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1 EXXON VALDEZ OIL SPILL

2 TRUSTEE COUNCIL

3 Tuesday, April 3, 2001

4 TRUSTEE COUNCIL MEMBERS PRESENT:

5 U.S. DEPARTMENT OF COMMERCE, MR. JAMES W. BALSIGER

6 NMFS: (Chairman) Director, AK Region

7 STATE OF ALASKA - MR. CRAIG TILLERY

8 DEPARTMENT OF LAW: Trustee Representative

9 for the Attorney General

10 U.S. DEPARTMENT OF AGRICULTURE, MR. DAVE GIBBONS

11 U.S. FOREST SERVICE Trustee Representative

12 STATE OF ALASKA - DEPARTMENT MS. CLAUDIA SLATER

13 OF FISH AND GAME: for MR. FRANK RUE

14 Commissioner

15 U.S. DEPARTMENT OF INTERIOR: MR. DAVE ALLEN

16 Director, Alaska Region

17 U.S. Fish and Wildlife Svc.

18 U.S. Department of Interior

19 Trustee Representative

20 STATE OF ALASKA - DEPARTMENT MS. MICHELE BROWN

21 OF ENVIRONMENTAL CONSERVATION: Commissioner

22 PUBLIC ADVISORY GROUP MEMBERS PRESENT:

23 Chuck Meacham, Stacy Studebaker, Chris Blackburn, Ed Zeine,

24 Brett Huber, Gary Fandrei, Dan Hull, Stan Senner, Martha

25 Vlasoff, Pat Norman, Torie Baker

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON	Executive Director
3 MS. SANDRA SCHUBERT	Program Coordinator
4 DR. PHIL MUNDY	Science Coordinator
5 DR. BOB SPIES	Chief Scientist
6 MS. PAULA BANKS	Administrative Assistant
7 MS. SARAH WARD	Community Coordinator
8 MS. DEBBIE HENNIGH	Special Staff Assistant
9 MS. DEDE BOHN	U.S. Geological Service
10 MR. KEN HOLBROOK	U.S. Forest Service
11 MR. STEVE SHUCK	U.S. Fish and Wildlife Svc.
12 MR. BARRY ROTH (Telephonically)	U.S. Department of Interior
13 MS. CLAUDIA SLATER	ADF&G
14 MR. BILL HAUSER	ADF&G
15 MS. CAROL FRIES	ADF&G
16 MR. ALEX SWIDERSKI	Department of Law
17 MR. BUD RICE	National Park Service
18 MS. MARIANNE SEE	Alaska Department of
19	Environmental Conservation

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P R O C E E D I N G S

(On record - 10:04 a.m.)

CHAIRMAN BALSIGER: Good morning everyone.

Thanks for coming to the town for this meeting. I'm Jim Balsiger, I'm going to try to chair this. I'm a rookie at chairmanship of this particular group so I'll take hints and advice from anyone and everyone. Let's see, do we have on line -- we have Kodiak, Cordova and a couple of locations in Anchorage, I believe, and later on we'll have people joining us from Juneau. Our agenda calls for a public comment period at 11:00 so at that time is when we'll try to get the public comment from the people in the audience here in person and the people on the telephones at those locations.

So this is the call to order, the first item of business is to approve the agenda. Any comments?

MR. RUE: I move that we approve the agenda.

MR. TILLERY: Second.

MS. McCAMMON: Mr. Chairman I have one change. Under habitat issues there was listed small parcels, possible action and there is no action so that is removed from the agenda today. And also, we noticed an executive session but there may not be a need for an executive session and it kind of depends on your

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1 discussion.

2 CHAIRMAN BALSIGER: Okay, is that small
3 change all right with the motion and the second?

4 MR. RUE: Yep.

5 CHAIRMAN BALSIGER: Any objection to that?
6 (No audible response)

7 CHAIRMAN BALSIGER: If not, the agenda is
8 approved. The second agenda item is the meeting notes from
9 the last meeting which was January 16th. It hardly seems
10 like -- it seems like just a couple weeks ago. Is that
11 really January 16th?

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

13 CHAIRMAN BALSIGER: Okay, those are in the
14 folder after the first tab.

15 MR. RUE: I move to approve the minutes
16 from the last meeting.

17 MR. TILLERY: Second.

18 CHAIRMAN BALSIGER: Moved and seconded.

19 Any objection?

20 (No audible response)

21 CHAIRMAN BALSIGER: If not, we have
22 approved those minutes as are contained in the document.
23 The first big agenda item is some discussion of some
24 investments, a review of the investment fund asset
25 allocation that's asterisized as possible. Molly do we

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1 have a presentation on that?

2 MS. McCAMMON: Yes. Mr. Chairman, in your
3 packet was a memo from myself on investment fund
4 recommendations. There were also some reports from --
5 reporting on the investment income of the Trustee Council's
6 fund. In the folder in front of you there are some new
7 reports so I would replace the ones in your packet with the
8 new reports because we'll be referring to those. In
9 addition, there is some additional information that was
10 prepared by Callan Associates that was reviewed by the
11 investment working group and we'll be talking about those,
12 too, as we go through this.

13 The investment working group did meet on
14 February 22nd, 2001 to review the investment fund reports,
15 the portfolio performance compared to the passively managed
16 benchmarks and Callan's next five year market projections
17 which had just come out prior to that meeting. And to
18 discuss the asset allocation mix and Department of
19 Revenue's proposed securities lending program. What we
20 wanted to talk about today were two -- were three things.
21 First of all, the status of -- current status of our
22 investments. Secondly, a review of the asset allocation
23 mix that the Council adopted last year and whether there is
24 any need for change at this time. And then thirdly,
25 whether the Trustee Council should participate in the

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1 Department of Revenue's securities lending program.

2 Looking, first of all, to the additional
3 report information that was provided to you, we don't have
4 the reports from the March activity. They don't come on-
5 line until the tenth working day of the month after. But
6 we do have some preliminary information from the Department
7 of Revenue in terms of our total invested assets. And you
8 can see that the month of March was not a very good month
9 in terms of investments. The total loss for the month was
10 about four and a half million dollars bringing the total
11 invested assets as of March 31, 2001 to 127,870,000. And
12 just to bring that from the very beginning when the Council
13 first started the fund, the total loss since that time has
14 been about 6.8 million. And a lot of that was due to
15 activities in February and March in the equity market.

16 CHAIRMAN BALSIGER: Before you go on, can
17 you tell me specifically what pages we should throw away so
18 I don't throw away good stuff?

19 MS. McCAMMON: Throw away the January -- it
20 says, investment fund assets in the last, 31 January 01,
21 and replace that with the February one. Anything that ends
22 with just January 01 and January 2001 performance
23 measurement. There are three reports and you can throw
24 those away and replace them with the February reports.

25 CHAIRMAN BALSIGER: Thank you.

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1 MS. McCAMMON: So the total currently in
2 the investment fund is 127,870,000. You can see on this
3 summary sheet that the policy and bands that the Council
4 adopted last spring and the current allocation, that
5 because of these losses, we're at the high end of the band
6 for domestic fixed income. We're a little bit at the low
7 end for domestic equities and we're very close to our
8 target for international equities.

9 I think if you look at -- let's see, which
10 report is it here -- if you look at the Exxon Valdez Oil
11 Spill Investment Fund period ending February 28, 2001. And
12 it's a sideways spreadsheet that has market value, monthly
13 return, three month return, year-to-date, fiscal year-to-
14 date and inception-to-date. The good news is that in
15 almost all cases the fund has been doing better than our
16 benchmark. So even with these losses we're still doing
17 better than the benchmarks for the most part. And you can
18 see that most of the losses at this time have been in
19 domestic equity pool, the Russell 3000 and in international
20 equities. So before going into a discussion and a review
21 of the asset allocation mix and whether there should be any
22 change there, are there any questions about the status of
23 the account and what's happening?

24 (No audible response)

25 MS. McCAMMON: We also have members of the

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1 investment working group, we have Peter Bushre, Bob Storer,
2 John Jenks. I believe Bob Baldauf and Barry Roth are both
3 on also. Is that correct? Barry?

4 CHAIRMAN BALSIGER: I think my information
5 says they're going to dial in at 10:15 so we may be going a
6 little too fast.

7 MS. McCAMMON: Now we may be a little ahead
8 of that. Okay.

9 CHAIRMAN BALSIGER: So if we can, talk a
10 little bit slower.

11 MS. McCAMMON: Slower. Well if you -- I
12 don't know if you have any questions on this or if Peter or
13 John or Bob would like to make any comments on the status
14 of on how things are going with their funds.

15 MR. RUE: Actually I think the written --
16 Mr. Chairman, I think the written explanation is very good
17 and it gives you a good picture of where we are compared to
18 benchmarks and why we have a mixed portfolio. Some things
19 are more stable than others. So it makes a lot of sense.
20 So I don't have any questions on that part of it.

21 MR. ROTH: Mr. Roth. I have a feeling one
22 of the.....

23 MR. RUE: Is that Barry?

24 MR. ROTH:blocking us out.

25 CHAIRMAN BALSIGER: Barry Roth, is that

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1 you? Can you hear us here in Anchorage?

2 MR. RUE: No.

3 CHAIRMAN BALSIGER: Hello, Mr. Roth.

4 MR. ROTH: What we can hear the buzzing and
5 very little of the Council.

6 CHAIRMAN BALSIGER: This is the Council,
7 Jim Balsiger here. Can you hear us at all Barry?

8 MS. McCAMMON: Can Peter or Bob Storer hear
9 us?

10 MR. JENKS: John Jenks. I can almost hear.
11 Yeah, I can almost hear now.

12 CHAIRMAN BALSIGER: How about Bob Storer?

13 Is he.....

14 MR. STORER: Bob Storer is on-line with the
15 same experience.

16 CHAIRMAN BALSIGER: But you can't really
17 hear us very well.

18 MR. STORER: Correct.

19 MS. McCAMMON: All right, we're checking
20 the cords and this was all tested yesterday and things
21 worked fine so we're testing things right now. Is it
22 better to not do it with the remote and just do it directly
23 maybe?

24 MS. BANKS: We could call back in and try
25 it out.

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1 MS. McCAMMON: But everyone would have to
2 call back in?

3 MS. BANKS: No.

4 MS. McCAMMON: Just us?

5 MS. BANKS: Uh-huh (affirmative).

6 MS. McCAMMON: Okay, we're going to go off-
7 line briefly. Everyone stay on-line, can you hear me? If
8 everyone could stay on-line, we're going to go off-line and
9 call back in and see if it's our connection.

10 CHAIRMAN BALSIGER: Where's the microphone
11 for this? In here?

12 MS. McCAMMON: Right there.

13 CHAIRMAN BALSIGER: So the people on-line,
14 I don't know if you heard Ms. McCammon or not but we're
15 going to go off-line here in Anchorage and we'll dial in.
16 Everyone on-line, please stay on-line.

17 (Pause - attempting to establish phone
18 line)

19 CHAIRMAN BALSIGER: Please continue to
20 stand by, we're going to work on it longer on this end in
21 Anchorage.

22 MS. McCAMMON: Do we want to take a couple
23 minute break while we're trying to get the.....

24 CHAIRMAN BALSIGER: Here in Anchorage we're
25 going to take about a five-minute break while we try to get

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1 the phone system working better. If you can hear me, you
2 can do that as well. Otherwise if you can't hear me, keep
3 working.

4 (Laughter)
5 (Off record - 10:15 am)
6 (On record - 10:20 am)

7 CHAIRMAN BALSIGER: Okay, can everyone on-
8 line hear us okay now?

9 UNIDENTIFIED SPEAKERS: Yes.

10 CHAIRMAN BALSIGER: Okay, thanks. In that
11 case we will reconvene, I guess, is the verb. We had just
12 gone through sort of the current status of the fund. And
13 was there any more comments on that? Did anyone on-line
14 have -- Barry Roth or Bob Storer have a comment on the
15 current status of the funds?

16 MR. STORER: This is Bob Storer. I don't
17 have any comments right now.

18 MR. ROTH: Barry Roth. I have no comments.

19 CHAIRMAN BALSIGER: Anything from any of
20 the Trustees?

21 (No audible response)

22 CHAIRMAN BALSIGER: Can we talk about the
23 allocation mix? I believe that was the second thing then.

24 MS. McCAMMON: Yes, under the policies that
25 the Council adopted last spring, once a year the Council is

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1 required to review its asset allocation mix and determine
2 if that's still the appropriate mix and if there's a need
3 for a change. And of course just given the volatility of
4 the equity market right now, that was certainly something
5 that the investment working group looked at very closely.
6 We held the meeting and timed it so that we could get
7 Callan Associates, who is Department of Revenue and the
8 Permanent Fund's consultant, their latest projections and
9 reports and their latest estimate of how they think things
10 are going to happen in the coming year. I didn't include,
11 in this additional information provided to you, I didn't
12 include the entire packet. But I did go through and take
13 out a few things that I think were highlights from the
14 information that was provided to the working group,
15 starting with kind of a summary, 1991 to 2000. It was a
16 great party, at least until last June. I think this
17 reflects that unemployment fell during this period of time,
18 core inflation fell. The total return on the S&P 500
19 during this period of time was 17 and a half percent per
20 year. The federal surplus emerged from a deficit of 270
21 billion to reach 240 billion. Real wages per worker rose
22 1.6 percent per year and the Internet arrived.

23 The economy, U.S. economy, set a record in
24 March 2000 for the longest expansion in U.S. history. And
25 the GDP recorded its largest annual gain since 1984.

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1 Inflation and unemployment remain at 30 year lows however,
2 you know, and this was according to the Callan report,
3 consumers are scared. The stock market is down. The
4 savings rate has fallen from eight percent to minus one
5 percent. Consumer debt has risen from 76 percent to 94
6 percent of disposable income. Energy prices are up. The
7 trade gap is hitting records. Investment is slipping and
8 some manufacturing is already in recession.

9 Looking at the next slide showing how
10 savings has decreased as wealth and income has hit a record
11 high. Going on to the next, comparing the differences
12 between 1999 returns and 2000 returns, the Callan broad
13 index -- market index 22.74 percent. In 2000 it was a
14 negative nearly 9.79 percent. The S&P 500 in 1999 earned
15 21 percent. Last year, negative 9.1 percent. The Russell
16 2000, 21.26 percent in 1999, last year, negative three
17 percent. So you can see that really the equity markets
18 took the largest hit last year compared to really record
19 performance in 1999.

20 Callan uses what they call the consensus
21 view, that the U.S. economy has slowed but will avoid
22 recession. That the Fed has switched to recession
23 avoidance from inflation spotting and is expected to
24 reverse all seven rate hikes. And in fact, in the last
25 month or so has done at least two or three reductions,

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1 interest reductions. They're assuming that the dollar has
2 peaked and that inflation has moved up from its trough.

3 What they do for their market projection
4 process, and certainly John Jenks and Bob Storer and Peter
5 Bushre are all on-line and know this far better than I do
6 and will be available to answer any detailed questions.
7 But it's to evaluate the current environment and economic
8 outlook for the United States and other major industrial
9 countries. To examine the relationships between the
10 economy and asset class performance patterns. They look at
11 inflation, interest rates, consumer sentiment and key
12 components of GDP gross, such as productivity. And they
13 examine recent and long run trends in asset class
14 performance. And they put all of that together and put
15 projections using risk, return and correlation projections.
16 And then they test these projections for reasonable results
17 using what they call an optimizer formula and fine tune the
18 estimates.

19 They still examine stock fundamentals, such
20 as the price to earning ratios, and whether those are in
21 balance. They continue to retain their bias towards long-
22 run averages and I think their conclusion for the year 2000
23 was that at the start their projections were too
24 conservative yet at the end of the year they found that
25 they were overly optimistic. Which is probably in line

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1 with almost everyone else in 2000. The big question, why
2 bother with bonds, and when equities are doing well, that's
3 always a good question. And it's because of years like
4 2000. Plan sponsors enjoyed the diversification benefits
5 of bonds for the first time in a long time. And despite
6 the surprise element of the timing, the market priced in
7 the 50 basis points move on January 4th and is reflecting
8 at least two more 25 basis point cuts this year. We'll end
9 up where we started in 1999 when bond yields drop below six
10 percent.

11 So then looking at their 2001 capital
12 market projections, and you can see -- and this is the 2001
13 sharp, the projected annual return and then the 2000
14 projections. And if you compare those two, you can see
15 that actually their projections for 2001 are fairly close
16 to the projections for 2000. In the equity class, broad
17 domestic equity, the projected annual return is 9.2
18 percent. That was the 2000 projection also with the same
19 projected standard deviation, which is the level of risk.
20 Large cap is the same. Small cap the same. International
21 equities slightly up with the same amount of risk. In
22 fixed income, that was one of the major differences there,
23 domestic fixed income, the projected annual rate of return
24 substantially below at 6.45 percent compared to the 6.7
25 percent projected in 2000 with a slightly lower level of

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1 risk. And the non-domestic fixed income, 6.25 percent
2 compared to the 6.5 percent. And then real estate
3 alternative investments, the Trustee Council does not have
4 those in its asset mix.

5 So really, when we looked at the market
6 projections for 2001, they weren't substantially different
7 from 2000. Inflation has risen somewhat. Bond returns are
8 lower. Equity return expectations remain essentially
9 unchanged, well below the long run averages. In spite of a
10 -- not a encouraging performance in the international
11 equity market, Callan still is convinced that international
12 equities belongs in a diversified portfolio. And again, we
13 don't participate in real estate or alternative financing.
14 So what Callan calls optimization or as they refer to,
15 where the rubber meets the road, compared to last year,
16 portfolios with the same targeted level of return have a
17 slightly higher level of risk, except for the most
18 aggressive mixes. Small cap stocks account for a similar
19 percentage of domestic equity, approximately 20 percent
20 across these mixes.

21 But I think the main conclusion is that
22 having the same asset mix as we had last year, we're
23 expected to -- which last year we were targeting an 8.25
24 percent rate of return. Keeping with that same mix, the
25 rate of return is expected to be slightly below 8.2

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1 percent, like 8.17, 8.18. So the choice between [sic] the
2 Council is whether to stick with the same asset allocation
3 mix and anticipate a slightly lower rate of return with the
4 same level of risk or to change our mix somewhat to go back
5 to that 8.25 percent with a little bit higher level of
6 risk. And the investment working group looked this, we
7 talked about it and we decided that the recommendation of
8 the group is to hold with the current mix of assets and to
9 anticipate a slightly lower level of return with the same
10 amount of risk.

11 CHAIRMAN BALSIGER: Could you remind me who
12 the financial group was and is and who they met with?

13 MS. McCAMMON: Yes, the investment working
14 group consists of myself and Debbie Hennigh, on our staff,
15 it consists of Craig Tillery, representing the State
16 Trustees. It consists of Dave Gibbons, representing the
17 Federal Trustees, although Dave wasn't present at the last
18 meeting. Some of the Federal agency advisors on it include
19 Barry Roth and Bob Baldauf from Department of Interior.
20 Our outside investment consultants on the working group
21 include Bob Storer, who is CEO of the Alaska Permanent
22 Fund; Peter Bushre, who is a private consultant formerly
23 with the Alaska Permanent Fund and John Jenks, who is the
24 Chief Financial Officer for the State Department of
25 Revenue.

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1 CHAIRMAN BALSIGER: Thank you.

2 MS. McCAMMON: And all -- I believe all the
3 members of the investment working group are present.

4 CHAIRMAN BALSIGER: Okay, any comment? Yes
5 please, Mr. Rue.

6 MR. RUE: My understanding would be that
7 the Council, if we think its fine the way it is, we don't
8 do anything. And so I guess I think the -- it's a good
9 analysis. I think we had a good mix and it shows by having
10 a diversified portfolio here, we probably did better than
11 some others. And I think it's a good recommendation to
12 stay where are. And as I understand it, the Executive
13 Director has the ability to make the minor adjustments to
14 make sure we stay within the band. That was in the
15 written.....

16 MS. McCAMMON: That's correct.

17 MR. RUE:recommendation. Personally,
18 I think that's a good strategy. I think we ought to stick
19 with it.

20 CHAIRMAN BALSIGER: Is there any comments
21 from our financial advisors on-line? Did Molly get all the
22 high points?

23 MR. STORER: This is Bob Storer. I think
24 Molly did a terrific job in presenting our points of view.
25 The thing I would note about the -- I'd like to note two

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1 things. One, the equity market is a leading indicator. By
2 that, it anticipates changes in the economy so when the
3 equity market starts going upward, it will lead discussions
4 of coming out of a recession or anything like that. To
5 take you back to last March when the equity market started
6 going down and, at the time, there were no discussions of
7 lower earnings and no discussions of the economy going into
8 recession. So it's really important to maintain the
9 discipline. As it regards to a discipline, I applaud all
10 of you for staying the course.

11 I've got a friend who is the chief
12 investment officer of the public employees' retirement
13 system in Idaho. And when he went there in 1992, he did a
14 study and the study indicated over the prior 20 years there
15 were four what we call significant changes in asset
16 allocation. And if you think about it, all of those
17 changes were probably well meaning, all of the current
18 information reacting to the current market environment et
19 cetera. And what he found is that the retirement system
20 would have earned more money if it would have adopted any
21 one of those specific asset allocation targets and stayed
22 the course. And that's why I applaud you folks for
23 recognizing the need to stay the course. That is how you
24 ultimately will be successful.

25 MR. BUSHRE: This is Peter Bushre. Now

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1 that Molly and Bob has said everything that needs to be
2 said, I would just add that this is certainly not a time
3 for taking additional risk.

4 CHAIRMAN BALSIGER: Thank you. Any other
5 Trustee member at the board?

6 MR. TILLERY: Mr. Chairman.

7 CHAIRMAN BALSIGER: Please, Mr. Tillery.

8 MR. TILLERY: Mr. Chairman. Mr. Storer,
9 Mr. Jenks, has the Permanent Fund and the pension board
10 considered recently allocation of risk and what did they
11 do, if they have?

12 MR. JENKS: This is John Jenks. Yes, the
13 pension board has just gone through this process and
14 essentially remained status quo, where they were before.
15 They tinkered a little bit with some of the asset classes
16 you're not involved with but that was truly fine tuning.
17 The essence of their decision was to stay with effectively
18 the same mix they had last year.

19 And one other comment I would add to the comments
20 of Bob Storer and Peter Bushre is that your current asset
21 allocation is still efficient. It's still on in the
22 efficient frontier and all of this is based on estimates
23 and so moving one percent or two percent one way or
24 another, the fine tuning aspects of a slight change I think
25 are maybe reading a little bit more science into this than

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1 there is. You carefully considered things last year and
2 reached a decision that you thought was a long-term
3 decision that seems -- I again think staying the course is
4 the appropriate thing to do.

5 MR. STORER: This is Bob Storer. Much as
6 you evaluate asset annually, so does the Permanent Fund and
7 we also use Callan Associates as our consultant. And much
8 as you found, we found that our prior targets for asset
9 allocation remained on the efficient frontier and the
10 changes were nominal at best. And so the Permanent Fund
11 Board voted to maintain the existing asset allocation. So
12 much as you're recommending, we did precisely the same
13 thing which was stayed within the old targets.

14 CHAIRMAN BALSIGER: Does that answer your
15 question, Mr. Tillery?

16 MR. TILLERY: It does.

17 CHAIRMAN BALSIGER: Okay, thanks. Any
18 other Council member? Mr. Rue.

19 MR. RUE: If I could display my ignorance,
20 could someone explain what the efficient frontier is? I
21 thought he meant fishing frontier. I was getting kind of
22 excited.

23 CHAIRMAN BALSIGER: It's a combination of
24 the final frontier and the fishing frontier.

25 MR. RUE: Okay.

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1 MR. JENKS: I guess since I brought it up
2 -- this is John Jenks -- I will take the first swipe at
3 answering it and hopefully can do so. It's pretty
4 straightforward. The efficient frontier is kind of a
5 spectrum of efficient portfolios and what that really means
6 is that anywhere on that frontier, a portfolio either gives
7 you the maximum amount of return for the amount of risk
8 you're taking or, correspondingly, if you go across and
9 say, how much risk am I taking, there's no other portfolio
10 that would give you a higher return for the amount of risk
11 you're taking. So that it represents the spectrum, if you
12 will, of portfolios that optimize the trade off between
13 risk and return so that you're not taking any more risk
14 than you need to or you're getting all the return that
15 you're entitled to for the amount of risk that's estimated
16 to be in the portfolio.

17 MR. RUE: Great.

18 CHAIRMAN BALSIGER: Sort of a linear
19 programming analysis or something like that?

20 MR. RUE: That's helpful. Thank you.

21 CHAIRMAN BALSIGER: Okay, thanks. Any more
22 comments from the table?

23 MR. TILLERY: Mr. Chairman, I think that,
24 you know, we talked of this last year. We talked about the
25 importance of keeping steady. That if we make more money

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1 that we expect, we don't go out and spend more and if we
2 make less money, we don't spend less but that we vow, you
3 know, you have a stable program that's consistent, that's a
4 reliable science program. I would have hoped to have
5 tested this.....

6 CHAIRMAN BALSIGER: The other direction.

7 MR. TILLERY:so the more optimistic
8 scenario, but in any event it seems to me that the point is
9 we should stay steady, we should stay with our allocation
10 and our risk and that again, in our payout, which we don't
11 quite reach this year because we've already sort of set
12 that, we shouldn't drop back in our projected expenditures
13 either, that we should stay with the plan.

14 CHAIRMAN BALSIGER: Thank you. Let's see,
15 Molly, did you say we -- I think Mr. Rue said if we're not
16 going to change it we don't have to make a decision so we
17 don't need a motion.....

18 MS. McCAMMON: That s correct.

19 CHAIRMAN BALSIGER:to maintain.....

20 MS. McCAMMON: That's correct.

21 CHAIRMAN BALSIGER:course. Okay,
22 thanks. And the third thing we were going to talk about
23 under this item was the securities lending program.

24 MS. McCAMMON: Yes, and in your packet
25 there is some information that was provided to you, a

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1 couple of PowerPoint slides, plus a copy of a memo from
2 John Jenks to Commissioner Wilson Condon of the Department
3 of Revenue, where the agency there was recommending
4 starting up once again, participation in a securities
5 lending program. That memo goes into some detail about why
6 the program was stopped by the State earlier and why they
7 were recommending it start again. At this point, I think
8 the Trustee Council and possibly the University of Alaska
9 foundation are the only two accounts within the Department
10 of Revenue that are not participating in the program and
11 we're both looking at them. And in fact, the university
12 foundation may have already made a decision on that.

13 But the reason to have a securities lending
14 program is to gain some additional revenue with very little
15 increase in risk. And I think the memo goes into great
16 detail about the kinds of risk involved, operational risk,
17 counter party or default risk and reinvestment risk. And
18 how those were problems with the original program but how
19 they have been addressed with the current program that the
20 State has begun. As everyone is aware, while no investment
21 transaction is zero risk, this program is very low risk.
22 And there were a couple of attractive features that
23 Department of Revenue was able to negotiate with State
24 Street that makes the program particularly attractive and
25 led to a unanimous recommendation by the investment working

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1 group that the Trustee Council participate in this program.
2 And I think Bob Storer in particular has been one who has
3 not been a big fan of securities lending programs in the
4 past and he believed that the kinds of things that
5 Department of Revenue was able to put together in this
6 program, that it was very attractive and he supported that.
7 And I'm sure he can speak to that. And that includes
8 indemnification by State Street to the State for any losses
9 resulting from counter party failure or default, subject to
10 limitation relating to war, civil unrest or revolution or
11 beyond the reasonable control of State Street.

12 And on the reinvestment risk, which is a
13 major source of risk with a program like this and was the
14 source of many of the problems in the original program. In
15 this new program State Street is taking responsibility for
16 any loans that have a loss, any short fall in cash
17 collateral necessary to make payment back to the borrower
18 will be made up for by State Street. And this is to be
19 measured on a loan by loan basis. This was a significant
20 provision that Department of Revenue was able to negotiate.
21 It makes this particular package very attractive. Given
22 that fact that the vast majority of the Department of
23 Revenue's accounts are participating in the program and
24 given the fact that the risk, which had been small to begin
25 with, has been reduced even more so, led to the working

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1 group's recommendation to participate in it.

2 And again, John, Peter, Bob are all
3 available on-line to answer any specific questions.

4 CHAIRMAN BALSIGER: Mr. Rue.

5 MR. RUE: Mr. Chairman, for the sake of
6 discussion, I'll move that we go ahead and participate in
7 the securities lending program. I'll put a motion on the
8 table and then we can discuss it, should we do that.

9 MS. SEE: Second.

10 CHAIRMAN BALSIGER: Please speak to your
11 motion.

12 MR. RUE: I guess I think it's a good idea
13 given the information we've been given by John Jenks and
14 the Department of Revenue and the -- I do have a question
15 though and that is how -- it might have been in the
16 Executive Director's memo but -- how much of our fund would
17 participate? Is there any limit or is it just a self-
18 limiting participation?

19 MR. JENKS: This is John Jenks. In some
20 sense it's market condition driven in that if there's no
21 demand from borrowers to borrow the assets of the trust
22 then, you know, none of the assets will be loaned out. So
23 it's a little bit, when the market conditions are ripe, of
24 the assets that are in the program, a relatively high
25 percentage may be lent out at some points in time. And at

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1 other points in time, a very low percentage will be lent
2 out and that will vary by type of asset. U.S. Treasury
3 securities are among the most lendable as well as
4 international equities and so they will have a higher
5 participation. Actually, the domestic equity portfolio,
6 the Russell 3000 portfolio for the Council and for a number
7 of other accounts and trusts that the State manages money
8 for, is not actually participating in this because we
9 couldn't, based on the legal structures in place, get the
10 same protections that were available to the State and
11 therefore to the Council on the lending of the
12 international assets and the lending of the bond portfolio.
13 So none of the domestic equities at this point are involved
14 in the program. It is focused entirely on fixed income and
15 international equity.

16 MR. RUE: I guess that leads to my next
17 question which is, should we put any further limits on our
18 participation such as only these parts of our portfolio or
19 will those be naturally limiting? And should we put any
20 limits on what percentage of our portfolio or do we feel
21 confident that our investment advisors and managers will
22 take care of that? I guess I'm willing to not give that
23 sort of direction and just let the market forces deal with
24 it.

25 MS. McCAMMON: Mr. Chairman, I think in

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1 looking at that, it's self-limiting in the sense that only
2 international equities and the bonds, U.S. Treasury
3 securities, would be eligible for participation. I think
4 to limit it to a certain percentage of those would be
5 probably a bookkeeping nightmare, is my guess, and would
6 not -- I mean, this is very incremental -- potential
7 incremental gain as it is. And so I think is, we either
8 participate in the program or don't participate in the
9 program but maybe John could speak to that also.

10 MR. JENKS: Excuse me, Molly, I would agree
11 and the types of returns you're talking about are maybe
12 five basis points of incremental returns. That's sort of
13 the rate we've experienced in the pension system which
14 started up a couple of months ago and that's about the
15 likely level of return, we think. To limit it as a
16 percentage of your treasuries or a percentage of your
17 international would be more administrative pain, I think,
18 than if you end up with gain. I mean it would be very
19 difficult for us to do that. I don't think that limiting
20 it would increase or decrease your liquidity because you
21 are part of a larger pool of State assets that's lent.

22 So even if you say 100 percent of your
23 assets are lent, you're sort of in with a great big pool so
24 there should still be tremendous liquidity should the
25 Council need to make a change, move assets from a --

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1 potentially a portfolio that was lending to one that
2 wasn't. The liquidity should be there, you know, just
3 based on some of the advantages of pooling. Independent of
4 securities lending which shouldn't interfere with liquidity
5 but, you know, there are always unforeseen circumstances
6 and while we don't think they'll come about, it is
7 possible, however, the pooling nature of the investment
8 program here should allow the Council to maintain maximum
9 liquidity.

