0001

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
TRUSTEE COUNCIL MEETING
Thursday, May 29, 1997
5:15 o'clock p.m.
Rae Building
123 3rd Avenue
Seward, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

STATE OF ALASKA - DEPARTMENT OF FISH AND GAME:	MR. FRANK RUE (Chairman) Commissioner
STATE OF ALASKA - DEPARTMENT OF LAW:	MR. CRAIG TILLERY Trustee Representative
STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION:	MS. MICHELE BROWN Commissioner
U.S. DEPARTMENT OF INTERIOR:	MR. DAN SAKURA for MS. DEBORAH WILLIAMS Special Assistant to the Assistant Secretary
U.S. DEPARTMENT OF AGRICULTURE - U.S. FOREST SERVICE	MR. DAVE GIBBONS for MR. PHIL JANIK
U.S. DEPARTMENT OF COMMERCE - NMFS:	MR. BILL HINES for MR. STEVE PENNOYER

TRUSTEE COUNCIL STAFF PRESENT:

MS. MOLLY McCAMMON	Executive Director EVOS Trustee Council
MR. ERIC MYERS	Director of Operations EVOS Trustee Council
MS. TAMI YOCKEY	EVOS Staff
DR. BOB SPIES	Chief Scientist
MR. STAN SENNER	Science Coordinator
MR. BUD RICE	National Park Service
MR. JOE HUNT	Communications Coordinator
MS. CLAUDIA SLATER	Alaska Department of Fish and Game
MR. BILL HAUSER	Alaska Department of Fish and Game
MS. GINA BELT	Department of Justice

PUBLIC TESTIMONY PAGE:

P R O C E E D I N G S

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

CHAIRMAN RUE: Good evening, I thought we'd get started here. I'm Frank Rue, Commissioner of the Department of Fish and Game and I wanted to welcome you all to this meeting of the Exxon Valdez Trustee Council. We've had a good afternoon this afternoon looking at the SeaLife Center. It's really incredible to have been involved in that, but only seeing it in concept and on paper, to suddenly see it in reality, it's really an incredible -- it's an incredible facility and it's going to be an incredible asset to the City of Seward. And I'm really impressed with the work that the City and contractors have done to pull that off. So I have found that a very, very good afternoon.

Also we had a chance to look at the Shellfish Hatchery that was built with the criminal settlement monies and I also look forward to seeing that facility become a very important part of the whole Seward waterfront and life of the city.

This is an informal public hearing, right? We got an agenda. Molly McCammon, the Executive Director, is going to lead us through. Basically she will update us on the Restoration Program and then Dr. Robert Spies, at the end of the table here, will be giving us an update on some of the long term restoration research needs. That should be very interesting. And then any comments that Trustee Council

members would like to make, and I'll let each of you introduce yourselves here in a second. And then the public, we would invite the public to come up and tell us what you're thinking, what you'd like to see the Trustee Council consider or whatever.

And, actually, if you all want to move forward it might be a good idea, too. It sort of, boy, you look just way back there, it's really hard to imagine talking to an audience that far away.

MS. McCAMMON: It's just typical classroom behavior, to take that last row.

CHAIRMAN RUE: I thought it was movie theater behavior.

MS. McCAMMON: Movie theater behavior.

CHAIRMAN RUE: And finally, I guess, Molly, we'll be seeing the film "Alutiiq Pride".

MS. McCAMMON: Right.

CHAIRMAN RUE: Is that right?

MS. McCAMMON: Yes.

CHAIRMAN RUE: Okay. So with that, Molly, why don't I turn it over to you to introduce yourself and then perhaps other Council members introduce themselves.

MS. McCAMMON: You want us all to do introductions now?

CHAIRMAN RUE: Yeah.

MS. McCAMMON: Okay. I'm Molly McCammon, Executive Director of the Trustee Council. I've been director now for more than two years.
MR. SAKURA: I'm Dan Sakura, I'm with the Department of Interior serving as the Interior alternate today.
CHAIRMAN RUE: I've already introduced myself.
MR. GIBBONS: I'm Dave Gibbons representing Phil Janik from the Forest Service, Department of Agriculture.
MS. BROWN: Michele Brown, Department of Environmental Conservation.
MR. HINES: My name is Bill Hines representing Steve Pennoyer, National Marine Fishery Service.
MR. TILLERY: Craig Tillery with the Department of Law for the State.
DR. SPIES: And I'm Bob Spies, Chief of Science for the Trustee Council since 1990.
MS. McCAMMON: Thanks, Bob. The reason for this meeting is actually two-fold. The first is to basically report to the community of Seward the actions that the Trustee Council has taken in the past couple of years. And then the second purpose, which I think is actually the most important purpose, is to give you the opportunity to talk directly to the Trustees. To express whatever is on your mind in terms of the Restoration Program, in terms of whatever issues are important to the community. So I really hope that you take advantage of

this. You have three of the Trustees here and three of the alternates here. You have a direct line to the Council at this point.

It's the Council's goal to get out every year, at least once, to one of the communities in the spill area. So far the Council's been to Cordova, to Kodiak, this year we're going to Seward today, with the idea of making sure that spill area residents have an opportunity to speak directly to the Council members.

Just to put this all in a little perspective, I mean everybody's familiar with the 1989 oil spill. In 1991 the governments settle their claims against Exxon for a total of $900,000,000.00 in civil fines. Those monies go to a joint Federal/State Trustee Council made up of three State and three Federal Trustees. All decisions that the Council takes to spend that money has to be unanimous. So all these guys here, it takes 6-0 votes not, 5-1 or 4-2, it's not majority. It really requires everyone to work together cooperatively to decide what is the best action for restoration in the spill area.

