get it not quite right, we may not get it right
3 because we don't know as much as we will in 50 years, but
4 we need to protect those.

5 On the other hand there's these short-term things
6 that crop up, maybe it's a problem for a year or two, maybe
7 it's a herring crash, maybe it's sick sea otters in
8 Cordova. We can devote some of the research money to
9 answering those sorts of questions. The principle is to
10 get not so distracted from the long-term program just to do
11 -- put out brush fires with all the money.

12 MS. HEIMAN: But there will be money
13 available for those brush fires, because sometime those
14 brush fires can tell you something about a long-term
15 problem, too.

16 DR. SPIES: Absolutely.

17 MS. HEIMAN: So there will be money for
18 that and it won't have to be based on whether the spill
19 caused it or not?

20 MS. McCAMMON: Well, that's the other part
21 of the answer, I think, to your question, Marilyn, is that
22 when the Council decided to establish this long-term
23 research and monitoring fund, it was done on the basis that
24 that was a restoration program for oil spill recovery.
25 That in order to ensure true recovery from the oil spill

00109

1 you needed to have a long-term program of that nature. So
2 it is a restoration activity tied to the oil spill, but the
3 entire program, looking at the northern ecosystem is a
4 restoration program for the oil spill injury. So you don't
5 have to -- each project with that, then, you don't have to
6 individually tie -- and say this is oil spill injury here,
7 looking at having a program of that nature is restoration.

8 MS. HEIMAN: But we do now have to tie to
9 what is related to the oil spill?

10 MS. McCAMMON: We're transitioning, it's
11 starting that transition, but we still do see oil spill
12 effect, so some of the program is dealing with oil spill
13 effects, some is transitioning into this longer term
14 program.

15 MS. HEIMAN: Well, to me, it seems like,
16 you know, one thing that we can really do is when -- you
17 know, we see traditional knowledge and people having
18 concerns about their subsistence food sources that, you
19 know, we -- to me, the Department of Interior, that is very
20 important and anywhere where we can do those kinds of
21 studies I think it -- you know, I know we can't do it
22 always and there should be other sources of funds, et
23 cetera, but I just -- I guess I want to reiterate how
24 important I think that is, using the traditional knowledge
25 and, you know, when they say we're seeing some changes and

00110

1 we want somebody to look at this, sometimes they are the
2 first ones to see it before any scientist ever picks up on
3 it. And I guess I just want to reiterate the importance of
4 that to the Department of Interior.

5 MR. RUE: Well, do you want to do something
6 about it? Do you propose we take this project and do
7 something with it?

8 MR. TILLERY: Mr. Chairman.

9 CHAIRMAN BALSIGER: Yes, please.

10 MR. TILLERY: I think I just read -- didn't
11 that project just get funded by the canneries in Cordova?

12 MS. McCAMMON: Prince William Sound Science
13 Center has funded a project of this nature to try to figure
14 out what's happening with it, it was a small project, they
15 do have report out on it, we have a copy of the report.
16 Fish and Wildlife Service is doing additional surveys and
17 additional work. Their initial analysis is that it is not
18 cannery related and they don't -- the preliminary thing is
19 that the number of carcasses is not unusual, but they are
20 aware of the situation, they have increased attention to
21 it. We've asked for that information when they get it to
22 come to us.

23 And this does raise, actually, even a bigger
24 question that we had in terms of several of our focus
25 groups in terms of establishing a long-term program with

00111

1 these long-term datasets and you commit to doing this over
2 time. But the amount of money we have available is going to
3 answer a lot of the questions or give you the entire
4 picture. And so are those monitoring things going to be
5 sacrosanct or is there going to be a response to the crisis
6 of the month or year, because they're going to happen
7 inevitably, and is this fund intended to respond to those
8 kinds of things or not? And I think that's a big policy
9 question for the Council to be considering in the future.
10 And it really affects how we shape GEM and in the future,
11 too.

12 DR. SPIES: You can probably do a little
13 bit, but just from my experience, for instance, with
14 contaminants in San Francisco Bay, they came to the
15 scientific community about 1990 when they wanted to revise
16 the water quality standards and basin plan. And they said,
17 well, what's happening with contaminants? And I said well
18 the stick mussel watch had these -- you know, something out
19 of (indiscernible) for three years and then somebody got
20 worried about mercury up there and they moved the station
21 and somebody else got worried about lead over here and
22 moved the station -- we can't tell you anything about long-
23 term trends for these contaminants because there hasn't
24 been consistency here. So we have to incorporate that, but
25 there's room for it.

00112

1 MS. HEIMAN: I just wanted to make an
2 editorial comment on that because I think that we could get
3 ourselves trapped in that situation, but what I want to say
4 is we've waited far too long to look at contaminants and
5 that's why we are in that situation because there are going
6 to be these problems all over the place, that all of a
7 sudden people want to -- we have money, we want to find
8 out, is it okay to eat our food? What's going on here, is
9 it okay for my kids to play in the water? I mean, it's
10 very important issues and so -- and now we're starting and
11 we might use some sentinel species and stuff, but we're
12 going to be in that situation because we have waited far
13 too long on these contaminants. I'm not saying we EVOS,
14 but we as the regulatory agencies, I think, have done --
15 not focused on this issue nearly what we should be. And
16 here were are in Alaska where we're supposed to have
17 pristine environment and all of a sudden we're realizing
18 there's a lot more going on than what people thought.

19 MS. McCAMMON: But it's not just
20 contaminants, it's fisheries, it's sea lions, it's belugas,
21 it's a whole multitude of things, too.

22 DR. SPIES: One thing about contaminant
23 studies is they're expensive, you know, it takes four or
24 \$500 to analyze one sample of blubber for PCBs, so you can
25 chew up a lot of money in a hurry for one geographic

00113

1 program.

2 MR. TILLERY: Mr. Chairman, just.....

3 CHAIRMAN BALSIGER: Yes, please.

4 MR. TILLERY:a couple of more points.

5 One, earlier Ms. Heiman made a comment that I think I
6 understood you to say that we were not funding that study
7 because the injury wasn't caused by the oil spill.

8 MS. HEIMAN: That's what it says in here.

9 MR. TILLERY: That's an incorrect statement
10 of what we can and can't fund. We fund a lot of things
11 where the injury wasn't caused by the oil spill. Where we
12 wouldn't fund something is if the population wasn't injured
13 by the oil spill. If we were in eastern Prince William
14 Sound and those sea otters weren't injured, we might not
15 fund someone to look at it, but if we're in western Prince
16 William Sound where there were a lot of sea otters injured
17 and now there was a cause from some other direction, that's
18 easily supportable from our funding.

19 MS. HEIMAN: Well, then I would like to
20 have the language changed in the reason why we didn't fund
21 this, because I think it says that -- I can't remember what
22 number it is. Did you read it? Did you read the actual
23 explanation?

24 DR. SPIES: Nearshore cluster?

25 MS. McCAMMON: It's on page B14 of the

00114

1 detailed spreadsheet that says any observed sea otter
2 mortality in Orca Inlet is likely not related to the oil
3 spill and this project's link to the Council's restoration
4 objectives is weak.

5 MS. HEIMAN: And, as I understand it,
6 otters in Prince William Sound -- I don't know about Orca
7 Inlet, but otters have been.....

8 MS. McCAMMON: Injured on the other side of
9 Prince William Sound, yeah.

10 MR. TILLERY: On the other side. That's --
11 I don't believe that there's any.....

12 MS. HEIMAN: So, but on this side that
13 they're not injured?

14 MR. TILLERY: In fact, I think they're
15 flourishing on this side.

16 MS. McCAMMON: Usually the complaint is
17 there's too many, not too little.

18 MS. HEIMAN: Okay, I got you.

19 MR. TILLERY: Right. Right, but it's the
20 population thing, not the.....

21 And, Mr. Chairman, too, I had a problem with 385 in
22 that the project abstract talks about this as being a
23 mapping proposal where the data collected provides a basis
24 for monitoring over the long term. The Chief Scientist
25 said do not fund because it didn't show how the data would

00115

1 be the basis for long-term monitoring. And then the
2 recommendation is to fund something that's reduced in
3 scope, which really doesn't seem to be within the scope of
4 the original one, and it's to begin -- to provide
5 instruments to begin a long-term monitoring program and
6 there's no explanation of what that long-term monitoring
7 program is or how it relates to the oil spill. And I just
8 don't see, from what I've heard so far, any basis for this
9 being funded.

10 MS. McCAMMON: Mr. Chairman.

11 CHAIRMAN BALSIGER: Yes.

12 MS. McCAMMON: We do have a revised
13 abstract and I can -- because they did respond to that
14 criticism on the part of the Chief Scientist. We didn't --
15 typically if the abstracts get revised, we don't submit
16 them to the Council, but I can get a copy of it and I can
17 read it for you here, that the increasing number of
18 stresses on marine and esturine ecosystems has challenged
19 scientists and resource managers to find methods for
20 determining temporal rates and spatial extent of ecological
21 responses to changes in environmental conditions. This
22 project will provide the necessary matching funds for the
23 Kachemak Bay Natural Esturian Reserve to establish a
24 monitoring program of oceanographic environmental
25 attributes in Kachemak Bay. Results of ongoing studies

00116

1 will then be able to link patterns of oceanographic changes
2 to patterns of biodiversity in the marine and esturian
3 intertidal and subtidal habitats of Kachemak Bay.

4 The Chief Scientist and I disagree on this project.
5 He has recommended not to go forward with it on the basis
6 that we've used on a number of other proposals, that we are
7 in the midst of developing a long-term monitoring program,
8 and we have no idea if any of this is going to fit into
9 that long-term monitoring program, and so his
10 recommendation was to not fund.

11 I recommended funding it on the basis that it was
12 \$11,000, it provided matching funds. This is a program, a
13 more expensive monitoring program in Kachemak Bay that NERS
14 has planned and wants to put in place. And as part of our
15 coordinating, leveraging, facilitating, working with other
16 entities and other groups, I thought it was appropriate to
17 recommend funding for that, but it's totally up to you.

18 MR. TILLERY: Yeah, this kind of sounds
19 like that GAK thing again, where it's not really something
20 we're aiming at, but we're just sort of working.....

21 MS. McCAMMON: I think GAK is.

22 MR. TILLERY:we're working with other
23 groups and this is kind of our contribution generally and
24 we'll get it back somehow vaguely in the future, which I
25 don't think is necessarily untrue.

00117

1 MS. McCAMMON: It's \$11,000.

2 MR. TILLERY: I'm still trying to make up
3 that 11,000 I had to rip off for that coho project, you
4 know, a few years ago.

