

1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 Public Meeting
4 Monday, March 17, 2008
5 8:40 o'clock a.m.
6 441 West 5th Avenue, Suite 500
7 Anchorage, Alaska
8 TRUSTEE COUNCIL MEMBERS PRESENT:
9 STATE OF ALASKA - DEPARTMENT MR. DENBY LLOYD
10 OF FISH AND GAME: (Chairman) Commissioner
11 U.S. DEPARTMENT OF AGRICULTURE, MR. JOE MEADE
12 U.S. FOREST SERVICE Forest Supervisor
13 Forest Service AK Region
14 U.S. DEPARTMENT OF INTERIOR: MR. HANS NEIDIG
15 U.S. Department of Interior
16 STATE OF ALASKA - MR. TALIS COLBERG
17 DEPARTMENT OF LAW: Attorney General
18 STATE OF ALASKA - DEPARTMENT MR. LARRY HARTIG
19 OF ENVIRONMENTAL CONSERVATION: Commissioner
20 U.S. DEPARTMENT OF COMMERCE, MR. CRAIG O'CONNOR for
21 National Marine Fisheries Svc: MR. JAMES W. BALSIGER
22 Administrator, AK Region
23 Proceedings electronically recorded, then transcribed by:
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1 TRUSTEE COUNCIL STAFF PRESENT:

2	MICHAEL BAFFERY	Executive Director
3	CHERRI WOMAC	Administrative Officer
4	LYNETTE SCHROEDER-EINWILLER	Administrative Manager
5	CARRIE HOLBA	ARLIS
6	MICHAEL SCHLEI	Analyst Programmer
7	CATHERINE BOERNER	Science Director
8	CAROL FRIES	ADNR
9	HENNINGHAM KENNEDY	Department of Justice
10	(Telephonically)	
11	STEVE ZEMKE	U.S. Forest Service
12	JENNIFER KOHOUT	U.S. Fish & Wildlife Svc.
13	DOUG MUTTER	DOI
14	DAWN GERMAIN	Department of Law

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

2 (On record - 8:40 a.m.)

3 CHAIRMAN LLOYD: I call the Exxon Valdez
4 Oil Spill Trustee Council to order at 8:40 on March 17th.
5 Happy St. Patrick's Day to everyone. Should we identify
6 who's here, I guess. We have Joe Meade. Hans Neidig from
7 the Department of Interior. I'm Denby Lloyd with Alaska
8 Fish and Game. We have Craig O'Connor with National Marine
9 Fisheries Service. Larry Hartig with Department of
10 Environmental Conservation. Talis Colberg with the
11 Attorney General's Office.

12 Michael, do we introduce or do we have
13 people introduce themselves online and in the audience or
14 not?

15 MR. BAFFREY: Only in terms of public
16 comment do we -- correct, Cherri?

17 MS. WOMAC: No, we need to know who's
18 online.

19 MR. BAFFREY: Oh, we do?

20 MS. WOMAC: Yeah. Just listening.

21 CHAIRMAN LLOYD: Who is online, by the way?
22 Dawn are you back?

23 MR. BAFFREY: Direct your questions to
24 Cherri.

25 MS. GERMAIN: Yes, this is Dawn Germain

1 from the USDA General Counsel's Office.

2 CHAIRMAN LLOYD: Thank you. Is there
3 anybody else online?

4 MR. SCHROEDER: This is Colin Schroeder at
5 the Alaska Sea Life Center in Seward.

6 MS. KENNEDY: This is Hen Kennedy at USDOJ.

7 CHAIRMAN LLOYD: Okay. Anyone else? Who
8 was the first person?

9 MR. BAFFREY: Dawn Germain was first.

10 CHAIRMAN LLOYD: USDA?

11 MR. BAFFREY: Dawn.

12 CHAIRMAN LLOYD: Oh, Dawn. Right.

13 MR. BAFFREY: Right.

14 CHAIRMAN LLOYD: Right.

15 MR. O'CONNOR: And Hen Kennedy, the last
16 one was from DOJ.

17 CHAIRMAN LLOYD: Okay. I guess the first
18 item is approval of the agenda. Does anybody have any
19 amendments, comments on the agenda? And I guess I'd ask
20 specifically if there's anything to add given some of our
21 informal discussions over the weekend?

22 MR. O'CONNOR: Mr. Chairman.

23 CHAIRMAN LLOYD: Yes, sir.

24 MR. O'CONNOR: Yeah, I would like to add
25 council's consideration of making available \$50,000 to NOAA

1 and other Federal agencies to engage in the process of
2 doing a sufficiency analysis, take a hard look at our
3 programmatic EIS and see if we're current. And I'll speak
4 to that if you -- if we can get to it.

5 CHAIRMAN LLOYD: Do you know where in the
6 agenda you'd like to have us discuss that?

7 MR. O'CONNOR: We can do it probably in the
8 context of items 10 or 11 in the -- either the '09
9 invitation -- that's probably the best context, wouldn't
10 you think, Michael?

11 MR. BAFFREY: Yes.

12 CHAIRMAN LLOYD: Within that item then or
13 before or after?

14 MR. O'CONNOR: During the same time.

15 CHAIRMAN LLOYD: Okay.

16 MR. O'CONNOR: We can just do it, bring it
17 up them.

18 MR. BAFFREY: And if at all possible, I'd
19 like, if there's time, I would like to talk about our next
20 year's contribution to the 2009 Alaska Forum on the
21 Environment.

22 CHAIRMAN LLOYD: Okay. Shall we put that
23 at the end then, or where would you -- okay. Okay. With
24 that, is there any other amendment to the agenda? We don't
25 need to vote to approve the agenda, do we, Michael?

1 MR. O'CONNOR: Should. I move its
2 approval.

3 CHAIRMAN LLOYD: Do we need to vote?

4 MR. BAFFREY: Yeah.

5 MS. WOMAC: Yeah.

6 CHAIRMAN LLOYD: Okay.

7 MR. HARTIG: I'll second.

8 CHAIRMAN LLOYD: And are we doing roll call
9 votes or can we do no objection?

10 MR. BAFFREY: You can do no objection.

11 CHAIRMAN LLOYD: Is there any objection to
12 the agenda?

13 (No audible responses)

14 CHAIRMAN LLOYD: Seeing none, move on to
15 approval of the meeting notes from last November 9th.
16 They're in your packet. Are there any additions or
17 concerns with the meeting notes from last November's
18 meeting?

19 MR. O'CONNOR: Mr. Chairman, I would move
20 their approval.

21 CHAIRMAN LLOYD: Is there a second?

22 MR. HARTIG: Yeah, second.

23 CHAIRMAN LLOYD: Okay. Any objection to
24 the meeting notes from April [sic] 9th?

25 (No audible responses)

1 CHAIRMAN LLOYD: Seeing none, those are
2 approved. So that takes us to Public Advisory Committee
3 comments. Do we have a representative of the PAC that
4 would like to give comments?

5 MR. BAFFREY: The last PAC meeting we had
6 that was recessed and then reconvened on March 5th did not
7 have a quorum. Did the first session have a quorum, Doug?

8 MR. MUTTER: No.

9 MR. BAFFREY: Okay. So it was not a
10 quorum. If there are any PAC members on the -- so nobody
11 will speak for the voice of the PAC. There may be PAC
12 members online that we normally give an opportunity to
13 comment.

14 CHAIRMAN LLOYD: Okay. We had three people
15 online, at least two agency people, and I didn't get the
16 name of the person from the Sea Life Center. But does
17 anybody consider themselves a member of the PAC online that
18 would like to make any comments?

19 (No audible responses)

20 CHAIRMAN LLOYD: Hearing none, move to item
21 four, public comments. And on our agenda we're saying that
22 no reopener comments will be accepted, but otherwise we're
23 open for public comment and looking towards three minutes
24 per person. So do we have interested public that would
25 like to comment?

1 (No audible responses)

2 CHAIRMAN LLOYD: I'm seeing shaking of
3 heads in terms -- in negative.

4 MR. COLBERG: You might want to try on the
5 online.

6 CHAIRMAN LLOYD: How about online? Any
7 public comments?

8 (No audible responses)

9 CHAIRMAN LLOYD: I'm hearing none online,
10 so moving off of public comment onto item number five,
11 status of the herring restoration plan. Michael.

12 MR. BAFFREY: The herring restoration plan
13 has been through actually several drafts, but two, a draft
14 and a draft final, the draft final is currently out for
15 review. And I believe those comments, that period closes
16 on the 28th of this month. And the draft is, the most
17 current draft, is online right now. Once we receive final
18 comments on this version, we will post a -- well, I'll call
19 it a final version for the sake of no other terminology.
20 So we're going to -- I'll post it with the date that it was
21 released.

22 I anticipate this will be a living document
23 and will be updated quite often. So we'll just keep the
24 most current version presented to the public. There's been
25 a tremendous amount of work that's been done on that and

1 I'm really glad that it's finally coming to completion.

2 CHAIRMAN LLOYD: Is that it?

3 MR. O'CONNOR: Are you going to be
4 having.....

5 CHAIRMAN LLOYD: Go ahead.

6 MR. O'CONNOR: Are you going to be having
7 the technical folks get together again and.....

8 MR. BAFFREY: Yes.

9 MR. O'CONNOR:go through the public
10 response plus their own thoughts on this?

11 MR. BAFFREY: Well, they -- we're going to
12 have a meeting of a steering committee down at your meeting
13 in Cordova on May 1st. That will be a day long meeting.
14 And also that evening at the Trustee Council meeting, Steve
15 Moffitt, Mark Carls, and Doug Hay, which wrote the science
16 management and enhancement in the plan will be making
17 public presentations. So we'll receive comments on their
18 presentation and the plan from the public that night.

19 CHAIRMAN LLOYD: Any other questions or
20 comments from council members?

21 (No audible responses)

22 CHAIRMAN LLOYD: So is that it, Michael?

23 MR. BAFFREY: Yeah.

24 CHAIRMAN LLOYD: All right. Thanks.

25 There's no actionable item at this point on the restoration

1 plan. Okay. So moving off of item five onto item six, we
2 have proposed policy changes. Apparently we have a couple
3 of policy changes, and Michael, can you start off, lead us
4 through those?

5 MR. BAFFREY: There's actually a policy
6 change to our data management policies and to our financial
7 procedures. The proposed data management policy document -
8 - and Michael is going to help me. Michael Schlei is our
9 data management basically.

10 The proposed data management policy is an
11 update to the current data policy adopted in 2002. And
12 Michael, I'll let you speak to that. I know that that
13 policy was GEM related.

14 MR. SCHLEI: Right.

15 MR. BAFFREY: And this is much more
16 specific. The reason that I had Michael go back and take a
17 look at this policy was that we got a tremendous amount of
18 research that we've done over the years and we've been a
19 little less diligent in terms of acquiring the data
20 associated with that research project, to the point that
21 some people, well, even had disputed in the past whether or
22 not it's our data. And because public dollars have gone
23 into the research, it is. So we're tightening up that
24 policy to ensure that we have access to get it. So is
25 there anything else?

1 MR. SCHLEI: That pretty well covers it. I
2 won't go into too much detail since I know that there's a
3 briefing paper that's been prepared on this topic for you
4 as well. Yeah, this data policy as it was revised now is a
5 little more general to the current future needs, I feel, of
6 the Trustee Council.

7 MS. GERMAIN: Excuse me. I'm getting quite
8 a lot of feedback and I can't actually hear.

9 MR. SCHLEI: We have a.....

10 CHAIRMAN LLOYD: Hold on just a second.

11 MR. SCHLEI:jet passing over.

12 CHAIRMAN LLOYD: We have a jet aircraft out
13 the window.

14 MR. SCHLEI: How's that? Can you hear now?

15 MS. GERMAIN: That's great. Thank you.

16 MR. SCHLEI: Okay. Great. This policy was
17 put together in consideration of the restoration plan which
18 highlights and reflects the importance of public ownership
19 and accessibility of data sets that are created under the
20 restoration program. And the purpose of the data policy,
21 again, is to ensure that the data sets that are collected
22 under Trustee Council funding are retained and made
23 available to the public and scientists for future use and
24 comparative analysis in future studies. So I'd be happy to
25 answer any questions you have on the proposed change.

1 MR. BAFFREY: This has also been vetted
2 through the US Department of Law.

3 MR. SCHLEI: Oh yes, I should mention.....

4 MR. BAFFREY: And the US Department of
5 Justice.

6 MR. SCHLEI: And also the Public Advisory
7 Committee has weighed in and the Science Panel has weighed
8 in as well, and the liaisons.

9 MR. O'CONNOR: I'd like to make a comment
10 on this.

11 CHAIRMAN LLOYD: Okay.

12 MR. O'CONNOR: Actually, I have two things.
13 Mr. Chairman.

14 CHAIRMAN LLOYD: Go ahead.

15 MR. O'CONNOR: All right. The first one is
16 a very directed comment. I really don't care what the
17 scientists think or want. This information is being
18 collected through the utilization of joint settlement funds
19 that were part of a public process overseen by the Federal
20 District Court. This process is open. Everything that is
21 done within it is open. So that information is collected
22 utilizing money that was secured by the State and Federal
23 governments under a settlement. If there are any questions
24 by any scientists with regard to that or if they're not
25 willing to accept that as the context within which they

1 work, then they are not entitled to work for us. I think
2 that should be made very clear. That's the world they live
3 in when they're spending our money.

4 The second is what is the long term plan,
5 Michael, or thoughts on the retention of information in
6 perpetuity? Assuming that at a certain point in time the
7 work of the Trustee Council will be resolved and there will
8 need to be a retention of this information. Are you
9 looking to this to be done by the agencies? Are we looking
10 to maintain the repository at the University of Alaska?
11 What are we looking at for the long term future?

12 MR. SCHLEI: Well, the way the policy is
13 written, the data is not necessarily going to be stored
14 here. This policy is more designed with the purpose of
15 making that data accessible, regardless of its location.
16 Whether or not it's stored in our office, it's stored in
17 other locations, the point is to make it accessible. So in
18 terms of the data that we may store here, I agree with you,
19 that could potentially be taken over by one of the agencies
20 in the future. Most definitely.

21 MR. O'CONNOR: Do we have any redundancy in
22 the retention of information or the accumulation of
23 information? Are the agencies retaining that stuff that
24 they're overseeing? The data collected from those projects
25 that they're managing? Is that going on?

1 MR. SCHLEI: They definitely should be and
2 I would assume they are because that's required under the
3 court settlement, that they do so.

4 MR. O'CONNOR: Okay. But they're not
5 passing them on to you guys or they're passing on but they
6 have their own.....

7 MR. SCHLEI: Right.

8 MR. O'CONNOR:collection?

9 MR. SCHLEI: Right.

10 MR. O'CONNOR: Okay. Good.

11 CHAIRMAN LLOYD: Larry.

12 MR. HARTIG: Yeah, following up on Craig's
13 first point, I agree with him on that, that the people that
14 are working for us shouldn't be keeping the data from us.
15 Are there anybody that we're trying to get data from now
16 that we're not able to get it? Are we going to pursue it?

17 MR. BAFFREY: That I don't know
18 specifically by names, but are there PI's that we're having
19 difficulties? No.

20 MR. SCHLEI: That may be an issue in the
21 future.

22 MR. BAFFREY: There's not -- there's no
23 need to name them.

24 MR. HARTIG: No, you don't need to. I just
25 wanted to know if we needed to take some action.

1 MR. SCHLEI: I'm not going to -- yeah, I --
2 yeah. And I will advise you further as far as whether that
3 continues -- whether that will be an issue. I've had a lot
4 of cooperation, a lot of good cooperation from PI's up to
5 this point. But I will keep the Executive Director and the
6 Council advised as whether I encounter that in the future.

7 MR. O'CONNOR: If you do, reference it to
8 either the State or the Federal legal team.....

9 MR. SCHLEI: Okay.

10 MR. O'CONNOR:to address it.

11 CHAIRMAN LLOYD: Larry, did you have
12 anything else?

13 MR. HARTIG: No. Thank you.

14 CHAIRMAN LLOYD: Do we have any additional
15 people online who haven't identified themselves?

16 MR. MARCOUX: Ron Marcoux with the Rocky
17 Mountain Elk Foundation.

18 CHAIRMAN LLOYD: Thank you, Ron.

19 MR. RICHARDSON: Tim Richardson with
20 American Land Conservancy.

21 CHAIRMAN LLOYD: Thank you, Tim. Any other
22 comments from council members on the data policy?

23 MR. O'CONNOR: I would move its approval,
24 it that's appropriate.

25 CHAIRMAN LLOYD: Okay.

1 MR. HARTIG: I'll second it.

2 CHAIRMAN LLOYD: Is there any objection
3 from council members?

4 (No audible responses)

5 CHAIRMAN LLOYD: Seeing none, I guess the
6 policy is approved.

7 MR. BAFFREY: Data policy is. There's one
8 more -- actually two more segments of the financial
9 procedures that have requested policy changes. And the
10 first deals with the final deliverables. Currently the
11 project period runs on the Federal fiscal year. When that
12 year is over with, technically the project is over with.
13 However.....

14 MS. GERMAIN: Excuse me. Sorry. Once
15 again, I can't hear anything.

16 MR. BAFFREY: Joe.

17 REPORTER: I got it.

18 MR. BAFFREY: Okay.

19 MR. O'CONNOR: We're having to move the
20 microphones around, Dawn.

21 MR. BAFFREY: Dawn, can you hear me now?

22 MS. GERMAIN: Yes, that's great. Thank
23 you.

24 MR. BAFFREY: Okay. Dawn, I was talking
25 about the financial procedures and the fact that reports

1 are due in April after the Federal fiscal year of the
2 project ends, that previous end of September. So basically
3 there is a time period where the project is closed but yet
4 we're still demanding the -- requiring the final report,
5 the draft final report to be submitted that following
6 April. And then in response to the peer review comments,
7 it's finalized some time during that year. So this
8 procedure just states that there will be a second year of
9 the project that deals specifically with the final
10 deliverable finalization process. And it doesn't extend
11 the project. The project will still close on the period of
12 which it was approved, but there will yet be one more year
13 attached that for the finalization of the report process.
14 That's the first financial policy.