10 CHAIRMAN BALSIGER: Thanks. And so, you
11 know -- you have another question?

12 MR. RUE: No.

13 CHAIRMAN BALSIGER: No. I have, just for
14 the sake of clarity, I understand the financial working
15 group recommends that the fund participate in this lending
16 thing but the memo from Mr. Jenks suggests that we do not
17 participate, is that correct?

18 MS. McCAMMON: No.

19 CHAIRMAN BALSIGER: Isn't that the last
20 line, it says, therefore I am recommending that -- that
21 that's just a domestic equity pool not engaged? Is that
22 how -- could you explain it, Mr. Jenks, please?

23 MR. JENKS: Yes, I could. Two things,
24 right now you do not -- the Trustee's assets are not
25 included in the lending program, you know, pending your

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1 decision one way or another. We wouldn't include you in
2 something without talking about it and getting your
3 consent. So we structured our program and my
4 recommendation to the Commissioner was that we proceed with
5 you, set aside until you had an opportunity to debate this
6 issue and come to a conclusion on your own. I also had
7 recommended that none of the State funds that are invested
8 in the Russell 3000 be included because we couldn't get the
9 kind of return and risk -- mostly risk protection features
10 of our current program applied to that Russell 3000. So my
11 recommendation to the Commissioner was don't do Russell
12 3000 assets right now and I had also informed him that we
13 would not include the Council s assets until the Council
14 instructed us to do so.

15 CHAIRMAN BALSIGER: Okay, so and
16 specifically the sentence in your memo that says I am
17 recommending that the domestic equity pool not engage in
18 security lending, is that the same as saying the Russell
19 3000 doesn't participate?

20 MR. JENKS: Yes.

21 CHAIRMAN BALSIGER: Thank you.

22 MR. RUE: Perhaps we should amend the
23 motion to exclude.....

24 MR. TILLERY: No.

25 MR. RUE:them or we don't need to.

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1 MR. TILLERY: I don't think we need to, Mr.
2 Chairman, because it's excluded anyway. Again he's talking
3 only about treasuries, securities and international.

4 CHAIRMAN BALSIGER: Yes.

5 MR. RUE: Okay, let's do it.

6 CHAIRMAN BALSIGER: Yes, it was just my
7 misunderstanding but I'm clear now, okay. Any other
8 comments from any Council member?

9 (No audible response)

10 CHAIRMAN BALSIGER: Would we -- let's see,
11 the motion -- do you have it Molly, that you could read it
12 or.....

13 MS. McCAMMON: The motion is to participate
14 in the Department of Revenue's securities lending program.

15 CHAIRMAN BALSIGER: All those in favor?

16 IN UNISON: Aye.

17 CHAIRMAN BALSIGER: Any opposition?

18 (No audible response)

19 CHAIRMAN BALSIGER: The motion passes. Are
20 there any other items under the investment agenda, Molly?

21 MS. McCAMMON: No.

22 CHAIRMAN BALSIGER: Okay, we have about 10
23 minutes yet until we advertise the public comment period.
24 Is there something we could do for 10 minutes that you see
25 would be useful?

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1 MS. McCAMMON: Well Mr. Chairman, just
2 going through your packet, you do have the quarterly
3 reports that are period ending December 31st, 2000, just
4 for your information.

5 MR. RUE: Mr. Chairman, do we need everyone
6 still on-line or should we thank them and let them hang up?

7 MS. McCAMMON: We can thank the investment
8 working group, yes.

9 MR. RUE: That was great. I really
10 appreciate the work they put in. It helped me a lot.

11 CHAIRMAN BALSIGER: Yes.

12 MR. RUE: It made a complex subject almost
13 understandable.

14 CHAIRMAN BALSIGER: Please take my thanks
15 for that as well then and then those investment working
16 group members on-line who don't care to hear the remainder
17 of the agenda, which will be on habitat issues, some small
18 parcel purchase discussions and et cetera could ring off at
19 their pleasure.

20 MR. STORER: Thank you very much.

21 MR. BUSHRE: Thank you very much.

22 MR. RUE: Thank you. Good job.

23 CHAIRMAN BALSIGER: Thank you for reminding
24 me, Mr. Rue. And now, Molly, you were showing us the
25 quarterly report?

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1 MS. McCAMMON: I was just referencing it,
2 that it is there in your packet and we should have the next
3 quarterly report for the quarter ending March 31st
4 available in the next month or so. The item that we
5 will.....

6 MR. RUE: I have a small item. Excuse me.
7 Mr. Chair, I have a small item we could take care of in a
8 few minutes, if you'd like. Unless the Executive Director
9 has something?

10 CHAIRMAN BALSIGER: Unless you have a
11 strong opposition.....

12 MS. McCAMMON: No, no.

13 CHAIRMAN BALSIGER:let's do Mr. Rue's
14 small item please.

15 MR. RUE: Okay. Okay, thank you very much.
16 What I'd like to do is, on behalf of Governor Knowles and
17 myself, present Ms. Mary E. McCammon, who I'm not sure who
18 that is.....

19 (Laughter)

20 MR. RUE: Then I figured it out, I finally
21 figured it out. I put two and two together and figured out
22 that's Molly, our Executive Director. I'd like to give her
23 a certificate of appreciation from the Governor for,
24 believe it or not, 15 years of service to the State of
25 Alaska. And I have a pin for Molly that you can pin

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1 anywhere on yourself you'd like. It's small and not
2 obtrusive. Thank you for a great job. Here's the
3 certificate, unframed. We're cheap. We're always trying
4 to save money. Thank you for 15 years of comfort, as my
5 son would say, and great work. Thank you.

6 (Applause)

7 CHAIRMAN BALSIGER: So does this suggest 15
8 years at this particular job for the State?

9 MS. McCAMMON: No, no, no.

10 MR. RUE: I couldn't believe it, 15 years.

11 MS. McCAMMON: I know, it's hard to
12 believe. What's actually even harder to believe is that
13 whenever we get these certificates sent to any of our staff
14 members, they always put them in envelopes with the pin and
15 the certificate is so torn and wrinkled and messed up. I
16 don't know how you came with a perfectly executed
17 certificate here but thank you.

18 MR. RUE: It was in my pocket. And I
19 didn't lose it. So anyway, thank you very much, Molly.
20 Great job.

21 MS. McCAMMON: It's gone much too quickly.

22 MR. RUE: Yeah. That didn't take 10
23 minutes but I tried.

24 CHAIRMAN BALSIGER: Thank you very much,
25 that's nice. Now did you have a thought for five more

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1 minutes worth?

2 MS. McCAMMON: Well, Mr. Chairman, I
3 thought what we could do is -- because I know a lot of the
4 public is going to reference this -- is just bring up our
5 item of discussion following public comment because I know
6 there will be a lot of discussion. A lot of the people who
7 have signed up have -- will be referencing this and that is
8 the item on the agenda regarding the Karluk IRA appraisal.
9 And I just wanted to mention that a copy of the appraisal
10 is in your packet. It was recently completed, it has been
11 reviewed and approved by both the Federal and State
12 reviewers. It ended up that the total parcel size or the
13 combined parcel size or the combined parcels was over 2,000
14 acres and specifically 2,191 acres. And this is for 1,000
15 acres of lands -- almost 1,200 acres of lands -- 1,000
16 acres of land on the Karluk River and then an additional
17 approximately 1,200 acres fronting the Sturgeon River,
18 Grant's Lagoon and Halibut Bay. That appraisal, the Karluk
19 River lands appraised at 1.5 million. The other lands
20 appraised at \$700,000 for a total market value of 2.2
21 million. And there are maps. There's a description of how
22 the appraised numbers were arrived at. And a description
23 of that. Following public comment, we do have some
24 additional maps of these lands and we have our Department
25 of Law representative, Alex Swiderski, who is going to talk

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1 a little bit about some of the issues relating to title.
2 But I think it would probably be okay to start with public
3 comment now too, even though it's scheduled at 11:00. I'm
4 sure we'll still be going through public comment at 11:00,
5 too.

6 CHAIRMAN BALSIGER: Just to be clear, the
7 2.2 million dollars would be purchase of -- I don't know
8 the right words for this -- it would be purchasing the
9 land. It's not an easement.....

10 MS. McCAMMON: That would be a fee
11 acquisition. It was appraised at fee because we have had
12 no discussions with the landowner in terms of a package,
13 although the indications from the landowner has been that
14 they are mostly interested in a conservation easement.

15 CHAIRMAN BALSIGER: Well, perhaps for my
16 benefit, tell me what a fee purchase means. Is there a
17 layman's description of that?

18 MS. McCAMMON: A fee purchase means all of
19 the rights on that land transfer to the new owner,
20 completely in fee. A conservation easement is a sale of
21 just some rights and some rights are still retained by the
22 landowner. For example, the actual title to the land is
23 retained by the landowner but certain rights, development
24 rights, maybe access -- limitations on access rights,
25 things of that nature would be transferred over for a

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1 certain dollar value. So it depends on what rights are
2 transferred for which lands. Whether certain areas are
3 kept out by the landowner for development, kind of
4 exclusion zones. You know, there's a lot of -- we've done
5 a lot of different kinds of conservation easements. The
6 main -- when we do negotiate easements with various
7 landowners, typically they have been for all development
8 rights on those lands. And if there are certain areas that
9 the landowner wants to potentially develop, then we
10 actually negotiate usually some restrictions on those.
11 Whether it's just limited to some kind of recreation
12 tourism, you know, no large scale commercial developments,
13 things of that nature. So we try to develop a package that
14 meets kind of the local area's economic interest but also
15 tries to protect the land for its natural resource value
16 and subsistence value too.

17 CHAIRMAN BALSIGER: But this 2.2 million
18 dollars is for fee purchase, all rights, so there would be
19 no.....

20 MS. McCAMMON: Correct. Correct. So
21 anything less than that would be less than that amount.

22 CHAIRMAN BALSIGER: I understand.

23 MR. TILLERY: I think it's fair to say that
24 for the most part, those conservation easements aren't
25 substantially less than the fee, in the past.

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1 CHAIRMAN BALSIGER: Thanks.
2 MR. RUE: Because you're buying most of the
3 significant value.
4 CHAIRMAN BALSIGER: Most of the economic
5 value.
6 MS. McCAMMON: Most of the value.
7 MR. RUE: Economic value.
8 CHAIRMAN BALSIGER: Right.
9 MS. McCAMMON: Most of the market value is
10 within those development rights.
11 CHAIRMAN BALSIGER: We have a comment from
12 our expert in the audience that may be useful. I'll let
13 you come to a.....
14 MR. SWIDERSKI: Actually, I don't want to
15 comment. What I'd suggest is I do have maps and maybe it
16 would help if I distribute the maps before the public
17 comment period so people will have them.....
18 MS. McCAMMON: Yeah, great.
19 MR. SWIDERSKI:during the comments.
20 CHAIRMAN BALSIGER: Okay, so it is about
21 11:00 so I believe we will start the public comment
22 session. Do we have someone on-line from Kodiak? A
23 Carolyn Lyons?
24 MS. LYONS: Yes, I'm Carolyn Lyons.
25 CHAIRMAN BALSIGER: Oh, I'm sorry. Oh,

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1 this is the local group. So let me skip you until we get
2 done.

3 MS. LYONS: Oh, okay, all right.

4 CHAIRMAN BALSIGER: I shuffled my papers.

5 MR. ADAMS: Hello?

6 CHAIRMAN BALSIGER: Hello, yes, who is

7 this?

8 MR. ADAMS: This is Ken Adams in Cordova.

9 CHAIRMAN BALSIGER: Okay and before you
10 start, let me just say that if possible, try to restrict
11 your public comments to three to five minutes. We don't
12 have anyone there to flash red lights at you so you have to
13 self-discipline yourself. But with that general guideline,
14 please go ahead.

15 MR. ADAMS: Who should go ahead?

16 CHAIRMAN BALSIGER: Ken Adams in Cordova,

17 please.

18 MR. ADAMS: Yes, okay. Thank you very much
19 for the opportunity to participate in the meeting. I would
20 like to say that I will be passing on my comments and
21 minutes of the meeting to two organizations, to Cordova
22 District Fishermen as well as the Aquacultural Association,
23 PWSAC. I like to keep them apprized of this meeting. I
24 think the item on your agenda is a very important one and
25 I'm referring to the NRC council committee's

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1 recommendations concerning the committee's report on GEM.
2 I think this is a extremely important item on your agenda
3 and as a follow-up to that comment, I'd just like to say I
4 appreciate very much the wisdom of the Trustee Council to
5 advancing GEM to the NRC review. I think this is certainly
6 a prestigious peer review and I think it's wise to take the
7 GEM in its present form and subject it to scrutiny to the
8 high powers of some the best scientists in the country, so
9 I commend you for that.

10 I have, pardon me, if I could just delay for a
11 minute. I have a couple of questions here that I would
12 like to ask the Trustee Council. First off, are the NRC
13 committee representatives available at this time? Can they
14 hear public comments? That's my first question.

15 MR. RUE: No.

16 CHAIRMAN BALSIGER: They're not here. They
17 are not present at the moment.

18 MR. ADAMS: Okay, can you tell me when the
19 next Trustee Council meeting will be?

20 MS. McCAMMON: May 3rd.

21 CHAIRMAN BALSIGER: May 3rd here in
22 Anchorage in the same building and we will have the same
23 ability to hook up to the telephone as you have now.

24 MR. ADAMS: Okay, very good. And one final
25 quickie. Will there be any opportunity -- will the Trustee

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1 Council provide any opportunity in the future for the
2 public to interface with the NRC committee?

3 MS. McCAMMON: That's up to the NRC.

4 CHAIRMAN BALSIGER: I think that the NRC
5 sort of runs its own business once they have the contract
6 to review this program. So it's probably up to the NRC
7 whether or not they would have public sessions. We could
8 relate to them, when we see them this afternoon, that there
9 is an interest to that and you of course are free to
10 contact them yourself and tell them that you're interested
11 in providing comment.

12 MR. ADAMS: Okay, very good. Thank you
13 very much for answering that. I'll continue with my
14 comments. And I'm going to begin by making a brief case by
15 referring to a publications from you folks. It appeared in
16 a restoration update dated the winter of 2000. So it's
17 just one year ago, Volume 7, number 1. And I'm going to
18 refer to a couple of comments made much to the credit of
19 Dr. Phil Mundy. And I'm going to extract these directly
20 from context. I will quote, it's important however that
21 GEM not become solely an academic pursuit for a data
22 manager. GEM researches and has always been looking for
23 practical results in the data, providing affordable tools
24 for fish and wildlife management. I think that is a very
25 creditable goal. A very defensible goal. I say that on

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1 the basis of being one of the spill-impacted stakeholders
2 from the infamous event that took place in 1989.

3 I just received an e-mail from a scientist
4 in the field concerning the size of the biomass of the
5 Prince William Sound herring. His view, after taking
6 acoustic surveys, was that the herring stock was the lowest
7 it's probably ever been in -- at least certainly in recent
8 years. And what concentration of herring remain was being
9 heavily preyed upon by a number of predators, although they
10 weren't identified. I've been in the Sound at this time of
11 year myself and I know that humpback whales are voracious
12 feeders on the concentrated herring. They go through, much
13 like a boxcar, going through -- with a big open mouth --
14 going through the schools of fish. Plus sea lions and
15 what's under water, cod and pollock are preying on them.
16 So there's really a three ring circus going on whenever the
17 herring appear this time of the year.

18 CHAIRMAN BALSIGER: Mr. Adams.....

19 MR. ADAMS: So anyway, biomass is down.

20 CHAIRMAN BALSIGER: Mr. Adams, the
21 suggestion was for a five minute time line and you've gone
22 to that so if you could summarize and wrap up in the next
23 little bit, that would be great.

24 MR. ADAMS: Yes, okay. I urge you to look
25 at the NRC recommendations and take them to heart. The NRC

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1 recommendations are ultimately supportable. They are in
2 line with public needs. With the quotation I gave you from
3 the restoration update, the are entirely defensible. To do
4 otherwise would be a travesty. To avoid the NRC comments
5 and to embark upon a GEM program which does not focus on
6 inshore needs, not take the NRC recommendations at heart
7 would be a travesty. I urge you to read these
8 recommendations, I believe they all -- all of them are much
9 in line with public needs.

10 And if I'm limited in time, that's my
11 message.

12 CHAIRMAN BALSIGER: Thank you very much, I
13 appreciate those comments. I've made some notes, we'll
14 talk to the NRC people about your desire for public input.
15 Is there anyone else in Cordova with you that wishes.....

16 MR. ADAMS: Excuse me, that's not just
17 public input, it's to adopt the NRC recommendation.

18 CHAIRMAN BALSIGER: I understand that's
19 your recommendation to the Council but I understood earlier
20 that you wished to be able to participate with -- somehow
21 with the NRC review and that's what I was referring to.

22 MR. ADAMS: Okay, thank you very much for
23 that, sir.

24 CHAIRMAN BALSIGER: Is there anyone else in
25 Cordova that would like to testify? With you?

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1 MR. ADAMS: There is no one here with me at
2 this time.

3 CHAIRMAN BALSIGER: Thank you very much.
4 How about in Karluk? Do we have people in Karluk who would
5 testify?

6 (No audible response)

7 CHAIRMAN BALSIGER: Is Karluk on-line?

8 (No audible response)

9 CHAIRMAN BALSIGER: Chuck Reft?

10 MR. REFT: Yes.

11 CHAIRMAN BALSIGER: Oh, you're over here.

12 Or is -- okay, is Darlene Needham here as well?

13 MS. NEEDHAM: I'm here.

14 CHAIRMAN BALSIGER: So maybe I have nobody
15 else on. Is this the only group that's on-line?

16 MS. HOLMES: Okay, this is Kodiak. We are
17 on-line.

18 CHAIRMAN BALSIGER: Okay, please go ahead.

19 I'm sorry, I'm new at this and I confused my forms. I've
20 been calling people on the phone who are actually in the
21 audience. So please, in Kodiak, identify yourself and go
22 ahead.

23 MS. HOLMES: Okay, my name is Mary Ann
24 Holmes, I am a Karluk member. We have eight people here
25 that are all Karluk members. I would like to say their

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1 names and they will each speak as behalf of Karluk members.
2 CHAIRMAN BALSIGER: Okay, if you could, try
3 to restrict yourselves to three or four of five minutes as
4 long as you have eight people there and please go ahead and
5 say your names.

6 MS. HOLMES: Okay first I'll introduce my
7 elders -- the elders: Sophie Katelnikoff; Marina Wasillie
8 and John Reft; Connie Chya, she's not an elder; Sandy
9 Vinberg; Thelma Chichenoff and Mary Ann Holmes. That's all
10 who is (indiscernible - beep) Sandy Vinberg as far as
11 comments on record.

12 MS. SANDRA VINBERG: Hello, I'm Sandra
13 Vinberg, I am a member of Karluk. I would like to have it
14 noted for the record and I also faxed to Molly
15 (indiscernible - beeps) copy to one of the Trustee Council
16 members that I am opposed, I am not a willing seller of my
17 10 acres of land in Karluk.

18 CHAIRMAN BALSIGER: Would you spell your
19 last name please, for the record?

20 MS. SANDRA VINBERG: Vinberg, V as in
21 Victor, i-n-b-e-r-g.

22 CHAIRMAN BALSIGER: Thank you very much.
23 Thank you for your comments. Next, please.

24 MS. HOLMES: Okay, the next person is
25 Connie Chya.

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1 MS. CHYA: Good morning, my name is Connie
2 Chya. I am a member of Karluk. I am also speaking on
3 behalf of my children Paul Wayne Chya, Jr., Evan Chya,
4 Michelle Holmes, Jory Benton and also my brother who is a
5 member of Karluk, Bud Tony Reft. In Karluk, along with my
6 children, I have been involved on board of the Karluk
7 corporation board before the merger with Koniag. After the
8 merger with Koniag in 1980 the corporation board became a
9 land committee. The land (indiscernible) over the Karluk
10 IRA land committee was the head of -- for protection,
11 protection from taxes and for the membership, all 186
12 total. Any decisions with these lands were to put before
13 the membership for a vote. To date, these lands are on the
14 table, they are going to be discussed. I am very much
15 concerned because these decisions put forth to you were put
16 forth by a small handful of people who 80 percent, 85
17 percent are family, mothers, daughters, sons and daughter-
18 in-law. They cannot decide for the membership. If you let
19 a handful of people decide for the membership, this will be
20 a total injustice to all of us and all those involved.

21 Thank you.

22 CHAIRMAN BALSIGER: Would you spell your
23 last name please?

24 MS. CHYA: Chya, C-h-y-a.

25 CHAIRMAN BALSIGER: Thank you very much for

0049

1 your comment. Next person please.

2 SENATOR AUSTERMAN: Mr. Chairman?

3 MS. CHYA: For the record, maiden name was
4 Reft, R-e-f-t.

5 CHAIRMAN BALSIGER: Thank you.

6 SENATOR AUSTERMAN: Mr. Chairman, this is
7 Senator Austerman. Can I be put on your list, please?

8 CHAIRMAN BALSIGER: Yes, you can. We're
9 part way through a group in Kodiak. Would you like to
10 speak now or would you like to wait until that group
11 finished?

12 SENATOR AUSTERMAN: If it's possible, could
13 I do it now? I have a floor session coming up here I have
14 to go down for.

15 CHAIRMAN BALSIGER: We're all nodding yes,
16 we agree with you. So please go ahead.

17 SENATOR AUSTERMAN: Thank you very much,
18 Mr. Chairman. I appreciate the opportunity to speak today
19 in reference to the issue of Karluk land exchange. I have
20 been dealing Karluk ever since I've been in the legislature
21 which is going on seven years now and it's been a constant
22 problem. I would very much appreciate the Board taking a
23 very hard look at what the action that you're taking and
24 the request that's been made by the Karluk IRA Council
25 itself. I do not believe, in any stretch of the

0050

1 imagination, that the IRA Council are the majority of the
2 landholders that are involved in the land that is being
3 discussed. And when you look back into the records, the
4 186 of them, I do not believe, are being represented at
5 this point in time and I think that's what you're going to
6 hear in your testimony today from those people who are
7 willing to speak out.

8 I have been contacted by probably 20 to 25
9 of them in the last year and a half with their concerns on
10 what's going on with the IRA Council in Karluk itself and
11 that there's a lot of concern that even with the sale of
12 this property, things will not come out the way that they
13 should as far as 168 -- or excuse me, 186 members of the
14 IRA Council are concerned. I could get a lot into some of
15 the details but I don't want to take that amount of time up
16 right now. I think that you may be able to look at this
17 issue with a piece of paper in front of you with all of the
18 i's dotted and all the t's slashed and say that there's
19 nothing wrong with what you're doing but if you listen to
20 the people themselves that are involved in that IRA
21 Council, you will not be doing the right thing. And I
22 would request that you hold off any action until you've had
23 a chance to completely hear from all of the people that are
24 involved with these lands. And with that I will close and
25 thank you very much, Mr. Chairman.

0051

1 CHAIRMAN BALSIGER: Thank you for your
2 comment. Let's go back to Kodiak. The next person please.

3 MS. HOLMES: Thank you Alan Austerman, we
4 appreciate your comment -- this is from Kodiak. And the
5 next speaker that we have is Edna Vinberg.

6 CHAIRMAN BALSIGER: Please spell the last
7 name.

8 MS. HOLMES: V-i-n-b-e-r-g.

9 CHAIRMAN BALSIGER: Thank you.

10 MS. EDNA VINBERG: I am a member of the
11 village of Karluk. I want to have it on record that I do
12 not want the EVOS or anyone else to purchase or permanently
13 acquire our 1,860 acres of land.

14 MS. HOLMES: Okay.

15 CHAIRMAN BALSIGER: Thank you, next please.

16 MS. HOLMES: Our next speaker is Sophie
17 Katelnikoff, she's an elder.

18 MS. KATELNIKOFF: My name is Sophie
19 Katelnikoff, I was born and raised in Karluk and I have two
20 daughters and some -- a couple -- three grandchildren
21 that's enrolled in Karluk and have land down there and I
22 would not want their land sold. (Speaking Aleut). My
23 mother who is 89 years old was born and raised in Karluk
24 also and the people that are trying to take this land away
25 from the rest of our people shouldn't be doing that, you

0052

1 know. This is our land. This was our grandparents' land.
2 This was my mom's and dad's land, my ancestors. And this
3 land put food on our table. And these people are trying to
4 take all this away from us and which my mother said
5 (speaking Aleut), these people are not doing right.
6 (Speaking Aleut), this land should be given to the right
7 owners. Thank you.

8 CHAIRMAN BALSIGER: Thank you. Could we
9 have the spelling for the last name please?

10 MS. KATELNIKOFF: It's K-a-t-e-l-n-i-k-o-f-
11 f.

12 CHAIRMAN BALSIGER: Thank you very much.
13 Is there another person in Kodiak?

14 MS. HOLMES: Okay, the next person is Donna
15 Vinberg.

16 MS. DONNA VINBERG: I'm a member of the
17 village of Karluk and I want to have it on record that I do
18 not want EVOS or anyone else to purchase or permanently
19 acquire or lease our 1,860 acres of land on and around
20 Karluk (indiscernible - beeps).

21 CHAIRMAN BALSIGER: Thank you. Is that the
22 same spelling as the other Vinbergs there?

23 MS. DONNA VINBERG: Yes, it is.

24 CHAIRMAN BALSIGER: Thank you. Is there
25 another person?

0053

1 MS. HOLMES: This next person is Selma
2 Chichenoff.

3 MS. CHICHENOFF: Hi, my name is Selma
4 Chichenoff, spelling is C-h-i-c-h-e-n-o-f-f. I also speak
5 for Laurie Ogle, Melody Chichenoff, Robert Chichenoff,
6 Michael Chichenoff, Keith Chichenoff and Catherine
7 Chichenoff. We are members of the village of Karluk and we
8 want to have it on record that we do not want EVOS or
9 anyone else to purchase, permanently acquire or lease our
10 1,860 acres of land on or around Karluk, Sturgeon River,
11 Grant's Lagoon and Halibut Bay areas.

12 CHAIRMAN BALSIGER: Thank you for the
13 comment. Are there more people in Kodiak?

14 MS. HOLMES: Yes there is, John Reft.

15 MR. J. REFT: Yeah, this is John H. Reft
16 and I believe you're dealing with a corrupt council in
17 Karluk, the IRA Council. I do not want them selling my 10
18 acres. I've been born in Karluk, I fished and visited
19 there all my life, commercially, and this is my home. And
20 if they sell that land, that's it. It takes away my
21 recognition. Thank you.

22 CHAIRMAN BALSIGER: Is that R-e-f-t?

23 MR. J. REFT: Correct, you ought to know
24 that by now.

25 CHAIRMAN BALSIGER: I'm sort of new at this

0054

1 game of writing things down so.....

2 MR. J. REFT: (Indiscernible).

3 CHAIRMAN BALSIGER: Thanks. Back to
4 Kodiak, anyone else?

5 MS. HOLMES: Okay, last but not least, my
6 name is Mary Ann Holmes. I too, as with Constance Chya-
7 Reft, I came with the Karluk Corporation. It dissolved in
8 the merge and we became a land committee. These lands are
9 transferred to the IRA under the umbrella of the IRA in
10 trust for our 186 people and their membership. We each
11 selected 10 acres of land. We picked our land, we signed
12 our name on a map for these lands. This was our promise
13 with our merge. We put this land under the protection of
14 the IRA just to see what we wanted to do and to protect our
15 lands until a decision can be made with those lands. I am
16 still on this committee today. We were voted on this
17 committee by the whole membership, the 186 people. Now, I
18 am still on this committee today, I have not had a vote in
19 the decisions the IRA is making with my land and I oppose
20 any negotiations that is being done on behalf of my 10
21 acres. And I also speak on behalf of my daughter, Kimberly
22 Holmes.

23 CHAIRMAN BALSIGER: Thank you very much for
24 your comment. Is there anyone else on the telephone that
25 would like to make public comment?

0055

1 MR. SELIG: Can you hear me?

2 CHAIRMAN BALSIGER: Yes, I can.

3 MR. SELIG: My name is Clarence Selig, I'm
4 calling to you from Kodiak, Alaska. I'm not a member of
5 the council but I have many friends and relatives who live
6 in Karluk and I think I would voice to you my sentiments
7 that Mary Ann Holmes just made. I think that if you're
8 going to do -- I think this needs to be researched in
9 depth. I don't understand how a few can perhaps govern and
10 even release rights of a group of people. And I know John
11 Reft who spoke earlier and I agree with John. I think that
12 this land should, if it's in trust, be held in trust. And
13 unless -- and should not be released or even thought about
14 any kind of a sale or whatever else unless there's a full
15 membership in agreement. And that's my statement. Thank
16 you.

17 CHAIRMAN BALSIGER: Thank you. Would you
18 spell your last name please?

19 MR. SELIG: Last name is Selig, S-e-l-i-g.
20 First name Clarence.

21 CHAIRMAN BALSIGER: Thank you very much.
22 Anyone else on the phone line any place?

23 (No audible response)

24 CHAIRMAN BALSIGER: If not, let's have
25 testimony from the people in attendance here in the

0056

1 audience. First on my list is Chuck and Barb Reft.

2 MR. C. REFT: Yes.

3 CHAIRMAN BALSIGER: Please.

4 MR. C. REFT: Hi, my name is Chuck Reft, R-
5 e-f-t, and my wife Barbara next to me and I'm sorry I'm
6 nervous, as usual. But, however, I'm a member from Karluk
7 and I will plead with the Trustee Council members, please
8 do not acquire our lands in Karluk.

9 Anyways, I had a personal meeting with
10 Molly -- or excuse me, Molly -- but Ms. Marilyn Heiman and
11 Glenn Elison and they assured us that they would not go
12 through with this acquisition because they did not want to
13 purchase lands from a bunch of unwilling sellers. And
14 you're hearing that today. We have a corrupt, incompetent,
15 council and they consist of four or five people that you
16 people are working with right now. They will not benefit
17 the rest of the membership of Karluk if this land
18 acquisition goes through. They will keep the money
19 themselves. This land was intended to benefit the 186
20 people.

21 And I have a packet for the six Trustee
22 Council members but before I submit this packet, I would
23 like to read a letter dated back to 1992 and, excuse me,
24 it's hard to read but this is signed by the current
25 president of the council in Karluk right now. And I'll

0057

1 read it here, it says, we the Karluk Village Council do
2 hereby swear that we have never attempted to or have any
3 intention of doing anything with the land held in trust by
4 the council for the Karluk village members. And I'll go on
5 here, if you have any questions or concerns, please feel
6 free to call the Karluk Village Council at, number. The
7 council president can be reached also at so and so number.
8 Then, absolutely no -- nothing will be done with this land
9 unless the whole membership agrees.

10 I will submit this packet of constitution,
11 bylaws, letters of intent and also a copy of maps which
12 would indicate that these lands were supposed to be
13 dispersed to the members of Karluk. I would have to ask
14 the Trustee Council members to run a copy of it because I
15 didn't have the time. But it will show original names and
16 selections of the areas that you people want to acquire.

17 If you people continue with this land
18 acquisition, I would have to say that the Council -- the
19 Trustee Council members are just as greedy as this group of
20 four or five people in Karluk. And I would plead my case
21 that you don't go through with this acquisition. It's not
22 right and I think you people know it's not right. And I'll
23 submit that but I need that back, please. But this does
24 indicate that these lands were supposed to be given to us
25 members and that council has not followed through on it.

0058

1 And one last note is that everybody on that
2 whole Kodiak island and even here in Anchorage and where
3 our members are dispersed, word has been out that this
4 council needs to be removed and that is definitely being
5 looked into. They are not representing the members of
6 Karluk. And we will definitely look into the removal of
7 this council, if need be. That's all I have to say.

8 CHAIRMAN BALSIGER: Thank you.

9 MR. TILLERY: Mr. Chairman.

10 CHAIRMAN BALSIGER: Mr. Tillery. One
11 question please, if you would.

12 MR. TILLERY: Mr. Reft, I have a question.
13 You and several of the other people here referred to
14 yourselves as members. Can you explain to me what is a
15 member? Like, how do you -- what qualifies one as a
16 member?