5 (Laughter)

6 MS. HEIMAN: I agree with the Executive
7 Director on this decision.

8 MS. McCAMMON: But we did have a
9 disagreement on it. I think this was the only one we
10 actually disagreed on.

11 CHAIRMAN BALSIGER: His disagreement
12 stands.

13 MR. TILLERY: And that disagreement is
14 still in effect even with the revised.....

15 MS. McCAMMON: It still is, even with the
16 revised, it still is.

17 (Laughter)

18 MR. RUE: I think it's a judgment call.

19 MS. McCAMMON: It is a judgment call.

20 MR. RUE: If we think that in the long term
21 it's good to have monitoring stations and more intense than
22 we'll ever be able to do of some fundamental pieces of
23 information, and we can leverage that. What's the match?
24 It's like 30 -- we do a little bit and they do a lot?

25 CHAIRMAN BALSIGER: It says 70/30, I don't

00118

1 know which way that means.

2 MS. McCAMMON: They're the 70.

3 MR. RUE: I assume they're doing more, so
4 we're doing a little.

5 MR. TILLERY: And if we don't do this, they
6 don't get the money, or it falls through?

7 DR. MUNDY: Mr. Chairman, if I may?

8 CHAIRMAN BALSIGER: Please, Dr. Mundy.

9 DR. MUNDY: I spent a lot of time on this
10 issue and I was, in part, responsible for undermining the
11 Chief Scientist's recommendation.

12 (Laughter)

13 DR. MUNDY: There's a program down there
14 that's being supported by National Ocean Service and by
15 other pots of money and they have a very talented
16 researcher who is developing a monitoring system that's
17 part of a coast-wide system that runs from California all
18 the way up into the Gulf of Alaska that we might be able to
19 track ENSO events through the intertidal effects all the
20 way from California into the Gulf of Alaska. And although
21 this proposal didn't do a very good job of representing
22 that and, of course, the peer reviewers, quite rightly,
23 drubbed it, we felt that it was worth another look,
24 particularly given the fact that we could get this much
25 money with \$11,000 in matching. So there's a lot to this

00119

1 program and we think that program is virtually certain to
2 be important to monitoring of Lower Cook Inlet into the
3 northern Gulf of Alaska in the future; however, it is a
4 brand new program and the scientist who is running it just
5 moved into his office and doesn't even have, you know,
6 pencils in his desk.

7 CHAIRMAN BALSIGER: Who is that scientist?

8 DR. MUNDY: It's Carl Schoch, he's out of
9 the Oregon State University program, he worked with Jean
10 Michinko.

11 MR. TILLERY: And what happens if we don't
12 fund this; does he go home?

13 DR. MUNDY: They lose more than \$40,000 in
14 Federal matching.

15 MR. TILLERY: And they can't otherwise come
16 up with that?

17 DR. MUNDY: There isn't any -- they don't
18 even have money for office equipment at this point in time,
19 there isn't any slack down there.

20 CHAIRMAN BALSIGER: So the answer to
21 Mr. Tillery's question is if they don't get the 11, they
22 have to give up the 40,000 as well?

23 DR. MUNDY: That's correct.

24 MR. RUE: We're not going to vote yet.

25 CHAIRMAN BALSIGER: Any other comments on

00120

1 this one?

2 MR. RUE: I have a comment on the subject
3 area if you want to keep pursuing the 11,000, I'm
4 interested.

5 MR. TILLERY: No, I'm -- I've pursued that.

6 MR. RUE: He's cogitating, okay. I had a
7 question on another one then. One 397, mass-balance
8 simulation. Maybe you could explain a little bit about the
9 concerns here. As I understand it, the project was
10 rewritten to be a little bit more specific, maybe includes
11 focusing on herring and the whole mass-balance model issue
12 may be a fundamental flaw. I guess my question is would it
13 be worth including this project as part of the review
14 that's going on with herring? After Norcross is done, take
15 a look at the rewritten proposal as part of that suite of
16 herring projects and decide in December that, well, this
17 fits into that overall Prince William Sound herring stock
18 assessment mass-balance, or is this either too expensive or
19 do you think there's this fundamental problem with mass-
20 balance models and it isn't even worth putting it into the
21 suite of things that ought to be looked at under that?

22 DR. SPIES: Well, we're certainly open on
23 different modeling methods, but I must say that the result
24 of the SEA effort following on, we've had a delivery of a
25 herring overwintering model which would just be part of the

00121

1 answer on herring, it just deals with when the herring
2 arrive in the birthal bays in Prince William Sound in June
3 or July as the young of the year, the first age class. It
4 predicts how they'll go through the first winter and that's
5 a deterministic model that appears to be extremely
6 promising. Now, there's other pieces that have to be put
7 into a development of the deterministic model over the long
8 run. It's my judgment an investment in that sort of a
9 deterministic model is probably a better investment of the
10 long term in this process than a mass-balance model. We
11 just don't -- we have a mass-balancing model that does a
12 good job with some aspects of it, but there's not many
13 people that really believe the output of that. So there's
14 a lot of criticism of that so, you know, it's kind of a
15 judgment matter there. And we certainly, with Tom Okey and
16 Daniel Pauly and Billy Christensen, worked very hard on
17 that model and they did a good job of it. They are
18 controversial. The model is a little bit like seabird
19 biologists, they argue with each other quite a bit. That's
20 kind of the nature of the science.

21 MR. RUE: I guess I won't ask for any
22 formal, you know, redefinition. I guess I would suggest
23 our -- some of our folks do think this is a good idea, so
24 they may bring the issue up under that whole herring
25 rubric.

00122

1 DR. SPIES: We'd certainly be interested in
2 having Tom Okey, the PI, he's a very good interactive
3 person and the process they went through in constructing
4 the ecopath model was very inclusive and the investigators
5 brought people and had value in itself.

6 MR. RUE: Is that the right forum? The
7 forum you're setting up, once Norcross is done, to then sit
8 down with what she found and the other various projects,
9 type of hydroacoustics, is that the right forum, the right
10 group to have discussion?

11 DR. SPIES: Possibly, if we're talking
12 about what's needed in the long term for herring, then it
13 would probably be a valuable part of that discussion.

14 MR. RUE: Okay, maybe you can just include
15 Okey in that discussion, that would be great. Is that all
16 right?

17 MS. McCAMMON: Yep.

18 MR. RUE: Good. As long as he's willing to
19 participate.

20 CHAIRMAN BALSIGER: Mr. Gibbons.

21 MR. GIBBONS: I have, Bob, just a point of
22 clarification. On 340 it says long-term oceanographic
23 monitoring. It says something about it's been going on for
24 30 years. Who's been funding it the first 30 years and are
25 we getting into something that we're making a commitment

00123

1 to?

2 MS. McCAMMON: Yeah, GAK line.

3 DR. SPIES: This is the GAK line in

4 Resurrection Bay and what has typically happened is the

5 University of Alaska ship when it left the dock there at

6 Seward has stopped at this station on the way out and way

7 back and they tried to get it as frequently as they can.

8 And they've done pretty good coverage out of that station.

9 In the GLOBEC studies they actually took the station and

10 extended it to a line and what we have paid for is some of

11 the instrumentation that goes in the water that provides a

12 little richer data source. That station has produced data

13 that had been used principally by Tom Royer and also

14 working with Tom Weingartner, University of Alaska.

15 They've come to some pretty important conclusions about the

16 variability of the Alaska coastal current and it has to do

17 with fresh water and climatic fluctuations and the strength

18 of that current, and that's all very, very important for

19 productivity in the long term. So that's been an extremely

20 important dataset in the north Pacific, we think it's well

21 worth investing in. I don't see, personally, any way of

22 designing this GEM plan without including that particular

23 oceanographic line as part the -- I don't know if that

24 answers your question or not.

25 MR. GIBBONS: So the university has been

00124

1 funding it for the.....

2 DR. SPIES: Yeah, they have pretty much
3 volunteered to fund it, but now GLOBEC has picked it up as
4 of several years ago. This is the NSF/NOAA program that's
5 looking at that the global climate change and has expressed
6 (indiscernible - lowers voice)

7 CHAIRMAN BALSIGER: So following on that,
8 that would relieve GLOBEC or NOAA or the University of
9 Alaska from any financial obligation to keep that data
10 series going?

11 DR. SPIES: I think there's a commitment by
12 Tom Weingartner that -- plus a commitment to do that. We
13 are sharing funding for that with GLOBEC right now, it's
14 50/50 balance.

15 CHAIRMAN BALSIGER: Fifty/fifty, thank you.
16 Any comments on this sector?

17 MR. TILLERY: Yeah, Mr. Chairman.

18 CHAIRMAN BALSIGER: Yes, please.

19 MR. TILLERY: This came up a couple of
20 years ago when we first approved this, and at the time I
21 indicated I was completely befuddled as to why this was not
22 normal agency management, which is what I think Mr. Gibbons
23 is getting at.

24 MR. RUE: What was that, Craig? I can't
25 hear you.

00125

1 MR. TILLERY: I could not understand at the
2 time this came up a few years back as to why this was not
3 normal agency management since it had been going on for 40
4 years. But the explanation was that it had -- that we
5 probably would need this data in the future and somehow it
6 was sort of our turn to pay for some of it, and at some
7 point our turn would lapse and somebody else would pay for
8 some it, and it seemed like, as Ms. McCammon said, an
9 investment in the opportunity to participate in a dataset
10 in the future and keep it going. So I think that was the
11 basis it was -- been funded.

12 MR. RUE: And how many years have we funded
13 for?

14 MS. McCAMMON: This is.....

15 MR. RUE: It says fourth year of a four
16 year plan here.

17 MS. McCAMMON:the fourth year, yeah.

18 MR. RUE: So we're done, our turn is over;
19 is that your point?

20 MR. TILLERY: That's what I'm thinking it
21 is; is that true?

22 MS. SCHUBERT: That's what we said up front
23 was four years.

24 MS. McCAMMON: That's what we said up
25 front. That was the commitment. Now, whether as part of

00126

1 over all GEM, I don't know.

2 CHAIRMAN BALSIGER: Now it's the time for
3 the agencies to call the Trustee Council bluff and say,
4 we're not going to pay for it since it's your traditional
5 funding operation.

6 (Laughter)

7 MR. RUE: You're catching on fast.

8 CHAIRMAN BALSIGER: Do we want to make any
9 recommendation on this, following all those descriptions?

10 (No audible responses)

11 CHAIRMAN BALSIGER: No. Please go ahead.

12 DR. SPIES: Okay, the next cluster is
13 public information, science management and administration.
14 It includes four projects. Recommending continuing Project
15 350, Alaska SeaLife Center bench fees. And there's a
16 detail in your packet relating to those costs for that
17 particular aspect. It supports all the projects at the
18 SeaLife Center. I forget, how many are there?