15 The second deals lapsed -- not lapsed, but
16 with the projects extensions. And to make it explicit that
17 if there is a need for a project extension, which would
18 allow for expenditures of money into the next fiscal year,
19 that there is approval sought through this office and that
20 the authority to grant that would be with the Executive
21 Director. Those are the two financial policies that are
22 being proposed. And just all we're doing is continuing to
23 tighten up the policies to make sure we're more efficient
24 within our office.

25 Those also have been vetted and there's

1 consent, there's approval on that process.

2 CHAIRMAN LLOYD: Council member comments?

3 MR. O'CONNOR: I'd move their approval.

4 CHAIRMAN LLOYD: Is there a second?

5 MR. NEIDIG: Second.

6 CHAIRMAN LLOYD: Any objection?

7 (No audible responses)

8 CHAIRMAN LLOYD: Seeing none, we're good
9 with the financial procedures. Michael, anything else on
10 this agenda item?

11 MR. BAFFREY: No. No, we're ready for
12 habitat.

13 CHAIRMAN LLOYD: Okay. It occurs to me
14 that under item four, public comment, the agenda
15 specifically listed 9:15 and we're kind of racing through.
16 So I want to offer folks that just came online the
17 opportunity to comment publicly if they'd like, since we
18 already passed by this item but they weren't present
19 online. So is there anybody online again that would like
20 to make a public comment before we move to the next agenda
21 item?

22 (No audible responses)

23 CHAIRMAN LLOYD: Well, I'm hearing none, so
24 how about we move item seven, which is the habitat
25 protection program. There are a number of items within

1 this and is Carol here to help us go through this?

2 DR. FRIES: Yes. Thank you. Okay. My
3 name is Carol Fries, I'm with the Department of Natural
4 Resources. In your packet you will find a summary document
5 that describes the parcels for your consideration today.
6 We have four small parcels and then two larger parcels that
7 we could consider unfinished business. Basically they've
8 been before the Council before and they are coming back for
9 additional consideration.

10 The first parcel is the Capjohn parcel.
11 This is a Native allotment located on the north shore of
12 Kiliuda Bay on Kodiak Island. The parcel is surrounded by
13 State lands and provides protected access to adjacent State
14 lands for hunting, fishing and subsistence activities. The
15 restoration benefits are described in more detail in the
16 documentation attached to the draft resolution that was
17 provided for your consideration. The area is important for
18 harlequin ducks and herring spawning.

19 The approved appraisal has established a
20 purchase price of 192,000, and the land owner, through BIA,
21 has agreed to sell at this price. The parcel will be
22 managed by the State of Alaska, Division of Mining, Land
23 and Water consistent with the management of the adjacent
24 State lands which are governed by the Terror Lake hydro
25 agreement, so it is managed as habitat.

1 Does anyone have any questions?

2 CHAIRMAN LLOYD: I assume we're going to go
3 through these parcel by parcel and we need separate
4 decisions on each one. So as we go along, there is a map
5 following the resolution that shows the location. Are
6 there any questions of council members? By council
7 members.

8 MR. O'CONNOR: Carol, we've had an
9 evaluation on these with regard of the consistency with the
10 Trustee Council's habitat acquisition policy and so on.

11 DR. FRIES: Correct. We've -- yes.

12 MR. O'CONNOR: They have been vetted in
13 that context already, have they not?

14 DR. FRIES: Correct. Yes. And we looked
15 at those characteristics. You approved funds for due
16 diligence activities previously, and we have worked through
17 that process.

18 MR. O'CONNOR: Okay. And you feel
19 comfortable that this parcel is particularly consistent
20 within the guidelines?

21 DR. FRIES: Yes.

22 CHAIRMAN LLOYD: Any other questions?

23 (No audible responses)

24 CHAIRMAN LLOYD: Do we have a motion?

25 MR. NEIDIG: I would move to approve.....

1 MR. MEADE: Second.

2 MR. NEIDIG:the purchase.

3 MR. MEADE: I would second.

4 CHAIRMAN LLOYD: Moved and seconded to
5 purchase the Capjohn parcel. Is there objection?
6 (No audible responses)

7 CHAIRMAN LLOYD: Seeing none.

8 DR. FRIES: Thank you.

9 CHAIRMAN LLOYD: The motion is approved.

10 DR. FRIES: Thank you very much.

11 CHAIRMAN LLOYD: Next one.

12 DR. FRIES: The next parcel is the
13 Russell/Long parcel. It is located on the Kenai River in
14 Soldotna. It is adjacent to the Roberts/Shilling parcel
15 that was previously purchased by the Council and provides a
16 unique opportunity to connect the Roberts/Shilling parcel
17 to Centennial Park, as well as protect important riparian
18 habitat along the Kenai River. The parcel has received
19 letters of support from the Kenai River Sportfishing
20 Association, the City of Soldotna, The Kenai Peninsula
21 Borough, and the Kenai River Special Management Area. And
22 I am not sure if those letters were attached to the
23 benefits report but they were submitted to you when the
24 Council approved due diligence activities. So I thought I
25 would print those out and just provide them for you so that

1 gave you some additional background. If you could pass
2 that.....

3 MR. BAFFREY: Sure.

4 DR. FRIES:to Talis. Thank you. The
5 Russell/Long parcel was originally 4.25 acres, but after
6 working through the initial appraisal process and speaking
7 with the owner, it was decided that the most appropriate
8 thing to do was to essentially subdivide the parcel and
9 offer the three acres of riparian hab -- the three acres of
10 river front property to the Council and the land owner is
11 retaining the upland 1.25 acres that front on Kalifornsky
12 Beach Road.

13 The parcel provides benefits for pink,
14 sockeye, and dolly varden. It's important for recreation
15 and tourism as it provides an opportunity for the community
16 to extend the popular fish walk for sport fishing access
17 further down to Knik to public lands at Centennial Park.

18 The purchase price as determined by an
19 approved appraisal is \$629,000. And I guess that's pretty
20 much it. If anyone has any questions, I'd be happy to
21 answer them. I don't know if anyone is online relative to
22 that parcel. I know that, as you indicated, the public
23 comment was noticed in the agenda as 9:15, so.....

24 CHAIRMAN LLOYD: Council members? Larry.

25 MR. HARTIG: Yeah, Carol, did you have

1 anybody that was opposing this purchase?

2 DR. FRIES: Not that I'm aware of, no.

3 CHAIRMAN LLOYD: Other council members?

4 Questions? Clarification?

5 MR. O'CONNOR: Please, if I might.

6 CHAIRMAN LLOYD: You're going to.....

7 MR. O'CONNOR: I want.....

8 CHAIRMAN LLOYD:provide

9 clarification?

10 MR. O'CONNOR: Huh?

11 CHAIRMAN LLOYD: You're going to provide

12 clarification?

13 MR. O'CONNOR: No, no, I'm going to.....

14 CHAIRMAN LLOYD: Oh, okay.

15 MR. O'CONNOR:ask for clarification.

16 No.

17 CHAIRMAN LLOYD: Thank you. Mr. O'Connor.

18 MR. O'CONNOR: How often does the Trustee

19 Council spend \$200,000 an acre for land?

20 DR. FRIES: The Council purchased the

21 Roberts/Shilling parcel right next door in 1997 for

22 \$698,000 and it was 3.3 acres. This is three acres at 629,

23 which I think the value range is quite comparable. In fact

24 I -- when I went back and looked at the acreage, I thought

25 that 629 was actually fairly reasonable given that it's

1 over 10 years later. And it is river front. I, off the
2 top of my head, can't tell you how often we may have spent
3 2,000 [sic] an acre for a particular parcel. I don't know.

4

5 MR. O'CONNOR: If we weight cost versus
6 restoration value as a measure of propriety, do you think
7 we're getting a big bang for our buck in terms of
8 restoration with this parcel?

9 DR. FRIES: I think you're getting a big
10 bang for your buck in terms of the direct benefit to a
11 large number of public constituents. In other words, the
12 parcel is probably more heavily, would be more heavily used
13 from a public access perspective than say a more remote
14 parcel. And it provides the opportunity, I think, for Fish
15 and Game and DNR to proactively manage the riparian
16 habitat. In other words, if it's in public ownership,
17 there is the option to extend the boardwalk to stabilize
18 the bank and make -- provide directed public access to the
19 sport fish resource in that area. And I know the fish walk
20 is very heavily used.

21 MR. O'CONNOR: So we're purchasing this
22 property, we're looking not only to it being a contribution
23 to the direct restoration of the resources injured by the
24 preservation of the riparian habitat.....

25 DR. FRIES: Right.

1 MR. O'CONNOR:but we're also looking
2 at an opportunity to restore some of the human service
3 losses that may have occurred in the form of
4 recreational.....

5 DR. FRIES: Recreation.

6 MR. O'CONNOR:opportunity, viewing
7 access, that sort of thing.

8 DR. FRIES: Correct.

9 MR. O'CONNOR: Do you think it's worth it?

10 DR. FRIES: Yes, I do.

11 MR. O'CONNOR: Okay.

12 CHAIRMAN LLOYD: Pardon me for a second.

13 MR. O'CONNOR: It's the Governor.

14 CHAIRMAN LLOYD: Not quite.

15 MR. O'CONNOR: Or mom.

16 CHAIRMAN LLOYD: Any other questions from
17 council members?

18 MR. NEIDIG: I move to approve.

19 CHAIRMAN LLOYD: Is there a second?

20 MR. O'CONNOR: Well, I would like to second
21 the motion, which went like this, I'm sure. That I'm --
22 Hans moves that we authorize \$629,000 for the purchase of
23 the reconfigured Russell/Long parcel, Lot 1, containing
24 three acres and fronting the Kenai River by the State of
25 Alaska. If that's your motion, then I second it.

1 MR. NEIDIG: That sounds good, Mr.

2 O'Connor.

3 MR. O'CONNOR: Okay.

4 MR. NEIDIG: Thank you for the
5 clarification, Mr. O'Connor.

6 CHAIRMAN LLOYD: Is there any discussion by
7 council members? Larry.

8 MR. HARTIG: Just one question here. Are
9 there any other parcels in this area that we're targeting
10 or is this it for this area? Does this make it complete?
11 Complete our objective here?

12 DR. FRIES: That's a difficult question to
13 answer. I think part of what -- part of the difficulty is
14 that the small parcels are essentially parcels of
15 opportunity and you can't always anticipate, particularly
16 along popular sport fishing streams, when an opportunity
17 might present itself. I know of nothing else in the hopper
18 at this point in time. Nothing has been nominated. No one
19 has brought anything forward.

20 MR. HARTIG: But to get the value out of
21 this parcel, it's not contingent on us buying another
22 neighboring parcel?

23 DR. FRIES: No. No.

24 MR. HARTIG: Okay. Thank you.

25 CHAIRMAN LLOYD: I'd like to expand on that

1 question. You indicated that there's nothing else in the
2 hopper that you know of. Would that be for the Kenai River
3 in its entirety or at least this section of the Kenai?

4 DR. FRIES: In -- right.

5 CHAIRMAN LLOYD: There's nothing else
6 that's likely to come up in the very near future.

7 DR. FRIES: In general. I mean, we were
8 working approximately a year ago on the Core parcel. The
9 negotiations with that fell apart and that -- and the
10 Trustee Council had authorized funding to purchase that,
11 but we were unable to ultimately in the end reach agreement
12 and that fell apart. And that's the only other parcel I'd
13 say in the last couple of years that has made itself
14 available.

15 CHAIRMAN LLOYD: Okay. Where is the Core
16 parcel in relation to this?

17 DR. FRIES: I think it is down river. I'm
18 not sure if -- I don't think this map goes that.....

19 CHAIRMAN LLOYD: Doesn't go that far.

20 DR. FRIES: It's down river and it's on the
21 same side of the river, but I think it's a couple of miles
22 downstream.

23 CHAIRMAN LLOYD: All right. And did it
24 have substantially more or less waterfront? I mean.....

25 DR. FRIES: Oh, it had substantially more

1 waterfront. It would have been substantially more money as
2 well.

3 CHAIRMAN LLOYD: Any other questions or
4 comments? Larry.

5 MR. HARTIG: Yeah, just again, just more
6 information. This is not necessarily related to this
7 parcel, but just to kind of fill up my thinking what the
8 future looks like. I take it that this parcel is very
9 critical to DNR's and maybe Fish and Game's management of
10 access, public access to the river. And that, perhaps
11 coupled with other methods, regulations, whatever you have
12 to protect the beaches, you know, by putting in boardwalks
13 and so forth, you know, that there's a plan here and this
14 fits well into the plan.

15 DR. FRIES: Right.

16 MR. HARTIG: And that to protect the shore
17 of the beach, the banks of the river, that we're not kind
18 of engaging just buying parcels. You know, that there's
19 other ways of protecting, obviously the banks and -- but
20 this parcel is critical to provide the public access.....

21 DR. FRIES: Correct.

22 MR. HARTIG:to help manage -- you in
23 other ways. To give you better ability to manage the
24 banks.

25 DR. FRIES: Correct.

1 MR. HARTIG: So it isn't like what I guess
2 -- kind of rambling here, but what I'm thinking in my mind
3 is, is that we wouldn't lose the value, the 600,000 plus,
4 by somebody just going up the river and accessing it there
5 and creating all the same problems that otherwise would
6 have been at this parcel. You know, it isn't just going to
7 move -- the problem isn't just going to move further up
8 river.

9 DR. FRIES: I don't think so. I'm -- I
10 guess by purchasing this parcel, allowing the boardwalk to
11 continue, you're sort of making it easier and more
12 attractive for anglers to access the river in an area where
13 you can control the impacts to the riparian habitat. And I
14 think it's very popular and the easier it is for people to
15 access in a good way, I think they're more likely to drive
16 their car, park, walk to the boardwalk.....

17 MR. HARTIG: Sure.

18 DR. FRIES:and throw their line in
19 the river.

20 MR. HARTIG: Yeah. That's what I thought.

21 DR. FRIES: At least one would -- yeah. I
22 mean, I think that's the objective.

23 MR. HARTIG: Yeah. Thank you.

24 DR. FRIES: Uh-huh.

25 CHAIRMAN LLOYD: Any other comments or

1 questions?

2 MR. HARTIG: No. Call for the question.

3 CHAIRMAN LLOYD: Any objection?

4 MR. O'CONNOR: No.

5 CHAIRMAN LLOYD: Seeing none, Kenai 3002 is
6 approved.

7 DR. FRIES: Thank you.

8 CHAIRMAN LLOYD: Next.

9 DR. FRIES: The next parcel is the
10 Mutch/Jacobs parcels. These parcels were brought before
11 you several years ago by The Nature Conservancy and they
12 requested a matching contribution of \$175,000 to be used in
13 conjunction with private sector funding and a North
14 American coastal wetlands grant -- act grant that they had
15 received through Fish and Game. These two parcels are
16 located at the mouth of the Anchor River. The Nature
17 Conservancy has worked with the landowners to purchase the
18 parcels. They have worked to resolve some questions
19 regarding access of the -- or not access, ownership of the
20 submerged lands.

21 The authorization of 175,000 has expired
22 and this resolution essentially just re-authorizes the
23 funds so that the project can be completed. And your
24 packet has the resolution, the benefits report, and all of
25 the backup that was previously provided to the Council, as

1 well as the previous resolution.

2 CHAIRMAN LLOYD: Council members, anybody
3 want to put forward a motion?

4 MR. O'CONNOR: Yes, Mr. Chairman.

5 CHAIRMAN LLOYD: Would you, please?

6 MR. O'CONNOR: Let me get it. I move we
7 re-authorize the 175,000 in matching funds to be used in
8 conjunction with the North American Wetlands Conservation
9 Act grant funds for the purchase of the Mutch/Jacobs
10 parcels located at the mouth of the Anchor River by the
11 State of Alaska.

12 CHAIRMAN LLOYD: Is there a second?

13 MR. HARTIG: I'll second.

14 CHAIRMAN LLOYD: Thank you.

15 CHAIRMAN LLOYD: Thank you. Questions or
16 comments from the council members?

17 MR. O'CONNOR: Is there any reason we
18 should change our mind?

19 DR. FRIES: No.

20 MR. O'CONNOR: Okay.

21 CHAIRMAN LLOYD: Well, by the appearance of
22 the property at the mouth of this river I would say that
23 from a Fish and Game perspective certainly the habitat
24 values and the access values are very important. So other
25 than that, the chair will remain silent.

1 MR. O'CONNOR: Now that's a switch.

2 CHAIRMAN LLOYD: Joe.

3 MR. MEADE: I just wanted to express my
4 respect and appreciation for the partnership that this
5 forges. I think that is an invaluable piece to the work
6 that we do and I wanted to make that a matter of public
7 record. So Carol, I appreciate your efforts there, but I
8 very much want to underscore the efforts of the partners
9 that have coalesced around this important opportunity.