17 MR. C. REFT: I was enrolled to Karluk
18 through the 1970 land claims. It was acknowledged by
19 Bureau of Indian Affairs, our regional corporation Koniag
20 and also the village of Karluk. I am from Karluk and will
21 always remain in Karluk and I'll always be a member of
22 Karluk.

23 MR. TILLERY: So the.....

24 MR. C. REFT: I have status from Bureau of
25 Indian Affairs and I have an ID card stating that I am a

0059

1 member from Karluk.

2 MR. TILLERY: Okay, and that was as a
3 result of a 1971 enrollment?

4 MR. C. REFT: Yes.

5 MR. TILLERY: Okay.

6 MS. HOLMES: Mr. Chairman, I'd like to
7 interrupt Chuck Reft. The reason -- what a member is, is
8 we have ancestors that lived in Karluk. We are their
9 descendants also. That's what makes us a member of Karluk.

10 CHAIRMAN BALSIGER: Okay, thank you. Is
11 the end of your comment, Mr. Reft?

12 MR. C. REFT: Well, one last thing.

13 CHAIRMAN BALSIGER: Sure.

14 MR. C. REFT: I would show an indication of
15 support from a lot of members' concern about this land
16 acquisition. I don't know if EVOS was ever submitted a
17 copy of it but we have 114 people who are concerned about
18 this lands acquisition, that oppose the land acquisition.
19 Now, if we need to, we can get the personal signatures
20 submitted to you but this is just a current petition that
21 people oppose the land acquisition. I can submit this, if
22 need be.

23 CHAIRMAN BALSIGER: Thank you.

24 Mr. Gibbons.

25 MR. GIBBONS: Yes, Mr. Reft. Is the number

0060

1 correct that there's 186 members of the Karluk.....

2 MR. C. REFT: That's from the original
3 enrollment.

4 MR. GIBBONS: Okay, and that's the
5 exist.....

6 MR. C. REFT: Give and take people who have
7 passed on since then and we have to track down the new
8 inheritants [sic] and so on. But yes, the original
9 membership was 186.

10 MR. GIBBONS: Is the number today pretty
11 close to that or is it a set membership?

12 MR. C. REFT: I could not answer that
13 honestly. We are trying to track down -- but as it stands,
14 the original enrollment is 186.

15 CHAIRMAN BALSIGER: Mr. Rue.

16 MS. HOLMES: I would like to.....

17 CHAIRMAN BALSIGER: Excuse me, on the
18 line.....

19 MS. HOLMES: I would like to -- this is
20 Kodiak. The number today is 155. We have had members pass
21 on since the time of the enrollment. And this is how we
22 got the 1,860 acres, is because originally the 186 member
23 was each -- members were entitled to 10 acres. This is how
24 this figure is associated to the title.

25 CHAIRMAN BALSIGER: Yes, thank you.

0061

1 Mr. Rue.

2 MR. RUE: Mr. Chairman, I don't have a
3 question of Mr. Reft but I guess for the sake of those
4 testifying, do we have a schedule that we could let the
5 public know so that they understand the timing of our
6 discussions. So that if, in fact, people feel their
7 council is not dealing in good faith, they know how quickly
8 they have to act. We are sort of, as a Trustee Council, my
9 understanding is we have to deal with the elected or the
10 body that represents itself as the council. And if the
11 membership doesn't like what the council is doing, it seems
12 to me they need to deal with their council. So I think
13 telling the public what our timing is could help them know
14 how quickly they have to do something about their council.

15 MR. C. REFT: We can't give you a time
16 frame.

17 MR. RUE: No, but we could give you.....

18 MR. C. REFT: We abide by our.....

19 MR. RUE: No, we could give you a time
20 frame.

21 MR. C. REFT: Oh, excuse me.

22 MR. RUE: That's all I was saying.

23 MR. C. REFT: Oh.

24 MR. RUE: Do we have an estimate of how
25 long the discussions will take?

0062

1 MS. McCAMMON: What we have before you now
2 is the results of the appraisal.

3 MR. RUE: Right.

4 MS. McCAMMON: And so typically in our
5 habitat process, what would happen then, the appraisal is
6 shared with the landowner, which it has been. The
7 landowner looks at it and if they're still interested in
8 negotiating or having some kind of talks about what kind of
9 a package could be prepared, that would be the next step.
10 Those sometimes take a day and they sometimes take five
11 years, you know, it depends on how long it is until there's
12 agreement reached on a package. So it's hard to give you a
13 specific timetable. But in the process then, if an
14 agreement were to be reached, a tentative agreement, that
15 would come back to the -- between the negotiating team and
16 the IRA Council -- that agreement would come back to the
17 Trustee Council. It would be publicly noticed. There
18 would be public comment. There would be any -- there's a
19 lengthy opportunity for members of Karluk or the original
20 shareholders to take any action or comment at that time.
21 And it would be subject to any -- there would have to be
22 some final resolution to the title question, too, before
23 anything could happen. So whether the lands are held in
24 trust, whether the IRA Council has a clear and free title,
25 all of that, before any acquisition could be finalized,

0063

1 would have to be resolved. But it's hard to give you a
2 specific time frame because we're at the point now where
3 it's kind of on its own time.

4 MR. C. REFT: Well is this -- may I ask a
5 question -- is this an indication that EVOS doesn't care
6 about all this testimony that's going on today and in the
7 past? That because title is in the council's name, that's
8 the only thing that's the focus of EVOS? Is -- that's what
9 I'm kind of hearing. I mean, doesn't our testimony and our
10 -- your acknowledgment that we're all from the village of
11 Karluk and these lands are entitled to us and it's not up
12 to that council to sell -- doesn't any of this mean
13 anything today? Or is EVOS just focused on that quit claim
14 deed that is titled over to the council?

15 MR. TILLERY: Mr. Chairman.

16 CHAIRMAN BALSIGER: Mr. Tillery.

17 MR. TILLERY: I think it would -- there's a
18 lot of things that go into the Council's decision. I mean,
19 things like price and value and restoration value and so
20 forth. But the fact that someone has to have clear title
21 is one of the factors -- it's just a go/no go decision. If
22 somebody doesn't have clear title, we just don't deal with
23 them. Probably the most classic case we have going right
24 now is the stuff with Lesnoi. It's tied up in courts, you
25 know, they are interested in selling but we just know where

0064

1 the title is.

2 There is yet another issue beyond -- and
3 the questions that you have raised, the discussions you've
4 have, the references you've made, the land held in trust
5 raise, in at least my mind, issues about title. And
6 therefore it makes me resolve that I want to -- for that
7 title issue to be clarified. In addition to the title
8 issue, there is another issue which is should we purchase
9 these lands. And that's, again, I think part of what
10 you're speaking to is the title issue, the other part of
11 those -- of what you re speaking to is, even if these
12 people have title, is there something wrong with us
13 purchasing those lands, and we're listening to that.

14 MR. C. REFT: Well, thank you and I hope
15 you follow through on that because all the time in past it
16 seems to me that EVOS just solely been going off of that
17 quit claim deed because it's conveyed from Koniag to the
18 Karluk IRA Council. But there was other documentation that
19 probably hasn't been submitted that was supposed to be in
20 the interest of the members of Karluk. But I keep getting
21 the feeling from the EVOS Trustee Council that all you guys
22 are looking at is that quit claim deed and who has title to
23 it. So thank you for reassuring me on that.

24 MS. McCAMMON: Mr. Chairman, could I add
25 one.....

0065

1 MR. SELIG: This is Clarence Selig in
2 Kodiak. Could you please announce your name as you speak
3 so we'll know who's talking?

4 CHAIRMAN BALSIGER: That was.....

5 MR. SELIG: Also I wanted clarification
6 that I'm a past director of Koniag and also a member of
7 Afognak Native Village Corporation and so I have an
8 interest in this conversation, okay?

9 CHAIRMAN BALSIGER: Thanks for your
10 comment. The previous comment from the table was from
11 Mr. Tillery who explained that we are in fact interested in
12 public comment. The Trustee Council always has been
13 greatly benefitted by the Public Advisory Committee [sic],
14 which represents some parts of the public and public
15 testimony at these kinds of sessions. So no, it's not
16 ignored. I think Mr. Tillery answered it correct. And so,
17 if you're through, thank you for your comment.

18 MR. C. REFT: I'm done, thank you.

19 CHAIRMAN BALSIGER: I appreciate that.

20 Ms. McCammon.

21 MS. McCAMMON: Mr. Chairman, could I just
22 say -- add one thing and this is Molly McCammon, Executive
23 Director of the Trustee Council for those on the phone
24 line. I think what also makes it difficult is that I think
25 all of the State and Federal agencies have a commitment to

0066

1 dealing with sovereign governments and who is represented
2 as a sovereign government. And in the recent, I think,
3 agreements with the State has been that the tribal councils
4 do represent the sovereign governments. And so when the
5 Council is negotiating, the IRA Council appears to be the
6 owner -- the title owner of these lands, it makes it very
7 difficult if someone comes in -- it's very difficult for
8 the Council to say, well that council isn't doing a very
9 good job or is corrupt or is not the right council. It's
10 difficult for the Trustee Council to make -- to come to a
11 sovereign entity and say, well you know, you shouldn't be
12 there. You're not the right group. And so, hearing from a
13 number of people who believe that it's not the right group,
14 I think it puts all of the Trustee Council -- it puts us in
15 an awkward position because it s really not up to the
16 Trustee Council to make that determination.

17 MR. C. REFT: Well, all I'm here to assure
18 you is that the lands do belong to the people from Karluk
19 and we don't want any development any more than EVOS does.
20 These are our lands, we want our own rights to our lands.
21 We don't want anybody taking -- we can control our lands.
22 We can take care of our lands. We don't want outsiders in
23 our lands. We don't want development of any kind, you
24 know. This land was given to the members of Karluk and
25 pretty much this is all we have left other than just a few

0067

1 acres right in the village. And we have a lot of future
2 dependents of the current people now that we want to
3 protect this land for. And we can assure you that we will
4 try to, until our last breath, to protect our lands, what's
5 left down there in Karluk. We've had a regional
6 corporation take control of a lot of our lands down there
7 with a lot of opposition.

8 But we're a small group and it's hard to
9 fight politics and this is my first experience being in
10 politics and I'm learning, I'm learning fast, and I'm sorry
11 for my nervousness and boisterous opinions. But it comes
12 from the heart and all these people who attend these
13 meetings, it comes from their hearts. We have people who
14 have lived in the village for many years. They're shy,
15 they don't understand, but they are here because of the
16 same reason. And if somebody would like to address them
17 and ask them because that's what it will take. Because a
18 lot of these people, that's where their heart is. It is.
19 And it has to be understood.

20 CHAIRMAN BALSIGER: Okay, thank you for
21 your comment. Thank you for comment. It was clear,
22 nervous or not, that you made a very nice statement so we
23 understand it. Thank you.

24 MR. C. REFT: Did you want to say.....

25 CHAIRMAN BALSIGER: Oh, did Barbara want to

0068

1 say something?

2 MS. REFT: My name is Barbara Reft -- oh,

3 I'm sorry.

4 MR. C. REFT: No, it hurts. It hurts.

5 CHAIRMAN BALSIGER: Thank you. Next on my
6 list is Darleen Needham.

7 MS. NEEDHAM: I don t know if I can get up
8 there.

9 UNIDENTIFIED SPEAKER: Let s see if we can
10 help.

11 MS. McCAMMON: Yeah, maybe we could help do
12 something here, Darlene. There we go.

13 MS. NEEDHAM: This is Darlene Reft-Needham
14 and I'm proud to say I'm a member of Karluk and I'm proud
15 to say my ancestors are from there. My father's family --
16 excuse me, I get emotional, it's this condition. And I
17 just want it on record that I do not -- I do not want the
18 lands sold. We're here, our ancestors aren't here but we
19 are ever here to fight for them. We have to. That's all I
20 have to say.

21 CHAIRMAN BALSIGER: Thank you for your
22 comment.

23 MS. NEEDHAM: It's a (indiscernible -
24 sobbing) conditon.

25 CHAIRMAN BALSIGER: Is Carolyn Lyons here?

1 MS. LYONS: Yes.

2 CHAIRMAN BALSIGER: Please.

3 MS. LYONS: My name is Carolyn Lyons. I
4 live here in Anchorage. I'm a retired elementary
5 principal. I was also -- am also enrolled to Karluk. I
6 was born in Karluk, many years ago and my mother, Mary
7 Reft, is from Karluk also, she was born there. So I am an
8 Alaskan Native. I have an interest in those Karluk lands.
9 Many, many years ago when Koniag was interested in having
10 us join Koniag, one of the things they did was they had
11 someone go around and talk to the different Karluk
12 shareholders. So there would have been 186 of us. And we
13 all gathered at a hotel down here and looked at maps and
14 the person that met with us was John -- or Jack Rick. And
15 said well, if you'll join Koniag you'll get 10 acres. And
16 so we had quite a few relatives and we picked out land.
17 Well, nothing has ever happened with that. And as you're
18 aware, there's a real conflict going on now with the Karluk
19 IRA.

20 So we still have an interest in those 10
21 acres. And of course, I personally have an interest in
22 that land being protected. I wouldn't want to see it
23 destroyed, overdeveloped. So I think EVOS probably also
24 has an interest in the habitat, in protecting it. Probably
25 a lot of us do, but you need to know that we still have an

0070

1 interest in what was promised a long time ago. Molly
2 McCammon just said recently, well, they deal with sovereign
3 governments, referring to the Karluk IRA. And if you'll
4 remember the last time we met here, I don't know how long
5 ago that was, perhaps you've had a meeting since then,
6 there was a member on your board -- your Trustees' Council
7 that said, we have some real legal issues here that need to
8 be researched. And I'm wondering if anyone has done that
9 research yet. I believe that might have been.....

10 MS. McCAMMON: Yes, some of it has been,
11 yes.

12 MS. LYONS: Are we privy to any of that at
13 any point?

14 MS. McCAMMON: I think after public comment
15 -- Mr. Chairman, after public comment I think Alex
16 Swiderski was going to talk a little bit about some of the
17 title research that he's done.

18 MS. LYONS: Okay, we'd like to hear that
19 but just so you know, there are people out there -- we
20 don't want to forget that someone made a promise and so
21 there is a real conflict. Thank you.

22 CHAIRMAN BALSIGER: Thank you. Delores
23 Karvak (ph)?

24 MS. GYAHLOWOK: Good morning, my name is
25 Delores Gyahlowok (ph) and I'm originally from Kodiak

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1 Island. I'm a teacher here in Anchorage with the Anchorage
2 School District at the current time and fortunately enough,
3 I was able to spend my earlier years working with the
4 villages prior to land selections. And worked as a
5 director of one of RuralCAP's delegate agencies down in
6 Kodiak Island. Spent a considerable amount of time out in
7 the villages. As you've heard earlier, I am a descendant
8 of the Reft family, of Katie Reft from the village of
9 Karluk. The daughter of Mary Reft from -- originally from
10 Karluk. And I was privileged to be able to travel in the
11 villages for many years prior to ANCSA being passed. To be
12 at the service of elders who identified lands to be
13 selected under ANCSA. One of the major concerns at the
14 time when people were considering the selection of lands
15 was that the village consider remaining a reservation. And
16 if you're real familiar with Kodiak Island you'll note that
17 Karluk is the only village on Kodiak Island that never
18 incorporated under State law. And that gives you some idea
19 about the leadership that was present there for many years.

20 I had the privilege of not only working
21 with the elders in the village and many people who are on
22 the line there in Kodiak and people who are sitting in the
23 audience here today in Anchorage. And can't believe that
24 those lands have come to this table today. I have gone to
25 Koniag, numerous times to the board of directors, initially

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1 in opposition of the merger because I felt that a lot of
2 the elders, at the time, didn't intend for that land to go
3 anywhere. They looked at the land as communal and not to
4 be owned individually. They never -- I never heard anybody
5 in all of the villages I traveled to on Kodiak Island, talk
6 about ever selling lands. And I sat with many of the
7 Native leaders. I've sat on the AFN board, I've sat on the
8 Alaska Federation of Natives Board, I've traveled with many
9 State and Federal officials back to Washington D.C.
10 advocating programs for Alaska.

11 I see Stacy Studebaker here, who I haven't
12 seen in a considerable amount of years who was out in the
13 village Ouzinkie and doing research on wild and edible
14 plants with Native elders in Ouzinkie. So she knows a lot
15 about our respect for the land. And I certainly want to
16 tell you today, as I see the Commissioner of Fish and Game,
17 Mr. Rue, and I have a lot of good things about you. And I
18 see the Forest Service and the Environmental Conservation,
19 many of these titles that we have grown up with as children
20 on Kodiak Island because we do have a lot of respect for
21 the land. We have opened our doors to people who have come
22 to Alaska. I don't know that we've ever closed doors on
23 anybody. And I'm concerned that should this be considered
24 as a possibility to sell our lands that it will be a whole
25 different era for us. I would like for you to consider

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1 strongly not to do this.

2 I traveled out on the Bethel area years ago
3 and I remember interviewing people who did not speak any
4 English. And I asked them about how they would define land
5 and subsistence and one old fellow, his name was Cyril
6 Alexie from Chefornek, said it very nicely. If you take
7 our land, you take our blood. And I think if you can try
8 to understand for just a while, what we're coming here to
9 express to you is that we need to have our land. That is
10 -- that's our whole well-being. And many of our elders,
11 although they're not sitting here today, a lot of them are
12 gone now because it's been several years since the act has
13 been passed, they're here with us. And we've been blessed
14 -- we've been truly blessed to be able to come this far and
15 not lose all of our land.

16 So I hope that you'll consider -- and I
17 look at all of your titles and all of the government and
18 State agencies that you represent and I hope that you will
19 take it upon yourself to really talk to people, more than
20 just the council. And I could not say personally that any
21 of the people -- I can't say anything against any of my
22 people today, but I would say that we must sit down and
23 talk about this. We've been protectors and keepers of
24 those lands for a long time so everybody can enjoy them up
25 to this point. And I truly appreciate you considering not

0074

1 selling the land. Thank you.

2 CHAIRMAN BALSIGER: Thank you for your
3 comments.

4 MR. TILLERY: Mr. Chairman.

5 CHAIRMAN BALSIGER: Yes, one question
6 please, Mr. Tillery.

7 MR. TILLERY: You mentioned that the elders
8 viewed the land as sort of communal land.....

9 DELORES: Yes.

10 MR. TILLERY: And I -- this.....

11 MR. SELIG: Who s talking, please?

12 MR. TILLERY: This is Craig Tillery with
13 the Trustee Council. There's been some discussion here
14 that this acreage -- that people selected 10 acre parcels.
15 How does that sort of relate -- how did that come about?

16 MS. GYAHLOWOK: Well, it was a result of,
17 you know, Karluk becoming a corporation, you know that,
18 under State law, as a result of Koniag, you know, being a
19 regional corporation. The village was exploring the
20 possibility, they wanted to maintain reservation status,
21 which we were unable to do under the Land Claims Act. And
22 along with the reservation would come -- I believe it was
23 about 55,000 acres. I haven't looked at any documents for
24 some time. Those were some of the rules and the
25 regulations that came down with ANCSA under the Federal law

0075

1 and under the State law. It was nothing that we had
2 discussed initially. The proposal to award each individual
3 shareholder 10 acres of land -- up to 10 acres of land was
4 a concept that I believe came out of the regional
5 corporation. So it was not anything that was initiated at
6 the village level. This was a result of the merger, they
7 were compensating individuals a minimum amount of money
8 which already, I believe, belonged to the village
9 corporation and 10 acres of land. And those are provisions
10 of the merger. And the merger of -- with -- village
11 corporation with Koniag. And those terms had not been met
12 at the current time and so that's why there had been
13 opposition for some time. And it's been a real problem,
14 people not at least being entitled because I believe they
15 haven't gotten title to lands individually out there.

16 CHAIRMAN BALSIGER: Thank you for
17 clarifying that.

18 MS. GYAHLOWOK: So we're here really as a
19 community here today.

20 CHAIRMAN BALSIGER: Thelma Hamilton.

21 MS. HAMILTON: Hi, I'm Thelma Hamilton.
22 Maiden name is Reft, R-e-f-t. I am a member of Karluk and
23 I come here today to put on the record that my 10 acres is
24 not for sale, lease, use, anything else. This is one of my
25 daughters. She doesn't have 10 acres. I have two other

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1 daughters that do, that are Karluk members and I speak for
2 them, theirs is not for sale, use, anything. I'm sorry,
3 I'm nervous too. How did that acreage get there? It
4 wasn't by six, seven council members who you are dealing
5 with, that would be 60 acres. Like we said, there was 186
6 of us. That's where the acreage came from. That's a lot
7 more word and thought and speak and heart than six or eight
8 or I don't know how many you're dealing with.

9 But it means a lot to us like everybody
10 else has said. It means a lot to my children. My
11 granddaughter, she's sleeping here. I have 11
12 grandchildren who this means a lot to. They talk about it.
13 This daughter, Catherine, has started going to -- we belong
14 to Koniag -- she started going to the meetings there. She
15 wants to learn about it. She wants to learn about Karluk
16 because some day this 10 acres will be her 10 acres. Her
17 part in her heritage, her ancestors' lives and what she can
18 pass down to these ones. So I'm asking please, please to
19 think all sides and all around. You're not dealing with
20 just a handful, like I said, of a tribal council. And
21 think about where they got all that acreage in the first
22 place -- it's us. It's all of us here, down in the States,
23 everywhere. Please, I implore you, please think before you
24 do any action. And that's all I have to say. Thank you.

25 CHAIRMAN BALSIGER: What's Catherine's last

0077

1 name?

2 MS. PICKINS: Pickins.

3 CHAIRMAN BALSIGER: Did you have a comment

4 to make?

5 MS. PICKINS: I just wanted to say that
6 yeah, I am not a member, as my mother said, but I am a
7 future member and it does mean a lot to me, too. That land
8 is all I have of my heritage. When my mother does finally
9 pass away, hopefully many, many, many years from now.....

10 (Laughter)

11 MS. PICKINS:and I'd look forward to
12 passing it down to my children also. So speaking for the
13 descendants of all of the 186 people, I would like to not
14 sell the land.

15 CHAIRMAN BALSIGER: Thank you. Patty
16 Brown-Schwalenberg, please.

17 MS. BROWN-SCHWALENBERG: Hi.

18 CHAIRMAN BALSIGER: Could you spell your
19 last name? I know you wrote it but I.....

20 REPORTER: I've already got it.

21 CHAIRMAN BALSIGER: Oh, you have it. Never
22 mind.

23 MS. BROWN-SCHWALENBERG: I get tired of
24 spelling it, so thank you. I just wanted to give a few
25 brief comments on the interim report that was submitted by

0078

1 the Natural Research Council and I was sorry to see that
2 they weren't here this morning but we do plan on providing
3 more extensive testimony at your May meeting and
4 communicating with them as well. Briefly I just wanted to
5 talk a little bit about community involvement. The
6 document lists one part where they were talking about
7 meaningful community involvement and they say, from
8 planning to oversight and review. But there's really no
9 statement there about implementation. And as we've been
10 saying and as the Trustee Council is aware, the tribes have
11 really been interested in being actively involved in the
12 research and monitoring projects. On the other hand, under
13 box 2.6, they talk about meaningful community involvement
14 again and it says, includes conducting research. So
15 there's a little bit of contradictory comments there or
16 maybe not clarifying it.

17 And then you go to the list of the three
18 options they talk about to implement community involvement.
19 The first option is, you know, pretty much saying that
20 community involvement should be a part of every project and
21 they dismissed that one. The second option, they
22 dismissed, and that's to me the one that the tribes are
23 most interested in or the communities. We've been talking
24 about a community fund for the 20 communities that were
25 effected by the oil spill. But I believe, due to lack of

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1 information on the part of the NRC, of the plan that the
2 communities have for a community fund, we still believe
3 this is a viable option and we still plan on pursuing this
4 option. We're going to continue working towards that goal.
5 The third option that they did recommend was the advisory
6 committee or council, I guess they called it. And to me,
7 that's the status quo. That's just -- maybe even a little
8 bit less than status quo because now that they show that
9 the advice is going only to the chief scientists with no
10 direct link to the Trustee Council. And I think that's a
11 grave error, especially with the Trustee Council's
12 commitment to deal with the tribes of sovereign
13 governments, I believe that they should have a direct link
14 to the Trustee Council.

15 And getting back to community involvement,
16 I think that meaningful community involvement has to be
17 defined by the communities. The Trustee Council has taken
18 a big step in making that a major part of the GEM program.
19 The NRC has recognized that but I have yet to see anybody
20 really define it. And I think the communities are the ones
21 that are going to have define that. Define it in their
22 Natural Resource Management plans that we're currently
23 working on and define it maybe, you know, as part of
24 helping write that portion in the GEM Program or something.
25 But it's kind of like traditional knowledge, you can't

0080

1 really take a hold of it and look at it. It's not real
2 tangible until you really understand what the communities
3 want and I think that's got to come from them.

4 And that's all I have to say so thank you
5 very much.

6 CHAIRMAN BALSIGER: Thank you. Let's see,
7 a T.M. Obermeyer.

8 MS. OBERMEYER: Yes. Well, am I last?

9 CHAIRMAN BALSIGER: Well, you're last on my
10 list but.....

11 MS. OBERMEYER: I just wanted to start with
12 praising particularly Carolyn Lyons, whom I've known for
13 many years. I didn't really understand the thrust of this,
14 but I think the heritage of the United States is really not
15 treating indigenous people fairly and I just respect the
16 comments that have been made today. Not having documents
17 or any information, a family that really lives -- has lived
18 in a certain location for generations, I believe their view
19 should be respected. And so, again, I say that without any
20 background information.

21 And I have not come when, let me get the
22 right names, let me see, Mr. Allen and Mr. Balsiger have
23 been on the Trustee Council. I've come for many years now
24 and I'm really getting worn down but I'll continue to pass
25 out documents. You know what I really have said is you

0081

1 people are all public employees. I don't have any answers
2 -- I just have a few more here -- and not to take too much
3 of your time, I wanted to start with a couple of newspaper
4 articles. One was in yesterday's newspaper, in the
5 Anchorage Daily News. I do, and to some extent, hate to
6 refer to our, what I consider very corrupt media that will
7 not even so much as allow me a letter to the editor. For
8 many years, I've been on the Anchorage School Board, I
9 can't get two lines in the Anchorage Daily News. And here
10 was the headline: Exxon Mobil Bumps GM From Top of Fortune
11 500. Exxon now is number one, ladies and gentlemen.
12 That's how much we have all been ripped off. It says right
13 here, their profits were just 210 billion last year. Only
14 210 billion and here we sit. I mean, and what I really
15 have appreciated for a long time is the Trustee Council was
16 willing to transcribe the tape that I had of David
17 Oesting's comments. And I don't have the date with me, it
18 was a couple of years ago. You see, the attorneys for the
19 Exxon Valdez have never been paid. They've never been paid
20 so who else is going to trial. And now we see that Exxon
21 has overcome everybody. They're first. I mean, that's
22 amazing to me. I don't know whether you saw that in
23 Juneau.

24 And then the other one I had is, Senator's
25 ANWR Tour is a Farce. Now this was written by Deborah

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1 Williams. And of course I did call back and I never want
2 to be mean spirited but I know that the Alaska Bench and
3 Bar is a farce of which Mr. Tillery and Ms. Williams are
4 both members. And I'd like to be nice, Mr. Tillery, when
5 is something fair going to happen? I mean, I must say I
6 never know what you're really dealing with and I always
7 commend you. Because it seems like something good is going
8 on here but there should be -- we should all rise up more
9 and look at the big global picture of what's going on. And
10 so that's what I -- those were really my main comments
11 today.

12 I have a couple of more materials. You
13 know, please feel free to read this. I've been passing
14 this stuff out and mailing 60 copies to the legislature now
15 for over nine years. No response.

16 And Senator Austerman is -- you know,
17 everybody else was bumped and he's supposed to make
18 comments. Where the Aerospace Development Corporation is,
19 and he's on the board, it's okay, I don't really know the
20 man. I don't know any of these people. All I know is the
21 people that spoke before just seem like very fine people.
22 And, of course, I don't have a enough copies but here's a
23 little press release. And that's all I have to say. I'd
24 be glad to field questions if anybody had one.

25 CHAIRMAN BALSIGER: Are there any questions

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1 for Ms. Obermeyer?

2 MS. OBERMEYER: But that was all I had.

3 CHAIRMAN BALSIGER: I guess there are no
4 questions.

5 MS. OBERMEYER: Just lastly, I am positive
6 always of the miscommunication among us and we do have a
7 very corrupt media, but sometimes I do refer to it and I
8 apologize. I didn't really prefer to do that but since I
9 can't even get a letter to the editor printed. They're
10 very prejudiced. And the editorial board of the Anchorage
11 Daily News is now four white males. We don't have any
12 multicultural representation on the editorial board of the
13 Anchorage Daily News. I consider that an affront. But if
14 you had a question, I'd be glad to field them.

15 CHAIRMAN BALSIGER: I see no questions.
16 Thank you for your comment and the materials.

17 MS. OBERMEYER: Thank you for hearing me.

18 CHAIRMAN BALSIGER: Thanks. That's the end
19 of my list. Is there anyone else in the audience that
20 didn't make the list who wanted to speak? One
21 gentleman.....

22 MR. PETERSON: Mr. Chairman.

23 CHAIRMAN BALSIGER: Yes.

24 MR. PETERSON: I just joined here a few
25 minutes ago on the phone.

1 CHAIRMAN BALSIGER: Okay, we have one man
2 coming from the audience. We'll have him sit at the table,
3 he'll be ready. But on the phone, please go ahead. And
4 remember we're trying to restrict to three or four minutes.

5 MR. PETERSON: You bet. I appreciate the
6 opportunity and I appreciate the comments that I've heard
7 here just in the past five or ten minutes. I want to start
8 off with a question. Has the Council gotten a copy of the
9 merger agreement of 1980 between Koniag and the villages?
10 And question two is, is the Council familiar with the
11 Larsen Bay Tribal Council experience with their 10 acre
12 parcels? And then with respect to the merger agreement, if
13 you have gotten a copy of that merger agreement, you must
14 also have copies of the lawsuit that was filed by Ole Olson
15 on behalf of Afognak Native Corporation, which he won. And
16 the merger agreement was then determined by the court to be
17 legally flawed and this is how Afognak got out, this is how
18 Old Harbor got out, Akhiok, okay. But Karluk and Larsen
19 Bay did not have the opportunity to file a lawsuit. I
20 think back then principally because we did not know the
21 value of the assets that those two village corporations
22 owned in the Afognak Joint Venture. I think that time the
23 -- as I remember, people did not know that they had the
24 interest in the Afognak Island timber. And then when the
25 value of that asset was -- became known and then there was

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1 more interest in finding out.

2 I am currently a director in Koniag and I'm
3 a minority view person on that. I don't agree with the
4 land sale that is about to take place. I don't agree with
5 the conservation easement that was just signed off, those
6 59,000 acres. I think the people from Karluk and Larsen
7 Bay should not only be concerned with their 1,860 acres,
8 also with the 59,000 acres that I believe still belongs to
9 them. But now we're locked in for the next 10 years on
10 those 59,000 acres and hopefully at the end of the 10 years
11 something good will happen with those lands.

12 I also speak against any of the land sales
13 that is currently being considered by the Trustee Council.
14 You guys got to do your job, listen to the people. After
15 all, what are these public hearings for? I haven't heard
16 any one person in favor of this land sale question that
17 going on now. Maybe before I got on somebody might have
18 talked about being in favor of the land sale but the last
19 two or three people that I heard, there was nobody in favor
20 of the land sales. End of my comment, thank you.

21 CHAIRMAN BALSIGER: Thank you, would you
22 identify yourself please. Could you spell your last name?

23 MR. PETERSON: My name is Frank Peterson.
24 P-e-t-e-r-s-o-n.

25 CHAIRMAN BALSIGER: Thank you very much.

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1 Gentleman at the table.