19 MS. SLATER: Four.

20 DR. SPIES: Four. Four projects. Project
21 513 is the continuing legacy exhibit and to actually fund
22 putting that in the Alaska SeaLife Center on a permanent
23 basis. It's recommended to begin Project 535, which is a
24 history of the Trustee Council activity, 1989 through 2002,
25 that is being done by Joe Hunt, formerly of the staff here.

00127

1 And Project 550, which is the ARLIS Resource Center that
2 the Trustee Council has participated in.

3 Are there any questions on that cluster?

4 CHAIRMAN BALSIGER: What does the GA stand
5 for, general administration, is that what that is?

6 MS. McCAMMON: That's a percentage and
7 there's a formula calculation for it. It's a percentage
8 that goes to the agencies for indirect costs, such as
9 office support and paying time cards, office supplies,
10 things of that nature.

11 CHAIRMAN BALSIGER: Okay. So we have, for
12 example, this 350 which provides some half million dollars
13 for bench fees to support 190, which is the linkage map for
14 the pink salmon genome, which gets a fraction of -- for GA
15 for.....

16 MS. McCAMMON: Fish and Game manages all of
17 the bench fees and the contract with the SeaLife Center and
18 oversees and there's often quite a bit of revision and work
19 that they have to do as part of their.....

20 CHAIRMAN BALSIGER: I'm sorry I picked on
21 this one, so Frank won't think I'm picking on him.

22 MS. McCAMMON: No.

23 CHAIRMAN BALSIGER: But we have \$239,000
24 for the pink salmon genome, for example, you add 151 for
25 the SeaLife Center bench fees, plus 10,000, so all three of

00128

1 those are additive?

2 MS. McCAMMON: Correct.

3 CHAIRMAN BALSIGER: All right, thank you.

4 MR. TILLERY: Mr. Chairman.

5 CHAIRMAN BALSIGER: Mr. Tillery.

6 MR. TILLERY: One thing I had was on the
7 continuing legacy project, the concern that was in here was
8 we build this and then it's a permanent exhibit, it'll have
9 to be updated on a yearly basis or every couple of years or
10 something like that to be effective. And I think it's a
11 good project, I think it's just as we pay money to get
12 reports out to the scientific community, I think spending
13 money to get sort of a sense out to the public is a good
14 idea, but I'm -- and maybe this is a -- given our history
15 with final reports isn't a good idea, but is there anyway
16 that in doing projects that we can incorporate some
17 requirement that they assist in updating this continuing
18 legacy?

19 DR. SPIES: We could certainly make that a
20 requirement, I don't think that's part of what we're doing
21 now.

22 MS. HEIMAN: The SeaLife Center would be,
23 in this case, the one that we would be asking?

24 MS. McCAMMON: No.

25 MR. TILLERY: No. If that part of that

00129

1 continuing legacy talks about murrees or something, that
2 when the murre guy does his -- finishes his study, does his
3 final report, interim report, that he gives something to
4 them that allows them to update what's there.

5 CHAIRMAN BALSIGER: It's like one percent
6 for art or something.

7 MR. TILLERY: Something like that.

8 MS. McCAMMON: Yeah.

9 MR. TILLERY: One percent for the public.

10 MS. McCAMMON: I think what would most
11 likely happen are -- the status of injured resources was
12 last done a year ago January, a year ago February and it
13 would be our intent to do it again probably in about two
14 years. So if it was updated it would probably be based on
15 that document that decides whether they're recovered,
16 recovering and whether the recovery objectives have been
17 met. It does raise a good question as to what commitment
18 the Council has just in providing that information and
19 whether they're committed to updating it on an as needed
20 basis or what.

21 MR. TILLERY: And I think updating it is
22 something that we should do.

23 MS. McCAMMON: Yeah.

24 MR. TILLERY: I'm just wondering if there's
25 a way of doing it as part our system.

00130

1 MS. McCAMMON: You wouldn't do it very
2 systematically or comprehensively if you had each PI just
3 give them their report, because often, for example, harbor
4 seals, you might have five or six different projects
5 looking at different aspects of harbor seal health, so to
6 give -- each person just to give their report wouldn't
7 necessarily do it, but.....

8 MR. TILLERY: But you see, every year I see
9 these poster sessions over at the Cook and I was just
10 thinking, you know, if they -- I'm not sure what this is
11 going to be, but if it's kind of like those, only written
12 in English, that maybe you could -- they could again do
13 that, they could write like an English version of it.

14 MS. McCAMMON: We could ask and see if that
15 would be helpful to them, yeah.

16 MR. TILLERY: Anyway, it's just a thought.

17 MR. RUE: Picking up on what Craig was
18 saying. What if they did it for everybody? I mean would
19 it be nice for us to put an ongoing update as a Trustee
20 Council? What do we do here, for instance, or what do we
21 do at end of the poster session? Could they be kind of our
22 contractor to put on the web page, in ARLIS, not just the
23 SeaLife Center, kill more birds with one stone, maybe we
24 think about that.

25 CHAIRMAN BALSIGER: That's a bad metaphor,

00131

1 I know that.

2 MS. HEIMAN: Yeah.

3 MR. RUE: Well, one spill, sorry.

4 MR. GIBBONS: With one spill.

5 (Laughter)

6 MR. RUE: That was a lead balloon, sorry.

7 Okay.

8 MR. GIBBONS: I've just got a comment. I

9 know we've set the bench fees and we've got a process for

10 doing that, but to me it just still gets to me with the

11 project budget is 120,000 and the bench fees are 150,000.

12 I mean, that's -- it's more than the project, it just.....

13 DR. SPIES: One of the realities of keeping

14 marine mammals, for instance, in captivity is they require

15 a huge amount of food. They require veterinarian care,

16 they require huge amounts of fresh water, they require

17 keepers, so there's a lot of expenses, so it's not really

18 in the same category as a lot of the other scientific

19 research.

20 MR. GIBBONS: Well, I noticed the satellite

21 tags, seven, and the bench fees are 19, so is that the same

22 kind of.....

23 MS. McCAMMON: Well, the problem with that

24 is that the personnel costs are being absorbed by the

25 agency and so it looks more disproportionate than it

00132

1 actually is.

2 DR. SPIES: Under project management
3 cluster, the recommendation to continue Project 250, which
4 is the project management. And I guess we could probably
5 lump the next one in there, outside Work Plan. Continue
6 Project 100, administrative budget. Our recommendation is
7 to continue Project 126, habitat acquisition support and
8 recommendation to continue Project 154, archaeological
9 repository and wilderness display facilities. And Project
10 424, which is the Restoration Reserve.

11 CHAIRMAN BALSIGER: Did I see a breakdown
12 of 250 by agency in here someplace?

13 MS. McCAMMON: No.

14 CHAIRMAN BALSIGER: I didn't?

15 MS. McCAMMON: It's not in here, but we can
16 get that for you, it's based somewhat on the number of
17 projects that each agency is managing, the amount of
18 funding each agency is overseeing and it's a little bit of
19 a balance there.

20 CHAIRMAN BALSIGER: Okay, that's fine.

21 MS. McCAMMON: Yeah, but I can get you that
22 breakdown here. And the reason that's in one budget is
23 that along in the -- about in the mid-'90s we were looking
24 at projects, almost every project has half a month, a
25 month, two months of this project management. And it was

00133

1 very difficult to get a handle on what these project
2 managers were doing and whether there was coordination
3 among all the projects and it -- what we decided, at that
4 time, was to put it all into one budget because then you
5 could actually see project management in its entirety and
6 as the program diminished over time you could also see that
7 more clearly diminish over time. And this definitely is a
8 reflection of fewer projects, smaller funding.

9 Is it being copied?

10 MS. SCHUBERT: Yeah.

11 MS. McCAMMON: Yeah.

12 CHAIRMAN BALSIGER: Okay. Thank you.

13 Mr. Rue.

14 MR. RUE: One thing, going back to the
15 SeaLife Center, as I understand it, there's a large budget
16 item in the Federal budget to deal with the SeaLife Center.
17 If that goes through maybe we could have someone explain to
18 us how it affects our interaction.

19 MS. HEIMAN: Are you talking about the
20 institute?

21 MR. RUE: I don't know what I'm talking
22 about, except it's 5,000,000 bucks, I think, for the
23 SeaLife Center.

24 MS. HEIMAN: Yeah, that's the institute.

25 MR. RUE: And maybe -- I don't need to hear

00134

1 it now, maybe you just need to -- someone needs to tell me
2 how it might affect our interaction with the SeaLife
3 Center.

4 MS. HEIMAN: Well, you're in charge of it
5 because it goes through the NPRB, which you guys co-chair.

6 MR. RUE: Oh, is that right? Great. Maybe
7 I should tell myself what's going on.

8 (Laughter)

9 CHAIRMAN BALSIGER: Well, I think the
10 language is still being worked with, so I don't think
11 anybody can talk about it definitively yet, but I also was
12 curious as to -- there's a variety of sources of funding
13 for SeaLife Center bench funds and a good manager there,
14 I'm sure, knows where they're all coming from and can
15 explain all of them, but it's a little bit hard to keep the
16 bits and pieces separate when you're one of several funding
17 groups that puts money there. Perhaps we need to ask, is
18 it Mark Whyte, to decipher these things?

19 MS. McCAMMON: Would you like a report.....

20 CHAIRMAN BALSIGER: I don't know..... at

21 MS. McCAMMON:the next meeting on the
22 SeaLife Center?

23 MS. HEIMAN: I think that would be good. I
24 do think it would be good, uh-huh.

25 MR. RUE: Is that the right time, will we

00135

1 know then how they're.....

2 CHAIRMAN BALSIGER: I would think by

3 December.....

4 MS. McCAMMON: December.

5 MR. RUE: December? Maybe that would be
6 good.

7 CHAIRMAN BALSIGER:would be good
8 because we'll have the supplementary language from this
9 year and we'll have the 01 budget language and he could
10 explain to us where he's getting money from for all the
11 pieces.

12 MS. McCAMMON: Yeah.

13 MS. HEIMAN: Are we done, are we done?

14 MR. RUE: Be careful what you ask for,
15 right?

16 DR. SPIES: I was just going to ask the
17 same question

18 (Laughter)

19 MR. RUE: APEX, did we -- excuse me.

20 MS. McCAMMON: There's a couple of things
21 also. If you go through your packet you'll notice Bob
22 didn't touch on some projects that the recommendation was
23 to not fund, so if you do have any questions or concerns or
24 comments about any of those, we just highlighted the ones
25 that were being recommended to be funded or deferred.