10 CHAIRMAN LLOYD: Very good. Any further
11 comments or questions?

12 (No audible responses)

13 CHAIRMAN LLOYD: Seeing none, is there
14 objection?

15 (No audible responses)

16 CHAIRMAN LLOYD: Seeing none, the
17 Mutch/Jacobs matching funds are approved.

18 DR. FRIES: Thank you.

19 CHAIRMAN LLOYD: Carol.

20 DR. FRIES: The next parcel is Prince
21 William Sound 05, and that is a numeric identifier that was
22 attached previously. This parcel has been around for quite
23 awhile. It is US Survey 349. It has been owned by the
24 Galena Nikolai Holding Company. And in December of 2000,
25 the Trustee Council authorized 125,000 for the purchase of

1 this parcel by the US Forest Service. The parcel is
2 located on the duck flats near the Valdez Harbor. And
3 unfortunately the Forest Service was unable to complete the
4 transaction because of a court action resulting from the
5 death of one of the owners. So title was never
6 sufficiently clear for them to move forward on this. The
7 court case has been resolved and the court-appointed
8 referee contacted the Forest Service and the State and has
9 offered the parcel for sale initially to the State. And we
10 would certainly be amenable to this going to the Forest
11 Service as well. I think the consensus is that the
12 attributes of this parcel are very important. It's an
13 important estuarine area and important wetlands.

14 The State has been working with the
15 conservation fund to facilitate this parcel. The reason
16 that the conservation fund is involved is that the court-
17 appointed referee has a obligation to complete the
18 transaction as quickly as possible. And the conservation
19 fund has offered to participate and facilitate this on an
20 interim basis in order to facilitate a timely closing. The
21 court-appointed referee has also secured an appraisal
22 valuing the parcel at \$150,000.

23 So at this point in time, the Council could
24 consider authorizing due diligence activities with existing
25 funds that were previously authorized as part of the annual

1 budget; or the Council may wish to consider recommitting
2 the 125,000 so that the conservation fund understands that
3 there is a commitment if they move forward with this
4 parcel.

5 CHAIRMAN LLOYD: Thank you, Carol. Council
6 members, any motion to put on the table?

7 MR. MEADE: I'd make the motion that the
8 Council approve the 125,000 as has been authorized in past
9 to move forward with securing the property and be able to
10 provide that commitment to the conservation organization.
11 And I would be, in that motion, continue to be support of
12 it being within State holding and would trust that we
13 would, in a shared stewardship approach, continue to
14 explore opportunities to meet the value of that wetlands in
15 association to Forest Service facilities that are in
16 proximity at Crooked Creek. While we've received a hundred
17 thousand visits on an annual basis, there's a real
18 important nexus between the two, our preference would be to
19 see it in the ownership of the State.

20 CHAIRMAN LLOYD: A long motion but the
21 components, are they clear to everybody?

22 MR. O'CONNOR: I second that.

23 CHAIRMAN LLOYD: Thank you. Moved and
24 seconded to -- for USS 349, continue with the previously
25 approved 125,000. Work with the other organizations.

1 Ultimate transfer to the State of Alaska. Any other
2 Council comments or questions? Larry.

3 MR. HARTIG: Yeah, just one quick question,
4 Carol. Is there any other due diligence that would be done
5 other than update the appraisal?

6 DR. FRIES: We would need to do a hazmat
7 assessment, secure preliminary commitment for title
8 insurance, review the chain of title, and just make sure
9 that that's acceptable to realty services and also to BLM.
10 Or perhaps it would make sense in this particular instance
11 if the Forest Service was interested in holding the
12 conservation easement on the property. The title would
13 need to be -- and the hazmat would also have to be
14 acceptable to the corresponding Federal agency.

15 MR. HARTIG: Yeah. I was just making sure
16 that, one, we weren't cutting you short of funds by just
17 saying you're authorized to go, you know, acquire it and
18 that you didn't have the funds to finish the due diligence
19 or that we were cutting short the due diligence process.
20 And it doesn't sound like we would be.

21 DR. FRIES: No, I can -- I have -- I think
22 I have adequate funds to pursue the due diligence required
23 to actually complete the transaction. So I think 125, if
24 that's the commitment the Council is willing to make toward
25 the purchase price, I think there's sufficient funds to

1 cover the due diligence.

2 MR. HARTIG: Yeah. Because we certainly
3 want you to finish.

4 DR. FRIES: Okay.

5 CHAIRMAN LLOYD: Any other comments or
6 questions?

7 (No audible responses)

8 CHAIRMAN LLOYD: Any objection to the
9 motion?

10 (No audible responses)

11 CHAIRMAN LLOYD: Seeing none, duck flats
12 are approved.

13 DR. FRIES: Thank you. Okay. The next
14 item in your packet is the Northern Afognak efforts. The
15 Rocky Mountain Elk Foundation and American Land Conservancy
16 represent the conservation partners who have been working
17 on Northern Afognak. They successfully completed a
18 transaction to purchase the waterfall parcel in December of
19 2005. They have secured approximately three million
20 dollars in Federal grants for this particular effort. We
21 are looking at the Portage Lake parcel owned by the Natives
22 of Kodiak, the Perenosa Bay parcels 2A and 2B, which are on
23 the map that should be in your packet. And the Perenosa
24 Bay parcels 3A and 3B owned by Uganik Natives Incorporated.
25 We are in the process of pursuing due diligence activities.

1 We have conducted a timber cruise and the review of the
2 timber cruise has taken place. The information is with the
3 appraiser. The appraiser is working with the review
4 appraiser to work through that process. Unfortunately they
5 are not finished at this point in time and I think it is
6 important that they proceed through this methodically
7 rather than rushing to a conclusion and come up with a
8 supportable estimate of fair market value.

9 What we are requesting at this point in
10 time is that the Council reconsider the resolution 0301
11 that authorized 10.45 million dollars for the purchase of
12 lands on Northern Afognak in 2002. Essentially that
13 authorization, those funds were authorized. We were not
14 able to utilize those funds because the request was
15 included in the capital budget, the legislature approved
16 the capital request, however Governor Murkowski vetoed the
17 request. So that request has expired. A resolution at
18 this point in time authorizing a not to exceed amount
19 essentially established the commitment of the Council to
20 continue their efforts on Northern Afognak. We are asking
21 for 10 million dollars, and that is -- that number is
22 essentially derived from what we thought the value of those
23 parcels would be coupled with the amount of grant funds
24 that have been secured. And essentially the resolution
25 authorizes a not to exceed amount, ties the amount of

1 funding that Council will contribute to the purchase of any
2 one of the parcels under discussion to fair market value as
3 determined by an approved appraisal. And it also provides
4 that the final purchase of these parcels will come back to
5 you for your review and approval. So this essentially
6 provides a very clear indication of interest. It will
7 facilitate in discussions with the land owner. It is
8 consistent with the previous resolution, 0301.

9 The restoration benefits for these parcels
10 are documented in resolution 0202, which is attached to the
11 proposed resolution. Rather than reading through all of
12 those, I think the Council has, by resolution, acknowledged
13 and defined the values for these parcels previously. And
14 Ron Marcoux and Tim Richardson from Rocky Mountain Elk
15 Foundation and American Land Conservancy are also online
16 should you have any questions about these parcels.

17 CHAIRMAN LLOYD: Thanks, Carol. Council
18 members, any questions or comments?

19 MR. O'CONNOR: Without getting political,
20 why did the Governor veto?

21 DR. FRIES: It think Governor Murkowski had
22 a philosophical problem with this initially in his term as
23 governor. Toward the end he had changed his position, but
24 by that point in time, it was -- the conservation partners
25 had closed on the waterfall parcel and it was unclear as to

1 whether or not these were moving forward so the process
2 essentially came to a halt. The resolution expired and we
3 didn't pursue it further at that point in time.

4 MR. NEIDIG: Carol, did you actually just
5 say that Governor Murkowski had changed his position in
6 support of the purchase by the end of his tenor?

7 DR. FRIES: That was my understanding.

8 MR. NEIDIG: And there just wasn't time.
9 Okay.

10 CHAIRMAN LLOYD: Larry.

11 MR. HARTIG: A couple of questions. In the
12 draft motion it says that we authorize the purchase subject
13 to a variety of terms and conditions including purchase
14 price, be it fair market value as determined by an approved
15 appraisal and final approval of each purchase by Trustee
16 Council. Is there -- what is this other -- subject to a
17 variety of terms and conditions? Is that something else
18 that we need to.....

19 DR. FRIES: Yeah, I can go through those.
20 Essentially they are the terms and conditions that have
21 been attached. Essentially when the Trustee Council
22 authorizes the funds, we draft the resolution so that it is
23 subject to a hazmat survey.....

24 MR. HARTIG: Okay.

25 DR. FRIES:that is satisfactory to

1 the State.....

2 MR. HARTIG: Right.

3 DR. FRIES:and Federal government. A
4 resolution of all.....

5 MR. HARTIG: I just wanted to be a little
6 more clear on that in the resolution, rather just say
7 subject to a variety of terms and conditions.

8 DR. FRIES: Okay.

9 MR. HARTIG: You know, identify.....

10 DR. FRIES: That can be.....

11 MR. HARTIG:what we're talking about.

12 DR. FRIES: Yeah. I mean, do you want me
13 to go through these or.....

14 MR. HARTIG: Well, just if there's some
15 reference or if it's in the previous resolution, it's
16 already included in there, or if it's in, you know, our
17 standard.....

18 CHAIRMAN LLOYD: We have a draft resolution
19 in our packets.

20 DR. FRIES: Correct.

21 CHAIRMAN LLOYD: Is that correct?

22 DR. FRIES: Yes.

23 MR. HARTIG: Yeah.

24 CHAIRMAN LLOYD: Perhaps you could refer to
25 that and quickly run us through it.

1 DR. FRIES: Okay. Sure. Oh, this was the
2 old one.

3 CHAIRMAN LLOYD: Unfortunately it's in the
4 middle of the packet with its own page numbers so you can't
5 just flip to Page 40, you have to find Northern Afognak and
6 it's resolution 080X.

7 DR. FRIES: Okay. The terms and conditions are
8 that the total amount of Trustee Council for funding -- for
9 all parcels shall not exceed 10 million. The
10 extinguishment, including final adjudication of any claims
11 or potential claims pursuant to sections 14C, G and H of
12 the Alaska Native Claims Settlement Act. Approval of the
13 appraisals of these lands referenced in paragraph nine by a
14 review appraiser acceptable to the State and Federal
15 governments consistent with Federal land acquisition
16 standards and a final purchase approval by the Trustee
17 Council, a hazardous substances survey completed, a
18 satisfaction of the State and the United States, compliance
19 with NEPA, title search and review to the satisfaction of
20 the State of Alaska and the United States for the
21 respective interests acquired by each government. No
22 timber harvesting or road development on these lands prior
23 to closing. Completion of a mineral survey prior to
24 closing satisfactory to the State establishing that there
25 are no locate-able sand, gravel, oil, or gas economically

1 develop-able deposits. The land owners must agree to
2 undertake all measures necessary to comply with the
3 applicable requirements of the Forest Practices Act. That
4 one's kind of long, so we'll just.....

5 MR. HARTIG: Yeah.

6 DR. FRIES:summarize it. The land
7 owner shall grant to the United States a conservation
8 easement similar to that used in other acquisitions funded
9 by the Council which will enable the United States to
10 enforce on a non-exclusive basis the restoration objectives
11 of this acquisition the form and substance of this
12 easement, and the related warranty deed for the State must
13 also be satisfactory to the Department of Law and the
14 Department of Justice.

15 CHAIRMAN LLOYD: Thanks, Carol. Given that
16 this is a large parcel and a complicated transaction, I
17 wanted to have a little bit of discussion before we put a
18 motion on the table.

19 DR. FRIES: Sure.

20 CHAIRMAN LLOYD: We had a number of
21 potential options, but now that we've got some clarity, I
22 suppose, is there a motion? Does somebody wish to put a
23 motion on the table?

24 MR. NEIDIG: I would move to re-authorize
25 the 10 million dollars.

1 CHAIRMAN LLOYD: Okay.

2 MR. NEIDIG: How much further do I need to
3 go? It's not very clear in our handout here.

4 CHAIRMAN LLOYD: It is clear in the
5 handout. I'm wondering if you want to refer to the
6 resolution that we have in our packet since that seems to
7 embody the transaction or the preparation for the
8 transaction that we're approaching here.

9 MR. NEIDIG: So would the resol -- would it
10 be move to approve the resolution, would that be 080X?

11 MR. BAFFREY: There is a motion, correct?

12 MR. O'CONNOR: Yeah, I've got some language
13 here. You might want to read it, that right now.

14 MR. NEIDIG: But we don't need to read
15 this.

16 MR. O'CONNOR: No, but you can start with
17 the second sentence.

18 MR. NEIDIG: Uh-huh.

19 MR. MEADE: Do you want me to read it for
20 you, Hans?

21 MR. NEIDIG: No, I think I got it now.

22 (Laughter)

23 MR. NEIDIG: Everybody have their fun with
24 me today. I move that we authorize the 10 million dollars
25 for the purchase of lands in the Perenos Bay region of

1 Northern Afognak, including lands owned by the Shuyak and
2 Uganik previously authorized in resolution 0301, and the
3 Portage Lake parcel owned by Natives of Kodiak, subject to
4 a variety of terms and conditions including, one, the
5 purchase price be based upon fair market values determined
6 on approved appraisal; and two, final approval of each
7 purchase by the Trustee Council.

8 CHAIRMAN LLOYD: Thank you. Is there a
9 second?

10 MR. O'CONNOR: I would second that. And in
11 that second I'm assuming the phrase terms and conditions
12 refer to those that we just discussed as we went through in
13 more detail what those conditions are.

14 CHAIRMAN LLOYD: Is that your understanding
15 Hans?

16 MR. NEIDIG: That is my understanding.
17 Thank you.

18 MR. O'CONNOR: Okay.

19 CHAIRMAN LLOYD: Any questions or comments
20 from council members? Joe.

21 MR. MEADE: Denby, I'd just like again to
22 acknowledge our partners who are on the phone with us today
23 on this project. They've been with us for a number of
24 years, I think six, five of the years I've been with the
25 Council. And I wanted to just again underscore that

1 coalition building in support of our overall restoration
2 goals. Thank you.

3 CHAIRMAN LLOYD: Thank you. I'd like to
4 acknowledge that as well. They've been very helpful in a
5 number of parcels and acquisitions in that area that I've
6 been familiar with at various iterations of my career over
7 time.

8 Carol, is this in some way the last or the
9 -- getting towards the end of large parcel, large cost
10 acquisitions that we might be looking at through the
11 Trustee Council?

12 DR. FRIES: I think essentially this is all
13 I know that is on the table at this point in time. There -
14 - I think there is still going to remain a desire to close
15 the gap on Northern Afognak. If you look at your map,
16 there are parcels AJV 4A and 4B that are still owned by
17 Afognak Joint Venture. AJV is in the process of dissolving
18 and they are not in a position at this point in time to
19 consider a sale until they have worked through that
20 dissolutionment. I think once that is complete I would not
21 be surprised if the Afognak conservation partners did not
22 come back to the table and ask the Council to consider
23 trying to fill that gap. And I think from the State's
24 perspective, that is probably something that would be
25 beneficial. It would provide essentially a corridor along

1 the entire northern tier of Northern Afognak that would
2 provide public access and hunting, fishing, and
3 recreational opportunities.

4 Other parcels that have been before the
5 Council in the past include the Lower Karluk, the Lesnoi
6 parcels: Termination Point and Long Island, the American
7 River and the Olds River. However there has been public
8 support articulated for those parcels but I don't think, to
9 my knowledge, Lesnoi has not approached any of the agencies
10 or the Council, the restoration office, regarding those at
11 this point in time.

12 CHAIRMAN LLOYD: Okay. Thank you. Any
13 other comments? Larry.

14 MR. HARTIG: Just to follow up on those
15 parcels, 4A and 4B, as I recall, those either had been
16 logged or we had the timber rights on those. Is that
17 right?

18 DR. FRIES: 4A and 4B are with Afognak
19 Joint Venture. We do not have the timber rights on those.

20 MR. HARTIG: But they have been logged
21 recently?

22 DR. FRIES: Portions of those have been
23 logged, yes.

24 MR. HARTIG: So we don't think there's any
25 outstanding plans to log those before the joint venture

1 dissolves?

2 DR. FRIES: I don't know but I don't think
3 so. I mean, they're in the -- they're working through the
4 process of dissolving. Shugak has received their parcels.
5 Uganik is the process of receiving theirs.

6 MR. HARTIG: Okay.

7 DR. FRIES: I didn't get the impression
8 that they were still logging but I may be wrong. I don't
9 know, Ron and Tim, do you -- no.

10 CHAIRMAN LLOYD: No. Thanks. No. Thanks.

11

12 DR. FRIES: Okay.

13 CHAIRMAN LLOYD: Council members?

14 MR. O'CONNOR: Call for the question.

15 CHAIRMAN LLOYD: Is there any objection?

16 (No audible responses)

17 CHAIRMAN LLOYD: Motion approved for the
18 North Afognak.

19 DR. FRIES: Thank you.

20 CHAIRMAN LLOYD: Thanks, Carol. Next.

21 DR. FRIES: The next parcel is Port Graham,
22 parcel 01. The Port Graham Corporation has -- actually, in
23 1994 the Trustee Council authorized the National Park
24 Service to contract for an appraisal of the Port Graham
25 Corporation lands. Port Graham had nominated their lands

1 for consideration. They were a willing seller and they
2 were interested in pursuing the sale of some or all of
3 their lands within the park. The Park Service completed
4 the appraisal and made an offer. Port Graham declined.
5 They essentially chose to opt out of continuing further in
6 the EVOS process.