2 MR. SHUGAK: Hi, my name is Tim Shugak and
3 I'm a member of Karluk. And I speak on behalf of my sister
4 Marie, who's last name is Benson, and my brother Nick and
5 Peter Shugak. All four of us, we oppose, you know, this
6 land issue that's going on right now. And we want to go on
7 record as being opposed to it. That's my comment.

8 CHAIRMAN BALSIGER: Thank you, could you
9 spell your last name?

10 MR. SHUGAK: It's S-h-u-g-a-k.

11 CHAIRMAN BALSIGER: Thank you very much.

12 MR. TILLERY: If somebody could explain to
13 me, there's a number of references to this 1,860 acres,
14 which is 10 acres times 160 [sic] people. The appraisal
15 references 2,191 acres. What are those two figures?

16 MR. C. REFT: I believe in addition to the
17 1,860 acres there is a five acre weir site parcel that Fish
18 and Game has been leasing and then there was probably some
19 other acreage that we are not knowledgeable to but I
20 believe it's down around the Karluk Lagoon area. And
21 whether it's a private party or a Native allotment, I
22 haven't have the time to research. But the overall acreage
23 is the 1,860 acres that was entrusted to the council on --
24 entrusted for the members of Karluk. That's the majority
25 of the lands that the Trustee Council is in negotiations to

0087

1 acquire. So I don't know where the 2,100 acres came up to
2 but I can say the five acre weir parcel is included in this
3 1,860 acre acquisition -- land acquisition.

4 CHAIRMAN BALSIGER: Thank you. Any other
5 comments here?

6 (No audible response)

7 CHAIRMAN BALSIGER: In that case the public
8 session -- is that what we call the public session -- is
9 closed. The public comment period is closed. It's ten
10 minutes after 12, what's the pleasure of the Council?

11 Would you like to take a break for lunch or.....

12 MS. McCAMMON: I don't think lunch is here
13 yet.

14 CHAIRMAN BALSIGER: Mr. Gibbons.

15 MR. GIBBONS: I think we have a proposal to
16 have Alex describe the legal before we break for lunch so
17 that people, you know, can get a feel for that.

18 MS. McCAMMON: Mr. Chairman, we also
19 have.....

20 MR. SELIG: I have a question.

21 MS. McCAMMON: We also have Walt Ebell
22 representing the IRA Council, who is on line and available
23 to answer any questions too.

24 CHAIRMAN BALSIGER: All right, so, Alex,
25 please.

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1 MR. SWIDERSKI: Thank you, Mr. Chairman.
2 I'm Alex Swiderski from the Alaska Department of Law. I'm
3 going to try to be very brief. Originally the -- initially
4 the Council, of course, approached the Karluk IRA Council
5 to -- because we were interested in purchasing the weir
6 site. We engaged in negotiations for quite a number of
7 years and eventually the Karluk IRA Council came back to
8 the Trustee Council and said, we'd like to negotiate not
9 only for the weir site but for all of this acreage that's
10 before us today. What I'd like to do is maybe just do a
11 little bit of history of the merger. There's been a lot of
12 discussion of it and I'm just going to hit the high points
13 of it. You've heard a lot of it. The merger was
14 originally contemplated to be between Koniag, the regional
15 corporation and Karluk, Larsen Bay, AKI, Old Harbor, Lesnoi
16 and Afognak Native Corporation. It was actually
17 consummated about 1980. Generally it provided that all of
18 the village corporations would be merged into the Koniag
19 Regional Corporation. The shareholders of the village
20 corporations each received an extra -- an additional 100
21 shares of Koniag stock. I think they received some cash
22 and I think some cash went to the IRA Councils. It's not
23 completely clear from documents I have and I do not have a
24 complete set of documents by any means. As part of the
25 merger, the lands -- the ANCSA lands and, in the case of

0089

1 Karluk, the IRA lands, went to Koniag as did any other
2 assets that the village corporations had and any debts that
3 the village corporations had. In return -- or in addition
4 I should say, the merger provided that 10 acres per
5 shareholder in each of the original village corporations
6 would be conveyed to either an IRA council or another
7 entity designated by the various village corporations.

8 In Karluk's case, another entity was not
9 designated and, in fact -- and I'm sorry, maybe I misspoke
10 here. The 10 acres was -- there were 186 Karluk
11 shareholder so there was supposed to be 1,860 acres conveyed
12 by Karluk. The merger provided if it was not done by the
13 Karluk Native Corporation after completion of the merger,
14 Koniag would convey the 1,860 acres. In Karluk's case it
15 was not done, so following completion of the merger, Koniag
16 conveyed by quit claim deed to the IRA Council, ostensibly,
17 1,860 acres.

18 In fact, it appears, and I think probably
19 primarily because we have a better calculation of the
20 acreage today, that more than 1,860 acres were conveyed.
21 And I think, but I'm not sure, that all of the 2,190 acres
22 that are before us today -- I know all of the acreage was
23 conveyed in the quit claim deed and I believe that was as
24 part of the obligation of Koniag with respect to the
25 merger. Following the merger, shareholders from AKI, Old

0090

1 Harbor, Lesnoi and Afognak Native Corporation sued to stop
2 the merger in litigation that has come to be known as the
3 de-merger litigation and there was some discussion of that
4 today. They were successful and because of that AKI, Old
5 Harbor, Lesnoi and Afognak Native Corporation were de-
6 merged and reformed as those Native corporations. Nobody
7 from Larsen Bay or Karluk joined in the litigation so they
8 remained with the merger and the merger has continued to
9 exist today.

10 The bare record of title, so to speak,
11 shows that the Karluk IRA Council owns the land. They were
12 conveyed it by a quit claim deed. Part of the reason I
13 think there is an issue today, and obviously there is quite
14 an issue before us, is that the IRA Coun -- in order to be
15 a member of the IRA Council pursuant to the constitution of
16 the Karluk IRA -- and IRA means Indian Reorganization Act,
17 by the way. A constitution is approved by the Bureau of
18 Indian Affairs was adopted in 1939. In order to be member
19 of the IRA Council, you need to live in Karluk. And if you
20 don't live in Karluk, you're not a member of the tribe.
21 And that is almost universal among tribal entities.
22 Obviously the vast majority or a substantial majority of
23 the original 186 shareholders of the Karluk Native
24 Corporation do not live in the village of Karluk. And
25 these are the people who are speaking today who feel that

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1 the IRA Council owes them or has an obligation to them. I,
2 as I say, don't have a complete set of documents. I have
3 taken a look through the title record pursuant to that, the
4 IRA Council does seem to own the land.

5 We have at this point completed an
6 appraisal. Karluk has indicated that they would like to
7 proceed to discussions about a possible acquisition. My
8 recommendation is that you authorize us to initiate
9 discussions with Karluk, recognizing that there are
10 outstanding issues here that would need to be resolved and
11 I'm hopeful, candidly, that they can be resolved. It may
12 be that they cannot and that there are legal issues that
13 prohibit an acquisition. But I think the suggestion and
14 recommendation today is that taking this small step will,
15 in fact, engage these issues and that hopefully the IRA
16 Council and the former shareholders of the former Karluk
17 Native Corporation will be able to resolve their
18 differences such that we can complete an acquisition or
19 determine that it's not possible to do so.

20 So if anybody has questions.

21 MR. SELIG: Yeah, can I ask a point of
22 clarification please?

23 CHAIRMAN BALSIGER: Yes, go ahead.

24 MR. SELIG: It's my understanding that you
25 would belong to the IRA Council -- I mean to the -- right,

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1 to the IRA, but if you did not reside in Karluk, you had no
2 vote. Is that correct?

3 MR. SWIDERSKI: I do not pretend to be an
4 expert in this area of the law. My understanding has been
5 that to be a member of the council, you need to -- and I
6 have a copy of the constitution of the tribe. But to be a
7 member of the tribe, you need to live in Karluk. But as I
8 say, I don't practice particularly in this area.

9 MR. TILLERY: Mr. Chairman.

10 CHAIRMAN BALSIGER: Mr. Tillery.

11 MR. SELIG: Thank you.

12 MR. TILLERY: Mr. Swiderski, you're right.

13 You're not the.....

14 MS. HOLMES: Mr. Chair, from Kodiak. I

15 have a point of clarification also.

16 CHAIRMAN BALSIGER: Well, just hold that

17 for one second. We have a conversation going on here

18 please.

19 MR. TILLERY: I understand that you're not
20 an expert in this area of law and I presume that expertise
21 resides within the Department of the Interior. Have you
22 spoken with the Department of the Interior attorneys on
23 that point?

24 MR. SWIDERSKI: Mr. Chairman, I actually
25 have spoken with Barry Roth from the Department of the

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1 Interior. Now I've also spoken with Roger Hudson from
2 Regional Solicitor's office in Anchorage who, I believe,
3 represents the Bureau of Indian Affairs and obviously has
4 expertise in this area. And Mr. Hudson's view and, I
5 believe, Mr. Roth's view as well was that -- at least
6 Mr. Hudson's was that in order to be at least a voting
7 member of the tribe, and I can't say for sure that we
8 discussed whether or not you were a member, but certainly
9 to be a voting member of the IRA Council, you needed to
10 live in Karluk.

11 MR. C. REFT: May I make a comment please?
12 Excuse me, may I make a comment please?

13 CHAIRMAN BALSIGER: One moment please.
14 Does the Trustee Council accept comments and questions of
15 clarification outside the public testimony? Do we have a
16 precedent for that? A standard? Is it up to me?

17 MR. TILLERY: I think it's been kind of --
18 we've gone, you know, back and forth. Typically as long as
19 people keep things very short, our general practice has
20 been in favor of information.

21 CHAIRMAN BALSIGER: Thank you. Then in
22 that case there was a comment first on the line I believe
23 from Kodiak. So if you could keep your comment or question
24 quite short, we'd like to hear that.

25 MS. HOLMES: Okay, this is Mary Ann Holmes.

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1 I am familiar with the 1939 constitution and this is what
2 it states, that it qualifies us as members to Karluk if we
3 have not revoked our membership or -- and we have intent to
4 return. And none of us has revoked our memberships and we
5 have intent to return, we will return every year. We also
6 signed our name to our 10 acre parcels which clarifies our
7 intent to return. And this is what clarifies a membership
8 according to the 1939 constitution and it does -- and you
9 do not have to reside. And I'm through, thank you.

10 CHAIRMAN BALSIGER: Thank you.

11 Mr. Swiderski.

12 MR. SWIDERSKI: Mr. Chairman, let me say
13 that in my view membership in the Karluk IRA is up to the
14 IRA. I don't think it's my position to try and determine
15 that and I would suggest that it's probably not the
16 Council's position to determine that. It's really up to
17 the IRA Council to make that determination.

18 The other thing, and I don't know if this
19 would help, but I am certainly very willing, you know,
20 after I am finished here to meet with anyone that's here,
21 to have people call me on the phone. If there are
22 questions about who owns this land and who has the right to
23 convey it, I'm very willing to hear them.

24 CHAIRMAN BALSIGER: Thank you

25 Mr. Swiderski. Mr. Reft in the audience.

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1 MR. C. REFT: Chuck Reft here.
2 MS. McCAMMON: Can you come up here, Chuck?
3 MR. C. REFT: I would like to reiterate the
4 membership status of our constitution that Mary Ann Holmes
5 has stated. We have two council members listed currently
6 on that IRA Council. One resides in Anchorage here and has
7 been for a long time. The other council member has given
8 testimony to the correction of the current council. So
9 theyfore [sic] violate the constitution of our village.
10 They are not residents of the Karluk Council and the
11 village of Karluk. Also, our current council resides half
12 the time in Kodiak and on travel and it's not on Karluk
13 business. So I can assure you and if you need proof, we
14 can submit that.

15 And my last question would be, will
16 notification be sent out if the land acquisition is going
17 to transpire and go through?

18 MR. TILLERY: Mr. Chairman.

19 CHAIRMAN BALSIGER: Mr. Tillery.

20 MR. TILLERY: I think what's kind of
21 important here is this is not a forum for a final debate
22 about the status of Karluk or not. That's going to have to
23 be determined either legal processes or a whole lot more
24 discussion later. What's important, though, and the points
25 you are raising are important, the points that people on

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1 the line are raising, is just to let us know that there is
2 an issue and that we just can't go willy-nilly into some
3 deal here without resolving those issues. So I think your
4 points are good, we appreciate them and I think that's
5 alerted the Council that this is something we have to deal
6 with. But I don't think that, that having said that, that
7 we really need to sort of have offers of proof now or
8 anything like that. I think you've done well.

9 MR. C. REFT: Well, my question though
10 would remain. Would notification be sent out if EVOS is
11 going to pursue the land acquisition?

12 MR. TILLERY: Yes.

13 MS. McCAMMON: Yes.

14 CHAIRMAN BALSIGER: Yes.

15 MR. TILLERY: Yes.

16 MS. McCAMMON: Absolutely, yes.

17 MR. C. REFT: Okay, thank you.

18 CHAIRMAN BALSIGER: I think it's clear to
19 everyone that this group has no jurisdiction over the IRA
20 Council or who belongs in it -- those kinds of things so --
21 but the information is useful, so thank you.

22 MR. PETERSON: Mr. Chairman.

23 CHAIRMAN BALSIGER: Yes, on the line.

24 MR. PETERSON: I have an additional comment
25 I'd like to make and hopefully give you some more

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1 information and give those from Karluk and Larsen Bay some
2 additional information.

3 CHAIRMAN BALSIGER: Is this Mr. Peterson?

4 MR. PETERSON: Yes.

5 CHAIRMAN BALSIGER: Okay, try to be brief
6 if you could please.

7 MR. PETERSON: Okay. I appreciate it,
8 thanks. Now, we all know that there were 186 original
9 enrollees to the Karluk Native Corporation who once
10 belonged to the IRA Council of Karluk. But since, a
11 majority of those members have left Karluk for their own
12 reasons. Now if as long as they're not considered members
13 by the IRA Council as I understand discussions to be
14 leading to, then what is the status of the IRA Council? I
15 think people need to ask the Bureau of Indian Affairs
16 because if they don't have a set number of people enrolled
17 to the IRA Council, I believe their status changes from an
18 IRA Council to a band. So that needs to be explored and
19 then the result of that exploration will determine the
20 authority of a band versus the authority of an IRA Council.
21 So maybe somebody should take a look at that. Thanks.

22 CHAIRMAN BALSIGER: Okay, thank you. Let's
23 see, we're on the agenda item -- it's, I guess, talking
24 about the Karluk IRA proposal. Is there more discussion?

25 MR. RUE: Mr. Chairman.

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1 CHAIRMAN BALSIGER: Mr. Rue.
2 MR. RUE: Mr. Chairman, now that public
3 testimony is over, just to clarify our action today would
4 be to authorize us to just contact them and talk? Is that
5 what we're talking about?
6 MS. McCAMMON: Begin discussions on.....
7 MR. RUE: Begin discussions.
8 MS. McCAMMON:pursuing discussions on
9 whether a protection package could be prepared.
10 MR. RUE: And as part of that, would we
11 also make sure we did legal research into whether or not
12 there was in fact title that we could deal with? I assume
13 we would have to do that as well, that question.
14 MR. SWIDERSKI: Mr. Chair, that's correct.
15 CHAIRMAN BALSIGER: Does that take a.....
16 MR. RUE: So all we're saying is, today, go
17 ahead and talk to folks and make sure it's a legal -- that
18 there is legal title out there. And I guess I would ask
19 Mr. Swiderski his estimate of how long those kinds of
20 discussions might take if we entered into them so that
21 folks in the audience would know they've -- if they want to
22 take some action, how long they have to do it.
23 MR. SWIDERSKI: Mr. Chair, as Ms. McCammon
24 indicated earlier, you never know. But I would certainly
25 recommend that if, and obviously they do, that the people

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1 in the audience who have been listening have concerns that
2 the IRA Council is doing things that they don't want them
3 to do that they should act away. I mean, they should
4 become active in the immediate future. I wouldn't expect
5 that we would be back here in a month because there's an
6 offer from the IRA Council but, you know, maybe in 60 or 90
7 days, that might be, you know, probably 90 days more likely
8 than 60. So if people are concerned, and obviously they
9 are, I would certainly recommend that they contact the IRA
10 Council or take whatever steps they feel are appropriate to
11 take.

12 MR. RUE: Okay, thank you.

13 MR. TILLERY: Would this be a good time to
14 break for.....

15 MR. RUE: I think it would be.

16 MR. TILLERY:lunch?

17 CHAIRMAN BALSIGER: I recommend we --

18 Molly, please. Ms. McCammon.

19 MS. McCAMMON: If we break for lunch, we're
20 scheduled to begin at 1:00 with discussing the Gulf
21 Ecosystem Monitoring Program with the NRC review committee.
22 So I think we should finish up any business prior to that
23 if there is any action or something that the Council wanted
24 to take.

25 CHAIRMAN BALSIGER: Do you say that this

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1 requires action? Do we need a motion to pursue -- to
2 continue? Mr. Allen?

3 MR. ALLEN: Didn't you still have something
4 that you wanted to report on as far as the.....

5 MR. SWIDERSKI: I don't think I have
6 anything additional to report on. I'm gathering from the
7 Council that at least we should have discussions with the
8 IRA Council.

9 MR. RUE: Do we need a motion to do that or
10 is that.....

11 MR. TILLERY: The expenditure of money
12 requires unanimous consent. I don't whether this would
13 require expenditure of the funds, for example doing an
14 appraisal.

15 MR. RUE: It took a motion, correct?

16 MR. TILLERY: It took a motion, right. But
17 as far as this, I don't believe it would require any
18 particular expenditures. Maybe it would.

19 MR. SWIDERSKI: Mr. Chairman, I don't think
20 so either. I think I want to be sure that the Council
21 understood that we have an appraisal and this is where we
22 are. And that people understood that, you know, if you
23 have issues, now is the time to get them out.

24 CHAIRMAN BALSIGER: Please.

25 MS. McCAMMON: Mr. Chairman, the original

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1 motion authorizing the appraisal authorized the appraisal
2 and initial negotiations with Karluk. So I don't believe
3 we actually need definitely another motion, however,
4 because there has been so much interest by all of these
5 people here, we felt it was really important to come before
6 you at every step of the way to make sure there was really
7 good public notice. That people knew all along really
8 clearly what was happening through this whole process. And
9 so that was the reason for coming back, at this time, for
10 giving people a chance to testify and let you know where we
11 were in the process. And so if there was some new
12 direction you wanted us to take then we wanted to hear from
13 you as soon as possible.

14 CHAIRMAN BALSIGER: Any comment from any
15 Council member?

16 MR. TILLERY: Mr. Chairman, I find this
17 disturbing. I would not want to foreclose -- I certainly
18 don't want to say that I view this as something we should
19 go forward with but I also don't want to foreclose it. I
20 think there's just a lot of issues that need resolve that I
21 don't have the answer to. I do think -- I guess I would
22 like to say that I really would look for some pretty
23 significant indications that there are not problems with
24 the sale of this land before I would go forward with it.

25 As far as what I understand the plan would

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1 be, which is not to do anything different but just to
2 continue with the process which has begun which is just
3 informal discussions saying, do you have any problems with
4 this appraisal? Do you want to redo it? That sort of
5 thing. Sort of tying up loose ends from where we are now,
6 I don't have a problem with that, that can go on. But the
7 other issues, before this Council moves very -- moves
8 forward, I guess I would like to have more answers than I
9 have now.

10 CHAIRMAN BALSIGER: Yeah, I think that's
11 fair. Mr. Rue?

12 MR. RUE: Yes, Mr. Chairman.....

13 MS. McCAMMON: Can I.....

14 MR. RUE: Go ahead.

15 MR. SELIG: Who's talking, please.

16 MS. McCAMMON: Could I -- this is Molly
17 McCammon. Could I ask for a point of clarification here
18 because we have given the appraisal to the landowner. We
19 have not -- in fact, that saw it at a draft form. They had
20 an opportunity at that time to comment, they didn't at that
21 time. I don't -- as far as we know, there aren't any
22 significant problems or concerns with the appraisal. So
23 the next step would be to actually discuss what kind of a
24 package might be agreeable to both sides. So that seems to
25 be beyond what you had just said. So I guess I'd like a

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1 point of clarification there.

2 MR. TILLERY: No, I think that's.....

3 CHAIRMAN BALSIGER: Mr. Tillery is
4 speaking.

5 MR. TILLERY: Yeah, I think that's sort of
6 in line with what I was talking about. I actually thought
7 I had heard that that was still -- when you had talked
8 about timing, you were discussing the need to sort of a
9 12-step process and so I assumed that had not been
10 completed yet.

11 MS. McCAMMON: It has been.

12 MR. TILLERY: If it has been completed, my
13 suspicion is that if you start talking a little more
14 specifics that it's going to rear its head again. But as
15 far as sort of tying up just those issues of what they
16 might be interested in, that's fine. But as far as going
17 ahead, I'm not -- with doing anything, I'm not comfortable
18 with that yet.

19 MR. SELIG: Now who's talking please?

20 MS. McCAMMON: I just want to make real
21 clearly here what it is you mean by the talking or going
22 ahead. Because, I mean, the Council is the only body that
23 can make any commitment for the Trustee Council, the
24 negotiating team cannot, only the Trustee Council. So even
25 if the negotiating team were to reach some kind of

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1 conceptual agreement, it's only the Trustee Council that
2 can take action. But does the negotiating team, then, have
3 the authority to go ahead and just initiate those kinds of
4 discussions.

5 MR. SELIG: This is Clarence Selig in
6 Kodiak. Can I have a brief comment please?

7 MR. RUE: No, please. No

8 UNIDENTIFIED SPEAKER: No Clarence, you
9 can't.

10 CHAIRMAN BALSIGER: Not right now please,
11 we're in the middle of a discussion here. This is Jim
12 Balsiger.....

13 MR. SELIG: Thank you.

14 CHAIRMAN BALSIGER:trying to chair
15 this meeting. Mr. Tillery.

16 MR. TILLERY: My understanding is that
17 based upon the Council's prior actions from a long, long
18 time ago that there already is authority for the
19 negotiators to do the appraisal, finish up the appraisal
20 process and to discuss what form any kind of a deal would
21 take. I think it's -- that that should continue. I think
22 it's important even for the people who don't necessarily
23 want the deal to go through to know what form that deal
24 would take if it did go through. I think that will help
25 them in determining whether they oppose anything, whether

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1 there might be some common ground or whatever. So I think
2 to flesh out that is fine. But again, I certainly would
3 not want to indicate any thought on my own part that I am
4 leaning or otherwise, at this point, willing to go forward,
5 you know, with an actual acquisition.

6 MS. McCAMMON: That's clear.

7 CHAIRMAN BALSIGER: Any other Council
8 member on that? Mr. Gibbons.

9 MR. GIBBONS: I'm too somewhat concerned
10 where Craig is. You know, we've heard a lot of dissension
11 and I heard numbers like 105 members against it and there's
12 155, and so that's two-thirds. And, I mean, we need to be
13 really careful on what we're doing here and we need to make
14 sure that the IRA Council knows what they're in for, too.
15 And so I'm where Craig is. Let's see what kind of a deal,
16 you know, is even possible but I'm not to a point where
17 authorizing anything further than that.

18 CHAIRMAN BALSIGER: Mr. Rue.

19 MR. RUE: I guess I have some discomfort.
20 It's always been in that past that we've dealt with
21 landowners who have done things like had shareholder votes
22 before they have closed a deal, which I always liked that.
23 I liked the fact that Eyak, for instance, put any
24 negotiations they did to an entire shareholder vote.
25 That's their choice though. I'm a little uncomfortable

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1 that -- I mean, I would hope that today's conversation
2 makes it clear to folks who have testified that we are
3 interested at least in talking to the IRA Council. I think
4 most of us are troubled that there isn't a greater apparent
5 willingness or there isn't a broader acceptance of the
6 discussions among the people from Karluk. I guess I would
7 hope that the people from Karluk will take matters into
8 their own hands and decide on their own whether they think
9 this is a good idea or not. And so that we can deal with
10 -- whoever we're dealing with represents the interests of
11 the people of Karluk. Because I would prefer not to make a
12 deal that the people of Karluk don't want. But I really
13 feel it's their responsibility to take matters that they
14 control into their own hands. And so I would urge people
15 to take matters into your own hands so that we can deal
16 with folks that represent the people of Karluk. That would
17 be my admonition. Because I would only like to do a deal
18 that the people of Karluk also believe is a good balance.
19 But we still have to deal with the entity that is the
20 official entity. So we're.....

21 MR. C. REFT: Could I make one suggestion
22 please. If you are going to negotiate with the current IRA
23 Council, would you do it in person and not through their
24 attorney? Ask them questions. We have gotten no response.
25 We have sent numerous correspondence, phone calls. No

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1 response back whatsoever. I would suggest and advise if
2 you're going to continue negotiations with them, do it in
3 person with them and see what kind of response you get.

4 CHAIRMAN BALSIGER: Okay, thank you and I
5 guess just as a Council member, I have some recent
6 experience with going ahead with things that most of the
7 public didn't like.

8 (Laughter)

9 UNIDENTIFIED SPEAKER: What was that, Jim?

10 CHAIRMAN BALSIGER: So I think you should
11 -- caution is probably the right word here. So I think
12 that's -- Mr. Allen hasn't spoken but it seems to be fairly
13 universal here that we all feel the same way. So any more
14 comments on this?

15 (No audible response)

16 CHAIRMAN BALSIGER: If not, Molly have we
17 discussed that enough?

18 MS. McCAMMON: Yes.

19 CHAIRMAN BALSIGER: And now can we take a
20 break?

21 MS. McCAMMON: Yes.

22 CHAIRMAN BALSIGER: Okay, thanks.

23 MR. SELIG: Well, do I get a chance to say
24 it? Oh, I guess not, huh. Okay.

25 CHAIRMAN BALSIGER: Go ahead, say it.

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1 MR. SELIG: Well, if you're breaking then
2 -- I just want to say I think listening to the
3 conversations, the last gentleman that spoke kind viewed my
4 thoughts. I think the key word here is voting membership.
5 I know on most corporations I've been associated with you
6 have the board of directors and then you have the executive
7 committee and they basically act for the corporation
8 through -- the vote put them in office. Now, in this
9 instance here, if the voting membership only needs to
10 reside in Karluk, then I think you're dealing with a very
11 small group of individuals and I don't think you'll really
12 get the understandings or feelings of true memberships to
13 sort of clarify that somehow. That's my thought.

14 CHAIRMAN BALSIGER: Thank you. We may have
15 missed some of that, so if you had a chance to put it in
16 writing and mail it in, that would be useful, otherwise
17 we'll try to capture as much of it as we could.

18 MS. McCAMMON: We should mention that.....

19 MR. PETERSON: Mr. Chairman, this is Frank
20 Peterson. I thank you very much for the opportunity to
21 testify.

22 CHAIRMAN BALSIGER: Thanks. Now we're
23 going to take a break until about 1:00.

24 MS. McCAMMON: Right.

25 CHAIRMAN BALSIGER: And how is it best to

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1 deal with that?

2 MS. McCAMMON: And we're going to totally
3 disconnect and if you would.....

4 MR. SELIG: I just thank you for allowing
5 me to testify, Clarence Selig in Kodiak. Is this the end
6 of the Karluk round then?

7 MS. McCAMMON: Yes, it is.

8 MR. SELIG: Okay, thank you very much.

9 CHAIRMAN BALSIGER: Thank you.

10 MS. McCAMMON: All right. If you want to
11 call back in at 1:00, it's the same number.

12 (Off record - 12:43 p.m.)

13 (On record - 1:13 p.m.)

14 CHAIRMAN BALSIGER: Good afternoon. I'm
15 Jim Balsiger, I'm one of the Trustees. I chaired the
16 morning session, I'm not sure that with a joint meeting
17 with the PAG that I actually get to chair, whether Chuck
18 and I are supposed to arm wrestle over it or whatever.

19 MR. MEACHAM: I'll designate you as Chair.

20 CHAIRMAN BALSIGER: So I'll try to do that.

21 Is anyone on line this afternoon?

22 (No audible response)

23 CHAIRMAN BALSIGER: I don't hear anyone,
24 but I guess we can leave the line open in case they dial
25 in. We have a bunch of new people here so, perhaps, as the

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1 first order of business we can go around the table and
2 introduce ourselves. I'm Jim Balsiger, National Marine
3 Fishery Service.

4 MS. McCAMMON: Today.

5 CHAIRMAN BALSIGER: Well, I might have said
6 NOAA, but I didn't want to confuse anyone, but with the
7 Fishery Service in Juneau. And just by virtue of the
8 rotation I'm chairing today, but I'm subservient to all the
9 rest of the Trustees here, but, please.

10 MR. TILLERY: Craig Tillery with the State
11 of Alaska, Department of Law.

12 MR. ALLEN: I'm Dave Allen with the U.S.
13 Fish and Wildlife Service.

14 MR. RUE: I'm Frank Rue, Commissioner of
15 the Alaska Department of Fish and Game.

16 MR. GIBBONS: That's what I was going to
17 use, Frank.

18 MR. RUE: I'm sorry.

19 MR. GIBBONS: I'm Dave Gibbons, U.S. Forest
20 Service.

21 MS. SEE: And I'm not Michele Brown, I'm
22 Marianne See standing in for Michele Brown with Department
23 of Environmental Conservation.

24 MR. MEACHAM: I'm Chuck Meacham from
25 Juneau, I'm on the Public Advisory Group and representing

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1 science and academic interests. I'm Chairman of the PAG.

2 MS. STUDEBAKER: I'm Stacy Studebaker from
3 Kodiak and I'm a member of the Public Advisory Group
4 representing the recreational users in Alaska.

5 MS. BLACKBURN: And I'm Chris Blackburn
6 that has the consulting firm Alaska Groundfish Databanks
7 from which I am retiring and so I have time to do these
8 things. And my specialties were working with the
9 fishermen, particularly on how to fish better, cleaner
10 things and on the council and I've been on so many
11 committees I can't -- even want to list them. I'm really
12 proud to have been asked to be on this group.

13 MR. ZEINE: I'm Ed Zeine, representing the
14 City of Cordova.

15 MR. HUBER: I'm Brett Huber from Soldotna,
16 I'm a new PAG member representing sportfishing and hunting.
17 I'm also Executive Director for Kenai River Sportfishing
18 Association.

19 MR. FANDREI: I'm Gary Fandrei from Kenai,
20 I guess I'm representing the public at large on the PAG and
21 I'm also the Executive Director of the Cook Inlet
22 Aquaculture Association.

23 MR. HULL: I'm Dan Hull, I live here in
24 Anchorage and I'm a commercial fisherman and I representing
25 the public at large.

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1 MR. SENNER: I'm Stan Senner, Executive
2 Director of Audubon Alaska and representing environmental
3 concerns on the PAG.
4 DR. MUNDY: I'm Phil Mundy, staff to the Trustee Council.
5 DR. SPIES: Bob Spies, Chief Scientist for the Restoration
6 Program.

7 MS. VLASOFF: I'm Martha Vlasoff, I
8 represent subsistence on the Public Advisory Group. I'd
9 also let you know that Pat Norman is back here. Pat, you
10 want to introduce yourself?

11 MR. NORMAN: Pat Norman, I'm from Port
12 Graham, new to the PAG.

13 MS. McCAMMON: You should be here, Pat.

14 MR. NORMAN: Oh, I like this seat.

15 (Laughter)

16 MS. McCAMMON: You like your back to the
17 wall.

18 MS. BAKER: That's a wise man. I'm Torie
19 Baker, I'm from Cordova, I represent commercial fishing on
20 the Public Advisory Group.

21 MR. BOWEN: I'm Don Bowen from the Bedford
22 Institute of Oceanography in Nova Scotia and I'm working on
23 the National Research Council reviewing the GEM Program.

24 MR. ROMAN: I'm Mike Roman from the
25 University of Maryland and I'm Chair of the National

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1 Research Council reviewing the GEM Program.