00136

1 And also Veronica Christman is here, and Veronica
2 has been the project manager for the archaeology project
3 and there is a request for \$38,000 for additional support
4 costs for the archaeology project, and she can give you an
5 update, also, on where we are in terms of the central
6 repository and the local display facilities.

7 CHAIRMAN BALSIGER: Would the Trustees like
8 to hear that?

9 (No audible responses)

10 CHAIRMAN BALSIGER: Please.

11 MS. CHRISTMAN: Following the instructions
12 that are printed here, my name is Veronica Christman,
13 C-H-R-I-S-T-M-A-N. Thank you.

14 A few years ago the Trustee Council approved a
15 project to construct an archaeological repository for
16 Prince William Sound, as well as Lower Cook Inlet. And the
17 total amount of the authorization was \$2.8 million. And it
18 was divided one million -- or the funds were allocated
19 \$1,000,000 toward an archaeological repository whose
20 functions largely was curation of artifacts, long-term
21 storage of artifacts, but the idea there also was this
22 would be kind of a central guidance system for a network of
23 satellite display facilities which would be constructed in
24 seven communities throughout Prince William Sound and Lower
25 Cook Inlet.

00137

1 And the grant was issued to Chugachmiut, which is
2 the Native non-profit for the Chugach region. And we
3 issued a grant to that organization. And the first stage
4 under the repository was to develop a business plan. Quite
5 frankly when we evaluated the proposal from Chugachmiut
6 there was serious questions as to whether this proposed
7 facility could, in fact, be self-sustaining or would have
8 the underwriting commitment from other organizations, so we
9 didn't want to encounter a situation where the Trustee
10 Council invests in a facility and then it closes a few
11 years after it opens.

12 So the grant was structured so that there would be
13 a decision point after the repository business plan was
14 completed. And it a -- I can't say it was your last
15 meeting, but I think the March meeting, we discussed the
16 repository plan and you passed a motion asking for
17 additional information, which included resolutions, current
18 resolutions, from Chugachmiut, as well as Chugach Alaska
19 Corporation, again making sure there's a financial
20 commitment.

21 We have received a response from Chugachmiut that
22 contains everything except the resolutions. The
23 organizations, the boards of directors are grappling with
24 the same issues that we asked them to and that is, are they
25 willing to sustain this facility financially, no matter

00138

1 what happens, even if their revenue projections fail? And
2 right now my best estimate for when we will receive those
3 resolutions would be sometime in September. The grant
4 agreement allows the grantor, which is the Alaska
5 Department of Natural Resources working on behalf of the
6 Trustee Council or the grantee, to terminate the grant
7 should they decide to do so at this point.

8 So we have no recommendation for any further action
9 on the repository pending receipt of the resolutions and
10 further discussion of this particular facility.

11 Meanwhile, Chugachmiut had proceeded with the local
12 display facilities, and I'm quite enthusiastic about what's
13 happened on those. Chugachmiut envisioned doing a request
14 for proposal in two stages. The first would take place
15 this year where they would initiate four of the seven
16 facilities and we did receive proposals from Seldovia, Port
17 Graham, Nanwalek, as well as Eyak in Cordova to develop
18 community facilities.

19 And a proposal evaluation committee met, I
20 participated with that group, and made recommendations and
21 will proceed according to the grant agreement. What I
22 found very encouraging about this is that up until this
23 point we all sort of speculated what might happen with
24 these facilities and could they be sustained and would they
25 be grandiose facilities, blah, blah, blah? And, actually I

00139

1 found the proposals very practical and they reflected a
2 great deal of effort within the communities to pool efforts
3 between the village corporation as well as the village
4 council, but most of the facilities entail renovation of a
5 space in an existing facility. There is one proposal for
6 -- actually two proposals for new construction.

7 And so the request that's before you is to support
8 continuation of this component, the local display facility
9 component, into fiscal year 2001, based on the activities
10 that are spelled out in the grant agreement, that is moving
11 ahead with NEPA compliance for the four facilities we
12 envision, actually getting started being developed in
13 fiscal year 02 and construction of those facilities and
14 various approval stages, as well as developing traveling
15 exhibits.

16 Again, Chugachmiut's proposal was to do that in two
17 stages. First, in fiscal year 2001 to develop four
18 traveling exhibits for the four facilities that are being
19 developed and then, as a second stage, developing the three
20 facilities that will be done next year in fiscal year 2002.

21 CHAIRMAN BALSIGER: Thank you.

22 MS. HEIMAN: Mr. Chairman.

23 CHAIRMAN BALSIGER: Please.

24 MS. HEIMAN: I have a couple of questions.

25 Again I'm going to start at the very beginning because I'm

00140

1 a little confused.

2 MS. CHRISTMAN: Sure, okay.

3 MS. HEIMAN: We approved 2.8 million for
4 this overall project.

5 MS. CHRISTMAN: Right.

6 MS. HEIMAN: How much money have we given
7 to Chugachmiut already to develop this business plan?

8 MS. CHRISTMAN: That business plan was
9 80,000 and then we added an additional 9,000 to develop the
10 procedure for local display facilities and then we issued
11 an amendment to that grant increasing the amount by
12 180,000. And that was to develop the proposals that.....

13 MS. HEIMAN: Increased the 2.8 million?

14 MS. McCAMMON: No, it's within the 2.8.

15 MS. CHRISTMAN: No, within the 2.8, so one
16 would be -- 269 so far.

17 MS. HEIMAN: Has been given?

18 MS. CHRISTMAN: Has been given to them.

19 And that's our projection for the rest of fiscal year 2000.
20 So what we're looking at for the additional funds that are
21 mentioned in the memo that you have before you are for
22 fiscal year 2001. And the reason we brought this request
23 to you at this stage is that you are considering fiscal
24 year 2001 Work Plan and this is what we're projecting to
25 take place.

00141

1 MS. HEIMAN: So in addition to the 269,000
2 that has already been received, Chugachmiut is requesting
3 an additional 38,000 for this year?

4 MS. CHRISTMAN: No. No, I can't remember
5 the amount. Do you have that in the memo?

6 MS. McCAMMON: Mr. Chairman, the 2.8
7 million is to go to Chugachmiut for the actual construction
8 and their part of the project, and the Council has approved
9 it. It gets doled out depending on different checks and
10 balances in the process. And so when certain things have
11 been done then another piece gets out. What the Council
12 did not approve at that time was support costs for the
13 agency, for the Department of Natural Resources, the
14 project management and the general administration to
15 administer the contract. And that's what the \$38,800 is
16 strictly support costs for the agency.

17 MS. HEIMAN: Is that above the 2.8 million?

18 MS. McCAMMON: Yes.

19 MS. HEIMAN: I see.

20 MS. McCAMMON: Yes.

21 MS. CHRISTMAN: Right. Because the 2.8
22 million was strictly to Chugachmiut. And then the
23 resolution actually stated that the Council would approve,
24 you know, reasonable support costs.

25 MS. HEIMAN: So what I'm familiar with is

00142

1 Seward, which I think is the main repository, right?

2 MS. CHRISTMAN: Yes, the repository.

3 MS. HEIMAN: And then there's these

4 other.....

5 MS. CHRISTMAN: Local display

6 facilities.....

7 MS. HEIMAN:local display facilities.

8 MS. CHRISTMAN:one in each village

9 within the region.

10 MS. HEIMAN: Okay. And so what you're

11 saying is for the local display facilities there's good

12 progress on four of these, that you feel really good about.

13 MS. CHRISTMAN: Right.

14 MS. HEIMAN: As far as -- what is left over

15 then, if you say four display facilities, what's the other

16 piece that still needs some work?

17 MS. CHRISTMAN: Is the repository itself.

18 This request.....

19 MS. HEIMAN: In Seward only?

20 MS. CHRISTMAN:addressed -- no.

21 MS. HEIMAN: There's no other places?

22 MS. CHRISTMAN: Right. No, just Seward.

23 MS. HEIMAN: It's for local communities and

24 Seward? Is that the whole breadth of it?

25 MS. CHRISTMAN: No, the request is for

00143

1 those activities we project to take place during fiscal
2 year 01 for two of the three components of this grant, and
3 that would be the local display facilities, as well as
4 traveling exhibits. The local display facilities involve
5 -- actually the bulk of the activity and the money to be
6 spent would be for these four facilities because they're
7 getting started and they'll have their NEPA compliance and
8 move ahead to construction, but in addition during fiscal
9 year 2001 there would be a request for proposals for the
10 remaining three local display facilities. So they would
11 get started as well in fiscal year 01.

12 MS. HEIMAN: Can you just tell me what all
13 of them are? Name each display facility.....

14 MS. CHRISTMAN: Oh, all of the communities?

15 MS. HEIMAN: Yes.

16 MS. CHRISTMAN: Okay, yes, because there is
17 an issue there as well.

18 The four communities that we have received
19 proposals from are Seldovia, Port Graham and Nanwalek, and
20 these three are on the lower Kenai Peninsula. In addition
21 we received a proposal from the Native Village of Eyak
22 which is the city of Cordova and the other three
23 communities that are covered by the authorization that the
24 Council approved are Valdez and Tatitlek and Chenega Bay.

25 The issue of -- the community of Seward had some

00144

1 complication in that the initial proposal from Chugachmiut
2 was to develop a -- actually a two-part facility in Seward
3 that would consist of an archaeological repository that
4 would deal with the artifacts in one building within
5 Seward, and then a companion local display facility at the
6 railroad depot, on the waterfront. But when Chugachmiut
7 was considering their business plan they realized that that
8 combination would not work out for them. And so they
9 proceeded in doing their business plan based on a modified
10 plan, which was to focus only on the archaeological
11 repository and to have within the repository a small
12 display area and to reduce their budget accordingly. And
13 to allow the community groups with Seward to propose a
14 local display facility there in Seward. However, that
15 modified plan has not been approved by the Council yet.

16 MS. HEIMAN: And you do know there's money
17 in the Interior budget for this as well?

18 MS. CHRISTMAN: Yes. For the Kenai Fjords?

19 MS. HEIMAN: Yes. And how does that fit in
20 with all of this?

21 MS. CHRISTMAN: With Seward? I can't tell
22 you exactly. At the last meeting you had some discussion.
23 I could give you my view of what might happen. I've had
24 discussions with Ann Castellini about possibilities. Her
25 sense, at that time, was that the proposed visitor center,

00145

1 education center, et cetera, could work well in concert
2 with an archaeological repository. It might lend itself to
3 having the local display area within it and that might be a
4 matter of a partnership with community groups, mainly the
5 Native community within Seward. But those partnerships
6 haven't really been pursued.