7 Port Graham and the National Park Service
8 have had discussions, I would say within, probably within
9 the past year, and Port Graham owns 4,710 acres at the head
10 of Ailik Bay, which corresponds to Port Graham tract PTG 01
11 from the original large parcel process evaluation. And
12 they are interested in selling their lands as -- for fair
13 market value as determined by an approved appraisal. And
14 the Park Service is requesting \$32,700 to conduct due
15 diligence activities, which would include an appraisal, a
16 hazmat survey, a title review, and the normal due diligence
17 efforts that are needed to get to a point where further
18 discussions with the land owner can take place. And I
19 don't know if -- Chuck Gilbert is here from the National
20 Park Service if you have any other questions.

21 CHAIRMAN LLOYD: Council members, do we
22 have a motion to put on the table?

23 MR. O'CONNOR: I move we authorize the 32,7
24 for due diligence activities associated with the Port
25 Graham PTG 01 located in Ailik Bay in Kenai Fjords National

1 Park to be conducted by the National Park Service.

2 CHAIRMAN LLOYD: Is there a second?

3 MR. HARTIG: I'll second.

4 CHAIRMAN LLOYD: Thank you. Questions or
5 comments from council members?

6 MR. O'CONNOR: Call for the question.

7 CHAIRMAN LLOYD: The question is called.
8 Is there any objection?

9 (No audible responses)

10 CHAIRMAN LLOYD: No objection. Well,
11 approved.

12 DR. FRIES: Thank you.

13 CHAIRMAN LLOYD: Carol, is that the end
14 of.....

15 DR. FRIES: Yes.

16 CHAIRMAN LLOYD:your portions here?

17 MR. COLBERG: Mr. Chairman.

18 DR. FRIES: Yep, I'm done.

19 CHAIRMAN LLOYD: Hold on just a second.

20 Mr. Colberg.

21 MR. COLBERG: I just wanted to say to Carol
22 thank you for accepting our unexpected phone call yesterday
23 afternoon and interrupting your weekend.

24 DR. FRIES: Oh, that's okay.

25 MR. COLBERG: Appreciate that.

1 DR. FRIES: Thank you. That's fine.

2 Thanks.

3 MR. MEADE: Mr. Chair.

4 CHAIRMAN LLOYD: Joe.

5 MR. MEADE: I would echo that in
6 appreciation for your availability for our own
7 clarifications. I also would like though to come back to
8 the duck flats discussion. I gave some happy talk as the
9 chair so noted in that motion. And Carol, I think you
10 offered a better set of terminology and that would be a
11 conservation easement with the State for the adjacent
12 Forest Service Crooked Creek project area.

13 DR. FRIES: Uh-huh. (Affirmative)

14 MR. MEADE: And so I just thought I'd
15 clarify that that might be so noted for the record. I
16 think conservation easement would be the appropriate legal
17 terms.

18 DR. FRIES: Okay. So the Forest Service
19 would be willing to hold the conservation easement on the
20 state acquired parcel then?

21 MR. MEADE: Yes.

22 DR. FRIES: Great.

23 MR. MEADE: So that we can have a shared
24 stewardship.....

25 DR. FRIES: Uh-huh. (Affirmative)

1 MR. MEADE:to the public's benefit
2 for the conservation education that's currently held at
3 that site.

4 DR. FRIES: That's great. Thank you.

5 MR. O'CONNOR: Now you're not going to cut
6 down them trees, are you?

7 MR. MEADE: Even a blind man can see there
8 are no trees there.

9 MR. O'CONNOR: Okay. Good.

10 (Laughter)

11 CHAIRMAN LLOYD: So assuming.....

12 MR. O'CONNOR: You guys.....

13 CHAIRMAN LLOYD:there's no objection,
14 other than that one from Mr. O'Connor, that can be our
15 understanding.

16 DR. FRIES: Great.

17 MR. MEADE: Thank you.

18 CHAIRMAN LLOYD: Carol, thank you very
19 much.

20 MR. NEIDIG: Thank you, Carol.

21 DR. FRIES: Thank you.

22 CHAIRMAN LLOYD: That moves us onto the
23 next agenda item, media rollout, 20th anniversary message.
24 Michael.

25 MR. BAFFREY: So, this actually -- there's

1 a larger question to play that I have before we start that.

2 Do you want to articulate the.....

3 MR. O'CONNOR: Yeah.

4 MR. BAFFREY:the vision first and

5 then -- because a lot of the rest of what happens,

6 especially with the invitation and some of my requests for

7 money are going to hinge upon other people knowing your

8 vision.

9 MR. O'CONNOR: Let me see if I can find my

10 notes. Okay. Mr. Chairman, would you indulge me for a

11 moment to sort of tell the folks what we've done the last

12 couple of days so they'll know.....

13 CHAIRMAN LLOYD: It would be my pleasure to

14 have you tell the folks.

15 MR. O'CONNOR:what happened in the

16 last couple of days. Just by way of background, as most of

17 you are aware, the Trustee Council, in an informal session

18 over the course of Saturday and Sunday past, had a retreat.

19 And it was a continuation of efforts to have such a

20 retreat. We started months ago and it was focused on

21 establishing effective communications and understanding

22 among all of the trustees, particularly given that we have

23 the new folks from the State who are getting to be old

24 folks from the State as we progress here.

25 And we also were well aware that given the

1 disruption in focus over the period of the transition
2 between the two State administrations that the Trustee
3 Council was without a clear vision, if you will, without a
4 clear internal edict with regard to its movement forward.
5 And we were sensing well, not just among ourselves but also
6 with the public and the staff, that the failure to have
7 clearly articulated direction was creating misgivings,
8 frustration and concern. And those actions that we were
9 taking as a trustee council really didn't necessarily have
10 a crisp focus to them. We were sort of continuing whatever
11 it was we were doing before without knowing where we were
12 going.

13 So we spent two, what I would call very
14 productive and enjoyable days, notwithstanding the fact
15 that we were all looking at the sunshine we were missing,
16 but we sat in this room and there were the Trustee Council
17 members. For a short period of time we had Mr. Tillery,
18 who is the resident historian who provided us with some
19 anecdotal and background information when there was some
20 questions about where we had been and why we had been
21 there. And we had Steve Zemke with Joe and Hans and
22 Randall Luthi from the Department of Interior. We had
23 Michael with us and a facilitator. And I think Taylor, the
24 facilitator, got a little frustrated because as he was
25 trying to keep us moving in one direction we of course were

1 going in others and paid little or no attention to him.

2 But I think we had a very, very good, a
3 very productive session. And we came out of it with an
4 articulated focus, with a goal, a vision as to what we're
5 going to try to accomplish now and into the future.
6 Obviously those things may be subject to change, to
7 modification as we progress and we learn more and we
8 implement more, but at this point I think it's safe to say
9 that we have as a trustee council, an energy, an
10 enthusiasm, and a focus that we didn't have when we walked
11 in Saturday morning.

12 The conversations were remarkably
13 convivial. We learned from each other. We talked back and
14 forth about issues. We sort of let the past be just that,
15 the past. And we, I think we have a fairly clear and
16 collective understanding of where we want to go.

17 One of the things that we have recognized
18 over the course of the last 19 years is that we have done
19 things almost in an ad hoc way. We have engaged a number
20 of scientific studies, we have spent a considerable amount
21 of money on technical effort, we've spent a considerable
22 amount of money on habitat acquisition. I think the
23 numbers are something like 1300 studies have been
24 accomplished since the spill. We have spent a 170 million
25 dollars on that, and it truly is time that we get a clear

1 sense of what we know, what we don't know, what we will not
2 be able to know, and be prepared to move forward based on
3 those realities.

4 Certainly the science has been a preeminent
5 aspect of our efforts and it truly should have been. We
6 settled this case roughly a year after the spill without
7 having conducted what normally would be the exhaustive
8 damage assessment type studies. And we had to spend a
9 considerable amount of time and money just figuring out
10 what the problems were. And having a meaningful scientific
11 predicate upon which to base our decisions with regard to
12 restoration, I think we are fairly well there. And I think
13 the general consensus is that there are going to be
14 limitations on our knowledge, We're not going to have all
15 of the answers, but we're going to begin a process now that
16 takes a very clear, integrated approach to engaging the
17 science and the restoration. To marrying them, as they
18 say, and making sense out of that process.

19 It also became pretty clear as we talked
20 over time that although we represent the public -- we
21 represent the Native groups, we represent the fishermen, we
22 represent the citizens of the spill area -- we have not
23 effectively brought them into our business. We have been
24 for the most part at arm's length and that is not an
25 appropriate way to conduct our affairs. We are missing a

1 phenomenal amount of knowledge, information, experience,
2 and guidance. And we are going to be moving forward in
3 what we call an integrated approach. And I think you will
4 see that in -- and you probably -- if you haven't read the
5 herring draft, the final plan, please do so. You will see
6 very clearly what we mean when we say integrated and what
7 we mean when we say we are going to engage the public in
8 the process. We will be working with village communities.
9 We will be working with local fishermen. We will be
10 working with the folks who are impacted.

11 The second aspect that we focused on quite
12 clearly was that we -- although we've spent a considerable
13 amount of time on the business of direct restoration, if
14 you will, figuring out what's happened to the resources and
15 how best to restore them, we have come up short in our
16 ability to be mother nature. And in many instances --
17 well, I think the numbers speak for themselves. We have
18 restored/recovered 10 of the 26 injured resources and
19 services over the last 20 years.

20 Well, the fact of the matter is, there's
21 probably not a lot we can do beyond what we've already done
22 as direct restoration. Perhaps there will and we will be
23 engaging in monitoring -- and I use that word very
24 advisedly -- we will be continuing to evaluate the status
25 of the resources that have injured and their recovery to

1 the extent we can do so in a cost-effective and meaningful
2 way.

3 But the fact of the matter is, we have run
4 out of things we can do probably with regard to direct
5 restoration. But we have failed in that effort not just to
6 recover the species but to recover the losses, restore the
7 losses that were experienced by the folks. The people in
8 the communities who were dependent upon those resources for
9 whatever purposes, whether it was recreation, whether it
10 was commercial utilization, whether it was cultural,
11 subsistence utilization, or speaking on behalf of those who
12 were in the Lower 48, as well as others here in Alaska, the
13 value of the existence of those resources.

14 Generally when we do a natural resource
15 damage assessment and restoration program we do it with the
16 expectation that by restoring the resources we will restore
17 the service losses that have occurred to the people. We
18 have not been able to restore those resources and I dare
19 say that we have not even done an effective job of
20 evaluating the scope and extent of the injured service flow
21 to the people of Alaska and we need to do that.

22 And we will be moving forward with a
23 directed effort, seeking guidance from those who do this
24 sort of thing for a business and for their profession to
25 figure out what the scope and extent is of those service

1 losses and how best we can restore them, looking directly
2 at human services. A large component of the settlement was
3 based upon the loss of those services and we will be
4 focusing our efforts accordingly.

5 Another area that seems to be of particular
6 concern to folks, and I alluded to this a moment ago,
7 that's the business of monitoring. Monitoring has a -- in
8 some regards has a vague meaning to it. It is, depending
9 on who you talk to, different things. Monitoring also just
10 sort of sounds like sitting around keeping track of things
11 for simply the sake of keeping track of things. Generally
12 in a natural resource damage assessment, when we look at
13 restoration and we look at restoration monitoring, we are
14 looking directly at the projects that we have engaged,
15 making sure that those projects -- perhaps, you know,
16 habitat acquisition and habitat reconstruction, whatever it
17 might be -- are those projects performing the way we had
18 expected them to? Do we need to make modifications? Are
19 the plants thriving? Are the fish thriving? Whatever it
20 might be.

21 We have very little that is direct
22 restoration here that we can actually monitor in the sense
23 are the plants growing. But what we do have a environment
24 that will not likely restore itself fully in the near term.
25 We have spent 20 years at least allowing natural recovery

1 to be a prominent approach to the restoration, and given
2 our latest evaluation of those resources, that has not
3 occurred for whatever reason. And as we listen to the
4 scientists over time, there are a number of factors that
5 seem to be influencing that, not the least of which is
6 global climate change, regime shifts, whatever we want to
7 call it. Matters that are far beyond our control.

8 But we need to keep track of the resources.
9 We need to keep track of the efficacy of the efforts that
10 we have engaged. And we need to be sure that we are ready
11 and able to respond if there are certain perturbations to
12 the system that we can react to and provide modulation to
13 so that the resources that are naturally recovering are
14 able to do that. That will be a challenge but we will be
15 engaging a team of individuals to provide us with a focused
16 monitoring program.

17 I realize that a number of years ago, I
18 guess it was in 1999, that we developed what's been called
19 the GEM program, and I guess which was the Gulf Ecosystem
20 Monitoring Program. It has been both maligned and
21 endorsed. It is perceived by some, not the least of which
22 are the representatives of my own agency, as a great and
23 glorious thing. During the last three or four years it was
24 seen as nothing more than a scientific boondoggle and the
25 perpetuation of the science of the Trustee Council rather

1 then restoration of the resources.

2 Well, there's some truth in all of that but
3 the fact of the matter is that today we are making
4 decisions that will bear upon the future needs for
5 monitoring. Some of those decisions will likely be that
6 there's not much more we can do but we need to keep track
7 of those resources and we need to be prepared to respond
8 and we need to be able to keep the effective public aware
9 of where the resources stand with regard to their recovery.
10 So we will be developing such an undertaking. Call it GEM-
11 lite, call it whatever you want, but it will be a focused
12 and hopefully informed and intelligent monitoring program.

13 Beyond that, and as you heard some of our
14 discussions this morning, we will continue to evaluate
15 habitat acquisition opportunities, although we recognize
16 that those may likewise be fading away. We have engaged in
17 a very massive habitat acquisition program. I think it's
18 been very effective. It certainly has been beneficial to
19 the resources. But once again, we're not sure that it has
20 realized the full suite of goals that we had for it, but
21 we're running out of things to buy. And that was sort of,
22 as you can see -- and we're also running out of money in
23 that arena. But we will continue to be prepared and
24 available to acquire habitat that may be critical, that may
25 be of significance to the resources that we're trying to

1 restore. And that was the discussion that we had earlier
2 this morning with Carol, looking at those kinds of issues.

3 We have a couple of projects that have been
4 lingering before the Trustee Council that we have loosely
5 called bricks and mortar type projects. Cordova Center and
6 the Kodiak facility. We spent a considerable amount of
7 time talking about what bricks and mortar projects might
8 mean and what is it that we're really looking at when we
9 address a bricks and mortar type project. What is it that
10 the council is trying to accomplish. We have heard very
11 effective presentations from the folks in Cordova.

12 We have heard effective presentations from
13 the folks in Kodiak with regard to what they perceive the
14 value of projects, bricks and mortar type projects to the
15 Trustee Council. The Trustee Council itself has not
16 necessarily looked at the issue of what are we trying to
17 accomplish and how best can we do it and do physical
18 structures lend themselves to accomplishing those goals.

19 We are going to address and resolve the
20 pending petitions, if you will, for Cordova and Kodiak. We
21 will be resolving that. The Cordova, at our meeting,
22 hopefully we will learn enough, but we have I think fairly
23 defined in our own minds what it is we are trying to
24 accomplish. And what we need to do -- and this is not by
25 way of solicitation of other proposals -- what we need to

1 do as a trustee council is figure out what we want to
2 accomplish by way of community outreach. By way of
3 communication. By way of preservation of the information
4 that we have collected, the knowledge that we have gained,
5 and provide. Call it a legacy, call it a meaningful
6 compendium of information and opportunity for folks that
7 are -- have been affected by the spill. For folks that
8 will come into this world in the future that need to
9 understand both the impact of a massive oil spill. To
10 understand the impact of the utilization of petroleum
11 products. To understand the impact of the failure to
12 protect the environment. And to understand just how much
13 we have been able to accomplish and not accomplish.

14 And I think it is fair that the public know
15 what we have done, know what the limitations are on our
16 abilities, and that we need to have available to the public
17 facilities, opportunities in the spill area to engage those
18 kinds of matters. To understand what is going on and what
19 this trustee council has and has not accomplished. And we
20 will be looking at that.

21 One of the important components of that is
22 what Michael was beginning to talk about, and that is the
23 fact that we've been here for 20 years. We have a 20 year
24 anniversary and it's time that we clearly articulated to
25 the public in a meaningful and acceptable way, a way that

1 folks can understand, what it is we have and have not
2 accomplished. And we are going to be engaging in, as
3 Michael will describe, a media program for our 20th
4 anniversary. And it will be a sophisticated and it will be
5 a valuable contribution to the folks of this state and to
6 the folks of this country. And we are hoping to begin that
7 process immediately.

8 There are a number of things, if you will,
9 that we need to do that we haven't done. One of which I
10 alluded to was the engagement of the public and
11 communities. And we will be looking very clearly at a
12 program and approach to have community based community
13 outreach activities to deal with the science of the future
14 and to deal with the restoration of the future and
15 particularly looking at the restoration of the human
16 services that have been impacted as a result of this spill.

17

18 There are a number of things that we are
19 going to go forward with in an expedited way. And those
20 are the community outreach, those are the 20 year
21 anniversary activities. We are going to move out on them
22 smartly because they are time critical and we want to be
23 sure that we are telling our story the way we think our
24 story needs to be told. To benefit the people of the spill
25 area of this state, the kids, the teachers, you name it.

1 We want to be sure that everybody understands. This
2 continues to be the most significant environmental disaster
3 in this country. And hopefully will always be the most
4 significant environmental disaster. Now let's see what we
5 can do to communicate what we've done about that.

6 I don't know that I've missed anything
7 other than one area that I guess falls somewhat in the
8 category of bricks and mortar, but more in the arena of how
9 do we protect the ecosystem? How do we protect Prince
10 William Sound and those resources in Prince William Sound
11 from other insults caused by human activities? And the
12 most notable of those is pollution. And we have looked at,
13 as many of you will recall, there was a proposal put
14 forward two or three years ago now for us to be looking at
15 sewage treatment facilities, wastewater treatment
16 facilities, and so on. And we are still willing to
17 consider those, but I think the fact of the matter is that
18 they are of limited opportunity and much of that is
19 something that Commissioner Hartig and his folks are
20 dealing with already.