2 MS. McCAMMON: And I'm Molly McCammon,
3 Executive Director of the Trustee Council.

4 CHAIRMAN BALSIGER: Are there any more PAG
5 members hidden in the audience?

6 (No audible response)

7 CHAIRMAN BALSIGER: If not, the agenda
8 starts with a presentation by Mike Roman, I believe, on the
9 GEM review.

10 MS. McCAMMON: Mr. Chairman, if I could
11 real briefly, Mike. Mike, I don't think, gave himself
12 quite the right introduction here.

13 CHAIRMAN BALSIGER: Yeah.

14 MS. McCAMMON: We're really honored to have
15 Mike chair this review committee. He's is Professor at
16 Horne Point Environmental Laboratories at the University of
17 Maryland, Center for Environmental Sciences. His specialty
18 is biological oceanography, zooplankton ecology, food-web
19 dynamics, estuarine and coastal interaction, the carbon
20 cycle in the ocean and all the problems those things
21 create. He was chair of the Coastal Ocean Processes
22 Steering Committee for the National Science Foundation. He
23 has a lot of experience in leading multidisciplinary types
24 of groups. And I think that experience and expertise is
25 really serving us well though this review process. So it's

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1 been really wonderful to have him serve as chair of this
2 group.

3 Don Bowen, as he said, is with the Bedford
4 Institute of Oceanography's Department of Fisheries and
5 Oceans. His specialty and focus has been primarily on
6 population dynamics, foraging ecology and ecological
7 energetics of pinnipeds. He has worked to understand the
8 diversity of pinniped life histories and, second, to
9 understand the nature of competitive interactions between
10 seals and commercial fisheries. He's also done ecological
11 research on the northern right whale. Don's experience,
12 especially with fisheries and with marine mammals, is also
13 really wonderful. He has a really good sense of how to
14 take kind of broader ecological questions and apply them to
15 direct management types of issues. So he's really given us
16 a lot of very good perspective to this review process.
17 It's really wonderful to have both of these gentlemen and
18 members of the committee travel all this way from the East
19 Coast, which is a long trip, to Alaska to present to you
20 the results of the interim report and to have some
21 discussion with the Trustee Council and the members of the
22 Public Advisory Group, so just thank you very much for
23 taking the time to come here. Now you can talk.

24 MR. ROMAN: Boy, the pressure is on now,
25 with no introduction it would have been easier.

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1 CHAIRMAN BALSIGER: Well, just for the
2 record, I'm equally as impressed with these gentlemen, so I
3 feel somewhat abashed now that I didn't give a broader
4 introduction. I know of their reputations, both, so thank
5 you, Molly.

6 MR. ROMAN: First, I'd like to thank the
7 Trustees for inviting us up to speak with you, it's been a
8 pleasure working with your group, but it's also been
9 something that we all looked forward to, it's such a
10 gratifying experience. I mean, you're all to be
11 congratulated on your foresight setting up this endowment
12 for this unprecedented opportunity to follow the ecosystem
13 of the Gulf of Alaska.

14 (Michele Brown arrives - 1:23 p.m)

15 MR. ROMAN: You know, over breakfast this
16 morning and lunch, Don and I are working on various
17 programs, a lot of my research now is focused on the
18 Chesapeake Bay and his is on George's Bank and Brown Bank
19 and kind of the regulation of the fisheries there. And
20 both of us are continuously facing the same questions that
21 were articulated in the GEM document. I think, namely, how
22 do you understand these ecosystems that are both affected
23 by man though fishing pressure, a lot of things associated
24 with fishing and also that undergo natural climate change.
25 And some of these natural climate change things were really

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1 not known to us until a couple of years ago. I mean, I can
2 go into my local supermarket and the fellow explains that
3 artichokes are a high price now because it was an El Nino
4 year. You know, the guy didn't know what an El Nino was,
5 you know, six months before that.

6 The point is that the longer we study these
7 things, the more perceptive our understanding becomes that
8 these systems are regulated by climate change. Not
9 necessarily that climate change getting warmer or colder,
10 but just as things cycle up and down. Of course, fishermen
11 have known this for years, it's just that some of the
12 scientists that are slower to catch on. So part of the
13 problem is to study both the natural cycles and the cycle
14 that we induce and really a long-term perspective is
15 needed, and that is what is articulated in this GEM
16 document and that's a unique opportunity that you're
17 presented with as you design this program.

18 Now, a bit about the National Academies,
19 and I'll go over our charge. You know, we all have day
20 jobs, we're volunteers. There are 12 members of this
21 committee that reviewed the GEM document and ranging in
22 expertise from someone that studies oil toxicity to
23 physical oceanography to whales to birds and so our
24 committee of 12 has a pretty broad range of expertise. We
25 met three times, twice up here in Anchorage and met some of

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1 you before, because we had a chance to meet with public
2 interest groups. And then we met once in Washington. And
3 so this interim report that you've read was basically
4 written by the 12 committee members. It had an external
5 review of, I think, 10 or 12 scientists that we felt could
6 provide some perspective and it also had an internal review
7 within the National Academy of Science.

8 Our charge to the committee, and this was
9 -- well, I guess the contract between the Trustees and the
10 National Academy was outlined here. You're charged to
11 provide independent scientific guidance to the Council, the
12 research community and the public as you develop this long-
13 term plan for the Gulf of Alaska gained through briefings
14 and literature of new familiarity with the relevant body of
15 scientific literature, which we've done. And can mean one
16 or more information gatherings in Alaska where we met with
17 folks that were interested in this and had very important
18 things to share with us. Review the general strategy of
19 the proposed and the draft science program and make
20 suggestions for improvement. And that's the document that
21 you have in front of you, which I'll address this
22 afternoon. And then this last stage, which is our next
23 task, once we get the final monitoring plan, to review this
24 monitoring plan.

25 As I mentioned, the general mission of GEM

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1 that was articulated is at the kind of the forefront that
2 managers are facing all over the world and which have tried
3 to tease out the effects that we're inducing on the
4 ecosystem versus the natural change. You saw some issue
5 that we took with the first part of this to sustain a
6 healthy and biologically diverse ecosystem. You know, if
7 you mention healthy -- I'm on an EPA indicators' national
8 program to try do define indices of health, you know, what
9 you say is the health of Chesapeake Bay. And so there are
10 various metrics which could be tackled and followed, but
11 you have to be careful how you define the health of an
12 ecosystem as you would the health of a human body. But the
13 overall GEM mission is laudable and is very important to
14 undertake.

15 We emphasized, and we'll talk about this
16 further, that it's important when embarking on such an
17 important endeavor to have a conceptual framework. And we
18 did this cartoon as our interpretation of many of the
19 elements in the GEM document. Namely that you're looking
20 at the system, which includes food-webs, habitats and
21 abiotic factors, the currents, the temperature and these
22 are affected by a variety of factors. One of which is that
23 the natural change, if you have warming or a cold cycle or
24 a windy or a calm period in the Gulf of Alaska, but also
25 the cycle that we induce by releasing, more or less, fish

00119

1 from hatcheries, fishing pressure, habitat changes. You
2 can't study just the climate effects, you have to take into
3 these accounts, these man-made effects because they have as
4 much or more impact on the ecosystem as does the natural
5 changes. And, again, the things articulated in the GEM
6 document address this.

7 There were five goals articulated in the
8 GEM document and at our first meeting of the National
9 Academy they gave every one of us a big magnifying glass to
10 look at every single word. And although we're not trained
11 as lawyers to dissect the legal language, we're trained as
12 scientists to say when you read a sentence, can you do this
13 or not? And so, perhaps, we were too specific on some of
14 these things, but these are the things that we deal with
15 every day and when you make a statement we always felt, can
16 you do the research to back this up?

17 And so the five goals of GEM were detection
18 of change, and that's certainly something that we felt was
19 very important to pursue, namely, you're looking for the
20 canaries out there. If things are going bad you want to
21 have information to allow you to make the proper decision
22 for regulation or whatever the proper process is to correct
23 the ecosystem. And so detection of change is probably one
24 of the most important goals of a GEM study.

25 Understanding. Well, through long-term

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1 study, the process -- studies focused on particular
2 problems, you can develop an understanding that allows you
3 to make, then, important decisions on regulating that
4 ecosystem. And what's important depends on who you're
5 talking to. If you're a fisherman, you want the
6 information to catch more fish or regulate the fishery. If
7 you're, you know, a group that wants to take kayakers out
8 and you want a more pristine ecosystem, then you want some
9 of the information to maintain that ecosystem. In other
10 words, what you focus on depends on the constituencies that
11 are giving input to the decisions.

12 Prediction. You see that we have some
13 question on the ability to predict. In my neck of the
14 woods it's very difficult to predict the weather as the
15 fronts come across Chesapeake Bay, sometimes they do,
16 sometimes they don't and the success, maybe, is about 60
17 percent and people have been trying to predict the weather
18 a little longer than they have trying to predict how
19 ecosystems change. And so we felt that this is something
20 worth doing. We all say in our proposals we write every
21 day that we want to predict, but just know at that
22 beginning that the likelihood of success and prediction
23 requires a bit of experience and data.

24 Informing was another goal. And our
25 committee felt all of these involved informing. In other

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1 words, that's an essential component of any study now, that
2 informing really didn't necessarily have to be its own
3 goal, but was part of all of this.

4 Solving was the last goal of the GEM
5 document and, boy, it's great, we all said we want to solve
6 the problems that we face in the environment but, again, it
7 requires a thorough understanding and many of the solving
8 includes policy decisions that we weren't sure that might
9 be beyond the scope of this program.

10 There were eight, kind of, summary
11 recommendations that we made at the executive summary, and
12 I'll just briefly highlight these and then take questions
13 about all aspects of the report. One I just mentioned, the
14 GEM Program cannot address all five of its stated goals
15 equally, the program's main focus should be on the goals
16 most related to long-term monitoring. Detecting and
17 understanding the cause of the change. We could do this
18 well, and if you do this well it'll give you the knowledge
19 to make all of the other steps in the program.

20 The science plan should be strongly based
21 on strong conceptual foundation that is ecosystem based.
22 It should include natural and human induced changes and it
23 should be flexible and be able to accommodate changing
24 needs without compromising the core of the long-term
25 measurements. In other words, you have a general goal to

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1 understand the environmental, the human induced changes on
2 salmon populations, and this is your overall goal and it's
3 important to maintain this goal at all times. You know, we
4 might be worried about Steller sea lions this year, it
5 might be some other species the next year. If you have
6 this basic understanding of the ecosystem it'll allow you
7 to address all of these questions, but you have to maintain
8 a broad conceptual goal.

9 The GEM Program should articulate two or
10 three fundamental questions about the ecosystem that are
11 then used to guide the selection for monitoring a
12 particular species and other physical, biological and human
13 aspects of the ecosystem. By this we meant, you know, for
14 the example of the salmon or you have a goal of
15 understanding the role of hatcheries in the Gulf of Alaska.
16 And this is one of your research goals and you structure a
17 monitoring program that will allow you to address these
18 research goals.

19 It's awfully hard to envision just a
20 program going on for 20, 50 years and never having some
21 short-term payoffs and so most long-term programs that we
22 thought of that are currently underway or are beginning,
23 you know, have short-term payoffs and a long-term
24 perspective. And what I mean by short-term payoff is, you
25 know, a focus study on, oh, they closed this hatchery for a

00123

1 couple of years and you see what happens to the local
2 ecosystem versus ones that are opened. In other words, you
3 could have the ability to manipulate the system to answer
4 specific questions.

5 Many of these structural things that we
6 mentioned are already in place, they've been used
7 effectively in the EVOS Program and articulated in the GEM
8 document. We just wanted to emphasize them. It is
9 important that when you embark on something like this to
10 have periodic scientific review that is unbiased, both for
11 program planning, proposal review and community
12 involvement. And so we have, as an example, kind of an
13 organization structure where we have a scientific oversight
14 committee and community involvement, like your -- like the
15 green cards here today. I forgot what those are.

16 MR. HULL: PAG.

17 MR. ROMAN: PAG, okay. For the GEM Program
18 to be durable over time the structure should incorporate
19 meaningful involvement of local communities, and these are
20 all different kinds of communities represented in the room.
21 This involvement should occur in all stages from planning
22 and development to oversight and review. So, in other
23 words, you need to have the community input on the things
24 that should be studied, how they're doing and planning
25 future studies.

00124

1 I don't know if this came across well. The
2 domain of GEM is quite large if you look at the area
3 originally impacted by the oil. We didn't know how well
4 one could work with other existing programs, like NOAA and
5 National Science Foundation, but just as a caution, you
6 know, if the geographic scope is so large you might spread
7 yourself too thin. In other words, you want to have
8 something that GEM does very well and that the majority of
9 our committee felt that one should start as the core area,
10 Prince William Sound, which is most impacted by oil. It's
11 not to say that the focus of GEM shouldn't be a larger
12 perspective, but certainly as the core of the GEM Program,
13 start with Prince William Sound.

14 And as you go along you need focus
15 workshops, reviewing the work that is still being conducted
16 as part of the EVOS Program. Focusing, then, once you get
17 that data where to focus your monitoring. Focus workshops
18 where you can coordinate with the other groups that will be
19 working out in the Gulf of Alaska.

20 And, lastly, this is going to be a long-
21 term program that's going to collect a fantastic array of
22 data that will be of use to a great variety of people and
23 then a very strong commitment to data management.
24 Collecting all the data, putting the data together with
25 other work that is being conducted in the Gulf and that

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1 gets this data out to a variety of users, be it fishermen,
2 recreational groups, that they can take advantage of it as
3 well as environmental planners.

4 So, please ask questions. Don and I have
5 been at all of the sessions that prepared this report. We
6 have different areas of expertise so that if there was
7 particular aspects of the plan that you needed more
8 clarification on, between the two of us, you know, we
9 should be able to answer your question. Frank.

10 Oh, I'm sorry.

11 CHAIRMAN BALSIGER: No, that's fine.

12 MR. RUE: Mr. Chairman, I really appreciate
13 the review that the team did on the original GEM document,
14 I thought it was very helpful and I think it coincided with
15 a lot of comments that other folks were feeding into the --
16 that original plan, so I found it very helpful. And I
17 don't want to get into the weeds too quickly, but the area
18 where -- I think we'll get into them fairly quickly.

19 (Laughter)

20 MR. ROMAN: Why waste time?

21 MR. RUE: Yeah. The area that's hardest
22 for me to deal with at this point is I get the cartoon,
23 that's easy. And it's a little broader model than we were
24 talking about originally. We had talked about a different,
25 sort of driving paradigm and then looking at that. The

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1 question I have is you say here there should be a couple of
2 questions that's the next level down before you get into
3 the -- I can imagine a specific project question, but
4 getting that next level of questioning just below the
5 cartoon, that's the hard one for me to get. And I started
6 writing one down. And is it something -- are you driving
7 at something like, to what extent are the changes in
8 species composition and abundance observed in Prince
9 William Sound driven by human versus natural factors? Some
10 very broad question like that? Because even if you get
11 into herring or salmon, you're already into picking a
12 couple of research projects. Because I think the example
13 you gave here was -- yeah, predicting returns from hatchery
14 releases or something. I may not have it. Yeah, growth
15 and survival of juvenile salmon. It seemed like we were
16 already down into a very specific question as opposed to
17 what I thought what you all were driving at in terms of a
18 couple of general, organizing type questions and then from
19 which -- kind of like a topical sentence in a paragraph,
20 you then build on those general questions to get into some
21 of your specific issues that you want to focus on. Could
22 you help me kind of grasp what you're thinking when you say
23 these general questions?

24 MR. BOWEN: Well.....

25 MR. RUE: Maybe I talked too long, I don't

00127

1 know.

2 MR. BOWEN: No, no, no, not at all.

3 MR. ROMAN: No, you explained your question
4 very well.

5 MR. BOWEN: And it's something that, you
6 know, we've wrestled with and are continuing to wrestle
7 with. I mean it really is an extremely difficult thing to
8 do. I think the reason, perhaps, we framed it that way is
9 that for something that is as long term and covering such a
10 broad spatial scale as this proposal, we thought it was
11 really important, vitally important, that there be, first
12 of all, a strong synthesis of what we already know about
13 these systems and the driving forces because, before you
14 could actually draw the boundary of GEM on a map and sort
15 of decide on that, I think you really have to understand
16 what we already know about the system. And that's not an
17 easy task and a lot of what we're learning about this
18 system is still being generated from the research over the
19 last 10 years.

20 But it's really important that this program
21 gets sort of set on the right foot by doing that synthesis
22 and doing it well. And that's going to take a couple of
23 years, at least. And through the process of generating the
24 synthesis I think you can generate a couple of fundamental,
25 maybe more than two, but a set of questions that are a

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1 little more specific than trying to grapple with this sort
2 of attribution of causation, is it us or is it climate?
3 Because, clearly, for most management issues we want to be
4 able to make that assessment, you know. Are we co-partners
5 in this or was it mainly driven by climate or was it mainly
6 driven by human activity? And until we have a better
7 understanding of how these systems work, we're not going to
8 be able to answer those questions. I mean, this is a
9 fundamental problem around the world.

10 So I think -- my sense is that we wanted
11 you to think about having this conceptual foundation,
12 having a strong scientific rationale for why you were doing
13 this, then doing a major synthesis to generate both, sort
14 of the boundaries of GEM, on one hand, but also the kinds
15 of questions that are going to guide GEM for the next 20 to
16 50 years, and that's not something you can do overnight, I
17 mean, that's going to take a few years of really hard work
18 to pull that together. But it's the kind of thing that in
19 a much smaller scale takes months or years for groups of
20 scientists, you know, putting together GLOBEC or JGOFS or
21 some of these other programs. GEM is really on a scale
22 that exceeds any of those and so I think you really need to
23 do a very careful synthesis of what you think you know
24 about the system before you set off starting to measure
25 things. And asking specific questions that could take you

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1 down a path that sort of blocks off certain avenues of
2 understanding.

3 I don't know whether I've answered your
4 questions, but that's -- I don't think we were thinking of
5 coming up with explicit questions at this point, but that
6 you need those questions that come out of this kind of
7 synthesis and conceptual foundation to really guide where
8 you go in the future.

9 MR. ROMAN: The Pacific Decadal Oscillation
10 focus in the GEM document, you know, is a good example of
11 that type of focus. But we thought that, at this point in
12 time, you know, it's just something that's begun to be
13 understood. In other words, you know, if you had five
14 people working on the Pacific Decadal Oscillation and its
15 effect on stock in fisheries, you might get five different
16 opinions and so we thought it was a little chancy to have
17 that much emphasis on something that is just beginning to
18 be understood. We thought, you know, something like that
19 could be a good research question, but maybe something a
20 little broader in terms of climate cycle and fishing
21 pressure on these pelagic stocks versus demersal stocks,
22 something like that that could be a little more focused.

23 MS. McCAMMON: Mr. Chairman, could I make a
24 comment here just on this issue of questions because a week
25 and a half ago -- now, it's all so long ago how long ago we

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1 had this. We had our writing team in for two days, and the
2 first day just the writing team, and the second day we had
3 a number of other invited folks and we struggled over this
4 issue of the questions, whether you get them broad enough
5 where they cover whatever might happen in the next hundred
6 years or whether you make them so specific that you're
7 narrowing and confining yourself from the very beginning
8 when you really may not know what you want to know 20 years
9 from now. We went back and forth and we generated broad
10 questions and we generated some specific ones, mostly broad
11 questions. And just were struggling with this and we found
12 ourselves as the afternoon wearing on that most people just
13 kind of, well, we'll come back to the questions and then
14 they kind of cut to the chase of what they would actually
15 like to see in a monitoring program.

16 MR. RUE: That's the easy part.

17 MS. McCAMMON: Well, yeah, somewhat. The
18 more fun part, in a way, but then we went back trying to
19 bring back those questions into it and it still a dilemma,
20 this broader perspective versus the more specific. And we
21 did come up with some ideas for it we're going to show you
22 later this afternoon, but I thought it was interesting that
23 you pointed this out because we literally spent hours in
24 those two days struggling with that whole issue of
25 questions.

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1 MR. RUE: Mr. Chair.
2 CHAIRMAN BALSIGER: Yes.
3 MR. RUE: I have, maybe, a process question
4 for this afternoon. Are we going to have this discussion
5 and then go to Phil and Bob and then come back? You all
6 will be here so we can continue the discussion?
7 MS. McCAMMON: Uh-huh.
8 MR. RUE: Because otherwise I'm going to
9 keep asking questions, but maybe we ought to have Phil and
10 Bob talk a little bit about the update of GEM and then have
11 some feedback. What do you think? See what I mean?
12 CHAIRMAN BALSIGER: I guess I'd suggest if
13 there's questions from the Trustees or the PAG members
14 about the presentation of the NRC we can do those.
15 MS. McCAMMON: Right.
16 CHAIRMAN BALSIGER: But if you can stay
17 there may be more questions that you also can help Phil and
18 Bob answer.
19 MS. McCAMMON: You're here, aren't you?
20 MR. ROMAN: Oh, yeah, we're staying for
21 dinner.
22 (Laughter)
23 MR. ROMAN: Frank, to follow up on your
24 question, I was involved in a multinational study of the
25 role of the oceans in the carbon cycle, you know, as CO2

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1 keeps going up and up, you know, that the question was what
2 is the role of the oceans in buffering this and taking it
3 up? And so kind of the central concept was to understand
4 the role of the oceans in controlling the atmosphere CO2.
5 And so once that was the focus then you could say, well,
6 the important places to go are, you know, the middle of the
7 Pacific because that's representative of this big area and
8 that's where this big upwelling is. And another important
9 area is the North Atlantic because there where a lot of the
10 water sinks and brings carbon down. So it's an example of
11 once you thought of the question where you study the
12 phenomenon or what types of measurements you made naturally
13 fell out. And so that's an example of, you know, kind of
14 having a broad question and then making it easier to
15 develop a monitoring program for a reasonable amount of
16 money, because you're focusing on a particular question.
17 That's just the overall goal at that point.

18 MR. RUE: Right. Mr. Chairman, I think
19 that's really a good point. One of the things that we've
20 wrestled with is we realized we won't be everything for
21 everyone, can't be, not with the kind of money we've got.
22 But if we've got a plan which addresses kind of the broad
23 issues, then we can kind of galvanize a lot of people
24 around some of those questions and get a lot of synergy
25 going on research. There's a number of other research

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1 entities around. We may have a small niche within those
2 larger questions, but if we can get some of the other folks
3 who have funds to do research focused on, you know,
4 agreeing, yeah, those are the big questions and NMFS ought
5 to be doing their part when they drag nets around to count
6 how many things are out there. Fish and Game ought to be
7 doing their.....

8 (Laughter)

9 MR. RUE:sorry. What's wrong with
10 dragging nets around? It's good to drag nets around.

11 CHAIRMAN BALSIGER: That was sort of a
12 pejorative explanation. It's the precision in which we
13 sample the ocean.

14 (Laughter)

15 MR. RUE: Oh, that's right, I forgot, the
16 precise dragging of nets. But, anyway, so we may want to
17 ask ourselves way bigger questions than we know than we can
18 ever fund because we would like other people -- we'd like
19 to have a synergistic relationship with other entities out
20 there and so we'll carve out what pieces of it we'll do,
21 but perhaps others will say, yep, we have similar concerns
22 and we can join you -- or we can do this piece over here
23 which will fit into what you're gathering. So we can't be
24 driven -- I don't think we want to be driven by our little
25 pot of money and say, well, let's just plan to our limits.

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1 We want to plan beyond our limits and then figure out where
2 our niche is, where we fit best.

3 CHAIRMAN BALSIGER: Even though we have the
4 lights off, way down there, there's a comment on the end.
5 Dan Hull, maybe.

6 MR. HULL: Right. First, I'd like to say I
7 appreciate your coming here, I think the review, for me,
8 was tremendously helpful and insightful and I think it's
9 great that you can come to answer a few more questions.
10 Mine is one step removed from Commissioner Rue's and it's
11 on the cartoon itself. The drafts of GEM are based on the
12 PDO as the hypothesis that drives the plan. And you're
13 recommending a broad conceptual foundation, but it's not
14 clear to me whether you're making a specific recommendation
15 or you're making a general statement about what you think
16 the hypothesis should be. Should we take another
17 hypothesis off the shelf or something else? I don't quite
18 understand that part of the recommendation.

19 MR. ROMAN: Well, the cartoon was meant to
20 illustrate the factors that are influencing the system that
21 you're trying to understand, the Gulf of Alaska. That you
22 can't just focus on climate when, you know, there was so
23 many other arrows from fishing, potentially, pollution,
24 other things that are also affecting the ecosystem that
25 you're trying to understand. And that there's nothing

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1 wrong with the PDO example, that certainly is one aspect,
2 not the only aspect of the climate cycles that affect the
3 system, but we felt it would be remiss in just focusing on
4 that without understanding all those human induced arrows,
5 And now maybe other agencies will do that, as you
6 mentioned, in leveraged funds, but if you were at the end
7 of 20 or 50 years, trying to understand an ecosystem then
8 you have to try to understand the effect of man as well as
9 the climate. So, in other words, the PDO has to have kind
10 of flip side to it, namely some of the human induced
11 changes.

12 MR. HULL: So you're not making a specific
13 recommendation for a different hypothesis, you're just
14 making a more general statement about what the conceptual
15 foundation should look like? Sorry, I just have real hard
16 time reading this.

17 MR. ROMAN: No, that's -- yes, that's my
18 opinion. Don.

19 MR. BOWEN: Yeah, I mean, I think that we
20 felt that selecting a particular driving mechanism, a
21 particular hypothesis for natural climate change and how
22 that affects the ecosystems of interest, picking a
23 particular hypothesis at this early stage, when it's still
24 just a hypothesis, focusing all your attention on that
25 hypothesis is probably not a good idea. That is, there are

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1 a range of mechanisms that would all -- you know, that one
2 could postulate. This one has some support, but there are
3 other ideas out there. You want GEM to collect the
4 measurements that could address multiple hypothesis. Now,
5 it may be that what you would do to address, you know, a
6 number of other possible hypotheses, the measurements you
7 would make would be the same ones you would make for the
8 PDO, but maybe not. And we were just trying to get people
9 to think at this very early stage, think broadly.

10 And also, GEM should take advantage of what
11 we know about marine ecosystems elsewhere in the world.
12 Other ecosystems are being monitored, none with quite the
13 longevity being proposed here but, still, there are many
14 ecosystems around the world that are being monitored and
15 are trying to be understood with the same goals as the GEM
16 Program. And so we should take advantage of that knowledge
17 in structuring a long-term program for GEM. So grabbing a
18 single hypothesis early on is probably not a good idea.
19 We're not saying don't consider it, but just don't limit
20 yourself to that.

21 CHAIRMAN BALSIGER: Was there a comment
22 from Torie?

23 MS. BAKER: No, that was -- thanks.

24 CHAIRMAN BALSIGER: Thanks. Frank, please,
25 go ahead.

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1 MR. RUE: Yeah, this is helping me. Now I
2 get it. Following what Dan said and what Don said, you
3 take the cartoon and basically you synthesize what you know
4 about the cartoon. You say the system works its food webs,
5 there's currents, there's weather, there's people. Okay,
6 that's the -- we know that, in theory, all those things are
7 driving the system. Now, you take what you know, you
8 synthesize all that, so you figure out what of these three
9 circles do we understand and the arrows coming into it and
10 at that point you can start asking the key questions. Did
11 I get it? I think I just finally -- I mean, that's sort of
12 what you're saying, right?

13 MR. BOWEN: Yeah, and I sort of like the
14 analogy of building a house, all right? Try and understand
15 these ecosystems and one of the first things we're trying
16 to do is see if we have all the materials to build a house.
17 And we may find out that we don't know anything about the
18 floor, about the benthos, or some other critical thing
19 that, based on other -- you know, what we know about other
20 systems or what we know about the Gulf of Alaska. We know
21 a lot to be important.....

22 MR. RUE: Right.

23 MR. BOWEN:but when we actually write
24 down on paper or get a group of people together and say,
25 well, what do we know about the floor? Well, we don't know

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1 very much. Do we need to know about it? And let's figure
2 out what we need to know. You need to sort of think about
3 how you're going to build that house before you start
4 ordering lumber, I guess. And so, I think, that's what we
5 were trying to just caution. And there's a lot of
6 expertise, I mean, this is a part of the world where we
7 probably know as much or more than any other part of the
8 world, and so you really need to bring that expertise to
9 bear to set yourself a good solid foundation for the next
10 50 to 100 years. And it's worth taking time to do that.

11 MR. RUE: If I could just follow this up.
12 I think, as I understood what Phil and Bob are putting
13 together with the chart, it's like the X and Y axis that
14 you all are putting together that have the various habitat
15 and harvest and other factors, to me, those are basically
16 many of the same things we've just been talking about.

17 MS. McCAMMON: Right, yes.

18 MR. RUE: So we're really tracking down the
19 same road in our subsequent iterations, it sounds like.

20 MS. McCAMMON: We are.

21 CHAIRMAN BALSIGER: Mr. Meacham.

22 MR. MEACHAM: Yeah, I have a question
23 regarding the geographical area. I noticed you expressed
24 some concern about it being rather large and one of your
25 recommendations is that the primary geographic focus for

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1 monitoring begin in Prince William Sound. Could you
2 elaborate a little bit about why you think that's the case
3 or the important reasons for doing so?

4 MR. ROMAN: Well, number 1, it's where the
5 program had an awful lot of data to make these decisions
6 about which arrows you knew about and which circles. You
7 know, you had a good base. And that's where, you know,
8 major impacts from the spill occurred and so naturally to
9 follow them up over a long time period. Now, it's not to
10 say that, as I mentioned previously, that a broader
11 geographic area wouldn't be appropriate, but, as you said,
12 you know, the program has a finite amount of money and so,
13 you know, one could talk about leveraging funds from these
14 programs that are doing work on the shelf and these
15 programs that are doing work in Kodiak, but some of these
16 programs are going to come and go and we certainly weren't
17 privy to a lot of these programs and so just being asked to
18 judge what is tractable, you know, it's less expensive in
19 shallower areas that are easily accessible, so that, in
20 part, was one of the reasons for that, as I mentioned, as
21 an initial focus.

22 MR. MEACHAM: Is the area that was being
23 initially considered, you know, significantly larger than
24 is usually the case in these kind of investigations?

25 MR. ROMAN: Well, I mean, Chesapeake Bay is

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1 about the size of Prince William Sound and our monitoring
2 program, which doesn't cover all of the things that we like
3 to see, is four to \$5,000,000 a year. And so, you know,
4 seeing over that expanse proposed, and not partnering with
5 anybody else, which we know there's a lot of other folks
6 out there, but it's sometimes difficult to judge when you
7 have all these kind of cards built up of what's here versus
8 what's there and what cards might fall down.

9 MR. MEACHAM: Thank you.

10 CHAIRMAN BALSIGER: Mr. Tillery.

11 MR. TILLERY: Yeah, I had little trouble
12 when you were talking about the five goals and you
13 indicated that you can't address them equally and your main
14 focus should be on the goal related to long-term
15 monitoring, detecting and understanding. Ultimately, the
16 Council's goal by law has to be problem-solving. It has to
17 be restoration, that's what we're required to do. We
18 haven't gotten away from that, and we might 20 years from
19 now, but we haven't yet. So I'm not sure what you mean by,
20 like, focus is. Are you talking about money for energy but
21 -- because to the extent that we detect, to the extent that
22 we understand, it has to lead to a restoration objective,
23 it has to lead to essentially some kind of problem-solving
24 thing, so how do we mesh your views here with the
25 requirements of the Clean Water Act?

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1 MR. ROMAN: Yeah. Well, it was a concern.
2 As I said, you know, we're scientist that oftentimes are
3 over the microscope or on the ship catching the fish and
4 it's not our domain, most of the people on the committee,
5 to make policy or to implement the scientific information
6 to decision-makers. And so we're just -- now, the detect
7 and understand, I mean, that's kind of a precursor to
8 restoration and decisions but, you know, this prediction we
9 just felt maybe a little bit of uncomfortable with how
10 successful science has been in the past on predicting
11 things. And that's the little bit trepidation on our part.
12 It's not to say it wasn't a laudable goal, but it's
13 difficult.

