

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska

November 30, 1993

9:00 a.m.

TRUSTEE COUNCIL MEMBERS in attendance:

State of Alaska	MR. CHARLES COLE Attorney General
State of Alaska Department of Environmental Conservation	MR. JOHN SANDOR Commissioner
United States Department of the Interior	MR. GEORGE FRAMPTON, JR. Assistant Secretary
State Department of Fish and Game	MR. CARL ROSIER Commissioner
United States Department of Agriculture - Forest Service	MR. MIKE BARTON Regional Forester
United States Department of Commerce - NOAA	MR. STEVE PENNOYER Director, Alaska Region

RESTORATION TEAM in attendance

JIM AYERS	Executive Director, Trustees Council
DAVE GIBBONS	Interim Administrative Director, Trustees Council
PAMELA BERGMANN	Regional Environmental Assistant, United States Department of the Interior
MARK BRODERSEN	Restoration Chief, Alaska Department of Environmental Conservation
JEROME MONTAGUE	Director, Oil Spill Impact Assessment & Restoration Division, Alaska Department of Fish and Game

BYRON MORRIS Chief, Office of Oil Spill Damage Assessment
and Restoration, United States Department of
Commerce - NOAA
KEN RICE Deputy Natural Resource Manager, United States
Department of Agriculture - Forest Service
MARTY RUTHERFORD Assistant Commissioner of EVOS, Alaska
Department of Natural Resources

PUBLIC ADVISORY GROUP MEMBERS in attendance:

DOUGLAS MUTTER Department of the Interior
Designated Federal Officer

DR. JOHN FRENCH
PAMELA BRODIE
KIM BENTON (substituting for JOHN STURGEON)
CHARLES TOTEMOFF
JOHN McMULLEN

OTHERS IN ATTENDANCE who testified

ERNIE PIPER
JIM GIBEAUT
CRAIG TILLERY, Alaska Department of Law
BOB LOEFFLER
TONY DECANGE
DR. ROBERT SPIES
MARIA LISOWSKI
JIM GRAY
PAMELA BRODIE, Sierra Club
DAN HULL, Prince William Sound Aquaculture Corporation
TORI BAKER, Prince William Sound Fisheries Ecosystem Research
Planning Group
TIM CABANA (ph)
LEROY CABANA (ph)
JOHN McMULLEN, Prince William Sound Aquaculture Corporation
AMY BOLLENBACH, Kachemak Heritage Land Trust
ARLYS STURGELEWSKI
RITA STEVENS
DR. JOHN FRENCH, University of Alaska, Fishery Industrial
Technology Center
THEO MATTHEWS, United Cook Inlet Drift Association
DR. A. J. PAUL, University of Alaska
CHRIS MOSS, Cook Inlet Seiners Association

VIA TELECONFERENCE

MARLA ADKINS, Cordova
KARL BECKER, Cordova
DR. MICHAEL CASTELLINI, Fairbanks
HUGH DOOGAN (ph), Fairbnaks
STOSH ANDERSON, Kodiak

DAVID SALMON, Cordova
CHIP THOMA, Juneau
ELAINE NELSON, Seward
TERRI NASH, Seward
CHARLES PARKER, Valdez

P R O C E E D I N G S

(On Record at 9:25 a.m.)

MR. ROSIER: Is our executive director here? Good morning, ladies and gentlemen. I'd like to welcome you to the Exxon Valdez Oil Spill Trustee Council Meeting. We have at the table here this morning the full Trustee Council. On the far right over here, Steve Pennoyer, Regional Director of the National Marine Fisheries Service. Next to Steve is Attorney General Cole. Next to him is Mr. Frampton, Under Secretary of the Interior -- Assistant Secretary, excuse me, I apologize. I'm Carl Rosier, the Commissioner of Fish and Game. On my immediate left is Mike Barton, the Regional Director of the Forest Service in Alaska. Next to him is John Sandor, the Commissioner of the Department of Environmental Conservation. I believe that we've got a very full agenda here. Without wasting additional time here on this, I'd like to suggest to the Council that there be a re-ordering of items one and two, and we'll get Ernie Piper and his presentation out of the way first, but are there any other agenda items that any Council members would, in fact, like to interject here before we get started with Ernie? Hearing none, Ernie, would you like to start us off here this morning?