21 What we have though is we have some very
22 real pollution impacts that are being experienced today in
23 terms of contaminated harbors, in terms of perhaps some
24 combined sewer overflows, storm water overflows that are
25 putting contaminants into the system and they are causing

1 problems for the resources that we are trying to allow to
2 recover and to protect those. And we are going to be
3 evaluating opportunities to clean up harbors, to clean up
4 pollution sources that are not otherwise being addressed.
5 And that will be hopefully an effective, what we would
6 consider direct restoration, but an effective approach.
7 And we will be looking at a team of folks to help us put
8 together an inventory of those opportunities and moving out
9 to evaluate them and see if there isn't something we can
10 do.

11 I think I've probably taken more time than
12 we spent in the two days coming up with these. But I think
13 this is a fair depiction of what we accomplished.

14 CHAIRMAN LLOYD: Craig, thanks for that
15 summary. Comments? Joe.

16 MR. MEADE: First I want to -- on a day
17 like today, St. Patrick's Day, I want to congratulate our
18 fine statesman, Mr. O'Connor. That was an outstanding
19 summarization of our discussions yesterday and I really
20 respect and value how you've been able to frame that
21 together in an overview. One additional piece we spoke
22 about, and I just didn't want to let it go unnoticed
23 because we have a valued discussion about it, and it was
24 collectively our trustees' respect and value for the role
25 our citizens, to our polit -- our political, excuse me, our

1 Public Advisory Committee, not a PAC, but a PAC. Our
2 citizens, our council, and our liaisons all through these
3 past three and four years have been invaluable ingredients
4 to the successful, this continuing to move forward in
5 quality science, quality restoration, and quality public
6 engagement. And we just wanted to underscore that because
7 as we were going through a period of indecisiveness and
8 needing that focus, folks had been left to have, you know,
9 less surety as we've worked to many, a myriad of
10 discussions over the past couple of years. So I respected
11 the fact we had a very heartfelt discussion of that and a
12 real value for the role of the council, Michael, and with
13 our Public Advisory Committee and our liaisons and the many
14 others that have all helped frame a role over the last
15 number of years in the stewardship of the role here that we
16 all share.

17 CHAIRMAN LLOYD: Thanks, Joe. Any other
18 general comments from council members on characterizing our
19 retreat and our new resolve?

20 (No audible responses)

21 CHAIRMAN LLOYD: Well, with that, thanks
22 again, Craig. That was an excellent if detailed summary.
23 And that brings us back to our agenda. So item eight,
24 media rollout. Michael, do you want to launch.....

25 MR. BAFFREY: You want to -- I mean, I can

1 be quick on this one, but we probably ought to be
2 considering taking a break.

3 CHAIRMAN LLOYD: Well, yeah, why don't we
4 do your media rollout and then we can take a break.

5 MR. BAFFREY: Okay. This is -- the Trustee
6 Council -- the 20th anniversary will be a year from this
7 March 24th. Did I say that correctly? 20th anniversary.
8 So a year sounds like a long time between now and then, but
9 it's not in terms of the -- if you want to get a message
10 out, an objective message out. The Trustee Council has the
11 opportunity to do just that, to get a balanced, objective
12 message or you can sit on the sidelines and kind of see how
13 that falls out. What happened this weekend, and Craig
14 articulated it -- and thank you, slick job -- the
15 importance of us being out in front. We've got the
16 science, you know, we need to -- we want to do a couple of
17 proposed potential projects or a historic documentary that
18 looks at the spill, the environment, what has happened to
19 science. And then also a possibility of a documentary.
20 Those are big tasks. We also want to get involved, we've
21 talked about getting involved in school curriculum, which
22 needs to be developed this summer if it's going to be in
23 the next school year. So you can see where time has become
24 critical.

25 I had initially put this in the FY-09

1 invitation as an item of solicitation for proposals. That
2 would mean that we would miss the time curve on that
3 because we don't fund those proposals until October of this
4 year, and that's just not enough time. So what we talked
5 about this weekend is putting together a team. Getting a
6 plan in place. Because of my ignorance, I dubbed it as a
7 media rollout, but we need somebody with social marketing
8 skills, somebody with PR to develop that type of a
9 communication plan. And that will give us some estimates
10 of our target deliverables. Right now we don't know what
11 those are. We know they're going to be pretty pricey.

12 A couple of projects we did, documentaries
13 that we have done associated with the spill were upwards to
14 a hundred thousand dollars apiece. So we're looking at at
15 least two different functions which may have that type of
16 price tag. We're not in a position to give the Council an
17 estimate of what the cost is going to be. So my suggestion
18 is, my request is, that the Council authorize \$50,000 for
19 the purposes of developing a communication plan, a media
20 rollout plan. So that's my request to you.

21 CHAIRMAN LLOYD: Council members? Joe.

22 MR. MEADE: Especially based on our
23 discussions over the weekend and looking into the very
24 important drive here in '09, I would encourage us to ensure
25 our terminology speaks to media, conservation education and

1 outreach to our students across the Prince William Sound,
2 the spill affected area, and even beyond in the hemisphere.
3 We've done examples with webcasts, where we've reached with
4 wetland education with the Governor's assistance, this last
5 year at Cordova, we reached a half a million kids across
6 the Western Hemisphere. So I would encourage us to look at
7 media, conservation education to our youth, and third, that
8 social engagement into our communities. Those are efforts
9 that the Forest Service is highly committed to as we look
10 at the post-spill effects and our relationship and role
11 within many of the spill affected communities. So we would
12 underscore support, Michael, and really look to broaden
13 that umbrella so that we're clear that we're talking about
14 social media and media in a multi-dimension context. That
15 we're talking about conservation to education and outreach
16 to our youth both within the immediate spill area and
17 beyond. And particularly that aspect of stewardship
18 councils or active community engagement as we work through
19 the recreation, travel, and passive kind of aspects that,
20 again, Craig so eloquently spoke to, as drivers as we use
21 that icon of the 20th anniversary of the spill as a way to
22 help connect us to those values. And I underscore and the
23 Forest Service did this this last year with our centennial
24 for the Chugach National Forest. We were a hundred years
25 old last year and I hope folks here enjoyed the many

1 celebrations, Wild at Heart, that was co-sponsored by the
2 Mayor and many other celebrations throughout all of our
3 communities. Really helped to reunite that relevancy to
4 our public lands. My hope is that this package, this
5 campaign you're describing, way under-budgeted in that
6 \$50,000 suggestion, will be part of what you're
7 envisioning, so.....

8 MR. BAFFREY: And may I respond to that?

9 CHAIRMAN LLOYD: Please.

10 MR. BAFFREY: I know, Joe, that you and
11 other agencies are in a partnership relationship with
12 Alaska Geographic and they are also developing a curriculum
13 where they're teaching teachers on the awareness of the
14 spill in anticipation of an entire curriculum around the
15 20th anniversary and the lessons learned. We have talked
16 during the retreat of using that as a vehicle as a part of
17 this process. Also using the stewardship council, which
18 you are involved in. And I'm not really sure the public
19 here understands what the stewardship council is, and that
20 might be worth articulating and seeing if we can
21 incorporate that overall umbrella of efforts that are
22 ongoing into this effort.

23 MR. MEADE: Well, I'll be bringing forward
24 a proposal that our folks have been framing based on the
25 social science and capacity analysis studies that we've

1 been doing in the Prince William Sound over the past two
2 years. Some very powerful information that relates to use,
3 use patterns, as well as ecosystem issues, concerns, and
4 effects as we see an area in recovery. One of the pieces
5 that we feel is essential in that in kind of a geo-mapping,
6 a social mapping context, is to actively solicit views and
7 perspectives from each of our communities across the spill
8 affected area so that we're gaining insights from
9 communities as to their interests from past through the
10 current and into the future as we look at recreation,
11 tourism, and other interests.

12 So creating a venue, if you will, for a
13 place like Chenega, Tatitlek, Cordova, Valdez, Whittier,
14 and other places to be able to define what is their
15 interest into the future as it relates to their community
16 or their villages' context of interest associated to
17 recreation, travel, tourism, interpretation, and those
18 ingredients. So that it is well going to round those
19 community values and designed then to promote the context
20 to which communities are interested in so that it is not
21 the government, the agencies prescribing or describing what
22 it is, but it's very much driven through those community
23 interests and values. Through a formulation of these
24 stewards from each of these villages and communities
25 pulling together to help then to describe and actually

1 paint on a map the cultural stories and the context in that
2 social mapping context that they would see for the Prince
3 William Sound. That of course done in balance with our
4 science, both social and natural, so that we're also
5 looking at the health of the Prince William Sound and the
6 use patterns and the elements that very much relate to the
7 social setting, the context in relationship to how we want
8 to see and how we would want to steward that, if you will,
9 visitation across the Sound in a way that it is in the
10 context of its recovery, in the context of its communities.

11 CHAIRMAN LLOYD: Thanks. Thanks, Joe.
12 Michael.

13 MR. BAFFREY: So the proposal to you is to
14 authorize \$50,000. I would also like to suggest that if
15 there is somebody on your respective staffs that have that
16 expertise in social marketing and PR because I am very
17 ignorant in that arena. This is going to be a big effort
18 to do that. It's, when I say time critical, that doesn't
19 mean just getting started, that means getting started and
20 doing a lot of work right now. So I need somebody with
21 expertise to help me.

22 MR. MEADE: We're very committed there. We
23 would like to make ourselves and our skills available to
24 the Council and to the Trustees in that regard, as well as
25 our partners with Alaska Geographic and much partnership

1 has been achieved there in our conservation education
2 through the learning center at Begich-Boggs Visitor Center
3 facility and our facility in Cordova and Whittier -- or, I
4 mean, Valdez as well. So those will be assets in a
5 partnership to help explore the 20th with you, Michael.

6 MR. BAFFREY: Thank you.

7 MR. O'CONNOR: I would move approval of
8 \$50,000 for you to expend in this effort at this stage with
9 the understanding we'll get a report back on progress and
10 we'll be making further decisions and undoubtedly further
11 financial commitments.

12 MR. BAFFREY: Right.

13 CHAIRMAN LLOYD: Is there a second?

14 MR. HARTIG: I'll second.

15 CHAIRMAN LLOYD: Michael, when do you think
16 you would next report to us? Just an ongoing update at
17 each meeting?

18 MR. BAFFREY: May 1st. At each meeting.

19 And if there is a need to have an authorization of funds
20 prior to that, what I'll do is have Cherri, now that she's
21 here to hear this, schedule a teleconference of the Trustee
22 Council members.

23 MR. O'CONNOR: She ran away knowing you
24 were going to say something.

25 MR. BAFFREY: Well, no, that's why she's

1 here. She's the first one I'll say.....

2 CHAIRMAN LLOYD: Any other comments or
3 discussion on \$50,000 authorization?

4 (No audible responses)

5 CHAIRMAN LLOYD: Seeing none, is there any
6 objection?

7 (No audible responses)

8 CHAIRMAN LLOYD: Seeing none, it's
9 approved.

10 MR. BAFFREY: Thank you.

11 CHAIRMAN LLOYD: Shall we take a, what, 15
12 minute break, to be nice.

13 MR. BAFFREY: I'd go for the 10.

14 CHAIRMAN LLOYD: Well, let's be here at
15 10:30 according to the clock on the wall, which is actually
16 13 minutes from now.

17 MR. BAFFREY: There, a compromise.

18 (Off record - 10:17 a.m.)

19 (On record - 10:30 a.m.)

20 CHAIRMAN LLOYD: The Council has reconvened
21 and the next item, item number nine on the committee,
22 Public Advisory Committee charter renewal. And do we have
23 Doug available?

24 MR. BAFFREY: Doug's not. Do you want to
25 go into the FY-09 invitation?

1 MR. O'CONNOR: How about if we just -- how
2 about if I move we re-up the charter to get it done?

3 MR. BAFFREY: That's fine.

4 MR. O'CONNOR: Because we're not going to
5 change.....

6 MR. BAFFREY: There's Doug.

7 CHAIRMAN LLOYD: Well, here we go.

8 MR. MUTTER: Were you waiting for me?

9 CHAIRMAN LLOYD: Isn't that always the way,
10 Doug, you sit here all morning.....

11 MR. MUTTER: Yeah, yeah, yeah. Okay. Good
12 morning. I'm Doug Mutter with the Department of the
13 Interior and I'm your designated Federal official for the
14 Public Advisory Committee. The Public Advisory Committee
15 that's a requirement in the settlement papers is treated as
16 though it's a Federal advisory committee because there's a
17 group of non-government people giving advice to a Federal
18 agency, so you have to do your work according to that four-
19 letter word, FACA, Federal Advisory Committee Act. And so
20 every two years your Public Advisory Committee sunsets
21 pursuant to that act. So that's coming up in 2008. It's
22 been two years since we're reestablished the committee.

23 So one of the action items that you need to
24 take is to renew the charter, and then there's a process we
25 go through to get that approved. The Secretary of the

1 Interior actually signs the charter and then it goes to
2 general services administration. The publish a Federal
3 register notice, et cetera. And we have an entry on the
4 FACA database that covers all the Federal advisory
5 committees nationwide that I keep that up to date for you
6 guys.

7 So usually it take -- there's a long time
8 line. Whenever you send anything back to Washington DC, it
9 seems to take forever to get things done. So if we could
10 have some action on that, there are no changes to the
11 proposes charter from what it was two years ago. If we can
12 get action by you folks today on that, then I can go ahead
13 and get that process in the mail so that it's ready to go
14 when the new Federal fiscal year starts in October. And
15 that's important because at the same time we're going to
16 want to start the process for nominations for the 15 Public
17 Advisory Committee members. Because every two years, the
18 way it's set up, you renew or wipe out and replace all the
19 Federal -- all the Public Advisory Committee members so you
20 can have a clean slate. We've got a lot of people that
21 have been doing this for several years, so you've got a lot
22 of institutional memory involved too.

23 But anyway, that's the second decision for
24 you today, is to agree that this is the process we'll use
25 to do the nominations and we've proposed the same process

1 we've used practically since 1992 when we started doing
2 this. And I work with Cherri on getting the word out to
3 folks and saying there's nominations. We publish a notice
4 in the Federal register, in local newspapers, word of
5 mouth, or email list.

6 And so there's a process we go through that
7 results in nominations for each of the 15 membership slots
8 and then you folks decide who you want to nominate. And
9 those are all appointed officially by the Secretary of the
10 Interior. So again, there's a process we go through to do
11 that, so we're shooting for an August deadline to get that
12 information in and pull it together so that we can get
13 recommendations in and start the new Public Advisory
14 Committee sometime in October or November at the latest so
15 that they're ready to go for the next two year period.

16 So those are the two decisions that are
17 requested today, approval of the charter for renewal and
18 approval of the process that we've laid out for the PAC
19 membership.

20 CHAIRMAN LLOYD: Michael.

21 MR. BAFFREY: The current PAC, which has
22 been here -- I came here just as you renewed the last one,
23 and via FACA, they advise you, the Trustee Council members.
24 They don't advise me. Submitted to advise that body. Then
25 they -- but they do -- they have worked with me every step

1 of the way. And I just want to say that the PAC, that my
2 experience with this group is they are very interactive,
3 very insightful. There's no reservations about expressing
4 their opinions, which is their job. They represent all
5 segments of the public. It's just an excellent group of
6 people and it serves the Trustee Council and me very well.

7 MR. MUTTER: And we'll ask those folks if
8 they are interesting in reapplying, but they have to go
9 through the whole renewal process again. So the decision
10 as to who's on that group is entirely up to you guys.

11 CHAIRMAN LLOYD: Okay. Apparently we're
12 poised to take action. Let's just take two individual
13 actions. So is there a motion to amend the charter?

14 MR. O'CONNOR: So moved.

15 CHAIRMAN LLOYD: Is there a second?

16 MR. MEADE: I'll second.

17 CHAIRMAN LLOYD: Is there discussion?

18 (No audible responses)

19 CHAIRMAN LLOYD: Is there objection?

20 (No audible responses)

21 CHAIRMAN LLOYD: Seeing no objection, the
22 charter is renewed. And is there a motion to proceed with
23 the nomination process as described in our materials?

24 MR. MEADE: I'll so move.

25 MR. O'CONNOR: Second.

1 CHAIRMAN LLOYD: Discussion? Objection?

2 (No audible responses)

3 CHAIRMAN LLOYD: Seeing none, the
4 nomination process is approved.

5 MR. MUTTER: Thank you very much and Happy
6 St. Patrick's Day.

7 CHAIRMAN LLOYD: Doug, thank you.

8 MR. BAFFREY: Thank you.

9 CHAIRMAN LLOYD: That's agenda item nine,
10 which moves us into agenda item 10, the FY-09 invitation.
11 Michael.

12 MR. BAFFREY: Okay. I want to follow up on
13 Craig's articulation of your vision before I go through the
14 items that I'm suggesting we put in the FY-09 invitation.
15 And before I do that, let me just give you a little bit of
16 background. We did not issue an FY-08 invitation. And the
17 purpose of that was that we wanted to finalize the herring
18 restoration plan to use as a basis for -- to guide our
19 solicitations. We wanted to also get more input from the
20 public, especially at the community level and the Science
21 Panel, the Restoration Panel, the Herring Restoration
22 Steering Committee -- Plan Steering Committee, and the
23 technical writers. We wanted to get a lot of information
24 before we actually went into the FY-09 invitation.