14 MR. TILLERY: But prediction, to some
15 extent, is also sort of part of solving problems -- of
16 restoring. If you can predict effects, then maybe you can
17 intervene in them and help the environment to be restored.
18 And when we have to restore things, we're not talking about
19 necessarily have to be a single species, there's sort of an
20 ecosystem sense here, but I almost had the impression from
21 this that you're saying that the goal, in itself, the main
22 goal, should simply be figuring out what kind of changes
23 are going on and understanding them. Whereas, I think,
24 what we're required to do is somehow relate that to a
25 benefit to the ecosystem that is going to restore it from

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1 the injury it suffered in 1989.

2 MR. BOWEN: Yeah, I don't really think
3 we're at odds here. I mean, I think, you know, following
4 what Mike was saying, we were just -- in order for you to
5 make wise decisions about how to solve a problem, you're
6 going to make better decisions if you have more information
7 about what the problem is and how the system works and how
8 the system might respond to your management action. And so
9 it's really a matter of time frame. There will be issues
10 and problems to solve in the next -- now and in the next
11 couple of years and there will be problems to solve in 10,
12 20 and 50 years. And we were just trying to suggest that
13 GEM should structure itself so it can solve the problems
14 that we don't know about now by understanding how marine
15 ecosystems, you know this one in particular, but in general
16 how marine ecosystems function. And if GEM can contribute
17 to that, both locally and in a broader perspective, then
18 we'll be able to make better problem-solving decisions.
19 But, ultimately, almost all of the -- well, maybe not all,
20 but certainly a large class of resource management issues
21 are about this attribution of causation of human activity
22 versus climate change. We're not going to be able to
23 address those in a sensible way unless we understand how
24 these systems work. And we won't understand them unless we
25 take a long-term view of measurement because a lot of the

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1 fundamental and important driving mechanisms are fairly low
2 frequency. They're going to occur quickly, they may only
3 happen once every 10 or once every 20 years. So unless you
4 take a long-term view you're never going to reach that
5 level of understanding.

6 So it's really a matter of time scale. We
7 were saying that you ought to take the view that there are
8 problems that you want to be solving in these systems over
9 the next 10, 20, 50 years and not just today.

10 MR. TILLERY: So when we say that,
11 ultimately, our goal maybe solving problems created by the
12 1989 spill, to get there what we need to do is put most of
13 our expenditures and our time should be focused on the
14 detection and understanding part of it; is that kind of
15 how.....

16 MR. ROMAN: Yeah, yes.

17 MR. BOWEN: Not exclusively, but
18 that's.....

19 MR. TILLERY: Again, with the some -- I
20 think you need to have some short-term successes to keep
21 going.

22 MR. BOWEN: Absolutely.

23 MS. McCAMMON: At our workshop in October
24 we had several sessions on modeling and, you know. And I
25 think that at that time -- these are some very well-known

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1 modelers who were there, Worth Nowlin and Tom Malone and
2 some really national names were there. And the consensus
3 at the modeling workshop, I think, was that there was
4 probably a good shot at getting some kind of a biological
5 model, which is just kind of an understanding or story of
6 how things work, of kind of the Gulf system in maybe 30 or
7 40 years. And a predictive model of being able to predict
8 how the system will work, based on information, they were
9 looking at 50 to 75 years. And I think, using the analogy
10 of the National Weather Service which is the predictive
11 model that we all use, and how much money goes into that
12 and they're pretty good at predicting what the weather is
13 going to be like in the next 12 hours, they're not as good
14 at 24 hours, you know, you start looking at one, two, three
15 days, you know, it just.....

16 MS. BLACKBURN: I can tell where you live,
17 Molly.

18 (Laughter)

19 MS. McCAMMON: Yeah, Kodiak is probably not
20 even good for 12 hours. That was kind of an insight to me
21 because we hear this a lot from commercial fishermen and
22 others of having these predictive models that will be able
23 to, you know, in-season, now cast, forecast, you know, that
24 will tell you right today what's going to happen tomorrow
25 and predict these things and how difficult that's going to

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1 be.

2 MR. ROMAN: Mr. Chairman, if I.....

3 MS. McCAMMON: Yeah.

4 MR. RUE: We've got anarchy now.

5 MR. ROMAN: Oh, okay. In one of our
6 information gathering sessions -- did I.....

7 MS. McCAMMON: No, that's okay.

8 MR. ROMAN: I think there's a gentleman
9 back there saying, you know, a research question would be
10 tell me what the productivity of the shelf water is going
11 to be like so I know how many salmon to release. They
12 could save an awful lot of money. And certainly, I think,
13 that is a goal one works towards. In other words,
14 certainly, if you know that this is year one cycle of the
15 PDO and that phase means more coastal zooplankton as food
16 for the salmon, then you could say, well, the probability
17 is 50 percent that the next year will be, you know, also a
18 good year. Two years out or three years out, you may not
19 know. And so as we understand more about the cycles, you
20 could say, well, next year is more likely to be like this
21 year than it was two years ago. And that's a type of
22 prediction that, I think, could go on now. It's not very
23 precise, but.....

24 CHAIRMAN BALSIGER: Mr. Meacham.

25 MR. MEACHAM: I really agree with the focus

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1 of, you know, detecting and understanding causes of change.
2 I just think that makes all the sense in the world. And I
3 think, you know, the concerns you have are going to be
4 clearly addressed with this kind of knowledge. And it'll
5 just naturally happen, I think it'll just fall into place
6 really, really well. I would say, additionally, I'm a lot
7 more optimistic than maybe some of the other modelers are,
8 and I'm not a modeler, that's probably why.

9 (Laughter)

10 MR. MEACHAM: But I think with the
11 technologies that are developing and are available right
12 now today, you know, through satellite and some of the
13 remote sensing things and the analytic powers we have, you
14 know, powerful equipment, I think we're going to be there a
15 lot sooner than that and I think we're going to be able to
16 monitor, I think we're going to be able to process, I think
17 we're going to be able to analyze these data much more
18 rapidly than people think right now. So I don't think it's
19 going to be that long. But I like it, I like your review
20 and I like that recommendation.

21 CHAIRMAN BALSIGER: I still have one
22 question and if I missed this when I stepped out, you don't
23 have to answer it and we'll talk later, but what is the --
24 this is the interim report, so where do you go from here?
25 Are you going to include more aspects as the GEM model gets

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1 developed and review that or are you just going to finish
2 up this part of the report that was sort of a conceptual
3 framework of GEM? What's left in your contract?

4 MR. ROMAN: Well, the next phase is getting
5 another document from Molly that articulates, I guess, more
6 of a science plan that we then look at and review.

7 CHAIRMAN BALSIGER: Okay, thank you. I was
8 wondering if that was it or if you were going to end with
9 the conceptual part, but you will continue to look at the
10 science plan.

11 MS. McCAMMON: Well, actually this raises
12 an interesting question. Because, I think, one of the
13 things we all have to realize is that as soon as this was
14 printed, even before it was printed, as soon as it came off
15 of our computers it was obsolete. I mean, we've been
16 working on this and it's gone through a lot of iteration
17 since, so it's always been a challenge for these guys
18 because they'd be talking about something that was in here
19 and we'd go, oh, no, we're way beyond that now, you know,
20 disregard that, we're over here now. So it has been -- you
21 know, this kind of process has been really challenging, but
22 what -- I have a question for Don because this could affect
23 the next process. Because what I heard you say is we
24 should just go out and synthesize and really work on that
25 for the next two years. Does that mean we don't have to do

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1 any planning in the meantime and we just go do that and
2 then we do the planning two years from now because that
3 would make my summer a lot easier if that's true.

4 MR. BOWEN: I was expressing a personal
5 opinion.

6 (Laughter)

7 MR. BOWEN: No, I mean, I think they can go
8 hand in hand. But I think the science plan has to -- a
9 strong component of the science planning for GEM ought to
10 be this synthesis. So I don't think they're mutually
11 exclusive, I think that the kind of synthesis that we're
12 envisioning would happen would be part of a science plan,
13 not something -- but, you know, it'll be sort of front-end
14 loaded, if you will.

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

16 MR. BOWEN: You'll spend a lot more time in
17 the synthesis very early on and that will help you build, I
18 think, a solid foundation for not only what to measure with
19 the resources you have, but how to effectively work with
20 the other agencies that are already out there doing stuff.
21 And this goes back to the question that Charles raised
22 about the scope of GEM. I mean the work that is out in the
23 middle of the Gulf of Alaska, I mean, it's very difficult
24 for us to see how GEM could contribute to that without
25 really diluting its effort elsewhere. But figuring out

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1 who's doing what out there and understanding that those --
2 what's going on in the Alaska gyre certainly is going to
3 impact Prince William Sound and the coastal area. And you
4 obviously need a program that's working together with these
5 other programs which are also monitoring.

6 MS. McCAMMON: Uh-huh.

7 MR. ROMAN: To follow up on that question,
8 Mr. Chairman, is kind of the conceptual diagram and I
9 think, you know, what we saw at the last meeting of that
10 matrix -- our last meeting with Molly and Phil was that --
11 you know, that gave an awful lot of information about what
12 is known about this and that and that it could articulated
13 where you have gaps in the critical information and that
14 this plan might articulate those gaps and any monitoring
15 program, maybe, starts out small and grows, because it's
16 awfully hard to believe now that you're going to know
17 everything you want to for the next 20 or 50 years. And so
18 you could have a bunch of the local experts and 90 percent
19 agree that these are things that we don't know about and we
20 should start now. And so that would be a -- could be a
21 good beginning as you synthesize the results from the EVOS
22 studies and then that leads you to the next step.

23 CHAIRMAN BALSIGER: Comment from Mr.

24 Senner, is it?

25 MR. SENNER: Yeah. On the matter of the

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1 conceptual foundation and the figure that people have been
2 talking about. It seems appropriate that you called
3 attention to the fact that there need to be the boxes on
4 habitat change and hunting and fishing and other human
5 influences and that it can't just be structured around
6 things like the Pacific Decadal Oscillation. I wonder if
7 you could comment, though, on the relative emphasis in the
8 attention paid to those different boxes early on. And I'll
9 offer my own comment and, that is, I've been operating
10 under the assumption that unless GEM did a good job of
11 focusing on the box that says oceanographic and climate
12 change that you didn't have a prayer of understanding or
13 interpreting any of those other boxes, the human influence
14 ones. And so that, initially, at least -- and I don't know
15 whether that means 10 years or 20 years or whatever, but
16 initially a strong focus on the "natural influences" seem
17 to me very appropriate. Not necessarily specifically PDO,
18 but on that broader array of climatic and oceanographic
19 events. So can you comment on that?

20 MR. ROMAN: Well, I personally agree with
21 you and, to a large extent, some of the other agencies,
22 NOAA and the Alaska Department of Fish and Game, you know,
23 monitor catches so you know how many salmon are released
24 and so we have some ideas on the fluctuations of fish
25 stocks, fishing pressure, you know, the thing that -- at

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1 least the input that the committee got was that the biggest
2 question mark is in that oceanographic and climate change.
3 And, you know, whether it's the PDO, whether it's something
4 else, you know, perhaps you can -- this is not for me to
5 decide, but perhaps continuing some of the work in Prince
6 William Sound and using new technology of buoys that, you
7 know, relays information on maybe an offshore site back so
8 you can get an idea of the conditions outside that aren't
9 being done now and would be a good foundation to interpret
10 those future climate changes.

11 MR. BOWEN: I would just, maybe, follow up
12 on that. I think, however, as much as I agree with that, I
13 think it would be a mistake to not go beyond that because
14 the extent to which changes in the ocean are actually
15 translated into changes in productivity, you know, it's not
16 necessarily straightforward and so you can't -- I don't
17 think we can just limit ourselves to looking at the
18 physical oceanography. I mean, I think we have to extend
19 that through the biological components and see how those
20 changes in the physics actually affect the biology.

21 MR. SENNER: Can I follow up to your
22 follow-up?

23 (Laughter)

24 MR. RUE: Is he out of order, Mr. Chair?

25 MR. SENNER: And that's just to observe

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1 that when it comes down to the hard decisions about
2 allocating dollars, I think a lot of these human influences
3 are more fundamental responsibilities of the management
4 agencies that are part of this effort and, on the other
5 hand, some of the oceanographic and climatic stuff is not
6 so much a core responsibility or part of the mission of
7 some of the agencies. And so the trick here is how are GEM
8 dollars best allocated and what can be leveraged or
9 encouraged from the agencies through sources of funds other
10 than GEM? And how can those all in combination be packaged
11 to address the things that need to be addressed?

12 MR. RUE: Should we hear from Phil and Bob,
13 Molly, now and then kind of get the update on GEM?

14 MS. McCAMMON: Well, what we wanted with
15 this is the opportunity to ask questions strictly on the
16 basis of the report, so I don't know if you feel you've had
17 enough, but -- then we just wanted to give everybody just
18 kind of a preview of kind of where our current thinking is.

19 CHAIRMAN BALSIGER: It looks like we have
20 at least one more comment.

21 MR. RUE: Go for it.

22 CHAIRMAN BALSIGER: I think we are getting
23 close to that point, then. Let's see, what's your name
24 down -- it's Huber, perhaps.

25 MR. HUBER: Right. Maybe you can indulge

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1 me, I'm trying to make sure I'm tracking on this. As I
2 understood the recommendations on the five goals of GEM, I
3 didn't understand them to say that these goals are mutually
4 exclusive, I understood them to say that they're actually
5 connected by necessity, not disconnected. But there's a
6 degree of emphasis and of expectation that may be more
7 appropriately focused on monitoring and understanding
8 change -- detecting and understanding change. Am I right
9 in that?

10 MR. BOWEN: Yes.

11 MR. HUBER: And then my next question, if I
12 can, is on the PDO. And I understood that you're not
13 saying, let's dismiss this hypothesis, you're saying it
14 perhaps is too narrow a focus and has some specific
15 problems that could rein you in too fast, but perhaps that
16 hypothesis continues as one of the step-down components
17 after you ask a more general oceanographic climate change
18 question; is.....

19 MR. BOWEN: Yes, I think so.

20 MR. ROMAN: I think so, because there are
21 -- you know, the areas are affected by El Ninos, there are
22 -- you know, not exactly the same as a PDO, but there's
23 Arctic lows and highs and so there's kind of different
24 theories that are being debated and so having a sole
25 emphasis on the PDO is perhaps just too confining at this

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1 point in our state of knowledge.

2 MR. FRENCH:monitoring this line?

3 CHAIRMAN BALSIGER: Yes.

4 MR. FRENCH: I'm John French who's been
5 trying to listen in. Could you ask people to try to use
6 the microphone? I think the Trustees are mostly pretty
7 easy to hear and the presenters, but when anyone else asks
8 questions it's almost impossible to tell.

9 CHAIRMAN BALSIGER: Okay, thank you. We
10 don't have many microphones spread among the PAG members,
11 we will try to watch that.

12 MR. FRENCH: Or if somebody could repeat
13 the questions that would help a lot.

14 CHAIRMAN BALSIGER: I understand the useful
15 comment, thank you.

16 MR. FRENCH: Thank you.

17 CHAIRMAN BALSIGER: Let's see, have we
18 exhausted our questions of these two gentlemen and we could
19 take the report by Phil and Bob? Molly, do you have a
20 point first?

21 MS. McCAMMON: Yeah, while Phil's getting
22 this set up let me just start out with talking a little bit
23 about where we've been, where we are, where we're going,
24 just to put it into context. Because what has been really
25 wonderful about having the committee is that we have not

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1 really viewed them as this kind of committee out there
2 who's just kind of passing judgment on us, ah, you did
3 that, you know, well or poorly or whatever. We have really
4 looked to them as a partnership in trying to develop this
5 whole program and it really has been a wonderful
6 opportunity for us to take a group of people who aren't
7 vested in our program, for the most part, who aren't
8 planning on doing research programs here, who have a broad
9 picture and been involved in a lot of other different
10 program to bounce ideas off of and see where we're going
11 with it.

12 But, from developing this document in
13 April, we turned it over to them, they started their review
14 and, as I said, it immediately became obsolete. We started
15 last summer by having regional focus groups bringing
16 combinations of managers, biologists, you know, various
17 scientists, stakeholders, community members together and
18 Prince William Sound, Kodiak and Kenai Peninsula/Cook Inlet
19 type focus groups talking about what are the big issues,
20 what are the big concerns. What do we need to do in these
21 areas, trying to identify key questions and issues that we
22 could incorporate into a program.

23 We then developed some hypotheses,
24 questions and components for the October workshop. We were
25 way ahead of the game at that time and were told by the

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1 public and by others that we were way ahead of the game,
2 that we were too far in advance pushing that. And we kind
3 of regrouped from that and we started going back just to
4 some basic fundamentals, what do people really care about
5 in the system.

6 DR. SPIES: Molly, there's a flow chart
7 here just to kind of tie them all in.

8 MS. McCAMMON: Okay. And I don't really --
9 and for the most part, and I'm sorry to the biologists if I
10 offend you, but most people don't really care about
11 temperature and salinity and, you know, different things
12 like that, they really care about fish, birds, mammals, and
13 how they use them, that's what people relate to. So we
14 started going back, okay, what do people really care about
15 and relate to? What do we know? What don't we know? What
16 are the primary things that are driving production with
17 this? And trying to use kind of a combination of what do
18 we know about the system, either we actually know because
19 there's published evidence about it or we think this is
20 what's happening based on some kind of conceptual model or
21 conceptual understanding. And what is everybody else doing
22 about it, what is the gap analysis?

23 And so we developed those tables that we
24 presented to you in December and January trying to set some
25 kind of a logical process from which you take that

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1 information and then you derive from that your key
2 overarching hypothesis, your key overarching questions and
3 then use a (indiscernible) have these variances to come
4 down and say, okay, here's what we're going to do. And
5 this kind of describes starting out -- and this process has
6 been going on now for two years since the Council made the
7 decision in March of '99 to set up the endowment like this.
8 Going through all the focus groups last summer, the
9 workshop in October, presenting to you in January the
10 conceptual approach. We now have the interim report, we're
11 responding to that. We contracted with a writing team in
12 January to take the scientific background in this document
13 and upgrade it, we hope, to the level of a publishable
14 manuscript. And we have that in draft now, we're polishing
15 that up, getting it peer reviewed and it will represent, I
16 think, once we kind of get it massaged into place, kind of
17 a compilation of what we know about the Gulf of Alaska
18 right now, which is the starting point, then, from where
19 are the gaps and where are the big holes, where do we need
20 to focus our efforts from that. And from that derive the
21 long-term program.

22 In looking at the interim report, we took
23 to heart a lot of what the NRC said and, in fact, we had
24 these discussions over multiple meetings for the last few
25 months. And so we've been tinkering with things and trying

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1 to put things together in an approach. We had workshop a
2 week and a half, two weeks ago with our writing team where
3 we started honing in on what is that we know, what don't we
4 know and trying to draft these hypotheses questions and
5 start laying out on a broad level what would be the key
6 components of an overall plan.

7 Before we get too far in, and I think I
8 want to do this now, rather than at the end because I don't
9 want to get caught up. One of the key things that we've
10 always talked about is this gap analysis, we don't want to
11 duplicate, we want to make sure we fit in with what
12 everybody else is doing. We need to know what everyone
13 else is doing. And this is another project that's been
14 ongoing for a year and a half and it sounds easy. You
15 know, you just ask people what they're doing and put it
16 into a spreadsheet and you pass it around and then
17 everybody knows what everybody else is doing and Alaska
18 isn't that big, you know, it's a pretty small group of
19 people, we should know what everybody else is doing. Jim
20 should know what everybody is doing in National Marine
21 Fishery Service as well as NOAA. I mean, Dave should know
22 everything that Interior is doing, whether it's Fish and
23 Wildlife Service or USGS. You would think it would be
24 simple.

25 Dede Bohn has been working on this project

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1 for us. Dede is with USGS and she graciously offered
2 herself up to this, what has turned out to be, a horrendous
3 challenging task. It is not easy to figure out what
4 everybody is doing out there. And, Dede, you might come up
5 to the table and just share a little bit because this gap
6 analysis is such a key part of developing our long-term
7 program or we've made it a key part. And I know that in a
8 lot of the other programs that people have been planning
9 they keep talking about this database of what everybody is
10 doing and, you know, that this is going to be used for all
11 these purposes.

12 It is not easy to do. It is not easy to
13 figure out who's doing what, where, what kind of data they
14 have, what kind of measurement. Most -- I don't know if
15 most people. A good majority of people don't know where
16 their funding comes from, they don't know that they're part
17 of other projects. They don't know that four, five, six
18 agencies may claim the same project, so then you get six
19 duplicate entries into the database. People who think that
20 they're doing long-term datasets and that there's a long-
21 term commitment to it, when you start looking at it,
22 especially in the agencies, and asking the serious
23 questions. Well, yeah, we're committed to doing that but,
24 you know, so and so may be retiring next year and, you
25 know, I'm not sure we're going to do that again after that

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1 because that person won't be here and we won't have that
2 expertise. So I think having this kind of thing is really
3 a valuable tool, that I just cannot overemphasize, even
4 within our relatively, I think, relatively small area of,
5 you know, the world. I mean, Alaska is small in terms of
6 population. It is a really daunting task.

7 So with that lead up, Dede.

8 MS. BOHN: This is Dede Bohn.

9 CHAIRMAN BALSIGER: Do we have you on a
10 microphone there?

11 MS. BOHN: Hi, John French, can you hear
12 me? This is Dede Bohn.

13 MR. FRENCH: Yes, I can hear you.

14 MS. BOHN: Okay, then I think we're miked.
15 Thank you, Molly, I think you did a great job outlining
16 some of the frustrations that one has in trying to gather
17 this kind of data. But like all databases you can generate
18 lots of good paperwork, this is the size of it right now.
19 And, unfortunately, not every project in here has even
20 treatment. And I wrestled with many questions from the
21 fundamental what's a project. When you call an agency,
22 they say what do you mean by a project? And I had to,
23 quick, come up with some definitions. And in order to
24 guide myself in where to go with this I tried to decide
25 what are the purposes we're using this database for. And I

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1 came up with a very short-term, real close at hand one,
2 which is, if we want to leverage and fit GEM into gaps, my
3 first goal is to say who's doing what, where, right now?
4 Or just stopped doing something I need to know. So I had
5 one set of criteria that I was trying to get, okay, hurry
6 up, I've got to get this much information.

7 But the other goal of this database, we
8 hope, will be a commitment by GEM to get this available on
9 the Web to the public and be something that we can hope
10 that researchers, certainly those funded by GEM, would be
11 required to update so that it's a service. So somewhere
12 between those two things I find myself all the time trying
13 to, okay, what's the thing I should do for today, do I
14 address the long term or just get the writer some
15 information on who's got what on harbor seals. And that's
16 been frustrating.

17 In my first attempt I took the database and
18 there are many fields and you can, of course, sort it by
19 any question. You can ask it give me everything on harbor
20 seals or you can ask it give me everything that NMFS is
21 doing. Or you can ask it give me everything that NOAA is
22 doing and then try to figure out which of those are the
23 NMFS ones. You can ask for objective beginning date,
24 ending date, a number of those things. So one of the first
25 things I did was sort by agency and then attempt to go back

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1 to the agencies and say, here is everything we have listed
2 for you guys, what are we missing? And with the exception
3 of the Park Service, I got no answers, no response, nobody
4 said nothing. And so I realized that isn't going to work.
5 And I thought I had done this great job just culling out
6 just their part, but it didn't work.

7 And so I came back to, okay, I have an
8 immediate deadline, the things that we cannot go forth next
9 week without knowing are, is this project happening today
10 or is it over? That was one I thought was critical. The
11 next one was where is it occurring? Is it in the area that
12 we're interested in or not? And I realized that people
13 didn't have time to respond with lat/long and specific
14 information, so I said give me text answers, Cook Inlet,
15 yes/no, Kodiak, yes/no or Prince William Sound, yes/no?
16 And then I thought another piece I really needed to know
17 was, is there a database associated with it, yes or no? So
18 I just went way down in what I was asking for and flooded
19 the market again with, okay, you guys, answer these
20 questions. And that time I got responses.

21 And I used those to discover yet another
22 problem. And that is, when you have some projects, say
23 they combine on funding. I have a researcher, for
24 instance, at USGS who gets funded by the Park Service and
25 MMS and EVOS and he combines all those things and tells me

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1 this is his project. I go to MMS and since they fund that,
2 they call it something else, but they tell me, here's what
3 we're funding. And then the Park Service tells me, here's
4 what we're funding. So I don't feel like the appropriate
5 judge to decide do I list that four times or one time or do
6 I have cross reference. So there are many little nuances
7 that need to be addressed in terms of a long-term database.

8 In the meantime I looked at the writers and
9 I said, well, I sent you a stack of here's what we got for
10 physical oceanography measurements, resources, projects.
11 Here's what we got for harbor seals and species kinds of
12 looks at things. But they didn't really tell you what you
13 really needed to know. So I went back and said, what we
14 really need is an interpretive table between the database
15 and the user. And so I started redoing things and I took
16 species, to begin with, and I took sea otters and I would
17 get the database to spit out all of these projects on sea
18 otters, but then I had to add fields that said, say it was
19 population studies of marine mammals. Well, what are they
20 doing on sea otters this year currently or in the near
21 future? And so I had to go back to researchers and say, so
22 what are you doing this year and next year? And that is
23 not -- that's another additional step to your database.

24 I also had my checks for in the geographic
25 range so we could look at a table, we could hold it up and

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1 we could say, oh, my gosh, all of this work is Kodiak and
2 nothing is being done anywhere else, because that's an
3 important feature for GEM to know. So I restructured the
4 tables that you would -- the items that you would pull out
5 of the database, so that we could make a better assessment
6 of where we are. It doesn't bypass all of my problems with
7 -- it's real easy to go to managers and they understand the
8 need for this and they're very happy that you're asking
9 questions. Well, guess what they do, they forward it to
10 their PIs, who are swamped with getting ready to go to the
11 field and here's another one of these e-mails, what are you
12 collecting, where and for how long?

13 Another issue that comes up is commitment
14 to the future, it's very hard for an annually funded,
15 appropriated agency to tell you what they can do in the
16 future or not. But a researcher would love to tell you,
17 well, I know I get base funds and I'm always going to be
18 using them here. So not all of the data that's in here has
19 to be -- can I give quality assurance for. And I try to do
20 my best guess and what I think that we, as users at this
21 time in the database, most need.

22 So there's a snapshot of some of the
23 problems we see. And it's a moving target, as soon as you
24 get it updated, the new fiscal year comes, be it Federal or
25 State, and priorities change and activities change and

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1 researchers come and go and so forth.

2 We do hope to put it on the Web and I think
3 our ploy there will be to get people upset when they see --
4 because usually I get these phone calls on where did you
5 get this from? And you want to tell them, well, that's
6 what you gave me. But -- so hopefully we'll make it
7 interactive and people can search by items, by area, by
8 whatever field is in the database, but also allow them to
9 respond and say, here's what really ought to be in there
10 and here's the update and here's additional information.
11 And it's hard to keep up with the Steller sea lions and the
12 harbor seals and all of the changing research activities,
13 but we're working at that, too.

14 How about questions? Suggestions?

15 Improvements? Guidance?

16 MS. BLACKBURN: You deserve a medal.

17 CHAIRMAN BALSIGER: Mr. Bowen.

18 MR. BOWEN: Just a comment, if I may? It
19 really highlights one of the issues that we've talked about
20 in the committee, and that is the commitment to data
21 management. And this is just sort of the tip of the
22 iceberg when you just try to find out who is doing what.
23 To actually archive and make available, synthesize, in some
24 way, the actual data is an order of magnitude more
25 difficult. But it would be fundamentally important for GEM

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1 to do that. And so, again, in terms of developing the
2 science plan, as well as synthesis, data management should
3 be really high on the list of priorities. Because this is
4 not a easy thing to do, but it's probably one of the most
5 important things GEM will end up doing.

6 MS. McCAMMON: I think, just kind of as a
7 rule of thumb on data management, what we heard from a
8 number of people is 15 to 20 percent of the budget goes to
9 data management.

10 I thank you, Dede, very much. I think this
11 is going to be a real valuable service that GEM can
12 provide, but it's also very labor intensive, it's not
13 something that we do once, we put it up there and then
14 that's it, there have been lots of other databases that
15 people have done that and they put it on the Web and then
16 they'll go back to it and it's -- you know, this needs
17 constant maintenance in order to make if functional, but I
18 think it has a lot of value down the road.

19 CHAIRMAN BALSIGER: We may have one comment
20 from Mr. Tillery. Please.

21 MS. McCAMMON: Yeah.

22 MR. TILLERY: On the data management thing,
23 I noticed in your description you talk about it could be an
24 important. One thing you did not mention in there was what
25 role, if any, we should have outside of our own program in

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1 trying to make our data management compatible with others,
2 serve as some kind of an integrated thing. Is that
3 something that we should do? Should we be proactive in
4 taking other programs, like NPRB, and so forth to make them
5 mesh with us?

6 MR. ROMAN: I'd say yes. In other words,
7 these other large programs that we're familiar with had
8 data management programs and the kind of form and the kinds
9 of the data that they archive often follow the procedure
10 set by the NOAA facility, the National Oceanographic Data
11 Center, NODC, where, you know, if you get money to do some
12 kind of oceanographic/coastal program from the National
13 Science Foundation, NOAA, you're obliged to put the data
14 into that data source. And oftentimes it was hard to
15 retrieve it, but it's getting better now. But, because you
16 have the variety of agencies working in the Gulf of Alaska
17 some kind of uniform standard and then -- that could be
18 agreed upon and the other trawl data, climate data,
19 satellite data, I mean, you want to do this integration and
20 want to have the ability to access all the data and, you
21 know, it should be in kind of common forms, common
22 languages. So, at some point, you're going to have to get
23 together with these other folks, you know. We even talk,
24 not in the report, of some interagency Gulf of Alaska data
25 management thing where you agree to all pool the data and

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1 basically people have to toe the line to use the same kind
2 of data format that you specify.

3 MR. TILLERY: I guess I.....

4 MR. BOWEN: It's very important.

5 MR. TILLERY:was wondering why that
6 wouldn't be in the report. It seems to me that's a very up
7 front, critical thing to get off on the right foot, as you
8 talk about, is.....

9 MR. ROMAN: Well, we cite a number of Web
10 sites and references where, you know, as thick as this or
11 thicker of the data management policies of these different
12 programs and we suggested using those as kind of a guide in
13 developing your own and, especially, say, for GLOBEC they
14 took in different types of data from different agencies,
15 NOAA, National Marine Fishery Service, NMF, and everybody
16 has to follow the same kind of format.

17 MR. TILLERY: But, in your view, this one
18 standard that we should adhere to doesn't necessarily exist
19 yet?

20 MR. ROMAN: Well, it does to a certain
21 extent at NODC, the insistence should be that all of these
22 programs put their data in a central source, so that if
23 you're trying to understand those arrows and boxes you, as
24 managers, scientists, fishermen, could see how, you know,
25 the trawling data matches up with climate that matches up

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1 with coastal productivity. In other words, you don't want
2 the data in eight different places. That's the most
3 important thing. And, to have it in one place, it all has
4 to follow the same kind of format and that's what a data
5 manager does.

6 MS. McCAMMON: But I think on the other
7 hand, though, GEM cannot afford to be and does not want to
8 be the central data warehouse of everything being done in
9 the Gulf of Alaska. I mean, that would be an impossible
10 task.

11 MR. ROMAN: No, no.

12 MS. McCAMMON: But what key datasets are
13 critical to kind of the overall conceptual model that we do
14 need to centralize and then what kinds of links to other
15 datasets and knowing where they are. But I think it is
16 important, though, especially as the North Pacific Research
17 Board and others come on and we get these kind of long-term
18 programs, that there be come cooperative agreements and
19 cooperative understandings on things like data collection
20 so there it is done uniformly.