A lot of the early years in the Restoration Program was spent on trying to figure out how you actually restore an injured ecosystem. There really had never been an event like this of such magnitude covering 1,500 miles of shoreline, I mean, just a hugh expanse. And I think in the early years

figuring out what the actual injury was and how do you restore it occupied a lot of time. But by 1994 the Council had unanimously adopted a Restoration Plan and basically deciding how they were going to spend the restoration funds.

And in the back of the room is our most recent Annual Report. And on page 28 of that Annual Report is a table that I use a lot and it's referred to as "The Past and Estimated Future Uses of the Civil Settlement" and it's a real handy way of looking at how the Council is spending its restoration monies and what are the priorities for restoration activities. And you can see by this that, first off, as part of the agreement the Federal and State governments were reimbursed for all of their activities that led to the actual settlement. So some of the litigation costs, cleanup costs, restoration work, response work, the damage assessment work, those things were reimbursed back to the governments. That was about 213,000,000 that came off the top of the $900,000.000.00 settlement.

After that the Council has earmarked about 390,000,000 for habitat protection and acquisition. In addition they've set aside or earmarked approximately 180,000,000 for the second major component of the program, which is research, monitoring, general restoration. We kind of refer to that as our science plan, but it also includes a lot of projects important to communities for restoration of resources and services, such as recreation, tourism, subsistence, commercial fishing, things

like that. So those are the kinds of monies that funded things like the SeaLife Center, that funds all of the research projects.

Just going back to kind of the first aspect of the program real quickly, habitat protection. Up on the walls there you can see all of the maps that show the various areas of the spill area and the acquisitions that we've been working on. The first map over there shows the general outline of the spill affected area. And one of the things the Council made as a major policy was that habitat protection in the spill area would have geographic balance. That there would be protection in Prince William Sound, on the Kenai Peninsula area and then in the Kodiak/Afognak Archipelago. So a geographic balance. In other words, we're not just going to do habitat protection down in Kodiak, we're not just going to do it in Prince William Sound but there was a real desire to see that it was balanced throughout the spill area.

We were very pleased that last week the Department of Interior signed a purchase agreement with English Bay Corporation which will add about 30,000 acres to Kenai Fjords National Park and another 2,000 acres to the Alaska Maritime Refuge. This is the most recent agreement in terms of our overall program and it's something that we're very proud of to have worked with the corporation so successfully. I think it's a perfect example of something that brings benefit to the

00010
community of Seward, to the park itself and to the shareholders of English Bay Corporation.

We've also been working a lot recently in Prince William Sound and that's the second map there and on the left side, the westward part of the sound, in February we signed an agreement with Chenega Corporation to protect 60,000 acres there. That some of the lands went to the State of Alaska, hopefully at some point, for a marine park, State marine park. And then the majority of the lands went to the Forest Service. We have a conceptual agreement with Tatitlek Corporation which is the red in the upper right-hand corner. And it's contingent on a couple of things happening that are progressing very well and we're hoping that that agreement can go to a shareholder vote this summer and then hopefully get a purchase agreement signed in late summer.

And then finally in Prince William Sound, that green area down there, those are the lands owned by Eyak Corporation and we're in active negotiation with Eyak Corporation now for over 70,000 acres of land in that area. So you can see that if all these agreements in Prince William Sound actually come to fruition there will be a sizable acreage of protected area that will also become -- under public ownership will become accessible to the public for hunting, fishing, camping, those kinds of activities.

Then if you go down to the next map which is the Kenai

Peninsula, as I mentioned, the recently concluded agreement with English Bay Corporation. There's still inholdings within the park that are owned by Port Graham Corporation, they've indicated at this point that they're not interested at this point, but we hope that in the future we'll still have some discussions with them.

In addition the Council has taken a lot of action on the Kenai River. This has been an important priority of both Governor Knowles and the Federal Trustees. This included the recent package that Department of Interior negotiated with the Kenai Native Association. This was recently signed for over 3,000 acres of the Kenai River and the Moose River, which is a drainage of the Kenai.

It also includes, oh, probably 2,000 other acres of sites along the Kenai, the main stem Kenai, that have been protected under our Small Parcel Program. Here in Seward, at Lowell Point, there's 19 acres there that the Trustee Council has authorized to be purchased that provides critical access to the Cane's Head Recreational Site. And it's some of the only beach front in intertidal area along that portion of the beach there to be protected. Grouse Lake, which is close by to Seward is a recent Forest Service acquisition under our program and they haven't decided exactly how it will be managed. One of the possibilities is a future campground and -- but providing public access for recreation.

So habitat protection -- well, let me just mention. Then moving further down to the south we've got Northern Afognak Island, Shuyak Island, and then Southern Kodiak. These are acquisitions that -- a large number of these have already been completed with Akhiok-Kaguyak, Koniag, Old Harbor Corporation, a major purchase for the State from the Kodiak Borough of Shuyak Island which was recently, just this past session, made into a State park, Shuyak Island State Park.

And then the green portion on there are lands that are owned by Afognak Joint Venture and we're active negotiations with AJV at this point also for some package of acquisition in those lands. So you can see Prince William Sound, Kenai Peninsula, Kodiak/Afognak area, the three areas, geographic balance.