25 We had several ongoing FY-07 projects that

1 could have been funded and were funding in FY-08, so it's
2 not as if there was a data gap in the process. But now
3 we're poised to issue the FY-09 invitation. And what I
4 wanted to follow up on from Craig's presentation was the
5 integrated herring restoration program that we have
6 collectively endorsed. That program -- we have currently
7 13 herring projects -- 14 actually, 12 direct and two
8 indirect. And they all are stand-alone projects. And in
9 the process of public comment and in the process of the
10 steering committee and the technical writing team preparing
11 the plan, several have indicated that that effort needs to
12 be integrated and -- so that we know what's being done.
13 Now that process has been in play now for almost a year
14 and a half because we convened in April -- almost two years
15 now -- of '06 a workshop of PI's, fishermen, scientists,
16 community members, to talk about the issue of herring
17 specifically. Out of that came two subsequent workshops
18 with just the PI's and the steering committee to look at
19 what we've learned, what we are learning, and what more we
20 do need to learn.

21 So there's going to be items in the FY-09
22 invitation that are going to be requesting information to
23 fill those data gaps. There's going to be information on
24 what we need to -- if the green light is given to
25 enhancement activities for herring in Prince William Sound,

1 there's items in there that are prerequisites to that
2 process. There's also an item about -- one of the items in
3 the FY-09 invitation that I'm going to propose is that we
4 look at some way to do stock identification within the
5 Northern Gulf of Alaska to find out if there are
6 genetically distinct populations of herring in the area.

7 So all of those are going to be solicited
8 in the FY-09 invitation, however, they're going to be --
9 those proposals will be integrated into -- bad choice of
10 word -- but put into the integrated herring restoration
11 program so that we're looking at them collectively and not
12 as stand-alone projects.

13 Something else, well, do we need
14 authorization publicly from you at this meeting for the
15 herring integrated restoration -- the integrated herring
16 restoration program? We have monies to do this. It's
17 going to involve workshops at the community level. It's
18 going to involve, again, PI's. It's going to involve a
19 non-scientist -- I mean, scientists which are not funded by
20 this office. So there's going to be another focus group
21 primarily using the people that we've already been working
22 with to actually continue this effort and to look at these
23 proposals and to help us identify the way forward to
24 herring restoration.

25 So we got monies to do that. We've got the

1 remainder of the NOS grant that is specifically dedicated
2 to herring. So we've got monies, I'm not asking for
3 monies, but do I need a public endorsement outside of your
4 articulation of the vision to actually have that as a
5 focus?

6 MR. O'CONNOR: I think you do because the
7 decisions that we -- or the summary of our collective sense
8 is not binding.

9 MR. BAFFREY: Okay.

10 MR. O'CONNOR: So let's make sure that the
11 record is clear that we're supporting this approach.

12 MR. BAFFREY: Okay. Then let me, if it's
13 okay with you, let me just do that now. What I'm
14 requesting authorization on is to formulate an integrated
15 herring restoration program, which is community based and
16 will integrate the various herring projects that are
17 ongoing, those that will be proposed, and will guide our --
18 I mean, will be based upon our herring restoration plan and
19 guide the Council, advise the Council, through me, all the
20 forward for herring restoration.

21 CHAIRMAN LLOYD: This particular
22 integration effort, how long do you see this going on?
23 When does it come to a, quote, conclusion? A
24 recommendation? And do you have a ballpark figure of how
25 much money you intend to expend?

1 MR. BAFFREY: That's a great question. It
2 will be ongoing until the decision is made regarding
3 enhancement, direct enhancement, intervention. And even if
4 the decision is made to not do direct intervention, there
5 will be obviously some monitoring. But it will be ongoing
6 throughout the effort to get you the information that you
7 need to make that decision. So I'm anticipating a
8 potential five year program. I mean, there's no -- and
9 then it will be -- we've already put 2.5 million dollars
10 into the current herring work. I'm anticipated that
11 workload will not decrease but you'll have something
12 collectively guiding what proposals should be funded.

13 CHAIRMAN LLOYD: Larry.

14 MR. HARTIG: Yeah, I understand from our
15 discussion yesterday that, of course, the committee will be
16 meeting May 1, in advance of our meeting that evening with
17 them. And, well -- and then you had two other meetings
18 scheduled after that or in addition, two other meetings.
19 Now is that different from the process that you were just
20 describing?

21 MR. BAFFREY: No.

22 MR. HARTIG: It is that same process.

23 MR. BAFFREY: It is a part of the process.

24 MR. HARTIG: And that -- but the idea that
25 we have our herring restoration plan and then we're looking

1 primarily at the enhancement issue, whether that would do
2 more harm than good.

3 MR. BAFFREY: Right.

4 MR. HARTIG: And wanting to get to a
5 decision on that pretty soon and that we would get there
6 through this integrated process.

7 MR. BAFFREY: Right. And it's community
8 based.

9 MR. HARTIG: Right. No, sounds consistent
10 with what we've talked about.

11 MR. BAFFREY: Yeah.

12 CHAIRMAN LLOYD: Any other questions from
13 council members?

14 (No audible responses)

15 CHAIRMAN LLOYD: Well, we've decided or
16 we've been advised we need a motion.

17 MR. O'CONNOR: I would move what he said.

18 CHAIRMAN LLOYD: I don't know what he said.

19 MR. O'CONNOR: That we move.....

20 MR. BAFFREY: Oh, great.

21 MR. O'CONNOR: That we move out smartly on
22 an integrated herring.....

23 MR. BAFFREY:restoration program.

24 MR. O'CONNOR:restoration program.

25 MR. MEADE: Let's have Hans read it.

1 CHAIRMAN LLOYD: Is there a second?

2 MR. MEADE: I'll second.

3 CHAIRMAN LLOYD: Is there any further
4 discussion or questions?

5 (No audible responses)

6 CHAIRMAN LLOYD: Seeing none, is there
7 objection?

8 (No audible responses)

9 CHAIRMAN LLOYD: Seeing none, it's
10 approved.

11 MR. BAFFREY: Thank you.

12 MR. BAFFREY: So the FY-09 invitation.

13 We're -- the approach we're going to take on the FY-09
14 invitation is more of a directed approach, where in the
15 past we've kind of used the discovery approach where send
16 out a general solicitation and pick from the menu of
17 project that we receive. This we have through input from
18 the public, the Science Panel, Restoration Panel and
19 others, we have a menu of items that we want to actually
20 direct the solicitation towards.

21 Community involvement, we've talked about
22 that. We definitely want a strong community involvement
23 component. We've got items delineated in that that will
24 focus on community involvement, it will look at environment
25 education component, it will be a citizen based science

1 where projects can potentially be developed at the
2 community level for potential Trustee Council funding and
3 community outreach activities.

4 Another item is similar to what we talked
5 about with herring but it's not as advanced as that because
6 of all the pre-herring work that we've done today, is an
7 integrate nearshore ecosystem program. We would also like
8 to see an effort made to integrate the activity, the
9 research activity, the monitoring activity, and general
10 restoration activities in the nearshore environment.
11 That's a distinct environment. It's based upon -- the
12 energetics are based primarily upon benthic algae and sea
13 grasses. It's the intertidal area and there's a suite of
14 resources that are on our injured resources list, and
15 outside of that, that occupy that ecosystem so it's -- and
16 it's the environment that is affected by, potentially
17 affected by lingering oil. So there's still that nexus
18 with oil. Offshore, that's more of a vague delineation.
19 So the nearshore, we definitely have areas where there is
20 lingering oil. And proposals in that realm would be -- I
21 would like to see those integrated.

22 At some point down the road I'd like to do
23 the same things with seabirds, to integrate the seabird
24 studies and to bring that into a collective package as
25 opposed to a bunch of stand-alone projects on seabirds.

1 We talked about the herring. I'll bypass
2 that. I'm going to -- so we'll release the data gap that
3 we have identified so far that we're going to be requested
4 proposals against the stock identification solicitation.
5 The enhancement, those three -- there's three prerequisites
6 for herring enhancement that we need to look at prior to
7 any consideration of actually implementing herring
8 enhancement. And that, we need to identify, if I can find
9 them here, the feasibility and afford-ability of mass
10 marketing. Recapture and more detection methodology, and
11 developing a detectable restoration enhancement reference
12 criteria. Those are things that we would like help through
13 this solicitation process to develop.

14 I had proposed that we look at the previous
15 efforts to enhance salmon in the spill affected area, both
16 pink salmon and red salmon were on -- are on our list but
17 recovered. The injured resources and services list, where
18 there's potential lessons to be learned there about the
19 enhancement activities related to salmon that may be
20 applicable as we move forward with potential herring
21 enhancement. And there was some good stuff that happened;
22 there was some bad stuff that happened. We just need to
23 learn those lessons so that those same mistakes are not
24 repeated and that the benefits are repeated.

25 Human services. There's an item in the FY-

1 09 invitation specifically looking at human services.
2 Human services are, as Craig articulated, is also
3 commercial fishery fisheries, subsistence, recreation, and
4 tourism, and passive use. The solicitation is going to
5 request a look historically at the impacts on these human
6 services. We have not focused on human services. There
7 was an assumption that the resources that these human
8 services are dependent upon, if those are recovered then
9 the human service would have recovered. That did not take
10 into account the potential interim loss associated with
11 those human services. We want to go back and take a more
12 directed look at the actual human services.

13 Habitat protection and acquisition. The
14 item in the FY-09 invitation is to look at habitat
15 acquisition to delineate its benefits towards restoration.
16 Has that -- and then actually, can we go back. Are there
17 indicators. Can we have -- is there a quantitative
18 assessment of the benefits of habitat acquisition? There's
19 also the potential, if you look at habitat acquisition, in
20 the arena of designated wilderness, which is also on our
21 injured resources and services list and not recovered, that
22 maybe through the acquisition process we have offset the
23 injury that was done by the spill. We don't know that, but
24 this will be a way to look at that.

25 Forage fish is the in the FY-09 invitation

1 as a solicitation item. The intent there is to see if the
2 biomass the nutritional level is available to the prey
3 resources. We know that herring has been depressed. That
4 is an important prey resource and incredibly important in
5 terms of the transfer of the energetics to the tropic
6 level. Are there other forage fish that filling that void.
7

8 Lingering oil. Lingering oil is an ongoing
9 issue. Looking at the solicitation would be for looking at
10 are there means of further identification. What can we
11 actually do with oil and is bioremediation, are there other
12 remediation possibilities out there. So it's a
13 continuation of that look.

14 Marine pollution. Reduction of marine
15 pollution. There are other sources, other potential
16 sources of contaminants in the spill affected area. We
17 don't know what those are collectively. We know that
18 there's obviously harbors out there that may be generating
19 some contaminants. There may be natural seeps or there's
20 hydrocarbon seeps. There's other potential sources of
21 contaminants. This is a means of getting a handle on what
22 is the scope of other additional contaminants and what can
23 be done in terms of restoration, which of course an eye on
24 how that applies to the restoration of injured resources on
25 our list.

1 That's some general ideas. We'll probably
2 put in -- and I haven't talked with Catherine about this --
3 but I'm assuming we will put in a general -- if you have a
4 great idea, let us know -- component that will keep us all
5 anticipating, something that we've actually missed.

6 I'm proposing that we shift from a full
7 proposal submission process -- and Catherine, I can only
8 imagine you're going to grimace when you hear me say
9 this.....

10 MS. BOERNER: I know you're going to
11 (indiscernible - away from microphone).

12 MR. BAFFREY:to a -- because of the
13 work involved -- to a pre-proposal process. We've got the
14 herring -- the integrated herring restoration program that
15 will take a look at the proposals, the pre-proposals, when
16 they come in, will help us. The Science Panel will help us
17 look at the pre-proposals. We will make a recommendation,
18 get the nod from the Trustee Council, and then go back and
19 request full proposals.

20 My argument for doing a pre-proposal
21 process is that gives us an opportunity to integrate and
22 develop proposals into a much larger proposal than getting
23 full proposals and having them go back and repeat that
24 process yet again.

25 So that's the FY-09, an overview of the FY-

1 09 invitation process. I would like to see that released
2 this month. So I would like for you to concur with the
3 items that I've itemized and allow us to finalize that and
4 to get it released. And historically it's been released in
5 the month of February, end of February. The FY-07
6 invitation was released in June, so the sooner the better,
7 especially if we're going to add that additional component
8 for pre-proposals.

9 CHAIRMAN LLOYD: Thanks, Michael. When we
10 were looking at the agenda -- I didn't write it down
11 completely -- but you had mentioned adding a 50,000
12 component to the FY-09 invitation agenda item. Have we
13 covered that or was that covered previously?

14 MR. BAFFREY: That was the media rollout.

15 CHAIRMAN LLOYD: Okay. Thank you.

16 MR. BAFFREY: Yes, we have covered it.

17 CHAIRMAN LLOYD: Are there any comments or
18 questions from council members? Joe.

19 MR. MEADE: You know, Michael, I -- and I
20 don't know if this is as much a question for you or a
21 question I'll ask of my fellow trustees. You're putting
22 forward a robust and a solid '09 invitation. I really
23 appreciate the focus on human services and the focus on
24 integrated approaches to our science, our research that
25 focus toward restorative elements.

1 In the five years I've been on the Trustee
2 Council we've had an artificial cap on how much we're going
3 to invest where to achieve restoration. And I guess I
4 wonder if we are artificially constraining ourselves from
5 investing in the right places at the right pace and at the
6 right time, particularly as we move into human resources.

7 So to the extent we have historically
8 operated within some cap or constraint, more artificially
9 set by ourselves, I wonder if the proposals that we receive
10 ought to really help frame and shape how and in what way we
11 invest into strategic or critical investments across the
12 spectrum that you've highlighted.

13 And I don't know if that is as much a
14 Trustee Council query or if you have a view as well,
15 Michael.

16 MR. BAFFREY: I think that will be shaped
17 by the proposals that we receive. And that's another
18 reason why I wanted to solicit pre-proposals, because I do
19 believe there's a potential to receive way more money -- I
20 mean way more solicitation for way more funds than that cap
21 will allow. And you have, you the Trustee Council has
22 tried to live within the bounds of that cap. I mean, you
23 keep your eye on that, even though you have not done it
24 successfully. You've funded in excess of it over the
25 years. This has the opportunity, especially when you get

1 into the realm of human services, the price tag could
2 conceivably be elevated quite high.

3 So that's a decision that maybe you would
4 want to defer until you received what -- a suite of
5 proposals to kind of get a handle on what is your potential
6 menu of options. I personally, to answer
7 your question, I would like for you not to be restrained by
8 that cap if there's a good proposal that comes in that
9 needs to be funded.

10 MR. MEADE: And that's the reason I at
11 least prompted the query, because it constrains our ability
12 to really see what the venue of options are in an
13 invitation if we're really going to be looking at the
14 integration that -- the human dynamics and dimension and
15 such, so I appreciate the input.

16 CHAIRMAN LLOYD: One correction, Michael.
17 It seems that the -- actually the 50,000 that we had added
18 to this agenda item dealt with potential evaluation of NEPA
19 compliance and looking forward.....

20 MR. BAFFREY: Oh, I'm sorry.

21 CHAIRMAN LLOYD: Was that correct?

22 MR. BAFFREY: That's correct.

23 CHAIRMAN LLOYD: Yeah.

24 MR. BAFFREY: Two \$50,000 items. Larry.

25 MR. HARTIG: Yeah, just a couple of

1 comments. I appreciate Joe bringing that up because as I
2 see that cap, it's artificial in a way but the thought
3 behind it is important, you know, to respect that, and that
4 is not to overspend ourselves to a point that there's needs
5 in the future where we're left short and we can't address
6 those needs. And I think that through the visioning effort
7 that we all were involved with this weekend, and which I
8 considered very successful, you know, we do have a clear
9 vision of the future and we are cognizant of, you know,
10 what the needs are out there, and we're not going to
11 overspend and handicap ourselves later, I believe. So I
12 feel comfortable in going forward. And, you know, we'll
13 revisit that again, but I don't want people to get anxious
14 about that we're just out there freely spending money.

15 MR. BAFFREY: Okay.

16 MR. HARTIG: We do have a vision here. And
17 also I think that there is some differences, you know, in
18 the '09 solicitation that perhaps in the past -- because I
19 wasn't here, I can't necessarily say it's true, but I
20 perceive this -- and that is, we are coming on the 20th
21 anniversary, so that's a special event. We are also
22 turning a course now and recognize that we do have to
23 address human services and that we've delayed that long
24 enough, and so that's adding something to our plate. At
25 the same time we're perhaps starting to wind down the

1 habitat acquisition side, but we'll evaluate that further
2 too.

3 And finally, and I know that we'll speak
4 more on this in the next agenda item, is we have the
5 lingering oil issue and I think a number of agencies,
6 including DEC, are getting pretty frustrated that we
7 haven't -- you know, one, that we discovered this, you
8 know, at this late date, you know, that we have this
9 lingering oil issue. But there is a high priority to
10 address that for a number of reasons. And I think that we,
11 you know, need to push forward as hard as we can on these
12 lingering oil projects and get them done. And so I don't
13 feel constrained by the artificial cap on that either.

14 CHAIRMAN LLOYD: Any other council members?
15 Michael.

16 MR. BAFFREY: One more comment I wanted to
17 make was that for the -- because we have the herring
18 integrated restoration program and because we've got the
19 media rollout and the public relations effort specifically
20 to community involvement, that those will be -- there will
21 be a need on those, some of those projects to expedite this
22 to a funding decision prior to waiting until next fiscal
23 year. So I would like the latitude to come back to the
24 Trustee Council if in fact there is a proposal that we need
25 to address earlier to make that funding decision. And not

1 what's been done in the past, waiting until the next fiscal
2 year to fund things. Because there's some potentially
3 critical projects out there. Again, it's going to drive
4 staff nuts to do this, but that will offset by the fact
5 that we need to get these on, in play much sooner.