MR. PIPER: Thank you, very much. I'm Ernie Piper. I served as on-scene coordinator during the spill and I was the project manager for the lead agency, DEC, during this year's 1993 shoreline assessment. I have some things here for you to look at as we go along, as we run these through the front tables, as well

they'll be available for the audience to just sort of pass around.

These are some photos that show some of the conditions that we encountered this year. These smaller photos are more the ones that give you some idea of what the definitions are that show up in the report, when and if you get to read the whole thing, about medium oil residue, high oil residue, and so on. The second thing that I have here, in case you have any questions about what this stuff looks like, when we say asphalt, we mean asphalt. Also, there's some mousse and rocks here that I can hand around and show you and some just straight mousse. So, these are some of the definitions you might here. What I had in mind was, first, three brief words of thanks, secondly, five minutes of an overview, which I have, a second five minutes we can put aside for interpretation from Dr. Jim Gibeaut, who is our consulting geologist, and he is on the line with us today from Austin, Texas, where he works at the Bureau of Economic Geology at UT Austin. And one last thing, in the errata department, if any of you have picked up the executive summary on the first page of text that -- where it reads, "within the fifty-nine study sites, the 1993 survey discovered one hundred and nine distinct areas with visually detectible surface oil," that should read "subsurface," and Jim can expound on that, if he likes to, later on. First, in terms of thanks, thanks to the Trustees for funding this project. I think it was an important one, and we ran it as efficiently and actually turned back some money to the fund that provided the money for this. Also, thanks to people who worked on the project. Some of them are out here today, Wynn

Minnifree (ph) from DNR, I know is here, Roger McCampbell from DNR is here, Joni Matthews, who has worked several years on the project with me and will help with some of the visual aids, also worked up there on the project this year, and also thanks to the people out in the area who are very, very helpful, as usual, with information and advice. First, let's turn to surface oiling, which is the thing that people most often see. If you'll look up to that first set of -- that first flip chart behind Commissioner Sandor, I think generally we can say that, compared to 1989, it's mostly gone, but it's scattered throughout the area. We went from -- at sites literally from Perry Island and Lone Island in the north, all the way down to Ellerington and Evans Island in the south and LaTouche Island in the south, and we were visiting areas that had been heavily oiled, or moderately oiled originally, and we still found surface oiling of some kind there. Sometimes it was very small, sometimes there were large bands. Secondly, it is very stable. Once that oil gets into the state of asphalt, and it has any kind of thickness to it, it takes a substantial amount of energy to get rid of it, and it's going to hang around for some time. It's very, very stable stuff. In terms of persistent problems that we have in surface oiling, bedrock traps, areas that shelter things from wave energy or places where there's a little bit of armor or some other rock wedged on the top, or areas that are, for example, at Applegate Island there is -- and Green Island -- there is shale that's tilted up, and oil has soaked down into it. Those are very persistent problems, very difficult to clean, and those are some of

the kinds of things you might find at those places. Boulder fields, oil got into boulder fields and got underneath them and into the substrate immediately below that heavy armor. In most cases, that heavy armor was not pulled back during treatment, and so you can still find mousse coming out of the sides of some of these areas, or asphalt wedged in between the rocks. A third sort of persistent problem that's -- to keep in mind is sheltered areas.

If you've got an area that has been not exposed to wave energy or sunlight or any other combination of things that breaks down oil, you might be able to find some oil in those areas. If we could next go to the next chart, which is subsurface oiling, this is actually one of the most surprising things that Jim and I discovered in going over the data from this year. Subsurface oiling, we compared it to 1991, and the reason we did that is because the 1991 survey was probably the most extensive one that was done in terms of really including a look at subsurface oil. I think we could have done more, but that's really our base line, and compared to 1991, subsurface oiling overall has reduced about forty-five percent. Jim will talk about the next point in his five minutes, which was

MR. COLE: (Inaudible interruption)

MR. PIPER: -- yes sir?

MR. COLE: Is that what you expected to find, or more or less than you expected to find?

MR. PIPER: It's a greater reduction that I expected to find, and I think Jim is --

MR. GIBEAUT: Yeah, I agree.