The second major element of the program, as I mentioned, is the research monitoring and general restoration part of the program. And so far this has been primarily a field-based program. We have three major ecosystem efforts which kind of, I think, typifies the fact that a lot of the Council work has changed from individual species specific type work to looking at things on a more ecological basis. But with Alaska SeaLife Center soon to open next year there will be the addition of major laboratory capabilities that were not available before. And we're very hopeful that in the next year the Council will be funding work there on marine mammals, sea

birds, fish genetics, things like that.

So we toured that facility this afternoon and having been here the last time in July when it was just a hole in the ground with some rebar sticking up is truly impressive now to look at that.

One of the things that we're facing now is that it's been more than eight years since the 1989 oil spill, so we're coming up basically on the 10th anniversary of the spill in 1999. And as we approach that anniversary the Council is actually -- although in the past few years we've been working mainly on implementing the Restoration Plan we're now at the phase of the Council facing some major decisions. And the basic major decision facing them is how to spend the rest of the funds. Since 1994 as a result of public input and Council decision, the Council agreed to set up this Restoration Reserve Account, and basically take money off the table put it into an account for long term restoration needs after the year 2001. And there wasn't a decision made at that time on how those funds would be earmarked; would they go to habitat protection; to research? Would it all be spent in, you know, just the next 10 years after that or would there be some kind of a program for making it a perpetual endowment? How would these funds be used, managed? Those kinds of questions.

So that the Council has now decided that their ready to soon make a decision on that and we've embarked upon a public

process and we'll be having public hearings next winter, visiting all of the communities in spill area. At this point we're tying to get ideas from various groups and various individuals about the possible uses of the fund. There's certainly a lot of options out there. There's always more habitat to be protected, both large parcels and small parcels. There's always an endless amount of good possibilities and good options for research, monitoring, things like that. So we're not starting that public debate.

And to help -- I think coming here to Seward is a very appropriate place, actually, to start that debate. Because you know as a community the benefits of habitat protection. The economy of the community depends on having all these wild open spaces around you and I think that's been exemplified by the recent acquisition with English Bay Corporation.

But the other aspect of it is the research and monitoring and what future that has and that also is an important element to the future of the City of Seward. And so to help start this discussion a little bit I asked Dr. Spies, who is the chief scientist for the Council, to sit down with our reviewer group, and these are five nationally known scientists who come twice a year to Anchorage and sit down and go through our whole research program and give it independent peer review. And I asked Dr. Spies to sit down with those folks and say, okay, what do you think is going to be needed

for the future of our science program? We've been spending millions of dollars now and it all seems to be going somewhere to start answering some questions and to have some future there and to start putting down some initial thoughts for the Council to consider. So Dr. Spies has prepared a memo and kind of a draft proposal for consideration and he'd like to share some elements of that with the Council and with the public today.

So Dr. Spies.

DR. SPIES: Thank you very much, Molly, I appreciate the opportunity to do this and in the spirit of trying to get the discussion kicked off as to what the most appropriate uses of the Restoration Reserve I did prepare this position paper, which is essentially to try and identify the role that ongoing research could have in addressing the restoration needs of the EVOS Trustee Council. I think when the Council established the Restoration Reserve it recognizes that its mission may indeed extend beyond the year 2001 when the last payment from Exxon is made.

And now, through our studies, it's become clear that not only the initial and lingering effects of the spill were important but they've combined with natural variability in the system in such a way to influence the abundance of the injured species over time and it's going to take a long time for some species to recover. Witness the kind of meager herring fishery that just got off the ground for the first time in several

years in Prince William Sound.

Our Restoration Program has been balanced with habitat protection, with research and monitoring component and also with general restoration activities. And the scientific research components have more or less supported the last two of those items fairly well. And the Trustee Council, as you've heard from Molly, has invested very heavily in protection of terrestrial habitat and has purchased more than a half a million acres throughout the spill area.

And we recognize the fact that the injured species do depend on a healthy terrestrial environment for recovery and for a balanced healthy ecosystem. However, the injured species also depend on the marine habitat to a much larger extent. And this habitat cannot be purchased but it can be protected and managed as a public commons. A more complicated challenge to be sure, but I think that the science plays a potentially larger role in trying to reach that goal. We must know how this watery world really works in order to protect and manage its resources.

For example, certain bays in Prince William Sound appear to be really critical rearing habitat for juvenile herring, as we're finding out through some of our ecosystem studies. And protection of those bays in regard to potential future oil spills, to certain kinds of on-shore development, to what we know about recreation and the increasing uses of Prince

William Sound are important things to know. So we even have to identify in time and space those critical biological creatures of the environment that need to be protected for a healthy ecosystem.

It is also important to characterize the natural variability in the ecosystem to better protect and manage its resources. We know that there are great changes that have gone on throughout the spill area ecosystem. Witness, for instance, the 1978 shift in the northern Gulf of Alaska to an ecosystem that was dominated by shrimp in many inshore areas to one that's dominated by bottom feeding fish. And this was all connected back to natural variability in a way that we don't completely understand but it certainly has to do with the atmosphere and interaction of the atmosphere with oceans and currents. And these kinds of things can take place on scales of decades and even in centuries, so some sort of long term view of this I think would be great kind of legacy to leave behind.

I think some of the practical management implications of the kind of information that's building in momentum from Council research as well as research sponsored by other agencies would include, for instance, the prohibition of new fisheries on forage fish to protect the apex predators, the birds and mammals that feed on them. This is an action taken by the North Pacific Fisheries Management Council recently.