6 CHAIRMAN LLOYD: Okay.

7 MR. O'CONNOR: Now does staff agree with
8 that? Is that a reasonable.....

9 CHAIRMAN LLOYD: You do not want to ask the
10 staff that question. You mean, whether that is offset?

11 MR. O'CONNOR: Yeah.

12 CHAIRMAN LLOYD: Yeah.

13 MS. BOERNER: No comment.

14 CHAIRMAN LLOYD: There you go. What action
15 specifically does the council need to take today?

16 MR. BAFFREY: Just say yes it's okay to
17 release the FY-09 invitation. I don't even know,
18 historically does the council authorize the release of the
19 FY-09 invitation? Carol, do you know?

20 MS. FRIES: I don't know who formally
21 authorizes previously sent around in draft form for the
22 liaisons to review and feed information to go to the
23 Trustee Council member and I remember that distinctly.
24 Whether or not there was a formal authorization for these
25 in the form of a resolution.

1 MR. BAFFREY: My intent was that you would
2 say yes and that I would -- we would prepare a final draft
3 to the FY-09 invitation with more fleshed out items, and
4 then that would be circulated. And then within the next
5 two weeks, it would be released.

6 CHAIRMAN LLOYD: So we're giving you
7 conceptual approval to.....

8 MR. BAFFREY: Right.

9 CHAIRMAN LLOYD: Based on what we've heard.

10 MR. MEADE: Mr. Chair.

11 CHAIRMAN LLOYD: Joe.

12 MR. MEADE: Do you want a motion?

13 CHAIRMAN LLOYD: I think we're getting
14 there, yes. Please.

15 MR. MEADE: To the extent we need a motion,
16 I make a formal motion, be it formal or informal, that we
17 move forward with the finalization of the '09 invitation as
18 has been described and to underscore the value of the
19 integration and the human resources components captured
20 therein. And to also in that motion recognize that there
21 are some expedited projects for the 20th anniversary that
22 we would anticipate you would bring back to us in a
23 transparent forum for being able to expedite the
24 deliverables.

25 CHAIRMAN LLOYD: Okay. Is there a second?

1 MR. HARTIG: Yeah, I'll second that and
2 maybe offer a friendly to Joe, and that is to also
3 recognize you need to expedite the lingering oil projects.

4 MR. MEADE: Absolutely. That's.....

5 MR. BAFFREY: Could you add.....

6 MR. MEADE:a given.

7 MR. BAFFREY:herring into that mix
8 too?

9 MR. HARTIG: Yes.

10 MR. BAFFREY: Okay.

11 MR. HARTIG: Yes.

12 MR. BAFFREY: Thank you.

13 CHAIRMAN LLOYD: Moved and seconded.

14 MR. MEADE: Friendly amended.

15 CHAIRMAN LLOYD: And friendly amended. I
16 want to get back to the 50,000 NEPA compliance. Is there a
17 description of what your intention was here in terms of
18 folding this into this agenda item?

19 MR. BAFFREY: I was not putting that --
20 that was a separate item.

21 CHAIRMAN LLOYD: Oh, I'm sorry. I.....

22 MR. NEIDIG: Craig asked for it.

23 CHAIRMAN LLOYD:thought I had asked
24 earlier whether it was in this agenda item.

25 MR. O'CONNOR: I mean -- where in there

1 it's 10.1.

2 CHAIRMAN LLOYD: So it is separate.....

3 MR. O'CONNOR: Yeah.

4 CHAIRMAN LLOYD:from this motion.

5 MR. BAFFREY: Sorry.

6 CHAIRMAN LLOYD: Thank you. That's okay.

7 So do we have any further discussion, questions on the

8 motion?

9 (No audible responses)

10 CHAIRMAN LLOYD: Seeing none, is there any

11 objection?

12 (No audible responses)

13 CHAIRMAN LLOYD: Seeing none, so approved.

14

15 MR. O'CONNOR: We'll get to work.

16 MR. BAFFREY: Thank you. Thank you.

17 CHAIRMAN LLOYD: Mr. O'Connor.

18 MR. O'CONNOR: Yes, I had asked that the --

19 that an item be added to the agenda that addresses the

20 responsibility of the Federal trustees with regard to

21 compliance with the requirements under the National

22 Environmental Policy Act. I had mentioned this in the

23 past. We have been functioning under a programmatic

24 environmental impact statement that was prepared in 1994,

25 coincident with the development and approval of our

1 restoration plan. The Federal government is required by
2 the National Environmental Policy Act to maintain the
3 currency of the environmental impact statement to serve as
4 a relevant predicate for the environmental decisions, the
5 action decisions of Federal agencies. We're under the
6 guidance, in doing that, of the Council on Environmental
7 Quality, which has indicated through its guidance to us
8 that when you're dealing with a programmatic EIS, which an
9 overarching document that describes in broad detail the
10 program that you're engaging in. And we have done that.
11 We did that in '94 and it captured at that point all of the
12 information that was available at that time and it formed
13 our decisions with regard to the course of action that we
14 were going to take.

15 We are required, both by the Council on
16 Environmental Quality and by courts to be -- on a regular
17 basis, CEQ says five years, the courts haven't been exactly
18 as crisp on the amount of time, but we are required to do
19 an evaluation on a regular basis, take a hard look, as they
20 say, at the programmatic environmental impact statement.
21 That information that was developed that's relevant to
22 that. And to determine whether or not your environmental
23 impact statement is current, is sufficient to serve as the
24 predicate for the decisions that you're making. In our
25 case, 15 years later.

1 We have never done an update to the
2 programmatic environmental impact statement and I don't
3 know, although I would assume that it is still viable and
4 that although there's been a great deal of information
5 that's been collected since 1994 of a scientific nature and
6 so on, that really all we're required to do ultimately is
7 take this hard look, make sure it's current. If there
8 needs to be any supplementation to it or modification to
9 it, we will then proceed with that consideration as the
10 Federal trustees with the Trustee Council.

11 At this point what we need to do is in
12 essence a sufficiency analysis, which is to make sure it's
13 up to snuff. And if so, pass on it and we go on about our
14 business. To do that, I have volunteered my agency to
15 engage that process in collaboration with the other two
16 Federal agencies and the State to the extent that it's
17 relevant, and certainly Trustee Council staff. And for
18 that table top type exercise, I would assume that we're
19 going to spend a considerable amount of time and probably
20 looking at a commitment of up to \$50,000 over the course of
21 the next several months as we engage that process. This is
22 not the million dollar proposition that -- the fears that
23 were generated before when I raised the specter of NEPA.
24 This is just to see where we stand and to advise the
25 Council and the Federal trustees.

1 So I would ask that the Trustee Council
2 approve \$50,000 for this effort and I will be sure that
3 NOAA coordinates the undertaking to the other -- for the
4 State and Federal agencies as appropriate.

5 CHAIRMAN LLOYD: Is there a second?

6 MR. MEADE: I'd second that.

7 CHAIRMAN LLOYD: Thank you, Joe.

8 Discussion?

9 MR. BAFFREY: The up to \$50,000, does -- so
10 I'm assuming then the monies would go directly to NOAA to
11 do this.

12 MR. O'CONNOR: Yes, unless we have
13 participants from the Forest Service or the Department of
14 Interior.

15 MR. BAFFREY: I'm trying to figure out in
16 terms of project management. I really don't want a \$50,000
17 project to have a month's salary given to a PI to do this,
18 which is, you know.....

19 MR. O'CONNOR: No.

20 MR. BAFFREY:which adds to the cost.

21

22 MR. O'CONNOR: No.

23 MR. BAFFREY: So I would like for that to
24 be -- the up to be the up to, more than the \$50,000.

25 MR. O'CONNOR: No, I wouldn't expect that.

1 MR. BAFFREY: Okay.

2 MR. O'CONNOR: I will manage the project
3 and I come free.

4 CHAIRMAN LLOYD: And we get what we pay
5 for.

6 (Laughter)

7 MR. O'CONNOR: Well, sometimes less.

8 CHAIRMAN LLOYD: Any other comments or
9 questions on the NEPA sufficiency analysis?

10 MR. HARTIG: I got one question, Craig.
11 I've been involved in NEPA but to the depth that the
12 Federal agencies have by any means. But on the scope if
13 it, would you be looking at kind of the '94 restoration
14 plan and what we're doing. And as long as what we're doing
15 is consistent with the '94, then you would assume that
16 there's nothing else to revisit in terms of NEPA? Or would
17 you be kind of looking forward, forward thinking too, and
18 thinking well, you know, how we might in the next few years
19 start veering from the '04 plan? I mean, what is the scope
20 of what you'll be looking at in your NEPA review?

21 MR. O'CONNOR: It would be the information
22 that has been amassed since the original, the technical,
23 scientific information. We would be looking at the scope
24 of the restoration plan and determine, you know, that there
25 were components in there, policy components and so on. Are

1 they still relevant today? In my preliminary evaluation,
2 yeah, they are. We're doing the same thing. We may be
3 doing it with different intensity in the different areas
4 but we're doing the same things. Make sure that there
5 isn't anything that is significant out there in terms of
6 impact or change in the focus of our efforts that would
7 require us to engage a further type evaluation.

8 My goal and my anticipation is that when we
9 come out of the other end, we will comply with the
10 procedural responsibilities imposed by the Council on
11 Environmental Quality and the courts and be good to go.
12 Move out and without the necessity of any kind of a
13 meaningful change to our mode of operation, with is
14 basically to conduct an environmental assessment or a
15 specific environmental impact statement with regard to
16 specific projects.

17 MR. HARTIG: Okay.

18 MR. O'CONNOR: This is an exercise in
19 procedural requirement.

20 MR. HARTIG: Gotcha.

21 CHAIRMAN LLOYD: Michael.

22 MR. BAFFREY: I do have a pretty strong
23 background with NEPA and the CEQ implementing regs.
24 Yesterday, when we were talking about this in the retreat,
25 you had mentioned the terminology supplemental analysis.

1 And today you're -- it's sufficiency analysis. I'm not
2 familiar with that terminology, but I'm assuming
3 that's.....

4 MR. O'CONNOR: I'm making up that word.

5 MR. BAFFREY: Okay.

6 MR. O'CONNOR: I'm using that word because,
7 depending upon which Federal agency, you look at the
8 regulations with regard -- they attach different labels.

9 MR. BAFFREY: Okay.

10 MR. O'CONNOR: It is the supplemental
11 analysis. It is not a supplemental programmatic
12 environmental impact statement.

13 MR. BAFFREY: EIS, right.

14 MR. O'CONNOR: And I want to be sure that
15 nobody is confused about that.

16 MR. BAFFREY: That's where I was going with
17 that.

18 MR. HARTIG: Yeah, I understand that.

19 MR. O'CONNOR: Okay.

20 CHAIRMAN LLOYD: Any other questions or
21 comments from council members?

22 (No audible responses)

23 CHAIRMAN LLOYD: Is there any objection to
24 the motion and the direction we've laid out?

25 (No audible responses)

1 CHAIRMAN LLOYD: Seeing none, it's
2 approved.

3 MR. O'CONNOR: Thank you.

4 CHAIRMAN LLOYD: Thank you, Mr. O'Connor.

5 MR. O'CONNOR: I'll take my usual third off
6 the top and we're on our way.

7 CHAIRMAN LLOYD: Very good. Item number
8 11, lingering oil projects. Michael.

9 MR. BAFFREY: Well, I'm going to defer this
10 initially to the carriers, the messengers of these.

11 MR. O'CONNOR: Carriers.

12 (Laughter)

13 MR. HARTIG: Sounds like a disease.

14 CHAIRMAN LLOYD: Mr. O'Connor or Mr.
15 Hartig.

16 MR. HARTIG: Go ahead, Craig.

17 MR. O'CONNOR: Okay. As you recall, I
18 think it was at the last time we gathered in this room,
19 there was discussion with regard to appropriate actions for
20 studies for evaluation, further evaluation of the impact of
21 lingering oil and what the Trustee Council should be doing
22 about it. Notwithstanding the fact that we have pending a
23 reopener claim against Exxon for the -- with regard to the
24 presence of oil still in the environment. And Commissioner
25 Hartig and I were tasked with the responsibility of

1 evaluating what studies, what further studies were
2 appropriate to continue the aggressive evaluation by the
3 Trustee Council of issues associated with lingering oil and
4 its impact upon those resources that were injured as a
5 result of the spill.

6 What we did over the course of that period
7 of time -- and I will apologize publicly both to Council
8 staff, Catherine particularly, being that we proceed slowly
9 and with great deliberation, we of course at the last
10 minute finalized the proposed projects and asked that they
11 be run through the system. Which meant we were asking for,
12 at least to a certain degree, a peer review in the sense
13 that we would like our Science Panel to take a look at
14 these proposals and we wanted the Public Advisory Committee
15 to see what we were proposing to do.

16 For the most part what we did is we went
17 back to those scientists who had the greatest knowledge
18 that we have worked with over the course of the last 10, 15
19 years, 20 years, to address particularly the impact on
20 biological resources. And most notably those resources
21 that were seen to be the greatest -- had the greatest
22 problem are of course harlequin ducks and sea otters. And
23 they seem to be exposed to oil and having an -- there is
24 some adverse effect that seems to be manifesting itself, of
25 course, through the elevated levels of cytochrome P450,

1 which is an enzyme that's generated by organisms when they
2 are exposed to or consume toxins. And it is not just
3 necessarily oil. You know, and we all -- I mean, this is
4 not unique to the ducks and it's not unique to the sea
5 otters. We have the same kinds of responses when we're
6 exposed to a toxin and our body responds. It generates
7 some sort of a trigger reaction based upon our genetic
8 makeup.

9 We have been concerned that we're not quite
10 sure, for the most part, what exactly is going on with sea
11 otters and with the harlequins specifically that is
12 impacting their ability to return to the pre-spill
13 populations and distribution. And there seems to be a very
14 clear connection between the elevation of cytochrome P450
15 in organisms in the otters and the ducks that are
16 frequenting areas where there is lingering oil. And we
17 need to know as a council what is the problem here. What
18 does the elevated levels of cytochrome P450 mean and what
19 can we do about it. And what would the persisting effect
20 if we're unable to remove or remediate the oil that is
21 persisting in the environment. And what we did was we
22 engaged those scientists, Brenda Ballachey.....

23 MR. BAFFREY: Bodkin.

24 MR. O'CONNOR:Dan Esler, Bodkin, the
25 whole crowd, and we sat and we spent literally hours

1 talking through how can we figure out what specifically is
2 going on with these critters. And we're also looking at
3 the impact on other critters, but right now the most
4 notable, of course, are the otters and the ducks.

5 Give us studies that are designed to answer
6 those questions. Almost the so what questions. All of the
7 information says that if you have an elevated level of
8 cytochrome P450, you got a problem in the organism. What
9 is that problem? Is it simply they are reacting, it's a
10 genetic response and all is well? It doesn't appear to be
11 that because the populations are diminished in those areas.
12 But what exactly has happened? Is the problem that we're -
13 - the female ducks are not able to reproduce? Is there a
14 reproductive issue here? Is there a suppression of the
15 immune system so that the survival of the ducks or the
16 otters is in some way impaired? What's going on? What's
17 going on both so we can understand the impact and get an
18 evaluation of what to do about it. Whether it's addressing
19 the lingering oil itself or other approaches that may be
20 beneficial to protect and preserve those critters from the
21 impact of lingering oil.

22 We put together three projects. The
23 abstracts have been circulated. The best I can do would be
24 to read those abstracts because I can't read the kind of
25 technical that is proposed, I would suggest -- and I'm sure

1 that the council members have already read those and are
2 prepared to vote on them accordingly -- but we have asked
3 three teams to do work. And those projects total somewhere
4 in the neighborhood of 7, \$800,000. Most of them, the vast
5 majority, is the amendment of existing projects. We're not
6 reinventing researchers. We're not reinventing approaches.
7 We're trying to refine and get a clear understanding of
8 what's going on.

9 The first project is furtherance of the
10 nearshore synthesis with sea otters and sea ducks. And
11 this is Brenda Ballachey, Jim Bodkin, Dan Esler, and Keith
12 Miles. Keith is out of the University of California Davis,
13 as I recall. And that is the most expensive project,
14 that's \$600,000 almost. And we're looking in that context
15 of evaluating nearshore ecosystem recovery through surveys
16 of elevated levels of the P450.

17 We're trying to estimate the frequency of
18 the use of oiled intertidal habitats by these critters, by
19 sea otters particularly. Conducting histopathological
20 examinations of sea otter liver, doing sea otter liver --
21 we've done a number of biopsies and we want to do a
22 histopath evaluation of that. Evaluate PCB contamination
23 in sea otters and sea ducks, which also may serve as a
24 trigger for the elevated levels of cytochrome P450. And
25 this is one that seems to be a problem and probably one of

1 clarity, but evaluate the expression of what we call an
2 array of genes indicative of injury in sea ducks. And
3 that, as presented, is somewhat vague. The Science Panel
4 criticized it as such. And we will -- and that was the
5 kind of information, guidance we were looking for and we'll
6 go back and evaluate that objective. And are we making a
7 meaningful effort in that.

8 The second project has to do with
9 evaluating the injury to harlequin ducks. And.....

10 MR. BAFFREY: Do you want to approach these
11 -- excuse me. Do you want to do these one at a time?
12 Because it's going to take a.....