MR. PIPER: And Jim agrees. I think one thing that Jim will address in his five minutes is that local reductions at specific sites are probably greater than that forty-five percent. The reason for forty-five, I think, is a low-end figure overall is because we actually discovered more oil in our 1993 survey than there was in the 1992 survey, so that kind of bumped the average in the other direction, but local reductions, I think, were greater. We've also discovered that -- I wouldn't say it was a definitive link yet, although Jim might want to talk about that further, that we've definitely found some links in terms of rapid reduction of subsurface oil to areas that were treated aggressively in terms of mechanical tilling or other kinds of things. Jim has some preliminary numbers on that, and maybe he can address that. Next chart, please, Joni? People often say, well, what are the hot spots, what are the persistent problems that we see? I think, number one, that is definitely worth mentioning, and the way I put these persistent problems were areas in which there were clusters of sites that are either contiguous or within the vicinity of each other that show varying amounts of oiling anywhere from light to what we call OP, which is the pores of the oil saturated, was our highest level. The Sleepy Bay area of northern LaTouche Island, which Joni is pointing to right there, has a -- within the Bay and on either side of the Bay has a number of sites that show some -- among the most persistent oiling problems, surface and subsurface. The second one would be northeast Evans Island, which is right

where Joni is pointing now, not quite as bad as Sleepy Bay but, again, a cluster of segments, shoreline subdivisions that show varying and obvious oiling conditions. And a third area is down, across from Chenega Village, there's a purple dot that's right there, that locates the village, but immediately off of the village, off of Sawmill Bay, Bettles Island, which is a smaller island, and Ellerington Island, have several sites that are fairly substantially oiled still. A second -- well, those are the three.

The fourth one would be -- we kind of broke Prince William Sound in half so the northern half is off to the east here. The third one is the large red circle of Herring Bay. Herring Bay, compared to 1989, any of you who were out there, it's really a remarkable change. It looks remarkably better than I expected it would be within a few years, however, you can find, again, clusters of sites within Herring Bay that show obvious signs of oiling. It's not as acute or -- as it is, say, in Sleepy Bay, but it's definitely a cluster of sites that might do that. Next chart, please, Joni, is some localized problems to point out -- every once in awhile there's an area that's scattered around there that has some nasty little pockets of very persistent oiling. Seal Island is one. It's a small island that is south of Green Island, I mean, south of Smith Island and north of Green Island, and we've put that in our outer islands group. There's an area that's sort of very specific, geologically, in the way it's laid out. There's a big tombolo on a platform and a thin layer of sediment, but that thin layer of sediment is still heavily oiled compared to almost all the sites we

were at, and it's received treatment over time but it's a very sensitive site and difficult to get to because of seal pupping and seabird colonies and so on. A second isolated problem site is in the Bay of Isles, Knight Island, 136. This is the classic spot, the most publicized one, I think. People call it the marsh, the lagoon -- excuse me, the marsh, the lagoon, et cetera. Actually, we did not do a full ground survey in there because we don't want to be tromping around on the marsh or peat layer, the organic layer, but we did run our transect there that was first run some time ago, and Jim might have some comment on that. We actually saw some pretty good reductions there. Another site is at EL56 on Northwest Bay, on Eleanor Island, and this is -- there's actually one of the photos shows the physical setting there in this pile of Northwest Bay, and it's not obvious from the surface but it's very low, very low in the intertidal, you can only get there at certain very low tides, and it's pretty mucky, black, strong-smelling oil underneath the rock. There's another site like that also that Roger surveyed for us this year at Tonsina Bay Four, which is on the outer Kenai coast, the Kachemak Bay State Wilderness park. Then, in general, isolated problem sites that, if you went to heavily oiled sites and then started looking around for certain lay -- physical settings, you might find problems like boulder fields, as I explained before. Mussel beds, some of them were left alone during treatment and some have been very persistent in how they hold oil. Porous beaches that were left alone on the assumption that they were going to get a lot of wave energy and that kind of

thing, sometimes those porous beaches soaked up quite a bit of oil and it's coming out, but it's still there because they got a lot. And then a last one might be moderate energy sites that just don't get enough energy to really work things around. I think I have one more chart there, Joni, behind there. One of the tasks that we had on this project was to try to put remediation or clean-up into some kind of context of restoration and a restoration strategy. We looked pretty hard at things that were cost-efficient, reasonable, may have fit in with the kinds of things that the Trustees are looking at for restoration. The three possibilities that have been mentioned over time, both by the public and by our staff, are number one, some kind of manual clean-up of surface oiling in the Chenega area, those -- that -- those three problem sites that I noted in the area of the village of Chenega Bay, Onsono (ph) Bay, and Evans Island. Mussel beds, this is a biology question and NOAA has been looking at this under a separate restoration project, but for some -- it's technically possible to do the types of remediation that have been discussed at these mussel beds. And a third one that emerged over the year that I think is a very cost-effective and very useful one for the public is what I call the rebar patrol. There were a lot of science people out there over the years, and the way they often laid out their transects or marked other important areas were with rebar that we put into reinforced concrete, marking those areas, there's flagging, there's signage, there's back stakes, there's all kinds of that sort of scientific residue littered about the area, and we actually ran