I think the Trustee Council through its actions in scientific research has recognized the importance of a multi-institutional ecosystem based restoration program. This approach is yielding dividends in research that will spill over into management as important insights about the spill area ecosystem are beginning to emerge from our studies. I think it's important to maintain this momentum and I think that the Trustee Council really leaves two kinds of legacies. First of all, the scientific legacy which I just spoke of and secondly a institutional legacy. I think the Trustee Council is a unique organization in that all the major resource agencies are now sitting around the table talking to one another, acting jointly and sponsoring research that's addressing overarching questions about the ecosystem.

So what is the proposal? The proposal for involvement of science in the Restoration Reserve is that the Trustee Council should consider supporting a permanent, adaptive, multi-institutional and multi-disciplinary monitoring research program. We would propose that the core or backbone of the program would be taking the pulse of the northern Gulf of Alaska ecosystem. It would involve such things as understanding the seasonal and natural annual variability of Alaska coastal current. The timing, strength and composition of the yearly plankton bloom. Distribution of abundance, composition of forage fish populations and the productivity of

major apex predators, such as sea birds and marine mammals.

Just to mention a couple of guiding principles that might earmark a successful program of this type. Some sort of inflation proof endowment with a conservative annual expenditure so that we can in fact attack some of these long term problems and cycles in the natural environment. We think that something like four to $5,000,000.00 a year might be an effective level of funding for such a program.

That the geographic scope be the northern Gulf of Alaska in order to encompass the important oceanographic and biological features that affect our near-shore systems and affect the resources that we value so dearly in that system.

We think it should be administered by a core of professional staff not affiliated with a particular agency. And I think the evolution of the EVOS process has shown the value of such a development in providing a neutral and a very professional sort of approach to the problems.

This program, I think, should also actively engage the public, stakeholders and managers, as we are striving to do currently. Also it could be mostly institutional, involve most of the major resource agencies, University of Alaska, the Alaska SeaLife Center, the Prince William Sound Science Center, the Auke Bay Laboratory and so forth.

It, I think, would be important also to leverage with other research and monitoring efforts in the northern Gulf of

Alaska, such as the GLOBEC program, the joint NSF NOAA program that's starting shortly in the Gulf of Alaska. The NOAA FOCI Program, the Fisheries Oceanography Cooperative Investigations that have told us so much about the pollock populations in the Shelikof Straits.

I think this program could also provide a forum in terms of an institutional legacy for coordination and cooperation in addressing some of the overarching questions about the ecosystem in the northern Gulf of Alaska.

And then lastly I think that active participation of students, particularly graduate students, who bring fresh ideas and energy and a source of cheap labor would be also a good part of this.

So that concludes my comments.

MS. McCAMMON: No offense to any graduate students in the audience.

DR. SPIES: Well, I think they probably know as well as anybody.

MS. McCAMMON: Thanks, Bob. As you can tell these are -- this is really a major decision facing the Council in the next year to two years and these are some of the ideas that everybody is going to be thinking about as they go forward together with input from the public on what to do with the rest of the money basically.

So, Frank, turn it back to you.

CHAIRMAN RUE: What would you like me to say?
MS. McCAMMON: No.
CHAIRMAN RUE: Oh, turn it back to me, okay.
MS. McCAMMON: Yes, I'm turning it back to you.
CHAIRMAN RUE: Well, we are going to have formal process though.....
MS. McCAMMON: Yes.
CHAIRMAN RUE: .....and this is just kicking the ideas off.
MS. McCAMMON: Yes.
CHAIRMAN RUE: So it's good to have people thinking about it. Basically the next item on the agenda was for individual Trustee Council members to say whatever they'd like, comment on the day here in Seward or thoughts they might have about the future of the Restoration Program. Are there Council members who would like to speak to any of the issues?
MS. BROWN: I'd just like to congratulate the community. I think what we've seen today is very impressive. It makes me feel real good about the actions we've taken. But we're mostly here to listen, so I'm eager to move on to the public comment portion.
CHAIRMAN RUE: Okay. Dave Gibbons.
MR. GIBBONS: Yeah, I'm representing Phil Janik and he's really sorry not to be here. He just signed the Tongass Land Management Plan last Friday and he's a little and

he's a little busy with the correspondence.
MS. BROWN: Being hung in effigy?
MR. GIBBONS: Yeah, being hung in effigy. But Phil being a biologist, like I am, I'm sure he would have been impressed with the Center. We had that tour this afternoon and it was very impressive. I'm a biologist, like I said, that he was too, and I was extremely impressed and I'll carry that back to Phil. It was kind of interesting, when the idea was first spawned by the Trustee Council I was administrative director and it had gone through a bunch of name changes but it's interesting to watch it from its conception to what it is and I'm really thankful I've seen that part of it and was on the review team, science review team.
But other than that I'm just happy to be here and the last time I was here was the ground breaking and I plan to come back with it's completed.
MS. McCAMMON: The ribbon cutting.
MR. GIBBONS: Yeah, the ribbon cutting.
CHAIRMAN RUE: Any other Council members like to say anything?
(No audible responses)
CHAIRMAN RUE: Okay, great. Are there members of the public who would like to tell us what they're thinking or any ideas they might have? Just come up, we have a microphone there, but I don't know that you need it.

00023
MS. McCAMMON: Well, we're recording the meeting just so that goes into the record.
CHAIRMAN RUE: Oh, that might be helpful, yeah. There must be something on your mind. Yeah.
MS. McCAMMON: Molly.
MS. BURTON: Should I come up there?
MS. McCAMMON: Yeah.
CHAIRMAN RUE: Sure, please do.
MS. BURTON: My name is Molly Burton, I'm the community facilitator, I'm the little guy on the end of the EVOS Trustee Council Programs. And so I'd like to extent my welcome to you. I kind of almost wouldn't know that you were going to be here because I happened to John Hendricks last week and he said -- he mentioned that there -- he thought you guys were coming. But I'm a little disappointed because I was not notified and called about five minutes to five and found out about this meeting. So I didn't have all my notes or anything to be prepared for this.