13 MR. O'CONNOR: Whatever is easiest.

14 MR. HARTIG: I think it's better to go
15 through the whole suite and then.....

16 MR. BAFFREY: Okay. And then come back.

17 MR. HARTIG:go back.

18 CHAIRMAN LLOYD: Yeah, let's put them in
19 context.

20 MR. HARTIG: Yeah.

21 MR. BAFFREY: Okay.

22 CHAIRMAN LLOYD: Go ahead, Craig.

23 MR. O'CONNOR: All right. The next is to
24 evaluate the injury to harlequin ducks -- I'm not going to
25 say what its scientific name is -- which are caused by the

1 sublethal hydrocarbon exposure in Prince William Sound
2 using specific -- specific species cell lines. And this is
3 getting right down into the cellular level of evaluation of
4 what's going on. And this was a project put together by
5 Katherine Springman. And this is something that we're very
6 enthused about and it seems that the science panel is as
7 well.

8 Once again, just getting into the business
9 of trying to figure out what the hell elevated levels of
10 P450 mean, not at the organism level, but at the cellular
11 level, because that's really where problems will occur.
12 And this is -- we'll engage cell line bioassays using other
13 critters. We're not going to go out and kill harlequin
14 ducks. But we'll use surrogate species and see if.....

15 MR. BAFFREY: Mallards.

16 MR. O'CONNOR:we can't figure -- huh?

17 MR. BAFFREY: Mallards.

18 MR. O'CONNOR: Mallard, yeah. Yes.

19 MR. BAFFREY: Ship Creek.

20 MR. O'CONNOR: And look at a combination of
21 bioassays that measure the direct effects of cell viability
22 and DNA damage. Because this could be a genotoxic effect.
23 And we want to be -- we want to have a clear understanding.
24 And we'll be looking at laboratory bioassays to try to make
25 -- connect the P450 induction with cellular injury.

1 That's 150,000, roughly, for this year.

2 And.....

3 MR. BAFFREY: And the co-PI on that is

4 Tuula Hollmen.

5 MR. O'CONNOR: Right.

6 MR. BAFFREY: From the Sea Life Center.

7 MR. O'CONNOR: I'm sorry. Yeah.

8 CHAIRMAN LLOYD: Given the scientific name

9 is perilously close to histrionics, I would have thought

10 that you would have been familiar with it.

11 MR. O'CONNOR: I would have -- well, you

12 know.....

13 CHAIRMAN LLOYD: The pronunciation.

14 MR. O'CONNOR: I just didn't want to

15 demonstrate that arrogance, this is my duck, you know, I

16 mean it's named after.....

17 CHAIRMAN LLOYD: Pardon.

18 MR. O'CONNOR: Yes.

19 CHAIRMAN LLOYD: Please proceed.

20 MR. O'CONNOR: And the final one is the

21 harlequin duck population dynamics in Prince William Sound

22 measuring recovery from the spill. This is Dan Esler

23 and.....

24 MR. BAFFREY: Dan Rosenberg.

25 MR. O'CONNOR: I'm sorry, Rosenberg. And

1 we're -- the information that we have thus far is in a
2 fairly broad scale, geographic broad scale. And what we're
3 trying to do is focus that information into a smaller scale
4 meeting, getting down to areas where there is lingering oil
5 and see exactly what is going on and can we use the
6 information that we have today to translate impact down to
7 more isolated areas. And this is sort of looking at the
8 biological organism and also will help us work backwards to
9 areas where there is lingering oil that is causing
10 problems.

11 This is \$40,000 and has the Science Panel
12 recommendation to move forward on. I would -- Larry,
13 unless you want to add something to this?

14 MR. HARTIG: Well, just a couple of small
15 points. You did a good job of reviewing the projects there.
16 There are other lingering oil projects. You know, we're
17 trying to identify, you know, what the scope of the
18 lingering oil issue is, you know, how many -- the volume of
19 -- there are a number of beaches. You know, the aerial
20 extent of those. We're also evaluating in other projects,
21 you know, whether bioremediation might be effective on
22 these beaches. This information will be really helpful to
23 talk about, well, the so what question. You know, we have
24 lingering oil but, you know, would we do more harm than
25 good when we spend more than we should, you know, chasing

1 this problem.

2 And it's not only important from the
3 standpoint of the duties that we have to effect restoration
4 in the spill areas, but also DEC has a separate
5 responsibility in the Clean Water Act to evaluate every
6 other year, every two years, whether waters of the state
7 meet water quality criteria, which are designed to protect,
8 among other things, aquatic life. And waters of the state
9 include, you know, the beaches here and the gravels.

10 And so we are in that process now and we'll
11 be issuing a report April 1st, a final report that says
12 what waters in the state meet water quality standards and
13 which ones don't. And for those that don't, we have to put
14 them in various categories. One of which is, is there an
15 effective plan which within a reasonable time will bring
16 this water body, this impacted water body that's not
17 meeting the water quality criteria into compliance with
18 state water quality criteria. And if there's not a plan,
19 then we're required to develop a plan under the Clean Water
20 Act. And so we are paying close attention to this
21 lingering oil issue. We don't what the -- it's important
22 for a Clean Water Act perspective to be sure we got our
23 hands around it. And so I look at these studies as helping
24 us getting there and, you know, that -- so it has an effort
25 -- it has an impetus besides just the restoration effort,

1 you know, the impetus of complying with the Clean Water Act
2 and the State's duties here.

3 CHAIRMAN LLOYD: Thank, Larry. Council
4 members, any questions?

5 (No audible responses)

6 CHAIRMAN LLOYD: Michael, you wanted
7 to.....

8 MR. BAFFREY: I have a couple of comments.

9 CHAIRMAN LLOYD:make some comments.

10 MR. BAFFREY: I'm going to follow-up on --
11 I guess we'll go in the order that you presented them. The
12 Ballachey et al. All these proposals are for FY-08 only
13 funding. Two of them, the Ballachey proposal and the
14 Rosenberg proposals were amendments to ongoing projects.
15 The Springman-Hollmen proposal is a stand alone and a stand
16 alone as to new -- it's a new proposal, not an amendment.

17 For the Ballachey proposal, the Science
18 Panel did question what was being asked for in objective
19 five. We did go back to the PI and ask for clarification.
20 And after we got the clarification, the Science Panel
21 recommended not doing that objective. So the
22 recommendation on that is to pull that objective during
23 this study.

24 There is also a suite of nearshore
25 resources, the harlequin ducks and the sea otters, as Craig

1 mentioned, are on our injured resources and services list.
2 Barrow's goldeneye and the two fish species are not. And
3 my recommendation would be to only look at the harlequin
4 ducks and the sea otters and then -- for the FY -- against
5 the FY-09 invitation, which this certainly will be
6 submitted against. Then incorporate that in so we can take
7 a look at those species as integrated into the whole suite
8 of potential indicator species for the nearshore.

9 So that -- those are the science comments
10 and those are my comments. So I would recommend funding,
11 as did the Science Panel, with the exception of pulling
12 objection number five.

13 CHAIRMAN LLOYD: What's the effect of your
14 recommendation for the funding level?

15 MR. BAFFREY: We don't know. And I don't
16 think we got -- we asked for that and did not get that
17 pulled out separately, but we'd have to find out what that
18 is. And it may eliminate one of the PI's, Keith Miles,
19 which was specifically going to work on that. So -- there
20 was also a general comment that was made too by the Science
21 Panel and I agree with this, is to -- for these three
22 studies, to work together.

23 CHAIRMAN LLOYD: So if we were to take
24 action on this proposal -- well, if we were to accommodate
25 your recommendation then we are not prepared to take action

1 on this proposal right now because we don't have the
2 funding amount or.....

3 MR. BAFFREY: Well, you are. You can still
4 fund the project. You can just say what with removal of
5 that, the budget, would be submitted later.

6 CHAIRMAN LLOYD: Okay.

7 MR. O'CONNOR: Just as an adjunct to that.
8 Were you done.....

9 MR. BAFFREY: Yes.

10 MR. O'CONNOR:with your comments? I
11 guess we need to be sure that when we do this, we've got
12 the GNA and the.....

13 MR. BAFFREY: Project management.

14 MR. O'CONNOR:project management
15 piece. And at least as far as the -- since Pete decided to
16 go to Hawaii during the course of this meeting rather than
17 be here to help me, I'm going to offer his services to
18 manage the.....

19 MR. BAFFREY: This.....

20 MR. O'CONNOR:Springman project.

21 MR. BAFFREY: Oh, the Springman.

22 MR. O'CONNOR: Yeah.

23 MR. BAFFREY: Who does the Springman
24 project? I thought that would be -- have to go through
25 ADF&G.

1 MS. FRIES: (Indiscernible - away from
2 microphone).

3 MR. BAFFREY: No, that would be through
4 here.

5 MS. FRIES: (Indiscernible - away from
6 microphone).

7 MR. BAFFREY: Pete would be responsible for
8 -- so two would be ADF&G and one would be.....

9 MS. FRIES: USGS.

10 MR. BAFFREY: USGS. So the Ballachey one
11 that we're looking at right now would be -- project
12 management would be through USGS.

13 MR. O'CONNOR: Okay. I'm only curious as
14 to what we're doing with regard to Springman.

15 MR. BAFFREY: Okay.

16 MR. O'CONNOR: Is that covered?

17 MR. BAFFREY: It will be. I'm assuming it
18 will be project management for -- through this office, so
19 they'll be.....

20 MR. HARTIG: But you need the other 10
21 percent or whatever it was.

22 MR. BAFFREY: You mean nine percent?

23 MR. HARTIG: Nine percent, yeah.

24 MR. BAFFREY: Well, that's built into the
25 proposal.

1 UNIDENTIFIED SPEAKER: Yes.

2 MR. BAFFREY: The nine percent. But I had
3 one.....

4 MR. HARTIG: Okay. So that's already in
5 there.

6 MR. BAFFREY: That's in there.

7 UNIDENTIFIED SPEAKER: (Indiscernible -
8 away from microphone).

9 MR. BAFFREY: But we're not talking about -
10 - is the project management, which would be added to ADF&G.

11 MR. O'CONNOR: Okay. Gotcha. As long as
12 it's covered. I wasn't sure whether.....

13 MR. BAFFREY: It's covered. Correct.

14 MR. O'CONNOR: Okay.

15 CHAIRMAN LLOYD: Michael, did you have
16 comments on the other proposals?

17 MR. BAFFREY: Rosenberg's. I'll go with
18 his next. The science -- if we're going to get any
19 definition on whether or not the spacial scale was
20 effective, that work is not going to be done until next
21 year. So funding that component this year pretty well
22 guarantees it will be at least an ongoing component in FY-
23 09, which is not an issue. I just want you to be aware of
24 that. They were -- the Science Panel and so was I was --
25 didn't understand where the project was going to be. So

1 when he said he would be doing work in an oiled area, it
2 would be nice to know if that oiled area was areas that had
3 been done before and if it overlapped with where we know
4 there's oil. And so to tie that in to other projects. But
5 the project is recommended. Just we wanted more clarity on
6 that. And I've already talked with Dan about that.

7 CHAIRMAN LLOYD: Council members, any
8 questions?

9 (No audible responses)

10 MR. BAFFREY: Springman.....

11 CHAIRMAN LLOYD: Go ahead.

12 MR. BAFFREY:and Hollmen, fund.

13 CHAIRMAN LLOYD: Okay.

14 MR. O'CONNOR: Care to embellish on that at
15 all?

16 MR. BAFFREY: No, but that's what the
17 Science Panel said also.

18 CHAIRMAN LLOYD: Do we have any motions
19 with regard to these proposals?

20 MR. O'CONNOR: Well, I would move that we
21 approve, but then again, I put them together.

22 MR. HARTIG: You could make the motion and
23 I'll second it.

24 MR. O'CONNOR: Okay.

25 CHAIRMAN LLOYD: As a package you're making

1 the motion?

2 MR. O'CONNOR: Yeah. Yeah.

3 CHAIRMAN LLOYD: And seconded. Any Council
4 comments?

5 (No audible responses)

6 CHAIRMAN LLOYD: Any objection?

7 (No audible responses)

8 MR. BAFFREY: Can I.....

9 CHAIRMAN LLOYD: Uh-huh. (Affirmative)

10 MR. BAFFREY:interject? Are you
11 going to approve it with the objection five in that
12 Ballachey proposal?

13 CHAIRMAN LLOYD: That's a good point.

14 MR. O'CONNOR: We can -- I'm assuming it
15 makes sense to pull it out. If you guys have talked to
16 Brenda and company and they think that's fine.

17 MR. BAFFREY: Yeah, keep in mind we --
18 there was not time to have these peer reviewed, so we're
19 depending upon the Science Panel and their recommendation
20 was certainly, even after clarification, was to pull that
21 objection.

22 CHAIRMAN LLOYD: Would your motion then
23 include the adjustment to that project, remove item five
24 under the nearshore synthesis?

25 MR. O'CONNOR: Yeah, if appropriate after

1 we've had further conversation. It sounds like that
2 conversation has been had, so.....

3 CHAIRMAN LLOYD: Right. Is that okay with
4 the second?

5 MR. HARTIG: Yes.

6 CHAIRMAN LLOYD: Council member comments?

7 (No audible responses)

8 CHAIRMAN LLOYD: Any objection?

9 (No audible responses)

10 CHAIRMAN LLOYD: Seeing none, approved
11 then.

12 MR. O'CONNOR: Thank you.

13 CHAIRMAN LLOYD: Okay.

14 MR. BAFFREY: Okay. And -- okay. One more
15 motion needs to be made with regards to that, is that the -
16 - and what is the terminology? Appro.....

17 MS. BOERNER: They just need to approve the
18 appropriate.....

19 MR. BAFFREY: You need.....

20 MS. BOERNER:project management
21 funds.....

22 MR. BAFFREY: Right.

23 MS. BOERNER:for those -- these three
24 projects.

25 MR. BAFFREY: So somebody needs to move the

1 project -- appropriate management funds be.....

2 MS. BOERNER: Released for these three
3 projects.

4 MR. BAFFREY: Right.

5 MR. O'CONNOR: So moved.

6 MR. HARTIG: And I'll second.

7 MR. BAFFREY: Thank you.

8 CHAIRMAN LLOYD: Any discussion?

9 (No audible responses)

10 CHAIRMAN LLOYD: Any objection?

11 (No audible responses)

12 CHAIRMAN LLOYD: Hearing none, approved.

13 MR. O'CONNOR: Thank you.

14 CHAIRMAN LLOYD: Michael, you had suggested
15 -- somebody had suggested an additional agenda item, Alaska
16 Forum on the Environment.

17 MR. BAFFREY: Right. This year we
18 participated, we were one of the sponsors for the Alaska
19 Forum on the Environment. We sponsored at the level of
20 \$10,000. Normal agencies is at the level of 15,000. We
21 didn't want to -- that's correct, right, Doug?

22 MR. MUTTER: Correct.

23 MR. BAFFREY: We did not want to exceed the
24 amount that we had given to -- in sponsorship of the Marine
25 Science Symposium, so we matched that amount, which was

1 10,000, and the Council approved 10,000. Next year there's
2 going to be a larger involvement of the Trustee Council in
3 -- because of the 20th anniversary of the spill -- in the
4 forum, which is not overlapping dates anymore. It's at a
5 separate time. But nonetheless, it's still going to be a
6 tract all the way through the five days of the Alaska Forum
7 on the Environment. This year we had one day, a one day
8 tract.

9 So what I'm going to ask for is that the
10 Council authorize a \$15,000 contribution to the Alaska
11 Forum on the Environment for 2009.

12 MR. MEADE: I'd be pleased to sponsor that
13 motion. I think it's a very important forum for us to be
14 actively engaged in and I think on our 20th anniversary, it
15 would be a very important time for us to be at full agency
16 stature. So I would propose the motion that we fully
17 support having a presence and associated funding that, in
18 our 20th anniversary, exhibits that full agency stature and
19 participation.

20 MR. HARTIG: And I'll second that.

21 CHAIRMAN LLOYD: Any further discussion?

22 MR. O'CONNOR: Call for the question.

23 CHAIRMAN LLOYD: The question is called.

24 Any objection?

25 (No audible responses)

1 CHAIRMAN LLOYD: Seeing none, that's
2 approved.

3 MR. BAFFREY: Great. Thank you.

4 CHAIRMAN LLOYD: According to my notes,
5 that brings us to the question we believe an executive
6 session is necessary. Is anybody suggesting that we have
7 an executive session?

8 (No audible responses)

9 CHAIRMAN LLOYD: I'm seeing no requests for
10 an executive session. Is there any other item that the
11 Council wants to bring forward, because we're at the end of
12 our agenda?

13 MR. HARTIG: I'd just like to thank Michael
14 and the staff again for preparation for the retreat. That
15 was extremely helpful. Thanks for your partic -- getting
16 us together.

17 MR. BAFFREY: You're welcome.

18 MR. HARTIG: Appreciate it.

19 MR. BAFFREY: And thanks for being there.

20 MR. O'CONNOR: Yeah, thank you very much.

21 MR. MEADE: I'd echo those same thoughts.
22 Outstanding pre-staff and the staff work.

23 CHAIRMAN LLOYD: Thanks, Michael. Thanks,
24 staff. And thanks folks on the phone. And we are
25 adjourned.

1 MR. BAFFREY: All right.

2 (Off record - 11:36 a.m.)

3 (END OF PROCEEDINGS)

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C E R T I F I C A T E

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 4 through 128 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Meeting recorded electronically by me on the 17th day of March 2008, commencing at the hour of 8:40 a.m. and thereafter transcribed under my direction and reduced to print:

THAT the Transcript has been prepared at the request of:

EXXON VALDEZ TRUSTEE COUNCIL, 451 W. 5th Avenue, Suite 500, Anchorage, Alaska 99501;

DATED at Anchorage, Alaska this 27th day of March 2008.

SIGNED AND CERTIFIED TO BY:

Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 03/12/12