7 MR. GIBBONS: Just a little follow-up.
8 There's a proposed joint facility in Seward, Park
9 Service/Forest Service, administrative site and
10 interpretive site to be built in conjunction with the
11 University of Alaska at their site there. And there's
12 wording in the appropriations bills this year for
13 purchasing the land, design and also wording that says we
14 will work with -- you know, on a local display for cultural
15 artifacts. And so we just need to be aware that's in the
16 proposed legislation and we need to be tracking it in
17 regards to this, too.

18 MS. CHRISTMAN: Uh-huh. I might say that
19 the grant agreement is set up, and Chugachmiut is not
20 always pleased with this, but -- I think they describe it
21 as micromanagement, that is, at every step along the way,
22 in the grant agreement, the Executive Director issues her
23 approval and the grant manager, Judy Bittner, the State
24 Historic Preservation Officer, issues her approval, to make
25 sure that these kinds of connections are caught at every

00146

1 point. So literally it would be impossible for Chugachmiut
2 to issue any approval to any group in Seward or anywhere
3 without Molly's approval, Judy Bittner's approval, I mean
4 it would be -- there are many, many checks and balances
5 built into this kind of grant.

6 Furthermore, nothing would be done about the Seward
7 -- about anything in the Seward area, either the repository
8 or the local display area [sic] without our coming back to
9 the Trustee Council because.....

10 MS. HEIMAN: And so remind -- go ahead,
11 sorry.

12 MS. CHRISTMAN: Yeah, go ahead.

13 MS. HEIMAN: What would the 38,000 now be
14 used for again, after all that?

15 MS. CHRISTMAN: After all of that?

16 MS. HEIMAN: Yeah.

17 MS. CHRISTMAN: The 38,000 would be the
18 general administration, the project support costs for the
19 funds that we project spending -- the grant fund that we
20 expect to issue to Chugachmiut and I think that's been
21 modified, Molly, since what I had, the 800 and something --
22 approximately 900,000. You have the exact amount there.
23 And so it would be GA based on that at two percent because
24 this grant has been going on for a while. And then there's
25 18.6, I believe, for personnel cost project management.

00147

1 MS. McCAMMON: The request before you is
2 for \$11,000 for up to two months of project management,
3 \$7,600 for up to one month oversight by Judy Bittner, the
4 State Historic Preservation Officer, and then \$20,200 for
5 general administration. And those costs are based on a
6 release of the \$869,000 in grant funds. And that's what on
7 the request that I have and I have nothing other than that,
8 and that's what's before the Council today.

9 MS. CHRISTMAN: Right, right. And that
10 reflects the seven facilities.....

11 MS. McCAMMON: Going forward in some
12 fashion.

13 MS. CHRISTMAN:going forward, so
14 nothing in Seward, it's just for you to know.

15 CHAIRMAN BALSIGER: This reflects -- I got
16 a little confused as well, I think, but this 38,000 is all
17 you need out of the 2001 budget for progress on all of
18 these facilities, but are we expecting to see similar
19 requests to finish these things or is the 2.8 million going
20 to get it done or -- in the 2002 and 3 and.....

21 MS. CHRISTMAN: Two point eight million
22 would be the maximum grant amount to Chugachmiut. In terms
23 of project support that would be -- the amount that's been
24 requested so far should be ample. I mean two of the three
25 -- for local display facilities and traveling exhibits for

00148

1 fiscal year 2001, based on this schedule we have in the
2 grant agreement. By fiscal year 2002, we probably would
3 come back to you and, at that point, it would be based on
4 many things, progress that's occurred, the funds that have
5 been expended, the balances available.

6 CHAIRMAN BALSIGER: There's not a thought
7 that this is going to cost \$50,000,000 over the next four
8 years or something like that?

9 MS. CHRISTMAN: No. In terms of the grant
10 funds it would cost no more than 2.8 million total.

11 CHAIRMAN BALSIGER: Okay. Thank you.

12 MS. McCAMMON: Mr. Chairman, in terms of
13 support costs this 38,000, added to the other support costs
14 that have already been funded, the review of the business
15 plan, I think that totals a little over 100,000. It's
16 anticipated that to complete the entire project, if the
17 repository goes completely forward, I believe is another
18 40,000.

19 MS. CHRISTMAN: Approximately, yeah.

20 MS. McCAMMON: Forty to 50,000 in support
21 costs. So that would be the only additional item that
22 would be coming back.

23 CHAIRMAN BALSIGER: Thank you very much.

24 Thank you very much for the report.

25 Let's see, so the asteriskerized [sic] items on the

00149

1 agenda indicated that they're decision -- or action items
2 or some such?

3 MS. McCAMMON: Yes, Mr. Chairman.

4 CHAIRMAN BALSIGER: We sort of passed
5 number 5 and into number 6, but we didn't really take
6 action on five, I guess, so how does the Council normally
7 do this? Five is the Work Plan.

8 MS. McCAMMON: I do have some additional
9 information that was raised earlier and then there's a
10 draft motion that encompasses funding the archeology
11 support costs, it includes funding for the Work Plan, for
12 the administration budget, the habit support budget and the
13 Restoration Reserve and that is the second page of your
14 purple sheet.

15 CHAIRMAN BALSIGER: All right.

16 MR. RUE: Are we ready for a motion?

17 MS. McCAMMON: But I do have information
18 on.....

19 CHAIRMAN BALSIGER: We do have some
20 additional information if anyone -- would you care to
21 describe it?

22 MS. McCAMMON: Yes. On the 250 budget,
23 which is project management -- would you pass this out with
24 the agency breakdown, so you can see that? And so this
25 goes to -- and there's also general administration, which

00150

1 is indirect fundings also to support these personnel who
2 support the projects. And this is in addition to funding
3 for the agencies in the 100 budget.

4 And in addition, the information on the APEX
5 Project, this is primarily NOAA and Interior. Last year
6 the funding level was \$1.23 million, this year's funding is
7 -- and roughly 50 manuscripts were expected at that time,
8 we don't have a report yet on where they are in terms of
9 producing those manuscripts. This year the request for
10 198,000 goes to several -- it's like one month here, two
11 months there, between a number of people in Interior and
12 NOAA. The big concern was the additional year, plus in
13 FY02 the Chief Scientist has asked for a synthesis and what
14 is being proposed is a semi-popular synthesis, not a
15 scientific synthesis and so there's a lot of concern about
16 the utility of doing that and not having an adequate peer
17 reviewed synthesis.

18 CHAIRMAN BALSIGER: So when you say this
19 year's request, you're talking about the 2001 plan?

20 MS. McCAMMON: Yes.

21 CHAIRMAN BALSIGER: Thank you.

22 MR. RUE: And that's what's being deferred?

23 MS. McCAMMON: Yes. Unless you would like
24 otherwise.

25 CHAIRMAN BALSIGER: Any Trustee sentiment

00151

1 on whether the leverage that we're trying to apply by
2 deferring until December should be undone?

3 (No audible responses)

4 CHAIRMAN BALSIGER: In that case I believe
5 we're staying with that recommendation. Is there any other
6 comments on any other part of the Work Plan?

7 MR. RUE: I guess I'd simply like to say
8 once again, Molly, you and your staff have done a great job
9 putting together a lot of information and I think coming up
10 with very good recommendations. I think we had very few
11 problems with them as we looked through them. And so
12 certainly from the Department of Fish and Game, you didn't
13 approve all our projects but, you know, we felt like they
14 got fair treatment and good analysis and as a package it's
15 good, I think it's a good package. And I look forward to
16 some of the conversations we said we need to have, so I
17 think those are also important.

18 MS. HEIMAN: Yeah.

19 MS. McCAMMON: It's getting tougher.

20 (Laughter)

21 MR. RUE: Yeah. Well, it is with money
22 going down, it's never easy.

23 CHAIRMAN BALSIGER: There must be a
24 mountain of paper that's handled that we never see here, so
25 it's a lot of work, as you point out.

00152

1 Yes, please, Marianne.

2 MS. SEE: Yeah, I just wanted to add my
3 endorsement to what Frank just said about the work that
4 went into all the review and development of how this would
5 all fit together, it's very well done. I would note, too,
6 just on one of the proposals that's a do not fund, it
7 raises an additional interesting issue, I think, it's on
8 the horizon, it's not really here yet, but under marine
9 mammals there was a project proposed, it's 01465 on killer
10 whales. And as the Chief Scientist's recommendation notes,
11 the principal investigator on that is extremely
12 well-qualified. It happens to be the person who's the U.S.
13 lead on persistent organic pollutants under the Arctic
14 Monitoring Assessment Program or AMAP as it's commonly
15 known, and Ed has excellent credentials in these kinds of
16 investigations. But the proposal was one that looked at
17 killer whales throughout their range and outside, for a
18 larger part, the EVOS region, and for that reason, I think,
19 primarily it was not funded now. But it does relate to
20 something that may really -- something we can look at under
21 the North Pacific Research Board kind of mandate that is
22 yet to be developed, but perhaps there'll be an opportunity
23 though either GEM or the future program under the board to
24 look at those kinds of investigations as something that can
25 be done if they do fall outside the current definition of

00153

1 how EVOS funds things.

2 But that, I think, is an extremely important kind
3 of study, it does look at one of the most contaminated
4 marine mammals in the world, killer whales, unfortunately.
5 That was just reiterated at an international conference in
6 Seattle last week which I attended on trans-Pacific
7 transport of pollutants, and one of the key researchers in
8 Canada on killer whales pointed that out, that actually
9 it's one of the most polluted mammals in the world, killer
10 whales, in some populations. So they're kind of -- going
11 back to that sentinel species concept, this is one of those
12 issues where we'll want to be sure that this organism and
13 others can be addressed somewhere in these different
14 programmatic efforts that we'll be developing through GEM
15 and other efforts.

16 So I just wanted to flag that as something that --
17 it's a theme that we're going to have to look at how these
18 things all fit together.

19 CHAIRMAN BALSIGER: Thank you.

20 MS. HEIMAN: I guess, if I could, I'd like
21 to add to what Marianne said. I agree and several people
22 serve on this body that will be serving on the North
23 Pacific Research Board and I agree that this should be
24 flagged for a look at when we look at the Bering Sea and
25 the north Pacific because we do have a great scientist here

00154

1 and we do know -- we're learning more and more everyday
2 about these contaminants and marine mammals and it's --
3 you're going to hear it more and more from the Department
4 of Interior.

5 MR. RUE: I can't help myself, folks. I
6 agree with what folks are saying, but those of us who were
7 here during the early days of EVOS and watched how projects
8 were decided and what had merit and what didn't, it was
9 terrible. And I think what Molly and her predecessor and
10 others have brought, and Dr. Spies and the peer reviewers
11 have brought to this process and this body is, one, a Work
12 Plan, but, one, an overall plan and annual Work Plan and
13 now a GEM and then the kind of analysis we got today, where
14 we set general objectives and sub-objectives and he could
15 sort of remind -- they went through and reminded us of what
16 our objectives were.