But in view of that fact I want to speak to the community coordinator and the recent resignation that happened. And note that that position is important because if that position was filled I'm sure I would have been notified of this meeting. So it's, you know, just to make the point that I hope that you still support the community facilitator and coordinator program because it's real important to have good

communications. And if it means to have someone sit at your office and, you know, be in that place then that's -- I want to emphasize that it's important. Seward's a little different kind of community because it's not all just a small Native village where everybody knows what everybody is doing. So my role here is a little different than it would be out at Chenega Bay or something.

But just so you know, I do send in reports and I do listen to what is happening with EVOS and try to communicate that to the Qutekcak Native Tribe and feel that it's an important position, whether I'm in it or someone else, you know, it depends on who's in the position how much input or output goes into that. But it's still an important position, so I would like to just say I hope you support that program whether it's in Seward or other places.

A couple of other things. I'd like to just say that I'll hope that you'll consider the proposal on the exhibit. The proposal that was put forth by the Alaska Native Harbor Seal Commission and to work with the SeaLife Center to make sure the exhibit, whatever it is, the videos, the Alutiiq Story of Subsistence is a good example of that. That everything is accurate to the public for what the Native subsistence ideals and culture has to do with it, the sea mammals.

The other thing is the museum repository project. Maybe it can't be in the viewpoint of everyone but it still, I

think, would be something that would be good for the tribe to work with you on that if you decide to fund that. I don't -- I'm not sure what the viewpoints are as far as how much it would be involved with it, but still I think it would be good to have the artifacts go back to the different communities that they want, you know, just so that they would have something there.

And it doesn't -- you know, just because I work for the tribe and for you doesn't mean that I am not concerned as a regular citizen either. I kind of walk in two worlds as far as the Native viewpoints and the non-Native viewpoints because the nature of the community -- you know, today life, you know. We're all concerned with conserving the lands and that kind of thing.

Some people are real strong in their viewpoints that they don't like the habitat acquisition that much. I'm not one of those. I think that it's good as long as the promises are kept that the Natives that are able to do their subsistence on the land if they want to. You know, keeping in mind the game and that kind of thing is still available for that.

But anyway, I'm glad that you came to Seward and thank you.

CHAIRMAN RUE: Thank you. Molly, did you.....

MS. McCAMMON: Yeah, Mr. Chairman. Molly, I guess I want to extend, first of all, my deep apologies for not

-- for you not being notified. I thought you were going to be and I think that there is a problem right now because we do have a vacancy with the community involvement coordinator and I think the exemplifies -- this just shows exactly why we need that position and why it's so important to make sure that we have that communication between the communities at our office. But I'm really sorry because I thought you were being notified anyway and I apologize for the lack of communication there.

Molly has been a very effective community facilitator, she has done and excellent job of reporting to our office what's happening in the community of Seward. She notifies us about what's happening with the City Council, what's happening with the tribe. And you may not know it out there but she keeps very close tabs on what's going on in the community and does a really good job of getting that information back to us. So she is, I think, one of the best examples of what this program can provide to the Council.

CHAIRMAN RUE: Great. Thank you, Molly.

MS. BURTON: Thanks.

CHAIRMAN RUE: Yeah. Actually people should tell us who they are as they come up, it's helpful. Thank you.

MR. LODGE: Good evening, my name is Dennis Lodge and I welcome you all to Seward on behalf of the Prince William Sound Regional Citizens Advisory Council. I'm the local representative on the board of directors for the RCAC, as

well as being an educator in marine subjects at the Alaska Vocational Technical Center which is just about one mile down the road from us.

I'll give you a little bit of background to let you know where I'm coming from. I've spent 45 years connected with the maritime industry throughout the world. About 20 years here in the states, most of it in Alaska. Seven of those years were spent sailing on oil tankers, so I can see the other side of the coin when we're looking at oil spills. And a lot of the time has been spent as an educator educating ships' officers and commercial fishermen in a variety of marine science techniques.

One thing we haven't addressed and I believe not enough money is being spent on is prevention. We all see prevention as a way to alleviate all the problems of the amelioration. We're spending a lot of time here tonight talking about how to prevent future problems and to enhance the environment, cleanups and so on. There would be no need for any of that if the spill hadn't occurred. And we're probably still not further forward today than we were eight years ago with regard to prevention. I'm familiar with all the work that's being done by the RCAC and I believe we are safer now than we were the night that the Exxon Valdez sailed into trouble. We now have better escort systems in the Sound but we're still working with old technology. We haven't got the best tug boats yet,

although they are planned, we will have them shortly.
But tonight there could be a disaster just as serious as the Exxon Valdez disaster. The tug boats are the same, the weather conditions are the same, most of the vessels are still sailing there. We have vessel traffic system in the Sound which tracks the vessels and warns them if they're getting into trouble if the master or the mates don't watch where they're going. There's a Coast Guard operator watching them on a radar screen and he can give them a shout on the radio and warn them they're getting into trouble. But if it's a mechanical failure there's nothing the Coast Guard can do about it. It depends upon the ship's crew who are there to solve the problem out. If it's a major engine breakdown and they can't solve the problem and they're just outside Hinchinbrook Entrance, the way the currents flow and the major winds flow would likely carry that vessel onto Seal Rocks and instead of just spilling just 20 percent of the cargo, like the Exxon Valdez did, we could spill 100 percent.
We think that the Exxon Valdez was a bad spill, it was the major spill in this nation but you got to remember she only spilled one-fifth of her cargo. The spill could have been five times greater and the oil on the beaches could have been five times thicker.
The reason I'm making this presentation is to bounce a few ideas off of you in the areas of prevention. My school,