21 CHAIRMAN BALSIGER: Dr. Spies.

22 DR. SPIES: I just wanted to mention that
23 there's an effort underway currently in the North Pacific
24 sponsored by PICES and it's embryonic as of yet, but the
25 idea is to develop some sort of portal for distributed

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1 datasets throughout the North Pacific on an international
2 basis, and I think we could probably learn from that. And
3 there had been a suggestion, although it hasn't been put
4 into place or voted on by PICES, to actually use NOAA
5 Bering Sea metadatabase model, which has its own standards
6 and ways of doing things established already as a possible
7 way to do that, so I think moving along those lines might
8 be fairly productive as well.

9 CHAIRMAN BALSIGER: How long is your
10 presentation?

11 DR. MUNDY: It's about 20 minutes.

12 MS. McCAMMON: Want to break first or.....

13 CHAIRMAN BALSIGER: That was my question.

14 MR. RUE: Yeah, how about a short break?

15 Could we take a five-minute break?

16 CHAIRMAN BALSIGER: That would be great.

17 So, Mr. French, on the line and anyone else, we're going to
18 take a short break, hopefully -- we said five minutes,
19 maybe seven.

20 (Off record - 2:40 p.m.)

21 (On record - 2:57 p.m.)

22 CHAIRMAN BALSIGER: I didn't make it in
23 seven minutes, either, but -- weak-willed, I guess.

24 Perhaps we can do the PowerPoint.

25 MS. McCAMMON: I think just kind of

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1 bringing folks up to speed in terms of where we are in the
2 process, we received the interim report, we're digesting
3 it, analyzing it, incorporating it into revisions. We're
4 now revising the scientific background, the conceptual
5 foundation. We're starting to hone in on the GEM
6 hypothesis, key questions and the outline of a program.
7 And some of what we're going to show you today is kind of
8 just the beginnings of that.

9 We still have this idea we're going to get
10 a draft plan to you by June. And I know we have to let you
11 know real soon because you have a meeting scheduled for
12 mid-June to start looking at and we need to let you know
13 right away if you're going to have that meeting. And
14 assuming we meet this time line here, and I guess part of
15 it depends still on where the Council is on things, whether
16 you think we're still kind of going on the right track or
17 whether you think we're just off base that we need to go
18 off and synthesize for two more years and come back two
19 years from now. Please.

20 (Laughter)

21 MS. McCAMMON: But, theoretically, we're
22 still on this schedule. Then Mike's group will take that,
23 they'll be reviewing that, they'll be reviewing other
24 responses we have to their interim report and finalizing
25 their review in the fall. We'll take all of that and from

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1 those comments, revise the final documents in
2 January/February and then kind of start on with the program
3 which, it's not like in fiscal year 2003, all of a sudden
4 we're going to have this \$6,000,000 a year, fully
5 developed, in the water program, it's still going to take
6 several years to develop and actually get fully up to
7 speed, so it will be incremental anyway, but hopefully by
8 February 2000 [sic] we'll at least have some idea of where
9 we're going with the overall program.

10 So with that I'm going to turn it over to
11 Phil and to Bob to describe to you kind of our current
12 thinking.

13 DR. MUNDY: Thank you, Molly. Mr.
14 Chairman, if it's okay with you, I'll stay right here so
15 that people down here can see the screen. Can you.....

16 CHAIRMAN BALSIGER: I believe that's the
17 wrong microphone though.

18 DR. MUNDY: John French, are you still on
19 the line?

20 MR. FRENCH: I'm still on the line, I can
21 hear you just fine.

22 DR. MUNDY: Okay, good. I just want to say
23 that we've been working on this thing now for 18 months,
24 for my part, but before my arrival here, Stan Senner, for
25 those of you who are new, did some substantial amounts of

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1 work on this and left me an excellent set of files on North
2 Pacific Science Organizations and monitoring programs, so I
3 just wanted to acknowledge Stan's help on this.

4 And I'll be making the presentation today,
5 but I'll invite Bob and Molly to chime in whenever we get
6 to something that you want to add. I was told this was
7 going to be informal today, so we're going to try to stick
8 to that. We are here working on the conceptual foundation,
9 we've been fortunate in being able to work on an informal
10 level with the NRC Committee, and I thank them very much
11 for that. The NRC has a very rigid process, they issue
12 only peer-reviewed written comments but, in meetings since
13 June of last year, they have shared their ideas with us on
14 an informal basis freely and so I hope that we've been able
15 to keep up with them.

16 We'll be talking today about the central
17 GEM hypothesis and key questions that follow from the GEM
18 hypothesis. We're trying to get towards some questions
19 that will focus us and help us get to monitoring projects.
20 And we'll also talk a little bit about the program outline.

21
22 Now, Mike Roman said that the NRC had given
23 you a cartoon. Well, if that was a cartoon, this is the
24 Sunday funnies version of it. This is the -- and I'll tell
25 you what they said about it. The conceptual foundation of

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1 the GEM Program must reflect the understanding that
2 ecosystems change in response to physical and biological
3 changes and human influences. So this is a concept, this
4 is a conceptual foundation, it incorporates human factors,
5 it incorporates natural factors and it looks at physical
6 oceanography climate, habitats and what is called trophic
7 dynamics or food-web relationships.

8 Now, this is the central hypothesis that we
9 came up with. We had, as Molly mentioned, two weeks ago we
10 had an expert consultation here, we had our writers and
11 other people come in and help us. And also this takes off
12 from the NRC model of the conceptual foundation. Nearshore
13 productivity and community structure are determined by the
14 combined effects of natural forces originating offshore,
15 natural forces in the nearshore and human actions
16 throughout the region. So if you pop back to this concept,
17 we have forces offshore, oceanographic and climate changes,
18 these forces also act inshore. So these natural factors
19 certainly impact the habitats, the food-web and the abiotic
20 factors. It also changes habitats.

21 Human actions throughout the region, okay?
22 Again, looking at the sources of change in the birds, fish
23 and mammals that the GEM Program emphasizes, so human
24 actions, hunting and fishing, the action of introducing
25 species, sometimes not just species, and pollution. These

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1 act over a very geographic reference frame. So with the
2 central hypothesis we're trying to recognize -- to broaden
3 the conceptual foundation as has been suggested by the NRC
4 and by others. And we're also trying to look at how
5 effects are sometimes over great distances. We know, for
6 example, that we can see in the water temperatures here in
7 the Gulf of Alaska the effects of forces that originate in
8 eastern Australia and in the tropical Pacific. So we're
9 trying to look at all of these factors and all of these
10 effects, and this is the central hypothesis.

11 This is not meant to be specific, this is
12 meant to be very general. Commissioner Rue.

13 MR. RUE: Is there a reason you left out,
14 and maybe you didn't, the upstream stuff? Watersheds?

15 DR. MUNDY: It'll become clear that we
16 didn't leave them out, although we didn't specify them. We
17 take the watersheds, typically, as "nearshore" areas,
18 because it depends on which way you're coming from, from
19 offshore or from the head waters.

20 All right. Now, taking the conceptual
21 model that the NRC has laid out and taking it to more of a
22 geographically oriented, again, a cartoon, a graphic to
23 indicate this, I just want to walk through some of the
24 features that give you -- highlight the features and then
25 I'll let Bob talk a little bit about this. Bob and I put

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1 this together along with help from Tom Weingartner and
2 others, and you can see that one of the key features here,
3 offshore, is the Continental Shelf break, right here. Here
4 are the mountains ringing the Gulf of Alaska, particularly
5 on the east side, very influential on the climate. These
6 physical features, the Shelf and the mountains have a lot
7 to do with the productivity of birds, fish and mammals.
8 The weather systems, the Aleutian low pressure. In the
9 original document in April 2000 we talked about the PDO.
10 The PDO is just one way of measuring weather systems in the
11 Gulf of Alaska. There are many others, they all have to do
12 with the location of the Aleutian low pressure system.

13 And, of course, this wind has an effect on
14 the surface transport of plankton and the concentration of
15 plankton at the Shelf break and where that winds up has a
16 lot of implications for the food chain that travel all the
17 way into the inshore area. We notice that human
18 development along the coast is sometimes highly
19 influential, we have airborne contaminants, we have coastal
20 development, fishing, subsistence uses, sport fishing,
21 commercial fishing, recreation and tourism, in particular.
22 There are fairly complex structures here between the Alaska
23 coast current and the Alaska -- rather the Alaska current
24 and the Alaska coastal current, in particular, we think
25 that eddies are important.

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1 So those are sort of the major features and
2 forces that we see. And, Bob, would you care to add some
3 comments on that?

4 DR. SPIES: Sure. It appears that during
5 the spring bloom and the growing season in the summer that
6 the fixation of carbon, both offshore and inshore, is a key
7 feature of the productivity of the system, as one could
8 imagine. And the carbon being fixed in the upper layers of
9 the photic zone here, and we use the inshore example of the
10 food-web here, is controlled by a number of competing
11 factors, including supply of nutrients up to the surface,
12 which sustains the bloom. And then there's the turbulence
13 and physical forcing that tends to break the stratification
14 that develops in the springtime when the water warms.
15 Those things tend to compete with each other in terms of
16 the bloom. And our conceptual ideas, and those of others,
17 about how the system works, the phytoplankton certainly a
18 key part of this and physical forcing on the base of the
19 food-web is very important. Not that it explains every
20 biological phenomenon, but it kind of sets the limits for
21 what one can see in terms of productivity at higher trophic
22 levels.

23 And we know from satellite images that
24 there's a concentration offshore around the Shelf break and
25 further into the Gulf of Alaska of high concentrations of

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1 phytoplankton and zooplankton. Nobody understands in a
2 great detail all the forces involved in this productivity,
3 but it appears to be extremely important for the system.
4 If one contrasts what was known in the '60s about the
5 distribution around the Shelf break of the Gulf of Alaska
6 with what was seen in the '80s, the standing crops are much
7 larger, so certainly there's a big signal there that it's
8 probably induced by climate somehow and at the base of the
9 food-web that is of interest to us in understanding long-
10 term changes in valued species.

11 Zooplankton, we know from the SEA Program
12 and other programs and what's going on in GLOBEC now is a
13 very key component of the productivity of the system and
14 plankton has a lot to do with some large species -- the
15 zooplankton productivity has a lot to do with some large
16 species of copepods that overwinter in deep areas. In
17 Prince William Sound there's a deep area that's deep
18 enough, this group of species called neocalanus and the
19 genus neocalanus is deep enough so that they can migrate up
20 and down vertically, but also we know that there's -- well,
21 a large amount of this material has to be offshore because
22 there's very limited nearshore areas that are deep enough
23 for this overwintering. And they seem to come up at the
24 time of the bloom. And one of the conceptual ideas is the
25 timing of this -- arrival of the zooplankton to the surface

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1 to take advantage of this phytoplankton bloom and the
2 forces that I just mentioned in relations to what's driving
3 the phytoplankton bloom.

4 The next step in the pelagic food chain,
5 those other major species that eat zooplankton is the
6 forage fish, things like herring and capelin and pollock
7 and juvenile salmon are consuming zooplankton. These
8 juvenile salmon, as you know, come out of these freshwater
9 streams in the spring, take advantage of this bloom that's
10 occurring in nearshore and then migrate out offshore and
11 along the Shelf now. And it looks like, pretty much,
12 juvenile salmon are confined to the Shelf for the first
13 year and then they move further offshore later in their
14 life and make a big trip around the -- once, perhaps
15 several times, around the Alaska gyre.

16 The seabirds and the seabird colonies are
17 very good indicators of marine productivity, and people
18 have known this worldwide and they figure very prominently
19 in our understanding of long-term changes. And we've seen
20 changes in seabird populations that are quite dramatic over
21 the last 30 or 40 years, as they've been well studied and
22 it appears to be related to climate. And the ability to
23 forage fatty forage fish in particular, we know that,
24 through the APEX Program, that their food quality is a big
25 aspect of how well the seabirds produce.

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1 And, of course, there's very large fish,
2 like, halibut and cod and pollock that feed on forage fish
3 and those are fed on by marine mammals. And the detritus
4 that -- this is kind of an inefficient system and there's a
5 lot of organic matter that rains down to the bottom to feed
6 the benthic community below the photic zone. There's a
7 large of component of tritus [sic] that comes in. This may
8 well be over long time periods as well, so that's something
9 else to keep in mind.

10 And, of course, the benthic community is a
11 food resource because it utilizes the tritus [sic] and
12 recycles it back into the food-web. And we know that the
13 shrimp and crabs are a key component of interests to humans
14 in terms of seafood availability and we've seen large
15 crashes in those populations back in the mid-'70s at the
16 time that there was large and dramatic changes in physical
17 forcing in the Gulf of Alaska. So we're keeping those in
18 mind as we move forward and develop ideas about changes in
19 the system.

20 DR. MUNDY: Thanks, Bob. And I'll just
21 point out as a follow-up to Commissioner Rue's question,
22 there are linkages between the marine environments and
23 marine/terrestrial linkages are acknowledged and are part
24 of the GEM planning, particularly anadromous fish, such as
25 salmon and hooligan and others, bring carbon from the

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1 marine environment and nutrients from the marine
2 environment up into the watersheds. With the runoff we
3 change the salinity of the coastal water, but we also bring
4 down carbon which is very important in some of the coastal
5 areas, large woody debris and others, which all contribute
6 in carbonate runoff to this carbon pump out here which is a
7 major driver of the processes that govern global warming,
8 for example, and also determining productivity in the
9 surface layers here.

10 So we packed a great deal of information in
11 this diagram to point out that all of this is part of the
12 conceptual foundation, but all of this is obviously not
13 what we're looking to study. And so, to go back to the
14 kind of the non-geographic representation of the conceptual
15 foundation and point out the -- again, we have a geographic
16 representation which locates the Continental Shelf break
17 and the coastal current. And then we have a more abstract
18 concept of the conceptual foundation which talks about the
19 major drivers of birds, fish and mammals, such as
20 oceanographic and climate changes, habitat changes, hunting
21 and fishing, introduced species and pollution.

22 Okay. So, now, the question is how do we
23 get down to business, how do we take the GEM central
24 hypothesis and take questions out of that, which will get
25 us a little bit closer to the selection of monitoring

00182

1 elements for the program. And, again, we are
2 geographically -- we believe we are geographically
3 structuring the NRC diagram of the conceptual foundation.

4 Take this question. How do offshore forces
5 vary over time and interact to influence nearshore
6 productivity and community structure? Again, still not a
7 highly specific question, but if you look, you're talking
8 about offshore forces, varying over time, interacting to
9 influence nearshore productivity and community structure.
10 That's represented here in the abstract by these arrows,
11 these are nearshore and offshore forcing factors here. The
12 way in which this carbon is driven into the food chain and
13 taken up into the nearshore areas and even up into the
14 watersheds, high up in the watersheds, is critically
15 important to the agencies that make up the Trustee Council
16 and to many others.

17 Now, the second question here, how do human
18 actions influence nearshore productivity and community
19 structure? Again, human actions are symbolized here in the
20 abstract by hunting, pollution, introduced species. Human
21 actions, particularly in the coastal environments, such as
22 tourism, recreation, commercial fishing, sportsfishing,
23 airborne contaminants, development of the coastal areas.
24 How these interact to change the productivity of birds,
25 fish and mammals is also a vital part of the conceptual

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1 foundation.

2 How do natural forces in the nearshore
3 influence nearshore productivity? Again, we've looked at
4 things like freshwater runoff, airborne contaminants,
5 activities, development of coastal communities and how
6 these things may influence the productivity in the
7 nearshore environment.

8 And then, finally, what are the relative
9 roles? And this is probably the one that's plagued
10 managers in the north Pacific and particularly in the Gulf
11 of Alaska since they've been trying to manage natural
12 resources. Deciding what the relative roles of offshore
13 factors, human actions and natural forces in the nearshore
14 are in altering nearshore productivity and community
15 structure. So trying to get a handle on the relative roles
16 of things like the Aleutian low pressure system and the
17 influence of that on primary productivity and concentration
18 of food for fish and other wildlife at the Shelf break.
19 And the relative role of that versus freshwater runoff and
20 other things, other activities, human activities, that is a
21 challenge that the conceptual views as very difficult.

22 Okay. So getting down to specifics, we've
23 looked at some organizing principles to go along with the
24 gap analysis that Dede Bohn talked to you about as a way of
25 getting to some specifics. We need to have some organizing

00184

1 principles to help us make choices and we are bringing
2 these out. The first one is that synthesis, and by
3 synthesis we include things like modeling and retrospective
4 statistical analyses and using the data that we got,
5 together with the gap analysis is the pathway to monitoring
6 design. The first principle reads in whole, synthesis
7 advised by formal gap analysis will be an essential part of
8 the program. Synthesis will be used to increase
9 understanding of existing biological and physical data
10 addressing any species or process of interest. So we want
11 to emphasize that, although we talk about GEM species and
12 we have Table 1 species, that's just because there's a
13 limit to what we can write down. If something turns out to
14 be important, as suggested in a synthesis study, I don't
15 think that that organizing principle says that that is
16 exclusive.

17 Second one here, synthesis results will
18 update monitoring. That is, synthesis results will support
19 monitoring by informing sampling decisions through modeling
20 and other analyses and it will solve management problems by
21 applying data and syntheses to, directly, management
22 problems.

23 Third organizing principle, a core set of
24 measurements consistent with key questions. All right,
25 now, when we say core set we're talking about those things

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1 that are exclusively funded by the GEM Program and those
2 things that we might do in cooperation with as augmentation
3 to existing programs. A core set of measurements
4 consistent with key questions. And we say in our
5 organizing principles, activities will rely on existing
6 agency programs for biological and physical sampling, to
7 the extent possible, without incurring undue risk to the
8 continuity of time series.

9 Fourth, coordinate, cooperate with agency
10 programs. Again, we're talking about establishing a core
11 set of measurements consistent with key questions that are
12 coordinated with but not dependent on existing data
13 collection efforts.

14 Then the final organizing principle here is
15 monitor elements common to the questions, that is, core
16 measurement, syntheses and other activities will emphasize
17 these human and natural agent of change that are most
18 common among the food-webs and species of interest.

19 Now, in getting to specifics, we have
20 looked at outlining the program in terms of these four
21 areas here. Core and augmented monitoring, synthesis, data
22 management, which has been mentioned a number of times as
23 being very important, and then the science advice, public
24 involvement and other things that go along with
25 administration of the program. So core monitoring,

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1 synthesis, data management and administration.

2 Core monitoring, long-term observations
3 addressing key questions. A core set of long-term
4 measurements that complements and is nested within existing
5 observational programs. Again, that being the use and the
6 point of doing the gap analysis.

7 Now, augmented monitoring, these are
8 projects in cooperation with others, there are a number of
9 different approaches to this. You can piggy-back, at no
10 cost, to add-on observations. You can provide a financial
11 supplement to ongoing work to get the information that you
12 want. We believe that in terms of our guiding principle
13 that we should work with other programs, work with others
14 where there's a low risk of termination and a high benefit
15 from the information.

16 Now, here's an illustration of core plus
17 augmented monitoring examples. And up in the watersheds
18 where we see human factors as being relatively highly
19 important, we see one example of a monitoring gap as being
20 marine nutrients. We know that the role of marine
21 nutrients in terrestrial systems is vital and that the loss
22 of marine nutrients from these systems is a major source of
23 decline in some salmon populations, for example. And we
24 believe that these marine nutrient programs will augment or
25 fit in well with programs that are already conducted by

00187

1 other agencies to monitor water quality and contaminants in
2 these watersheds.

3 In the intertidal and nearshore, again,
4 human factors are relatively important sources of change,
5 agents of change. Looking at community structure, meaning
6 the types of species that are there and the relative
7 abundance of the species as being a gap in information in
8 terms of long-term datasets that could be filled. We see
9 existing programs, such as those of the RCACs, the National
10 Status and Trends Programs and the Partnership for
11 Interdisciplinary Investigations in the Intertidal Area,
12 PISCO, as being programs that could be augmented with
13 community structure observations.

14 Moving again in a geographically structured
15 approach which we prefer, looking at the Alaska coastal
16 current, which is everything right up to the shore from the
17 boundary. Indices of productivity seem to be a gap or a
18 lack. There are other programs, though, such as the
19 University of Alaska's Gulf of Alaska Monitoring Transect
20 and GLOBEC and many others. Then the Alaska current for
21 offshore, again, and the Alaska coastal current and the
22 Alaska current we see natural factors as coming to the
23 fore, as being relatively dominant in controlling
24 productivity. Again we see indices of productivity in
25 terms of being a major lack or gap in the long-term

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1 productivity. There are programs that are out there, the
2 National Marine Fishery Services Triennial, no, Biannual
3 Trawl Survey, the International Pacific Halibut Commission
4 now has a very extensive grid of programs on the
5 Continental Shelf doing longline surveys that provide
6 opportunity, so these are examples of core monitoring
7 programs, things that GEM might support alone for
8 relatively modest costs. And these are examples of
9 programs that might be augmented by GEM activities.

10 All right. This is the process that we're
11 looking at now or that we're asking the public and the
12 Council's advice on in terms of selecting core monitoring
13 elements. Everything starts here with the Trustee Council
14 and the Trustee Council has set the mission and goals.
15 From the mission and goals we derive the conceptual
16 foundation. We point out that we want the conceptual
17 foundation to be an open document, this is a living
18 document and will most surely change as we go through time,
19 as we learn more, this is a English language explanation of
20 how things work in the Gulf of Alaska to produce birds,
21 fish and mammals.

22 Out of the conceptual foundation we draw
23 the central hypothesis. We get a little more specific with
24 key questions, again, not highly specific, keeping these
25 things relatively broad. Then we drop into the process of

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1 using the gap analysis in conjunction with synthesis and
2 modeling, studies to actually help us select the core and
3 augmented monitoring elements. And then the feedback
4 process starts. You see this loop here because this is a
5 process of adaptive management where we're going to be
6 using the information that's developed out of the core and
7 augmented monitoring elements to inform, the synthesis,
8 modeling up here, hopefully close some gaps. This
9 information will be going up to existing programs, National
10 Marine Fishery Service, Alaska Department of Fish and Game,
11 the Ocean Carrying Capacity Study of National Marine
12 Fishery Service, GLOBEC, the Fisheries Oceanography
13 Coordinated Investigations, again, that's a NOAA program,
14 Alaska Department of Conservation and the Forest Service.
15 All of these are programs that presumably will be using the
16 information coming out of the core and augmented monitoring
17 elements.

18 There's a two-way loop here, we're hoping
19 that -- and planning that the synthesis and modeling
20 studies will be producing management tools, for example,
21 that will be important over here to agencies that do
22 natural resource management. Also this information will be
23 coming up into the public advisory process, a scientific
24 advisory process, a management advisory process and a
25 financial advisory process. All of this going back to the

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1 Trustee Council that may or may not choose to modify its
2 mission and goals. And, based on what the Trustee Council
3 is telling us, we may or may not need to modify the
4 conceptual foundation. Again, emphasize the conceptual
5 foundation is open to the public and scientific and
6 management advisory process here. Also open to change from
7 information that's coming out of the synthesis and the
8 modeling program.

9 So this is the process, this is a
10 diagrammatic of a process of getting to specific, how we
11 get from the conceptual foundation, the central hypothesis
12 and the key questions to actually select some monitoring
13 program.

14 Now, in the synthesis area, we're talking
15 about modeling and retrospective analysis. We want to
16 build on existing information. And, in particular, in the
17 monitoring arena, using modeling to advise the monitoring
18 process can save a lot of money. Knowing where to monitor
19 and how often to take your samples and so forth is a matter
20 of some expense.

21 We also see the synthesis as meeting
22 resource management needs, that is, products can come out
23 of the short-term modeling and retrospective studies that
24 should be of immediate benefit to management agencies. And
25 also answering process-oriented questions, for example, how

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1 does carbon get from the areas of high production and
2 productivity at the Shelf break in the inshore areas, or
3 does it actually get there at all. These sorts of things
4 might also be the object of short-term research.

5 Data information management. Providing
6 public access is really important. The Trustee Council
7 already has a very large body of information, we now have
8 nearly all of the final reports that were produced through
9 last fall in electronic format, they're available in PDF
10 format so if you have a need for that kind of information
11 we can make it available to you.

12 Supporting synthesis, that is, if you're
13 going to be paying people to do retrospective analysis
14 studies it's most cost effective to be able to put the data
15 in their hands in a format that they can use it, so that
16 they don't have to go to that expense every time. Quality
17 assurance and quality control, getting the data on the
18 machine in a format so that people know what it is and they
19 can trust the data, that's really important. And, of
20 course, providing data to the modelers is the same kind of
21 idea as supporting synthesis.

22 And then, finally, the last of the four
23 areas that we see in the program, science advice, public
24 involvement and administration. Coordinating, cooperating
25 and integrating our activities with other agencies has been

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1 a charge that the Trustee Council has given us from the
2 beginning. Public advisory process, such as the PAG,
3 scientific advice, such as the peer review process, public
4 information, the Web site and the many documents that the
5 Trustee Council produces and makes available to the public.
6 Grants administration, actually selecting the projects that
7 we do. And then public information and involvement.

8 So with that, this is sort of a larger view
9 of the process than I've given you, this is an overall view
10 that's developing here about how the Trustee Council will
11 originate ideas and action and how these ideas and actions
12 will work down to a core monitoring program and then back
13 up to the public and to the Trustee Council in a cycle that
14 will lead to a GEM Program.

15 Bob, this is your.....

16 DR. SPIES: Oh, okay. Well, it says about
17 the same thing that you said in your other diagrams, so
18 it's essentially an adaptive management approach is what it
19 is, where the key hypothesis and conceptual model we see
20 very much as being modified over time as we understand more
21 and more about the system. And as we understand more and
22 more about the system, those ideas about how the system is
23 wired up and works, how bird, fish and mammals are produced
24 in the Gulf of Alaska becomes more and more useful to
25 resource managers and the public and feeds back into the

00193

1 ecosystem goals. And so we have this core monitoring that
2 produces core measurements and is supplemented then by
3 short-term research that also takes place within the
4 program. Those two together are, I think, as important.

5 The initial of data management and making
6 sure that the data are useable and available to all those
7 who need them and then we support a large component of
8 synthesis, assessment and evaluation and then feeding back,
9 again, both to the conceptual model and to the key
10 hypothesis about how the system works and how it responds
11 to various forcing factors, both natural and anthropogenic.
12 And so this is kind of a loop of how we get smarter about
13 how the system works.

14 DR. MUNDY: So, Mr. Chairman, that's our
15 presentation. Thank you.

16 CHAIRMAN BALSIGER: Thank you. Any
17 questions or comments?

18 MR. ALLEN: Mr. Chairman.

19 CHAIRMAN BALSIGER: Mr. Allen.

20 MR. ALLEN: Yeah, I've got one question. I
21 noticed there were a lot of places where public involvement
22 was addressed, and obviously we've got the Public Advisory
23 Group here, but there was one person who testified during
24 public testimony, I'm not sure I remember her name but.....

25 MS. McCAMMON: Patty Brown-Schwalenberg.

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1 MR. ALLEN: Yeah. She seemed to be raising
2 some concern about -- she described the status quo, and
3 maybe it's just that I don't have good feel for the history
4 here, but she seemed to be suggesting, I guess, that the
5 PAG was not a sufficient vehicle for public involvement as
6 we move ahead with this GEM process. And I guess I'm
7 curious to know maybe a little bit about the -- if there is
8 a history associated with that. Is that an anomaly, that
9 particular comment? Or maybe it's best to describe --
10 other than the Public Advisory Group, how are we going to
11 engage the larger public as we move ahead with GEM? I
12 don't know who to answer that question, is that you, Molly
13 or if it's Phil, whoever?

14 MS. McCAMMON: Well, I can speak to that.
15 Patty is Director of Chugach Regional Resources Commission,
16 which has a contract with the Trustee Council to provide
17 community involvement. And through that program we have a
18 full-time person, a community involvement coordinator,
19 Sarah Ward, who.....

20 UNIDENTIFIED VOICE: She stepped out.

21 MS. McCAMMON: She stepped out, she's very
22 pregnant at the moment. And a set of community
23 facilitators in a number of communities. And when we
24 started the program a number of years back it was because
25 people in the villages did not feel like they'd had a voice

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1 in either planning, reviewing and participating in the
2 program that the Trustee Council had. And so the goal of
3 this program was to get people at the village level
4 involved as partners in a number of these projects. Part
5 of the problem, I think, over time has been, first of all,
6 that when we started this program that it was at -- a
7 number of projects were already kind of in the water and
8 underway. A number of the projects we were doing don't
9 lend themselves to community-type participation.

10 MR. ALLEN: You're talking now about the
11 larger EVOS Program, not just.....

12 MS. McCAMMON: The larger, you know, Oil
13 Spill Restoration Program.

14 MR. ALLEN: Right.

15 MS. McCAMMON: For example, I mean, if
16 you're doing a laboratory and a bunch of fatty acid work
17 it's not something that you can really have community
18 participation in. And a lot of our projects were also
19 closing out over time. So we had some success, I think, in
20 community involvement, the Harbor Seal Biosampling Program,
21 I think is a really good success story. Our Youth Area
22 Watch Program with young kids, I think, is a success story
23 in terms of community involvement. There have been a
24 number of these.

25 But a couple of years ago, especially in

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1 March of '99, when the Council decided to set up this long-
2 term endowment, they kind of switched their focus and
3 attention and a lot of the village communities made a
4 request to the Council to take \$20,000,000 of that
5 endowment money, set it up specifically for community-based
6 projects, community monitoring, and that be the focus. The
7 Council has not taken action on the request. At that time
8 the Council directed me to go forth and do a plan for what
9 needed to be done and then see if it was appropriate to do
10 any kind of a community set-aside or whether it was
11 something that was integrated into the overall program.

12 Since that time the villages have been
13 embarking under a pretty broad natural resource management
14 planning process to develop their own natural management
15 plans, working with Forest Service, Park Service, the State
16 and others, and looking at things much broader than what
17 we're looking at. They're looking at, you know, deer
18 populations, bear populations, potential impacts to the
19 communities. What's important to them, what do they need
20 to know to have more control over the resources that are
21 important to them. From that planning process, then, to
22 see what kinds of things through our planning process we
23 need to know at a community/local level and see where
24 there's overlaps so that could develop some kind of a more
25 localized community monitoring that feeds into the kinds of

00197

1 things we're looking at, but that answer questions that are
2 important to them, plus looking at things from a broader
3 scale.

4 So we're kind of at that planning process
5 now, it's at a real preliminary planning process. But I
6 think Patty's comments were -- the concern was a pot of
7 money that they felt they had a much stronger control over
8 has been expressed as an important concern to a number of
9 people. And then also, actually, being implementers, not
10 just being involved in reviewing and helping to plan, but
11 actually being a project that actually implements things.
12 But it's at a very preliminary planning stage.

13 Does that answer your question?

14 MR. ALLEN: I guess my question was more
15 along the lines as we move ahead with GEM. How is her
16 concern being addressed in the way with public involvement
17 in the GEM process specifically? Is it through the Public
18 Advisory Group, are they the principal instrument or are
19 there other public involvement vehicles that we're using as
20 we move ahead with this?

21 MS. McCAMMON: No, this is kind of a
22 historical process and there are a number of Public
23 Advisory Group members here who this is their first meeting
24 they've been to, basically, so -- and we're doing an
25 orientation tomorrow, so they'll get the scoop tomorrow on

00198

1 this. The Trustee Council, historically, has not viewed
2 the Public Advisory Group as the only source of public
3 involvement and public advice. It is a significant source
4 of public involvement and public advice and they have
5 actually looked to the PAG for a lot of that, but we also
6 have other avenues. We go directly to communities,
7 particularly Native villages, through our community
8 involvement project. We also have meetings that are not
9 sponsored by the Public Advisory Group, but that are
10 sponsored by the Trustee Council, by the Restoration
11 Office. And so there are lots of ways of doing community
12 involvement.