17 MS. HEIMAN: I don't think either one of us
18 are recommending that this be funded by EVOS right now.

19 MS. SEE: No.

20 MR. RUE: Good, I want -- no, no, no, let
21 me get to my point. All of us who sit on that board, I
22 think, ought to realize this is a well-honed oiled machine
23 that EVOS -- that we deal with here and it's great, it
24 really helps us. And we're going to walk into one on that
25 board that's got 17 ideas.....

00155

1 MS. HEIMAN: Uh-huh.

2 CHAIRMAN BALSIGER: You mean Molly and
3 Dr. Spies aren't going to prepare this for us?

4 (Laughter)

5 MS. HEIMAN: You never know.

6 MR. RUE: Well, no, it's a template we need
7 to remember, because we will be way more efficient, way
8 more able to do the kinds of things Marianne is saying and
9 have a general notion of where we want to go and some
10 priorities set if we do what we're doing now here. But it
11 took us some painful years to get where we are in EVOS and
12 maybe those of us who sit on NPRB can learn from those
13 lessons and not repeat some of the pain and go right to
14 some of the things we've learned here and some of the
15 things that have gotten us, I think, some very good
16 proposals in this process and so I just -- that's a
17 backhanded compliment, whatever, back-way compliment to
18 EVOS and sort of admonition to all of us to make sure that
19 we remember that and try to replicate it on NPRB and the
20 other entities it may form. So enough speechmaking.

21 CHAIRMAN BALSIGER: Thank you. No, I think
22 that's important. It's something that's been part of one
23 of my nightmares is how do you start that new process with
24 the new money, so that's good thing.

25 MR. RUE: Yeah, well, this gives us some

00156

1 good examples of what works well, I think.

2 MS. HEIMAN: Mr. Chairman, are you prepared
3 to take a motion?

4 CHAIRMAN BALSIGER: Yes. Oh, I'm sorry,
5 one moment, please. Mr. Tillery.

6 MR. TILLERY: No, I was just going to say I
7 have slight change to the motion.

8 MS. HEIMAN: Okay, I will be glad to.....

9 MR. TILLERY: It's just a little
10 clarification, but I would move the Trustee Council adopt
11 the recommendations of the Executive Director for FY01
12 project as outlined in spreadsheets A and B, dated July
13 27th, 2000, as amended by spreadsheet C, dated August 3rd,
14 2000, with the following conditions.

15 One, if a principal investigator has an overdue
16 report or manuscript from a previous year no funds may be
17 expended on a project involving the PI unless the report is
18 submitted or scheduled for submission as approved by the
19 Executive Director.

20 And, two, a project's lead agency must demonstrate
21 to the Executive Director that requirements of NEPA are met
22 before any project funds may be expended, with the
23 exception of funds spent to prepare NEPA documentation.

24 And funds for Project 01154 archaeological
25 repository and display facility are a capital project and

00157

1 lapse September 30th, 2002.

2 MS. HEIMAN: Second.

3 CHAIRMAN BALSIGER: Any discussion, any
4 comment?

5 (No audible responses)

6 CHAIRMAN BALSIGER: All in favor say aye.

7 IN UNISON: Aye.

8 CHAIRMAN BALSIGER: Motion passes

9 unanimously.

10 So that included both the Work Plan and
11 archaeological funds?

12 MS. McCAMMON: Yes.

13 CHAIRMAN BALSIGER: We have left on the
14 agenda.....

15 MS. McCAMMON: What it didn't include was
16 the supplemental request which wasn't on the -- it was kind
17 of included in it, but not specifically on the agenda, I
18 guess, but it is a tab in your binder, FY00 Supplemental
19 Budget Request for 00126.

20 MS. HEIMAN: I would like.....

21 CHAIRMAN BALSIGER: Did we have a
22 description of that?

23 MS. McCAMMON: There's a memo in your
24 binder on this. When the Council approved the support
25 costs budget last year it was with the caveat that it was a

00158

1 very lean budget at that time and it was with the caveat
2 that if, during the year's process, if additional funds
3 were needed then the agencies could come back and request
4 additional funds. Due to the action that the Council took
5 in July in terms of asking for some additional appraisals
6 and additional work on some new parcels, Fish and Wildlife
7 Service has come forward and asked for additional funds.
8 The total being requested is \$29,200 for agency work, plus
9 \$3,100 in general administration for a total of \$32,300.

10 Department of Natural Resources did review their
11 needs, they're not submitting a request for supplemental
12 funding, nor is the Forest Service at this time. But the
13 primary purposes of this money is to work on the three new
14 parcels that were approved to go forward in July. And we
15 have reviewed this. There was a reduction made, a
16 corresponding reduction made in the 01 budget, not dollar
17 for dollar, but there was a deduction made, and that's been
18 adjusted and taken into account in the 0126 budget.

19 CHAIRMAN BALSIGER: Questions from the
20 Council?

21 MR. RUE: If I could. I see the 29.2,
22 where's the other?

23 MS. McCAMMON: I just added it up. Sandra
24 calculated for me and put a little crib notes on my sheet.
25 The total is -- it's \$3,100 for GA, for a total of \$32,300.

00159

1 MR. RUE: 32,300, okay.
2 CHAIRMAN BALSIGER: Other comments or
3 questions?
4 (No audible responses)
5 CHAIRMAN BALSIGER: Do we need a motion on
6 this or a resolution?
7 MS. McCAMMON: Yes, we need a motion.
8 MS. HEIMAN: I move that we adopt the
9 supplemental budget for administrative purposes for Fish
10 and Wildlife, Department of Interior.
11 CHAIRMAN BALSIGER: Project.....
12 MS. McCAMMON: For Project 00126.
13 MS. HEIMAN: For Project 00126.
14 MR. RUE: For how much?
15 MS. HEIMAN: \$32,300. I'm always so good
16 at these motions.
17 CHAIRMAN BALSIGER: Is there a second?
18 MR. RUE: Second.
19 CHAIRMAN BALSIGER: All in favor?
20 IN UNISON: Aye.
21 CHAIRMAN BALSIGER: Do I get to vote on
22 this by the way?
23 MS. McCAMMON: Yes.
24 MR. RUE: You have to vote, nothing passes
25 without you.

00160

1 CHAIRMAN BALSIGER: Okay, thank you. Back
2 to the agenda, I believe we have something on the second
3 page which was revised procedures.

4 MS. McCAMMON: Yes.

5 CHAIRMAN BALSIGER: Can we struggle through
6 this or does the Council wish to take a break? I think
7 this the last deal as far as I know.

8 MS. HEIMAN: We better just do it and get
9 out of here.

10 CHAIRMAN BALSIGER: Okay.

11 MS. McCAMMON: Okay. Mr. Chairman, the
12 Council has adopted procedures that are operating
13 procedures, financial procedures, an appendix of Federal
14 internal procedures and, basically, what we tried to do is
15 put everything into one booklet that all the Trustee
16 agencies have a copy of, it's got this turquoise cover to
17 it. It was last modified on August 29th, 1996.

18 In response to just issues that have come up over
19 time, especially ones that have been raised by our own
20 external auditor and in order to improve the process and
21 also take into account that our way of funding the program
22 is changing away from the Court Registry Investment System
23 to another type of fund with different type of reporting
24 requirements. One of Traci Cramer's last duties before she
25 left was to go through and propose a set of revisions to

00161

1 the procedures.

2 The kinds of things this does is -- the procedures
3 had designated that Federal representatives serve on the
4 Trustee Council but past experience has shown that agency
5 representation is not necessarily linked to specific
6 positions, so the revised procedures continue to allow a
7 Trustee to designate a representative and an alternate.
8 The March 1 resolution of 1999 has been incorporated into
9 the procedures. It talks about the division of the funds
10 into 2002 into a research and monitoring fund and a habitat
11 fund.

12 Public Law 106-113 has been incorporated into the
13 procedures, which is the investment authority received by
14 Congress last year. As recommended by the auditors the
15 revised procedures recognize that allowable general
16 administration costs shall be based on actual direct
17 project costs and, in addition, the general administration
18 formula shall be applied against actual expenditures and
19 obligations. So this is just a way of how you calculate
20 expenditures over time.

21 And the last -- well, not the last one, but to
22 ensure that unused capital funds are made available to the
23 Council for other purposes a new section has been added.
24 And this section provides for three years to complete a
25 capital project. After that time any remaining funds will

00162

1 lapse.

2 The current procedures allow agencies to dispose of
3 equipment that ceases to function or have value. However,
4 they didn't address equipment that was no longer needed for
5 restoration purposes but continued to have value, basically
6 surplus equipment. So the revised procedures recognize and
7 address the issue of surplus equipment.

8 Those are the primary changes in there. There was
9 also one -- an additional change that recognized that the
10 Council may, by unanimous vote, select a named contract
11 recipient to carry out the project.

12 These were the revised procedures that went out to
13 the agencies, we received a number of comments from the
14 Trustee agencies. And the memo you have before you
15 responds to those and actually has a couple of recommended
16 changes in response to them.

17 The majority of the comments received address the
18 professional services contract section. And if you look in
19 your packet on page 16, under professional service
20 contracts, there is a section named recipient. In the
21 event that the Council determines that in order to carry
22 out its mandate a particular person or entity should
23 implement all or a portion of a project, the Council may by
24 unanimous vote select a named contract recipient. It has
25 to give the reason for selecting the contract recipient.

00163

1 There was general consensus of both State and
2 Federal agencies that this paragraph is confusing. The
3 reason this ended up going in there is because there are
4 some new authorities that may be useful in the future, they
5 have not been used thus far. We have an informal attorney
6 general's opinion that says that under the contracting
7 procurement law that the EVOS Trustee Council is a
8 cooperative agreement and as such if it is the desire of
9 the cooperative agreement, the entity with the cooperative
10 agreement to have go to a named recipient then State
11 procurement can go along with that, can do that. It hasn't
12 been used, but there is a legal opinion that says this.

13 In addition, a section of Public Law 106-113 gives
14 the Federal Trustee agencies and the State Trustee
15 agencies, to the extent they can do it under State law, but
16 to the Federal Trustee agencies grant authority to
17 implement the EVOS program.

18 So these are thing that may be new possibilities
19 for doing named recipient contracts or named recipient
20 grants, they haven't been used. There is interest in using
21 them in the future, but it became clear to me in discussing
22 this with the agencies that putting this here caused more
23 problems and raised more flags than it answered questions.

24 And my recommendation is to delete that section,
25 that entire paragraph, but to add to Section I, under

00164

1 General, some language so it would read that agencies shall
2 ensure that professional services are accomplished in
3 accordance with the terms, conditions and specifications of
4 the project approved by the Trustee Council, and then add,
5 in accordance with applicable Federal and State laws.