just down the road, dreamed up two years before the spill the idea that there could be a major spill in the Sound. We applied to the Department of Education for software to enhance a radar simulator that we have at the AVTEC and the amazing thing is that just six months before the spill we did get this complex software which has Prince William Sound database with all the water depths, the mountain heights, the topography and the coastline of Prince William Sound, all of it digitized to an accuracy of plus or minus eight yards. And that allows us to training tanker captains to drive up and down on the radar scope and have emergency scenarios, loss of power, loss of steering, bad weather conditions, icebergs, can all be featured into the simulator which is now 12 years old. It's kind of bit long in the tooth. But the interesting thing is we had that facility six months before the oil spill. Joe Hazelwood never came along and none of the Exxon captains came along.

We've been using that simulator since the spill for training operators of the rescue tugs, the service vessels, as we call them, the ship escort vessels, for training commercial fishermen in tanker avoidance, for training the tug boat operators in iceberg avoidance techniques. And just this weekend, for example, we had some top naval architects from Massachusetts across in Seward doing some simulations for proposed placing of sentinel tug boats at predetermined spots in Prince William Sound that would be available to rush out to

the aid of a tanker in distress from a prepositioned point rather than with a continuous escort.

There's an argument going on at the moment as to which is best; continuous escort of the tanker with all the extra risks it brings in -- we just spent over a million dollars, the RCAC, together with industry, doing a risk survey. And the risk survey said, actually, tug boats in constant attendance to a tanker actually increase the risk. If you can put the tug boat in a prepositioned placement, maybe halfway down the Sound, they're about Naked Island, Bligh Reef and Port Etches being the three positions in the Sound where tug boats will be prepositioned ready to rush out to a Mayday call. This weekend, the holiday weekend, we spent three days with these naval architects from Massachusetts running the old simulator with these different scenarios. The simulator is very good at time/speed/distance measurements and the way that a tanker slows down when it loses engine power. So they're able to simulate fairly exactly what would happened in different places in the sound with an engine failure or a steering failure. How quickly a vessel would run onto Green Island or onto Naked Island or over onto Goose Island, for example, if the rudder was the other way around. If the rudder failure failed the other way. We found some interesting facts which will be published shortly in RCAC documentation.

But let me get back to why I'm here. The simulation

has improved a great deal over the last 12 years since we had our simulator. Computers have got faster. The ability to put land masses on bridge windows, wheelhouse windows, with computer projection systems can make very realistic visual displays of docks, land, mountains, buoys, so that you can drive a simulated ship, almost like the real thing. The same thing that you've noticed on television documentaries about Army/Air Force training for Dessert Storm in this virtual reality kind of displays they have. Very realistic. The military couldn't work today without simulation.

Another way in which simulation is being used locally is in Anchorage at Merrill Field, the University of Alaska-Anchorage has just spent $11,000,000.00 on an air traffic simulator. Senator Ted Stevens pushed very hard to get the funding for that, together with the university, and now they have a superb aircraft simulator at Merrill Field which is training air traffic controllers and pilots in accident prevention. There are big simulators for marine work around the nation. I've attended one of the best ones down in Dania, Florida, which is near Fort Lauderdale. And that was a $13,000,000.00 installation. Probably the best in the world when it comes to computer simulation. There's one big drawback with those simulators, the instructor are all non-Alaskans. They have no interest whatsoever in the Alaskan environment, most of them have never set foot in Alaska, so they have no

knowledge of local weather conditions. And if you're in Fort Lauderdale you don't see many icebergs, you don't see many fogs. So we think that upgrading the simulator here in Seward with the local knowledge from local pilots, local fishermen, local people like yourselves who live in Alaska, with -- all with input could produce simulation that would be far better than anywhere else in the nation because of the local knowledge involved.

So we're hoping to bend your ear to maybe produce some funds to prevent spills in the first place. We have a saying in the RCAC "Once the oil is in the water the battle is lost." If we can keep the oil out of the water that's a major achievement and keeping oil out of the water -- one way to do it, of course, is to train ships' officers better. There's a lot of new techniques being developed since the Exxon Valdez spill in error chain monitoring, for example, in bridge management techniques, in ship simulation techniques, ship handling techniques. All in the last eight years, and they're becoming cheaper and more available as software becomes more widespread.

And we going to fight on with the old simulator here in Seward. By the way, any of you would like -- if you'd like to, after this meeting, drop around and see the old machine in operation and maybe want to drive a tanker through Valdez Narrows you're welcome to try it. But it's getting long in the

tooth. It so old, in fact, that the company that made it said they're not making any spare parts and if it breaks down we've had it. There's just no spares available. Most electronic machines are made to have a working life of six to eight years. Once you get a 12 year old electronic machine it's on its last legs and you -- even though it's useful, spares become a problem.

So maybe one project you could consider is spill prevention from the way of better simulation. We know simulation works, everyone else uses it and there are plenty of marine simulators throughout the nation but we haven't got one in Alaska and -- well, they're the main points I had to mention.