13 But I think in this document there's a very
14 strong statement in here that having the communities
15 involved in stewardship of their resources is one of the
16 ultimate signs of restoration of the oil spill area. That
17 it is crucial to long-term conservation and stewardship
18 that local people be involved. And, you know, through this
19 -- this is all kind of new kinds of things in a lot of
20 ways, just developing a program like this and we've had
21 some success over the last seven years in a few things and,
22 you know, some other things we haven't done so well on and
23 it's a continually evolving process.

24 CHAIRMAN BALSIGER: But it's certainly
25 possible that there will be several community-based

00199

1 monitoring projects that are significant, crucial parts of
2 the GEM Program when we get down to specific projects at
3 some point.

4 MS. McCAMMON: Yes, yes.

5 CHAIRMAN BALSIGER: Okay.

6 MR. RUE: And following up on that, will
7 the program and then the plan have that fleshed out, any
8 changes, whatever or we're going to continue with what we
9 got?

10 MS. McCAMMON: I.....

11 MR. RUE: I mean, the next iteration,
12 taking what we saw on the screen to the next paper copy,
13 will there be proposals?

14 MS. McCAMMON: More detail.

15 MR. RUE: Well, obviously will be more
16 detail, but there may be proposals to enhance change --
17 what we're doing now, right?

18 MS. McCAMMON: Yes.

19 MR. RUE: Right, okay. So we'll kind of
20 get a better look at that when, June? Isn't that what you
21 promised?

22 MS. McCAMMON: May.

23 MR. RUE: May.

24 MS. McCAMMON: May, a draft.

25 MR. RUE: Okay.

00200

1 CHAIRMAN BALSIGER: Dr. Roman.

2 MR. ROMAN: Mr. Chairman, at our two
3 meetings in Anchorage we heard from various citizen groups
4 and they expressed a desire to have some voice in the
5 planning process. In other words, I think, there was some
6 concern of launching out on a study that had no relevance
7 to the things that we're interested in. You know, this is
8 a strong arm, but we just created this kind of structure
9 that was in the document to, I guess, meet some the
10 concerns that were expressed. But what is the role, right
11 now, of the Public Advisory Group? They advise the
12 Trustees on issues that they think are important?

13 CHAIRMAN BALSIGER: And, I think, issues
14 that we think are important.....

15 MR. ROMAN: Right.

16 CHAIRMAN BALSIGER:we ask their
17 advice on as well.

18 MR. ROMAN: Right, there's a give and take.

19 CHAIRMAN BALSIGER: Perhaps someone.....

20 MS. McCAMMON: On the overall -- on the
21 program, yeah. So they comment on all aspects of the
22 program, whether it's habitat protection activities, which
23 aren't a significant part of the program right now, to Work
24 Plan activities, to any major issues, to the decision on
25 how to use the Restoration Reserve funds, all aspects of

00201

1 the program.

2 MR. ROMAN: Yeah.

3 CHAIRMAN BALSIGER: Incidentally, I am
4 obligated to tell you that we had a public session this
5 morning at which people on the telephone asked me to
6 indicate to you that they're still interested in providing
7 public comments to whatever your process is going to be.
8 So I promised to relay that to you.

9 MR. MEACHAM: And I think that gentleman
10 might be in the audience here.

11 MR. ADAMS: Right here.

12 MR. RUE: He got in from Cordova, that was
13 amazing.

14 MR. ADAMS: Ken Adams, Cordova.

15 CHAIRMAN BALSIGER: And, Mr. Hull, at the
16 end of the table had a comment.

17 MR. HULL: Just to add to what Molly said.
18 I think the Public Advisory Group has provided more of an
19 informal review and input to the process. And we don't act
20 formally, we've rarely taken votes on issues and made
21 specific motions, but we discuss all the issues and
22 decision-making that the Trustees have to do and they get
23 good sound input from us that way, so a little further
24 information on that.

25 I guess I had a question, since we're on

00202

1 the subject of public involvement. My impression from the
2 presentation is that you haven't completely incorporated
3 the NRC's recommendations on public involvement, but that
4 that's -- probably that will fall out later as the
5 conceptual foundation and everything else that goes along
6 with it is confirmed and approved. Is that a correct
7 assessment?

8 MS. McCAMMON: In terms of the structure?

9 MR. HULL: The structure. The NRC had some
10 pretty specific recommendations about public involvement
11 and at what levels, which are significantly different than
12 the way we act right now.

13 MS. McCAMMON: Right.

14 MR. HULL: And those were not -- I didn't
15 see those in any further detail here, and my impression is
16 that that will come later; is that correct?

17 MS. McCAMMON: Right. And there were a
18 number of items that were identified in this interim report
19 involving administrative structure, kind of organizing --
20 this whole concept of having these three advisory groups.
21 You know, how we deal with data management. There are a
22 number of administrative things that are big issues that we
23 know we need to address. We've thought about them, but
24 they don't directly affect development of the actual plan
25 and hypotheses. They are key to how you end up

00203

1 implementing it, so they need to be addressed and will be,
2 but we haven't -- we've kind of looked through it and we've
3 done a little triage here in terms of, okay, what do we
4 need to actually address in the next month or two months,
5 and we kind of set aside a few things. But that's one of
6 the things the Public Advisory Group is meeting tomorrow
7 afternoon and will be talking about and setting some goals
8 and priorities for the PAG's work for the next two years
9 also. And so that will be part of the discussion.

10 MR. HULL: Okay, thank you. And just one
11 last question. Is this presentation the product of the two
12 days of meetings the previous week, last week?

13 MS. McCAMMON: Right.

14 DR. MUNDY: In part, yes.

15 MR. HULL: Okay, thank you.

16 CHAIRMAN BALSIGER: And just to inform the
17 members of the National Research Committee, here, this is
18 only a very small subset of the PAG.

19 MS. McCAMMON: There's 17.

20 CHAIRMAN BALSIGER: Right, thank you.

21 Let's see, Mr. Rue is next.

22 MR. RUE: I guess I would ask Mike and Don,
23 since we won't have you all week or month, your reaction
24 to.....

25 MS. McCAMMON: We can't?

00204

1 (Laughter)

2 MR. RUE: I guess we could. Your reaction
3 to how Phil and Bob and Molly took your advice and what you
4 think??

5 MR. ROMAN: I thought it was very good. I
6 think it addressed most of the concerns that the committee
7 had in terms of having, you know, conceptual framework and
8 how you break it out and see kind of the layers of the
9 onion getting peeled back and then also the step-wise
10 nature of a synthesis analysis and gaps and then you do
11 this and then you do that, is a logical way to proceed
12 rather than, you know, full speed ahead and let's start
13 collecting stuff, just because we want to do it. In other
14 words, I think that it's the logical and most effective way
15 to spend time in the next few months getting a good plan
16 together.

17 CHAIRMAN BALSIGER: I think Mr. Huber was
18 next.

19 MR. HUBER: I'm one of the new guys on the
20 PAG that can shed no light on how the PAG operates, but I
21 can tell you outside of that, I think that the staff has
22 gone to great lengths to try to offer other opportunities
23 for public involvement. I've received drafts of every
24 version of GEM from beginning to end. I serve on the Kenai
25 River Special Management Agency Board and we were

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1 benefitted by a presentation from Molly and Phil over a
2 year ago, now, of where they were in the process. The
3 public is also receiving proposal books, asking for
4 proposals, asking for comments on proposals that are
5 received, so it looks like there's a number -- as NRC
6 suggested, there needs to be public involvement on a number
7 of levels. I would suggest that a lot of that is occurring
8 currently.

9 CHAIRMAN BALSIGER: Mr. Meacham.

10 MR. MEACHAM: Yeah, I would comment that
11 I'm a PAG member here for a couple of sessions, but I think
12 some of the frustrations that were voiced previously relate
13 to a major concern on some of the small communities in the
14 oil-affected area because of what they saw as a real
15 difficulty and a challenge of building themselves into the
16 process. And, you know, they have good idea, they have
17 obviously lots of experience out on the ground, far better
18 than any of those of us, you know, sitting around the table
19 here. But in terms of making the system work and preparing
20 proposals for projects, responding, things like that, just
21 very difficult, very difficult. But the community
22 development or the Area -- what do you call it?

23 MS. McCAMMON: Youth Area Watch.

24 MR. MEACHAM: The Youth Area Watch and the
25 community development coordinators that have been on board

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1 for the last number of years, I think, have helped in that
2 regard. There's still lots of room for improvement.

3 With regard to the idea of a portion of
4 funding being set aside for local communities to
5 administer, I know my recollection of that discussion
6 within the PAG was that most people felt it would be better
7 to have a program that integrated them rather than just
8 taking a piece and giving it away for administration and
9 doing things. That, in fact, if we were successful in
10 improving our efforts to interact with the local
11 communities, it might well be the case that, you know, far
12 in excess of \$20,000,000 of activities would be taking
13 place that they wanted to see done and that they were,
14 somehow, a part of. And so that's my recollection of the
15 PAG discussion of that topic.

16 I would have a question, though, for
17 probably Molly is the best able to answer that. But within
18 this document on page 19, there's a Program Advisory
19 Committee, and the first few sentences of that looked to me
20 like the current operation Public Advisory Group, is that
21 the case? Would that be the place, you know, within this
22 document that we would find ourselves or not necessarily?

23 MS. McCAMMON: I don't know. I had a
24 number of questions about the model here. A lot of it is
25 having multiple committees because of the associated costs

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1 with them for a relatively small program. How engaged can
2 you get all these various groups and, you know, what do
3 they gain for the program and are there other ways of
4 getting this kind of input without having formal advisory
5 committees. And so I looked at that and I really haven't
6 -- I'd like to hear from others and think about it a little
7 bit more and look in more detail at that.

8 MR. MEACHAM: We'll be getting into this
9 more as a Public Advisory Group here tomorrow as well, but
10 in the past we have looked at, you know, what would our
11 future be or not be as GEM develops into a full-blown
12 program and it may very well be that the Public Advisory
13 Group comes up with a suggestion, recommendation that we
14 disband and perhaps reformatted in a different fashion.
15 And those are some of the things that we'll be doing.

16 MR. GIBBONS: Mr. Chairman.

17 CHAIRMAN BALSIGER: Mr. Gibbons.

18 MR. GIBBONS: Maybe a question for Bob and
19 Phil. The committee recommends that primary view is it
20 initially begin with Prince William Sound. I know
21 nutrients are brought in from the currents. What's your
22 advice on kind of a step-wise process to bigger geographic
23 areas or -- because I saw your slide which incorporated the
24 Continental Shelf and all the rest of the stuff?

25 DR. MUNDY: Well, I think that building on

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1 experience, building on existing datasets is really
2 important and that's certainly something that we've got in
3 the draft that we're definitely heading towards. Though as
4 we take sort of an ecosystem approach and we look at the
5 forcing factors, particularly human forcing factors that
6 may be important and may be of interest to the agencies, I
7 think we need to look at all the options in the oil spill-
8 affected area. Some of the watersheds, for example, that
9 are just heavily pronged to human action, human activity,
10 within the oil spill-affected area are not in Prince
11 William Sound. Nonetheless, some of the intertidal areas
12 that are the most prone to using human forcing factors, as
13 a continuing example, are, in fact, in Prince William
14 Sound. So I think that the advice to build on our
15 strengths and to build on existing datasets because we are
16 looking to build long time series of information within
17 Prince William Sound is a good piece of advice.

18 Nonetheless, we are taking an ecosystem
19 approach and we are looking at the options within the oil
20 spill-affected area to get the best amount of information
21 for our dollar and to fit in best. With understanding that
22 questions are important, we may need, indeed, to range
23 outside of Prince William Sound. When that will happen is
24 a matter for implementation and a matter for -- you know,
25 in my mind, a matter for the process to answer, I couldn't

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1 answer that right now.

2 CHAIRMAN BALSIGER: Mr. Rue.

3 MR. RUE: Molly, I have a process question.

4 How do you plan to move us from here to there, particularly
5 the Trustee Council?

6 MS. McCAMMON: Getting you alone, one by
7 one.

8 (Laughter)

9 MR. RUE: Oh, pick us off when we're weak.

10 MS. McCAMMON: Pick you off.

11 MR. RUE: When we're weak and tired. All
12 right, okay, that's what I thought.

13 (Laughter)

14 MR. RUE: You said you had a writing
15 committee, we've got.....

16 MS. McCAMMON: We have a writing -- I mean,
17 what we have now are all the pieces of a new scientific
18 background, which actually wasn't in that diagram up there,
19 which kind of reflects the current scientific understanding
20 of the Gulf. When it kind of all gets mushed together we
21 get a good executive summary, but it really has all the
22 pieces to form that, which, I think, will be one of the
23 products that we want to produce on a semi-regular basis,
24 which is kind of a state of the Gulf report. Here's what
25 we currently know about the system and about the species of

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1 most importance and concern to people. So we have the
2 pieces of that, there needs to be serious editing. And lot
3 of it has been peer reviewed already, but it needs just to
4 be massaged and put together finally.

5 We have a revised conceptual foundation,
6 conceptual model. That's in draft form, that needs a
7 little bit of work. We're working on kind of the hypotheses
8 and all. And the questions and the hypotheses and the
9 major components. We started a couple of weeks ago with
10 the writing team, we took that to the next level of getting
11 some invited people just to provide some different
12 perspective and different input. What we have to do now is
13 write the next draft of the plan and put it actually into a
14 document and get that distributed and have more input into
15 it and, hopefully, present it to you in very rough draft
16 form around early May. If it's conceptually in the right
17 line of thinking, then we would spend the next month
18 polishing it up and getting it ready. And it's still going
19 to be in a fairly somewhat rough format by the time it goes
20 to the NRC for review.

21 MR. RUE: Okay.

22 MS. McCAMMON: Now, if we can't do that,
23 then everything is postponed probably until fall, which,
24 you know, we have to let these guys know right away so they
25 can start making their summer plans and their committee

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1 plans.

2 CHAIRMAN BALSIGER: I had a question
3 similar to the Commissioner's and it was the one that, I
4 believe, Mr. Meacham brought up. When will the decision be
5 made -- how will you go forward on these several advisory
6 committees that are recommended? Will we be able to look
7 at the cost of that? Absolutely we have to have public
8 involvement and we have to scientific credibility and, I
9 believe, the suggestion was that other large resource
10 programs of this nature have such a structure. I was
11 wondering are there other programs with this many dollars
12 in it; is there a rule of thumb on much you spend on these
13 kinds of committees, stuff like that?

14 MR. ROMAN: Well, there are two things that
15 are different. One, most of these committees, although Don
16 will speak to a different program, don't involve kind of
17 public participation and so it's been a kind of scientific
18 advisory committee and oftentimes -- all of the cases that
19 I know of, they aren't paid. You know the travel is paid
20 but, you know, they're not -- they don't get per diem, you
21 know, like we get for the National Academy, so they're just
22 basically interested in the science and interested in
23 helping out. A number of programs, I know EPA pays teams
24 of reviewers to come in and review these proposal, as
25 you've done.

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1 But this is intended to be a straw man, in
2 other words, we've seen this work in other cases, it may or
3 may not fit your needs, you know, as you look at this.....

4 MS. McCAMMON: Right.

5 CHAIRMAN BALSIGER: Uh-huh.

6 MR. ROMAN:but it's just kind of
7 guiding principles, that's all.

8 CHAIRMAN BALSIGER: Well, my question was
9 like Frank's, how do we move forward on that and make those
10 decisions? Are we close to making those or does that come
11 after the GEM model is more fleshed out?

12 MS. McCAMMON: I think the main goal right
13 now is to get the draft monitoring and research plan, which
14 includes the scientific background, the conceptual
15 foundation, key questions, hypotheses and the key elements,
16 not completely fleshed out, but at least the key elements
17 of a monitoring program. Get that in draft form and under
18 review. While that's being reviewed then we start tackling
19 the other longer-term questions of organizational
20 structure, public advice, scientific advice, how do we do
21 our peer review. We have a fairly expensive paid peer
22 review process, can we get that so it's less expensive but
23 still responsive? And those, probably, a year to two years
24 process for deciding those organizational things.

25 CHAIRMAN BALSIGER: I see. Thank you.

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1 Council members, PAG, further questions?

2 (No audible response)

3 CHAIRMAN BALSIGER: Well, it was quite
4 enlightening to me. I think we made remarkable progress on
5 this from the draft that I saw, which might have been the
6 second draft that was done, so my compliments to the chef.

7 MR. RUE: I agree, very good, it's helpful.

8 CHAIRMAN BALSIGER: Do you need action or
9 recommendations for this to move forward or is it enough to
10 acknowledge that things are going in the right direction?

11 MS. McCAMMON: Just, I guess, keep working.

12 MR. RUE: I think it's -- yeah, yeah,
13 right. It's encouragement at this point and fortitude. On
14 our part because she's going to pick us off.

15 (Indiscernible comments - laughter)

16 MS. McCAMMON: It's probably going to be
17 both, inevitably.

18 CHAIRMAN BALSIGER: The number seven item
19 on the agenda was open discussion on the GEM, is this what
20 were doing or were you anticipating.....

21 MS. McCAMMON: This is it, no, this is it.

22 CHAIRMAN BALSIGER:free for all --

23 oh, okay.

24 MR. RUE: Folks on the PAG feel it's a good
25 -- we're going the right direction?

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1 PAG: (Various nods in the affirmative)

2 MR. RUE: Good. Great. Oh, you know, we
3 almost slipped by.

4 CHAIRMAN BALSIGER: Dan.

5 MR. RUE: Sorry, Mr. Chair.

6 MR. HULL: Rather than nodding, I'll say it
7 verbally, I think it's going the right direction and I'm
8 very pleased with the review by the NRC and I'd like to get
9 a copy of what Phil and Bob just presented so -- and maybe
10 have a little more discussion with them and others later
11 on. My impression is that they incorporated the comments
12 of the NRC and they continue to listen to us, the users and
13 the stakeholders and so I'm very pleased.

14 MR. RUE: And I think one of the other
15 exciting issues that has been brought up, I think NRC
16 raised it, too, was the -- besides the database
17 coordination and some of the science, like the annual -- we
18 do it now, but the annual workshop. There's also sort of
19 the logistics coordination that I think goes on some now
20 between the university and National Marine Fishery Service
21 that may all have platforms out there. I was talking to
22 Chris Blackburn during the break, if fishermen are out
23 there, there may be some platforms of convenience, it could
24 be sort of a logistics process that we could help
25 facilitate for research. Some of it's already going on

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1 with major researchers.

2 And I thought, was it Don, I can't remember
3 what I read about it, but the society in Canada fishermen
4 and the researchers?

5 MR. BOWEN: Uh-huh.

6 MR. RUE: And they sort of put together a
7 plan where the fishermen were helping out in the research.
8 And that also gets to the communities. So I think that's
9 some of the future structural and organizational things
10 that could be real fun to try -- and interesting to work
11 out, particularly as the North Pacific Research Board
12 begins its efforts. It's got an endowment and it's going
13 to be grappling with a lot of these same questions. I
14 think we have some real opportunities here.

15 I'd be curious how that -- if we have a few
16 minutes, how that research society in Canada worked, was
17 that your writing?

18 MR. BOWEN: No, it was the brainchild of a
19 couple of, I guess, fishermen and receptive biologists
20 about 12 years ago. And we -- well, just to step back.
21 Our process in Eastern Canada for doing stock assessments
22 for fin fish was pretty much a closed shop, that is,
23 scientists got together and said how many fish there were
24 and then told the users how much they could catch. And
25 that was a model that didn't work very well. And so

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1 gradually we changed and starting about, well, I guess
2 almost 12 years ago.

3 We initially started just by involving
4 fishermen or fishermen's representatives at our stock
5 assessment meetings. So it was an open process that they
6 could understand how we use the information and what kind
7 of information we use. And it grew from there when they
8 would bring observations to the table, particularly in the
9 inshore area, which, in our waters, our research trawlers
10 can't go into because we don't know those waters well
11 enough and every time we go into them we tear up our nets.
12 So we don't survey some of the inshore habitat for a lot of
13 the commercial fisheries that -- fishes that are being
14 harvested. And so over time the idea emerged that a group
15 of -- sort of a receptive group of inshore fishermen said,
16 well, we know those waters, we can fish there.

17 So the society originally grew out of the
18 idea that we could extend and complement our offshore
19 surveys of resource abundance into this inshore areas that
20 the fishermen knew much better than we did and we would do
21 an area of overlap so that we could ground truth both
22 methods of fishing. And this has done a couple of things,
23 one, it increased confidence on both sides for the
24 knowledge that each of these users, in a sense, could bring
25 to the table. It also gave the fishermen much more

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1 confidence in our surveys because they were catching the
2 same fish we were in areas of overlap and getting the same
3 size frequency distributions and things that were sort of
4 common metrics that people could understand.

5 And then that grew over a period of years
6 to a point now where fishermen are making oceanographic
7 measurements for us on a regular basis in places that we
8 can't afford to do it. They're getting involved in tagging
9 fish, invertebrates, doing stomach contents analysis for
10 fish food habit work. There's a whole variety of things
11 that really extended our ability to, particularly in this
12 inshore area, to investigate a whole range of problems on
13 the sort of spatial/temporal scales that we could just
14 never dream of doing at this part of our fisheries ocean.
15 So this is something that has turned out to be really a
16 good thing for us and it's -- although this one
17 organization pretty much lives along the Nova Scotia coast,
18 there are similar organizations that are developing in the
19 Gulf of St. Lawrence and elsewhere.

20 And it's turned out to be a nice model
21 because those scientists and fishermen sit down and say,
22 okay, what can we each bring to this problem? What are
23 some of the important issues in terms of resource
24 abundance? And here's what we can do. Scientists will
25 still, perhaps, frame the broader questions, in some cases,

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1 but not all, but then they sit down and say, how can we get
2 at some of these questions using our sort of combined
3 resources? So this has turned out to be very good thing
4 for us and it's growing. We now have an annual meeting of
5 the society of over 300 fishermen and academics and
6 resource managers and fishery scientists and about 400
7 people come to this meeting now and it's a major event.
8 And so this is something that's grown, but it took a long
9 time, it took probably five or six years before it really
10 started to generate enough heat that it was self-
11 sustaining.

12 MR. RUE: I also like the word society
13 rather than committee, kind of a nice Canadian way of doing
14 things, I like that.

15 MR. ROMAN: Mr. Chairman, may I?

16 CHAIRMAN BALSIGER: Yes.

17 MR. ROMAN: Do the fishermen receive any
18 kind of funds for doing this or is all volunteer?

19 MR. BOWEN: Most of it is volunteer. There
20 is some funds that go into some of the research projects to
21 pay costs. And we do -- or we have trained technicians to
22 do food habit analysis research work and they're paid as
23 employees of the society. So it's a mixture, but a lot of
24 the effort is volunteer.

25 CHAIRMAN BALSIGER: Dr. Spies.

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1 DR. SPIES: It seems to me that building
2 these alliances either between the GEM Program and existing
3 agency programs or new programs and citizen participation
4 takes time and it takes effort.

5 MR. BOWEN: Exactly.

6 DR. SPIES: And it's not simple to do and
7 to get everything going is going to take time, so given
8 that, would you recommend, as we've heard from many people,
9 that we think about starting off with a small set of very
10 fundamental measurements that we know that we're going to
11 want in the long term at particular places and then build
12 on such a program?

13 MR. BOWEN: Yeah, I think so. Yeah, the
14 extent of community involvement will obviously depend
15 somewhat on what, you know, they have to offer and what's
16 required. But also what, you know, issues that are
17 important to them that they can contribute to. So, yeah, I
18 think -- these programs are very difficult to get going and
19 it takes a lot of commitment, usually by a very small
20 number of people until, you know, people sort of buy into
21 it and say, yeah, this is useful. But it's going to take
22 years, which is why, I think, we were suggesting it would
23 be a useful thing to start now.

24 CHAIRMAN BALSIGER: Question over here, Ms.
25 Studebaker.

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1 MS. STUDEBAKER: Is traditional ecological
2 knowledge a component of the society?

3 MR. BOWEN: Yeah, it is. One of the
4 projects that was undertaken fairly early on was mapping
5 spawning areas of cod inshore and that was done, basically,
6 in an interview process, a mixture of fishermen and
7 biologists going around and talking to people and asking
8 them where cod used to spawn. And producing maps and how
9 those spawning areas may have changed over time. So that's
10 just one example, but that kind of thing is part of the
11 work that's.....

12 CHAIRMAN BALSIGER: Anything else, any more
13 questions? Yes.

14 MS. VLASOFF: At the last PAG meeting we
15 discussed a need for outreach to the communities on current
16 information and I've been talking with the Chugach region
17 about developing new communication outreach models in
18 regard to the Internet, newsletters, Web pages, things like
19 that. Not all the communities have Internet access, but
20 most of them do, so I was talking with Christine Salantro
21 (ph) about developing a project where we can make sure that
22 -- get maybe a communication expert to come into each
23 community and see what it would take to make [sic] everyone
24 up and get information out to them in a timely way so that
25 they can have access to information, like research or

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1 whatever, and I think that will increase that knowledge
2 that people are asking for out in the communities. So
3 there's ways of partnering with what's going on with the
4 Trustee Council, so that we can get the information out and
5 receive the information back from the communities.

6 CHAIRMAN BALSIGER: Thank you. Any other
7 business or anything that we need to do today?

8 MS. McCAMMON: Other than to let you know
9 where dinner is tonight. Dinner is at 5:30, Captain Cook,
10 10th floor, Club Room 2.

11 MR. RUE: Boy, that was quick.

12 MR. ALLEN: 5:30, Captain Cook.

13 MS. McCAMMON: 5:30, Captain Cook, Club
14 Room 2.

15 (Multiple simultaneous comments on
16 location)

17 MS. McCAMMON: And the dinner is for the
18 Trustee Council and the Public Advisory Group and I think
19 everybody has RSVP'd. And it's at 5:30, but dinner will
20 actually be served at 6:30, so there's a little social time
21 beforehand. And I didn't know if some Juneau folks were
22 trying to make it back tonight or not.

23 MR. RUE: Yes.

24 MS. McCAMMON: Yeah, which is why I did it
25 on the early side.

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1 CHAIRMAN BALSIGER: Are we really having
2 Atlantic Halibut?

3 (Laughter)

4 MS. McCAMMON: I ordered steak, I'm sorry,
5 I ordered steak.

6 MR. RUE: No, farmed salmon.

7 UNIDENTIFIED VOICE: Chili and farmed
8 salmon.

9 MR. RUE: Whoever eats it, dies.

10 MS. McCAMMON: And then the Public Advisory
11 Group meets at 9:00 o'clock tomorrow morning and we do have
12 bagels here tomorrow morning and coffee, so.....

13 MR. RUE: I move we adjourn.

14 CHAIRMAN BALSIGER: Okay, we have a comment
15 from the audience. It's probably irregular, but I guess
16 since I don't know any better, I'll ask. Yes, please, what
17 is your comment?

18 MR. ADAMS: First comes the question.

19 First off, this part of the agenda was billed as open
20 discussion of GEM. Open implies not necessarily to being a
21 member of the PAG or the Trustee Council. If that's the
22 case, then I think it should be opened to the public, then
23 I can comment.

24 CHAIRMAN BALSIGER: That's sort of the
25 reason I asked you what were we doing in the open

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1 discussion.

2 MS. McCAMMON: I thought open discussion
3 meant just on the whole concept of GEM among the Trustee
4 Council and the Public Advisory Group, but it's
5 certainly.....

6 CHAIRMAN BALSIGER: I think that we had
7 interpreted open to mean that we weren't talking about the
8 yellow document or the slide show, but it was just sort of
9 the people at the table discussing openly any parts of GEM.
10 And that's why I wanted to clear that up before we ruled it
11 out.

12 MS. McCAMMON: Yeah.

13 CHAIRMAN BALSIGER: Let's see, this group
14 has tried quite hard, I think, to include as much public
15 comment as we could and I don't think that there's any
16 effort to try to not include your comment or a more broad,
17 open, discussion in the community, so if you feel that
18 that's not occurred, we probably should probably work on a
19 way to make certain that we get that comment included.

20 Commissioner, you had a comment.

21 MR. RUE: I guess I'd be concerned if we ad
22 hoc, open it up to a discussion without a lot of people
23 knowing we were going to do it. I think that's also unfair
24 to folks, so.....

25 CHAIRMAN BALSIGER: That's sort of where I

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1 was going by saying I need to arrange some way to make
2 certain that the public at large believes they had ample
3 opportunity. And perhaps we can ask Molly's group to
4 figure out a way to make certain the community feels they
5 have done that.

6 And, if you bought an airplane ticket from
7 Cordova with the expectation, perhaps -- and you had a
8 statement to make, we could certainly hear that now.

9 MR. ADAMS: I thank you for the
10 opportunity. I sat for two hours in a plane waiting to
11 take off because of bad weather in Cordova and my
12 interpretation of the agenda was that this would be an open
13 discussion. And, I guess, we need this clarification.

14 My comments are based on the NRC review. I
15 want to say when I read that review I was very heartened by
16 every comment that was included in that presentation. I
17 thought it brought some fresh air into the process. I
18 thought that -- there are too many important issues here in
19 development of GEM that needed to be discussed and were not
20 being discussed. And the NRC recommendations brought some
21 of these points forward.

22 I was glad to hear Mr. Hull, at the other
23 end of the table, saying that the staff needs to
24 incorporate NRC recommendations, I'm heartened to hear
25 that, because if the NRC goes through their duties and

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1 their charges of making recommendations, reviewing GEM, in
2 effect giving a peer review to GEM, and if the
3 recommendations are not acted upon, in effect, you have a
4 travesty.

5 I think the intentions were good, I think
6 it was wise for the Trustee Council to advance GEM for a
7 squeaky-clean review of the NRC. And I just urge you all
8 to pay the deepest attention to the recommendations and try
9 your best to incorporate into a GEM that will be of benefit
10 to residents of the spill-impacted area and that we don't,
11 in effect, have an academic plan that has little
12 ramifications for management, though implications for
13 management, and consequently has little value to the
14 inshore resources and the people who depend upon those
15 resources. Because what I have seen from 1997 up to just
16 recently is a program that appears to be driven by an
17 offshore focus. Offshore focus means lack of
18 participation, the lack of ability to participate in
19 developing a meaningful program in GEM.

20 So, as I see the NRC recommendations, they
21 help steer the direction of GEM into a different way, into
22 a more meaningful way, and I applaud that.

23 I guess that's the crux of my comments. I
24 applaud you gentlemen for the work you've done, I
25 appreciate it. And Trustee Council, as well, for bringing

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1 to the NRC.

2 CHAIRMAN BALSIGER: Thanks for your
3 comments. I don't think anyone on the Trustee Council
4 disagrees with the fact that we want to make this useful to
5 management. In fact, the Commissioner was talking about
6 that at the break, that's one of the objects, at least, two
7 of us have.

8 Anything else from the Commissioners or the
9 PAG?

10 (No audible response)

11 CHAIRMAN BALSIGER: If not, I would
12 entertain a motion to adjourn.

13 MR. RUE: So moved.

14 MR. GIBBONS: Second.

15 CHAIRMAN BALSIGER: Any objections?

16 (No audible response)

17 CHAIRMAN BALSIGER: If not we stand
18 adjourned at about 4:20.

19 (Off record - 4:20 p.m.)

20 (END OF PROCEEDINGS)

C E R T I F I C A T E

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UNITED STATES OF AMERICA)
) ss.
STATE OF ALASKA)

I, Joseph P. Kolasinski, Notary Public in and for the state of Alaska and reporter for Computer Matrix Court Reporters, LLC, do hereby certify:

THAT the foregoing pages numbered 5 through 226 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Meeting recorded electronically by me on the 3rd day of April 2001, commencing at the hour of 10:04 a.m. and thereafter transcribed by me to the best of my knowledge and ability.

THAT the Transcript has been prepared at the request of:
EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street, Anchorage, Alaska 99501;
DATED at Anchorage, Alaska this 12th day of April 2001.

SIGNED AND CERTIFIED TO BY:

Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/04