6 There are laws, and there are interpretations now that
7 indicate named recipient grants or contracts can be used
8 and I think there's some desire to do that, but if so it
9 would come back on a case-by-case basis.

10 MR. RUE: So get rid of number 2 and
11 add.....

12 MS. McCAMMON: And add at the end of that
13 Section I, and in accordance with applicable Federal and
14 State laws.

15 MR. RUE: Got you. Or or and?

16 MS. McCAMMON: And.

17 MR. RUE: Do we need that? That is a
18 matter of course, I always thought we had to do that
19 anyway.

20 MS. McCAMMON: It would be assumed anyway,
21 but it just.....

22 MR. RUE: Martial law.

23 MS. McCAMMON: It's probably not necessary,
24 but.....

25 MR. RUE: I've always assumed everything we

00165

1 do is in accordance with the law.

2 MS. HEIMAN: I hope so.

3 (Laughter)

4 MR. RUE: No, really, I mean, is it --

5 Craig, do we need it?

6 MR. TILLERY: A portion of what we do is in
7 accordance with the law.

8 CHAIRMAN BALSIGER: It's good form to have
9 that phrase, those last nine words added, I question?

10 MR. TILLERY: I think it's always useful to
11 have those words in there, yes.

12 CHAIRMAN BALSIGER: Thank you.

13 MS. McCAMMON: In addition, there were
14 individual comments -- that section, by far, generated the
15 majority of the comments, and there were quite a few on
16 that section.

17 Individual comments were also received on the
18 following. In Appendix C, the very last page of the
19 revised procedures, this references the investment fund or
20 funds that can be created under the new legislative
21 authority and there was a question under this section on
22 investments about the Executive Director having the
23 discretion to move assets among investment managers and
24 asset categories. But this is a policy that actually was
25 adopted under the investment policies last spring. And the

00166

1 purpose for that is that when you do -- you set your asset
2 allocation, it's a certain percentage is in domestic
3 equities, a certain percentage is in bonds, a certain
4 percentage in international equities. But as they gain or
5 lose value that percentage changes and that's why when you
6 adopted it you had bands plus or minus a certain percentage
7 around those. But periodically they get out of whack, if
8 the stock market is very successful, there will be too high
9 of a percentage of domestic equities or international
10 equities and you need to rebalance. And under the
11 investment policies that you accepted in the spring, this
12 does allow myself, not to individually pick and choose
13 among stocks and bonds, but to direct our investors to
14 rebalance the portfolio. So it just reflects the policies
15 that are already adopted.

16 The other.....

17 CHAIRMAN BALSIGER: One moment, please.

18 MS. McCAMMON: Yeah.

19 CHAIRMAN BALSIGER: Please, Mr. Tillery.

20 MR. TILLERY: Yeah, Mr. Chairman, my
21 concern with that one is where it says the Executive
22 director has the discretion to move investments among
23 investment managers. And I guess I'm not sure what is
24 meant by investment managers. The order from the district
25 court prohibits movement to a different -- for example,

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1 from the State of Alaska to the Department of Interior or
2 from the State of Alaska to a private entity without a
3 court order. And, therefore, you couldn't -- that was a
4 change to the court order that occurred at that last
5 minute.

6 MS. McCAMMON: This would be between
7 Department of Revenue bond managers and the domestic
8 managers, Callan Associates and whoever has the contract for
9 international equities, it would be those three managers.

10 MR. TILLERY: Okay, but the Treasury
11 Division as a whole is, in some context, considered the
12 investment manager and to the ext -- it might be useful to
13 clarify this so.....

14 MS. McCAMMON: Investment class managers?
15 Investment asset class managers?

16 MR. TILLERY: I guess I'm not sure why you
17 need that phrase in there if you can move it among asset
18 categories. Doesn't that necessarily move it among
19 managers?

20 MS. McCAMMON: I don't know. If there is
21 some other way of interpreting categories, that's even a
22 sub-category within asset class.

23 MR. RUE: What if you made it consistent
24 with Council direction? Or something here.....

25 MR. TILLERY: Well, again, this actually

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1 requires a court order. The Council itself couldn't
2 determine to move the money to the NRDA account, for
3 example, without a court order. Exxon was interested in
4 this aspect of this.

5 MR. RUE: Well, you can consistent with the
6 court order.

7 MR. TILLERY: My suggestion would be to
8 just delete investment managers unless that would cause a
9 problem.

10 MS. McCAMMON: Well, let's see. So it
11 would read.....

12 CHAIRMAN BALSIGER: So it would read the
13 Executive Director shall have discretion to move assets
14 among asset categories, provided, et cetera.

15 MR. TILLERY: Right.

16 MS. McCAMMON: I'd have to check to see if
17 the investment policies also have to be revised to reflect
18 that, because this was taken from the policies.

19 MR. TILLERY: Yeah. I didn't go back and
20 look at that, but again, that was a change in the draft
21 order after we adopted the investment policies.

22 MR. RUE: While she's looking, can you tell
23 me what page?

24 MR. GIBBONS: Page 23.

25 MS. McCAMMON: Yeah, 23.

00169

1 MR. RUE: Okay, 23, I'm there.

2 MR. GIBBONS: Under four.

3 MR. RUE: Under four.

4 MR. GIBBONS: Line three.

5 MR. RUE: Okay, there you go.

6 CHAIRMAN BALSIGER: So, Mr. Tillery, I
7 gather you find this explicit enough to make sure that
8 Executive Director doesn't direct money into lawn mowers or
9 something, if that's where she's got all of her
10 investments?

11 MS. McCAMMON: Mr. Chairman, I can't find
12 it at the moment, but what we could do is just do it here
13 and then if we need to at anytime address the investment
14 policies I can come back with a change on that. There may
15 be some minor tweaking of the investment policies anyway in
16 the next six months just after we get this whole program
17 underway.

18 MR. TILLERY: Right. So we're going to
19 delete it for the moment, is that the.....

20 MS. McCAMMON: Yeah.

21 MR. RUE: Do you need to do it by motion or
22 just.....

23 MR. TILLERY: I think when we -- if we move
24 to adopt these, we'll just move to adopt it with this
25 change.

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1 MR. RUE: As amended, okay. So you're
2 deleting investment managers and, okay.

3 MS. McCAMMON: Okay, the other comment.....

4 MR. TILLERY: Mr. Chairman.

5 CHAIRMAN BALSIGER: Just one moment,
6 please.

7 MS. McCAMMON: Oh.

8 CHAIRMAN BALSIGER: Mr. Tillery.

9 MR. TILLERY: Just to make sure I do
10 understand how this works now. I guess my original
11 understanding was the investment manager would actually
12 have the authority to move to rebalance, but the way that
13 this is set up in the policies and the way that this works,
14 is they have to come to you with a recommendation and you
15 say, yes.

16 MS. McCAMMON: That's correct. It's just
17 another check and balance to that system.

18 MR. TILLERY: Okay. All right.

19 MS. McCAMMON: On page 13, under project
20 costs, Section III, the general administration formula,
21 there was a recommendation to add some language that no
22 other general administration costs or charges could be made
23 without Trustee Council approval. In looking at this, I
24 thought that any change to this procedure required Trustee
25 Council approval anyway, therefore, no change was really

00171

1 needed, and so the recommendation was not to add that
2 language.

3 And following that, under unallowable costs, the
4 comment was that this section is confusing. This section
5 has been part of the procedures for at least six years or
6 so. And it's that restoration funds shall not be used to
7 support normal agency functions and activities or such
8 costs that would have been incurred absent the oil spill
9 are not eligible for reimbursement. This includes costs
10 necessary for the management, supervision and
11 administrative control of an agency. And this does get
12 into this whole question as we transition into GEM about
13 regarding normal agency management. But I think it always
14 has been a clear intent of the Council not to fund
15 administrative, supervision, regular agency management type
16 costs, as opposed to maybe individual project costs.

17 And so the recommendation I had was just to delete
18 the second sentence, which refers to costs that would have
19 been incurred absent the oil spill are not eligible for
20 reimbursement because as we transition that whole
21 definition of normal agency management is getting fuzzier.
22 And just leave it with the two sentences there, the first
23 and third sentence. So it would read, restoration funds
24 shall not be used to support normal agency functions and
25 activities, this includes costs considered necessary for

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1 the management, supervision and administrative control of
2 an agency. But I would recommend that with the intent of
3 coming back in the next two years, probably, with some
4 further definition there.

5 MR. RUE: Mr. Chair.

6 CHAIRMAN BALSIGER: Mr. Rue.

7 MR. RUE: I think that might make it harder
8 to do things that NOAA or Fish and Game or Interior would
9 normally do because the sec -- and just the first time I've
10 seen this, so it's a first-blush reaction. The second
11 sentence actually allowed us to do things that you could
12 argue -- like Marilyn's folks ought to be counting
13 harlequin ducks, you know, or we should, but should we do
14 it with the intensity that we do it. It's a normal agency
15 activity, we count ducks or we count fish. Now, without
16 this second -- but we're doing it at a higher intensity,
17 perhaps or, you know, whatever, because of the oil spill.
18 Without that second sentence it's way broader and so it
19 would seem like it would be a prohibition on anything that
20 we would normally do, like count ducks.

21 MS. McCAMMON: I think, Mr. Chairman, in
22 response to that, I think that there are projects now that
23 don't have a direct link to the oil spill that the Council
24 is starting to fund.

25 MR. RUE: That's a different issue, though.

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1 MS. McCAMMON: As part as looking at the
2 overall broader ecosystem.

3 MR. RUE: Oh, I may wish to go where you're
4 going, but I think where you just went may not have gotten
5 us there. My first reaction is the second sentence helped
6 because it allowed us to do things that an agency normally
7 would do, right? This looks like we can never do something
8 that an agency would normally do. Am I reading it wrong?

9 MS. McCAMMON: This is -- it's not -- none
10 of the language here works, really.

11 MR. RUE: Yeah, I know. I know.

12 MS. McCAMMON: I mean, that's the problem.

13 MR. RUE: But I don't want to make it
14 worse.

15 CHAIRMAN BALSIGER: The problem is writing
16 in normal agencies.

17 (Laughter)

18 MR. RUE: Only abnormal agencies?

19 CHAIRMAN BALSIGER: Yeah, I think that's
20 it.

21 MR. RUE: I just don't want to make it
22 worse for some reason.

23 MR. TILLERY: Mr. Chairman.

24 CHAIRMAN BALSIGER: Mr. Tillery.

25 MR. TILLERY: My concern is that by

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1 deleting this sentence are you now saying the costs that
2 would have been incurred after the oil spill are eligible
3 for reimbursement? And I think that's just flat no. If
4 absent the oil spill an agency would have incurred certain
5 costs -- it's hard to conceive of any circumstance where we
6 would fund that.