Oh, what about the value to the Council, you people, of such simulation? Well, it's a very public -- it invites the press. A lot of people attend it. A lot of mariners, a lot of commercial fishermen would attend it. A lot of tug boat operators, a lot of pilots. It's very visible. It's a visible way of spending the funds. When you spend them on trees and land, especially at remote places, like the Eyak Tribe, for example, land it's not visible to a large part of the state. But some simulation with invites to the public to come and view it and the press might be good publicity.

I think that's all I needed to say and if you have any questions I'll be glad to answer them. Commissioner Brown

knows a little bit about what we've been doing. Money has been made available for simulation for -- not for simulation, for research. And research, when we look deeper into it, involved things like use of dispersants or insitu-burning of oil, those kind of projects. When we came up to various people, like the DEC, with ideas on simulation they said, well, that's not really research. I beg to differ in that respect, I think it's pure research.

If you have a good simulator, for example, you can -- for example, there's talk of straightening out the dog's leg in the traffic lane as the tankers run down from Bligh Reef down towards Hinchinbrook entrance. There's a jog in the traffic lane at the moment that came in when the oil first started to flow as a result of a purse seine fishery in that area. The tankers have to make a dog's leg to avoid this purse seine fishery. Well that fishery no longer exists, but the tankers still make a dog's leg for no apparent reason. The Coast Guard are now thinking of straightening out the dog's leg but then they're worrying about what the effect will be. How close will a tanker now pass to the land? What are the dangers of straightening out the dog's leg. A simulator can very quickly give you all the answers you need. As well as training people it can produce a lot of answers in the effect of iceberg avoidance. Placing of buoyage in the Sound. Best transits to go through Hinchinbrook Entrance, laying down fairways. All

this kind of -- this is pure research, can be done on a simulator very quickly rather than spending millions of dollars driving ships up and down. You see, the simulator can have breakdowns with no damage. You can try all the worse scenarios you like, the worst weather conditions, complete loss of steering combined with complete loss of power, and you see on the simulator exactly what's going to happen with no danger to the public or the environment. There's no other way you can do that. So I think the simulator is a very good research tool just as insitu-burning is a research tool or chemical dispersant is a research tool.

Thank you. Did you have a question?

CHAIRMAN RUE: No. I was just going to say I think Michele Brown would probably love to come and drive your simulation sometime.

MR. LODGE: Yeah, she did mention it.

MS. BROWN: Yeah, if we have time I would love to do that.

CHAIRMAN RUE: Thank you. Does anyone have a question for Dennis?

MR. LODGE: Or any question, maybe, from the audience?

CHAIRMAN RUE: Yeah.

MR. LODGE: Well, I've gone on a bit long there, but we feel it is important and that very, very little

is being done in prevention. And we're just almost as much at risk tonight as we were eight years ago. We could be starting all over again back to square one. We could be forming a new Council and back to square one again, God forbid.

CHAIRMAN RUE: Let's hope not.

MR. RICE: Yes, is industry participating in -- or would they support a simulator (indiscernible -- away from microphone).....

MR. LODGE: They would. They're already attending classes that we run but, you know, it's always difficult getting commitments from industry. As a matter of fact the Prince William Sound RCAC has made a resolution supporting simulation and stating that they would put seed money into the project if the EVOS Council would come up with solid funds. But that was two years and still nothing has happened. So industry would support this by sending people along. Whether they would be prepared to put hard cash into the system I don't know.

MR. RICE: You're the one that could (indiscernible - away from microphone).....

MR. LODGE: Yeah.

(Indiscernible)

MR. LODGE: It's always difficult to prove that education works, you know, because how do you really prove it? Well, I suppose you can look at figures and you look at results

a few years down the road between educated mariners and uneducated ones. But the whole industry is changing dramatically at the moment with the U.S. Coast Guard buying into International Maritime Organization rules. The whole licensing system in the USA and the training system is now bending toward international agreements being formulated in London and Geneva. And the Coast Guard are having to buy into this so the whole system is in a state of flux. But one thing that the International Maritime Organization insists on is that in future all mariners must have hands-on training on simulators because that's the way to go. Just like the military goes that way.

CHAIRMAN RUE: Well, Dennis, I think there may be others in the audience who want to speak and.....

MR. LODGE: Yeah, I've gone on too long.

CHAIRMAN RUE: Well, no. Thank you very much that's very helpful, it's good to hear.

Are there others out in the audience who would like to.....

MR. LODGE: If not, I'll come back.

CHAIRMAN RUE: Yeah, that's fine. That's fine. Anyone else out there like to address the Council on any issue? Yeah, come forward. Let us know your name and.....

MS. CLAYTON: Hi, my name is Linda Clayton, I live here in Seward and I'm associated with the University of

Alaska-Fairbanks campus. As a member of the local research community and a member of a fishing family I strongly understand the benefits to our natural resources that have come from the backing by the EVOS Council with its funding in all aspects of the research restoration areas. I realize that the National Park representatives would like your assistance in helping them obtain financial help to secure property to add to their park system but I feel that the National Park System as a Federal government department needs to look beyond its goal of adding property to its parks system and realize that studies conducted in research fields, both to animals and to plants, are the basics which have allowed the Park System to maintain its good parks. The parks have benefited greatly from these studies conducted by the science community.

The fishing community and the communities which have suffered from the oil spill need your assistance to help further the research studies to assure a complete restoration of the damaged ecosystems and, in turn, this will benefit the land areas that you previously mentioned this evening that the EVOS Council has assisted in obtaining for various departments, whether it be the Forest Service, National Parks Wildlife Refuge.