7 MS. McCAMMON: Looking at our current Work
8 Plan?

9 MR. TILLERY: Uh-huh.

10 MS. McCAMMON: Huh.

11 MR. RUE: As long it doesn't say should
12 have been, we're okay.

13 MR. TILLERY: Would have been incurred.

14 MS. McCAMMON: I think there's a big gray
15 area there.

16 CHAIRMAN BALSIGER: Well, perhaps there
17 seems to be some significant questions, if we're going to
18 work on that over the next year or so.....

19 MS. McCAMMON: So many the recom -- maybe
20 we should just leave it the way it is and work on the whole
21 thing because it doesn't -- I don't think it fits for the
22 future program.

23 MR. TILLERY: It may not fit, but again,
24 you're talking about making changes over the next two
25 years, well, this may be one of the changes we want to make

00175

1 over the next two years, not right now, pending that.

2 MS. McCAMMON: Yeah, that sounds fine.

3 MR. RUE: I think I agree. Let's not do
4 something in haste that then we whip around.

5 CHAIRMAN BALSIGER: Other Trustee thoughts
6 on that?

7 (No audible responses)

8 CHAIRMAN BALSIGER: Okay.

9 MS. McCAMMON: So with that there would
10 just be those two changes then.

11 CHAIRMAN BALSIGER: Mr. Rue.

12 MR. RUE: I have one small suggestion, if I
13 could, Mr. Chairman? Under five in the -- about capital
14 projects for three years.

15 MS. McCAMMON: Yes.

16 MR. RUE: Don't we do some of them for
17 longer than three?

18 MS. McCAMMON: No.

19 MR. RUE: None of them ever?

20 MS. McCAMMON: Not really. Actually.....

21 MR. RUE: Okay. Well, if we don't ever, I
22 was just thinking or as.....

23 MS. McCAMMON: Well, I do have a -- no.

24 MR. RUE: I was just thinking we might want
25 something in there or as otherwise approved, three years or

00176

1 as otherwise approved.

2 MS. McCAMMON: They could always be
3 extended at any time. Or -- oh.....

4 MR. RUE: This looks like it was only three
5 years, period, they shall lapse. I mean there's no wiggle
6 room.

7 MS. McCAMMON: Unless otherwise approved?

8 MR. RUE: That's what I'm suggesting.

9 MS. McCAMMON: That would be fine. And, in
10 fact, what you have before you are the number of -- and
11 that is on -- capital projects is on what page? It's on
12 page 14, under lapse, number 2. And what I handed out to
13 you is the list of capital appropriations that we do have
14 currently and the project number and the first date it was
15 approved and under the scenario of three years for a lapse
16 time, these dates -- the second set of dates would be the
17 last date for these funds.

18 And this was a strong recommendation from the
19 auditors because as we found with the operating budget in
20 the early years of the program, there were funds being
21 spent over a three, four, five year period and it was very
22 difficult to get a handle on whenever a project closed out
23 and when it was really completed because funding was still
24 -- funds were still being spent, it was being used as carry
25 over funds and it has really helped us to keep our books

00177

1 clean by having that lapse every year. And this would put
2 some closure on it. I would anticipate -- what I would
3 recommend is that the Council adopt these dates, have their
4 agencies look through them and if there's anything
5 different that they think is justified for extending beyond
6 these dates to come back and have that extension done.

7 CHAIRMAN BALSIGER: So, for example, under
8 291, \$205,000 was not obligated with the three year period,
9 does that mean you have that money back?

10 MS. McCAMMON: Correct. Right now we
11 don't. Right now we can't touch it, but this would make it
12 -- by having it lapse at a certain date it would make it
13 available again for other projects.

14 CHAIRMAN BALSIGER: So if we changed -- so
15 these proposed operating rules.....

16 MS. McCAMMON: And these balances are as of
17 -- are audited as of 12/31/99 and some of them, especially
18 the most recent years have probably changed, there have
19 been probably some expenditures and obligations. For
20 example, the Port Graham Hatchery, Project 405, which has
21 777,000, I know they used those funds to build the hatchery
22 but as of December 31st, our last audit, they weren't
23 obligated at that time.

24 MR. TILLERY: Mr. Chairman.

25 CHAIRMAN BALSIGER: Yes.

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1 MR. TILLERY: Is it my understanding that
2 by adopting this, this last date would sort of
3 retroactively go into effect, we'd go back and pick up all
4 those old projects and.....

5 MS. McCAMMON: Well, I'm not sure whether
6 this takes a separate motion or not or whether it is --
7 whether you would assume that would be retroactive or not.

8 MR. TILLERY: Well, I think it would be the
9 intent of the Council in adopting the financial
10 procedures.....

11 MS. McCAMMON: To have it retroactive?

12 MR. TILLERY:as to whether we intend
13 it to be retroactive.

14 CHAIRMAN BALSIGER: We have to have an
15 administrative record to say whether or not we wanted it
16 retroactive or not.

17 MR. TILLERY: Well, I think it should be
18 clear, we should make it clear.

19 CHAIRMAN BALSIGER: I'm sorry, I already
20 asked this question and you answered it. This money is
21 obligated, it was money spent but not obligated, the
22 hatchery has been built so if we adopt this is ADF&G going
23 to have to cough up three-quarter of a billion [sic]
24 dollars here to.....

25 MS. McCAMMON: No. On our audited books,

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1 as of last December, which was the end of the audit. As of
2 last December these funds had not been either obligated,
3 encumbered or spent. However, because they're in a capital
4 project -- and typically at the end of a fiscal year, if
5 they aren't, they lapse and they go back into the general
6 pot of money. But because they're capital projects they
7 just sit there. Now, under State law the capital funds
8 usually lapse after five years, but they aren't Department
9 of Administration grants, I'm not even sure they lapse
10 under that.

11 MR. TILLERY: A lot of them won't lapse.

12 MS. McCAMMON: The spending capital, the
13 spending authority might lapse. So that -- I think the
14 money is there and I think it's all obligated, so I don't
15 know if we'll get money back from the hatchery, but there
16 are other projects that funds are sitting there that
17 haven't been obligated or spent for a number of years and
18 won't be. And the Council has to take some pro-action to
19 make that happen.

20 CHAIRMAN BALSIGER: Yeah, that's fine. I
21 was concerned that we -- by some failure to keep the
22 bookkeeping up that someone incurred an obligation to pay
23 money back because they hadn't correctly accounted for
24 these funds when, in fact, they had already been spent and
25 built and building and we don't want to do that.

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1 MS. McCAMMON: No, no.

2 CHAIRMAN BALSIGER: Okay. Any other

3 Trustee comment on these?

4 (No audible responses)

5 CHAIRMAN BALSIGER: Is the understanding of

6 the Council we want this to be retroactive then so that we

7 can recover these funds that have been sitting idly, I

8 guess?

9 MR. RUE: It seems everyone is saying yes.

10 MS. HEIMAN: Yes.

11 CHAIRMAN BALSIGER: Okay. Thank you. So

12 do we need a motion for this? This can be rolled in --

13 that's the intent of the Council, now we have the entire

14 Trustee Council procedure package in front of us with three

15 or four corrections that we've gone through.

16 MS. McCAMMON: And the corrections would be

17 on page.....

18 CHAIRMAN BALSIGER: Thirteen.

19 MS. McCAMMON: Nothing on page 13. On page

20 14 the annex under Section II, at the end of the three year

21 period -- well, it says the unexpended, unobligated balance

22 shall lapse, Trustee Council action is required to extend

23 the projected last date beyond the three year period. Is

24 that sufficient?

25 MR. RUE: Yeah, I think so.

00181

1 MS. McCAMMON: Okay.
2 CHAIRMAN BALSIGER: Okay.
3 MS. McCAMMON: Do you put in there that
4 this is retroactive or is that just an intent?
5 MR. TILLERY: No, I think that's just part
6 of the record that you would rely on in interpreting it.
7 MS. McCAMMON: Then the other change would
8 be on page 23, Section IV in investments, delete investment
9 managers and.
10 CHAIRMAN BALSIGER: Did we change.....
11 MS. McCAMMON: And then page 16, I'm sorry.
12 CHAIRMAN BALSIGER: Yes.
13 MS. McCAMMON: Page 16.
14 MR. RUE: Sixteen, deleted two and added
15 legally?
16 MS. McCAMMON: Yeah. Delete the paragraph,
17 Section II and add to Section I, in accordance with
18 applicable Federal and State laws.
19 MR. RUE: And renumber all the sections.
20 MS. McCAMMON: Right.
21 CHAIRMAN BALSIGER: All the Council members
22 clear on that? All the Trustees? Is there a motion to
23 adopt these changes?
24 MR. RUE: I move that.....
25 MS. HEIMAN: So move to.....

00182

1 MR. RUE: Oop, go ahead, you win.
2 MS. HEIMAN: No, you can go ahead.
3 MR. RUE: No, you're good today, go ahead.
4 MS. HEIMAN: Oh, no, I always have to have
5 everyone fill in the blanks for me. Are we moving the
6 whole procedures?
7 CHAIRMAN BALSIGER: I believe we could do
8 that.
9 MS. HEIMAN: Yeah, as amended. Okay, so I
10 move that the Trustee Council adopt the amended Council
11 procedures. Is that what they're called? That's what it
12 says at the top.
13 CHAIRMAN BALSIGER: Is there a second?
14 MR. RUE: Second.
15 CHAIRMAN BALSIGER: Any discussion on this?
16 (No audible responses)
17 CHAIRMAN BALSIGER: All those in favor,
18 aye.
19 IN UNISON: Aye.
20 CHAIRMAN BALSIGER: Motion passes
21 unanimously.
22 That comes to the end of the agenda, do we have any
23 other things to bring up at this time?
24 MS. McCAMMON: No.
25 MS. HEIMAN: No, excellent job chairing the

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1 meeting, though.

2 CHAIRMAN BALSIGER: I think it's important

3 we adjourn this. I learned that.

4 (Laughter)

5 CHAIRMAN BALSIGER: Is there a motion to

6 adjourn?

7 MR. GIBBONS: Not recess?

8 MS. HEIMAN: I so move.

9 MR. RUE: Second.

10 CHAIRMAN BALSIGER: Moved and second that

11 we adjourn, all in favor aye.

12 IN UNISON: Aye.

13 CHAIRMAN BALSIGER: Thank you very much for

14 tolerating my bumbling and it's nice to see you people.

15 (Off record - 2:52 p.m.)

16 (END OF PROCEDURES)