I think the EVOS Council has done a remarkable job. You started with a disaster, that's how your job started and further research will give us the opportunity to help us, if

God forbid, we ever have to have another oil spill.
Thank you.
CHAIRMAN RUE: Thank you, Linda. Any questions for Linda?
MR. SAKURA: Actually, Mr. Chairman, I'd like to say a few words and one is I'm the Interior Department representative and I work for the Assistant Secretary for Fish and Wildlife and Parks, who oversees both the Park Service and the Fish and Wildlife Service. And I would just like to thank the people in Seward for their strong support of the land acquisitions. Mayor Bankford, you know, the members of the City Council, the environmental community here, the business community, the tourism community. We had an excellent signing ceremony with Secretary of Interior just last week.
In terms of the science program I know that the Department of Interior and National Park Service fully supports a strong integrated science program as a part of an overall land management effort and we strongly support the science effort and very much appreciate your comments it that regard.
Thank you.
CHAIRMAN RUE: Okay. Other questions from Council members?
(No audible responses)
CHAIRMAN RUE: Any other members of the public like to come forward? Yeah.

00040
MR. PAUL: For the record my name is A. J. Paul and I'm a marine biological type that's worked for the University of Alaska. I've been here since 1970 and one thing

CHAIRMAN RUE: Thank you, Chuck. Anyone have questions of Chuck or comments?

(No audible responses)

CHAIRMAN RUE: No? Other members of the public wish to give us their visions or thoughts?

MR. HENDRICKS: John Hendricks with the Alaska SeaLife Center and although I have some access to you privately, I suppose what I should say should be public and that will work that way. I'd like to bring you an Outside view. As you know I've been here in Alaska for only about seven months and I'd like to offer you a view from outside of Alaska on maybe what you're doing.

First of all, the City Council, I believe it was the night before last, passed a resolution in which they endorsed a long view and recommendation to the Council and I will have a copy of that provided for your notes later on. But basically it was the long view looking down to the establishment of a trust. And Molly's bringing out a piece of paper and I assume that that's the piece of paper right there.

MS. McCAMMON: It was hand-delivered today.

MR. HENDRICKS: So I will leave it as it is for however you may choose to use it. But the other thing of it is, is I originally came from the Texas AM University system and a system there that used what we called a Permanent University Fund that was established as part of the land grant

college system back in 1876 I believe it was. That was a long view on education and it's worked for Texas for a long, long time and as an administrator within that system and looking at things, you have a mechanism here in the future to help you with that and the fact that your Permanent Fund here in Alaska is rather favorably known throughout the United States as being a well-managed, very foresightful, thoughtful thing. If you do choose to take the long look and you do choose a trust, you do choose to invest in the future. I would suggest that you already have mechanisms here in Alaska that are more than able to help you and make that come true and make it come true in a very effective way. You don't have to look very far here. And investment in the future you already have the mechanisms, you already have established the way to go and the means with which to do it.

Thank you very much.

CHAIRMAN RUE: Thank you very much, John, I think that's important advice. Are there other members of the audience who would like to come forward and address the Council? Or any questions of Council members?

MS. BROWN: Can I just ask one?

CHAIRMAN RUE: Yeah, Michele.

MS. BROWN: To follow up on your question -- on your comment and you're thinking in terms of having the funds actually managed by the same folks? Do you also have a view on

the question that came up earlier about who should be, not the financial mangers, but the actual decision makers when this Council has to make the decision whether to disband or recreate itself?

MR. HENDRICKS: I think Craig had a point there and I'll have to come back. I think this is not something that you would draw from the Outside, I think this is something that has to be uniquely Alaskan. And I don't -- I personally don't really know enough about Alaska at the time to do it, but I seem to hear some voices inside of Craig's comment that there had to be a wider representation, there had to be more of a community -- more of a State representation that had to be brought back within the community users, whether that be industry or not. But I really don't know Alaska enough to comment on that. I do know permanent funds and I do know their effects and I know how they can really invest in the future and what can do and that I feel pretty well qualified to comment on.

MS. BROWN: Thank you.

MR. HENDRICKS: But I would suggest looking within your own communities.

MS. BROWN: Um-hum. Thank you.

CHAIRMAN RUE: Good, I think we plan to do that, I think that's good advice. Any other comments from the audience?

(No audible responses)
CHAIRMAN RUE: Council members, do we want to take a -- Molly, should we take a short break and then we're going to have the movie? How's the program going to work?
MS. McCAMMON: Yeah, we take maybe a 10 minute break or 10 or 15 minute break and then start the film.
CHAIRMAN RUE: And everybody is invited to stay for the film.
MS. McCAMMON: Yes, please do.
CHAIRMAN RUE: Great. As long as there are no other comments then, thank you all very much.
(Off record - 6:31 p.m.)
Note: The film "Alutiiq Pride: A Story of Subsistence" was viewed. At the end of the film, Chairman Rue, asked for any further comment and there being none, thanked the audience and concluded the meeting at approximately 7:20 p.m.
(END OF PROCEEDINGS)

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 Owner of Computer Matrix do hereby certify:

THAT the foregoing pages numbered 4 through 47 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council Public Meeting recorded electronically by me on the 29th day of May 1997, commencing at the hour of 5:15 p.m. at the Rae Building in Seward, Alaska, and thereafter transcribed by me to the best of my knowledge and ability.

THAT the Transcript has been prepared at the request of:

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

DATED at Anchorage, Alaska this 5th day of June 1997.

SIGNED AND CERTIFIED TO BY:

_____
Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/00