into quite a bit of it. And one of the reasons that I would suggest would be a good reason to just get rid of it and clean it up is because some of it's in the -- in that mid to low intertidal area, and it's also in areas like Applegate Island, which is a high recreation use area, and coming in there on an inflatable at dusk or in a kayak in low light, you might find a very unpleasant happening to one of your hulls from that rebar, so we'd really like to see that go if you get a chance. The pictures are going around.

If there are any immediate questions, I'll try to take those. If not, I'll turn it over to Dr. Gibeaut on the line from the University of Texas and let him do his thing. He's got four or five minutes. Joni also has a copy of some of the graphs that Jim may be referring to during his time. Then when Jim's through, we're available to answer as few or as many questions as you'd like. Just let us know.

MR. ROSIER: Comments or questions from the Trustees? Go ahead, Ernie.

MR. GIBEAUT: Okay. Well, this is Jim Gibeaut from the University of Texas in Austin, and first I would like to emphasize the nature of the data that we've selected. We've tried to be consistent, in fact, we were consistent with the previous surveys in '92 and '91, however, that consistency involved only a semi-quantitative or qualitative look at the amount of oil and the types of oil on the shoreline, so when I show you graphs of the reduction or how much we found this year versus in '91, you have to keep that in mind, that these data are best for describing some trends,

provided the trends occur to a great degree, but not hard and fast quantitative data. First, I'll talk about the trends and reduction of subsurface oil, then I'll refer to photos that you have up there to look at of the different types of subsurface oil and where it occurs, then I'll discuss surface oil a little bit and show some photos of that. The first graph is labeled Graph A. The title on it is Weighted Oiled-Sediment Volume of LOR to OP. LOR to OP refers to a level of oiling. LOR is a light oil residue; OP is a heavy oil that fills the pores of the sediment. So, LOR to OP covers a range of relative concentrations of surface oil and it's -- this is a relative oiling chart versus time, versus year, and for the purposes of this talk, you can just look at this as showing the trend and remaining oil concentration, and in 1991 is considered one hundred percent, and if we look at the cross-hatch pattern of all sites, the darker pattern, we can see that there's been a decrease from one hundred percent, we only found fourteen percent in 1992, but then it went back up again, we found forty-five percent of what was present in 1991 in 1993. This is an indication that the 1992 survey wasn't quite as thorough as what we did in 1993. Now, if we filter the data and we remove all the sites that showed an increase in oil, assuming that no new subsurface oil came into play, and removing those sites that showed an increase in subsurface oil, that would have been caused by inconsistencies in the survey methods. So, if we remove those sites, we can see that in 1992 there was a fourteen percent -- there was only fourteen percent that was found in 1991. In 1993

there was only six percent that was found in 1991. This explains the overall decrease in the amount of subsurface oil and it also shows that the rate of decrease has decreased. It's not going away quite as quickly. From 1992 to 1993, it's not as much of a decrease. So, there's a slowing in the rate of reduction. Now, if we just look at the heaviest oil sediment, that is, the OP high OR categories, the really goopy stuff, and look at Graph B, we see basically the same trends, and in 1993 we measured a total of about seven hundred and thirty-eight cubic meters of OP high OR sediment.

So, even though it's going away quite a -- fairly -- it's a substantial amount, there's still a lot of oil out there, about seven hundred thirty-eight cubic meters worth. Now, we'd like to be able to decipher what went away due to the clean-up and what went away naturally, so if we look at Graph F, which is labeled Natural Subsurface Oil Reduction, this is the graph showing the sites for 1991 and 1993 that received no significant clean-up of subsurface oil. So, even the natural subsurface oil reduction has shown what I think is a substantial reduction. We found only twenty-three percent of that -- of what was found in '91. I'd also like to point out that most of the oil that's remaining has been high in moderate energy sites, as opposed to the low energy sites.

Once again, this is just for the subsurface oil, not the surface oil. The -- let's do some photographs, look at photo number one, this is an overview shot of the east arm of Northwest Bay, and in the foreground, in the lower, the mid-left part of the photograph, the little dot there that designates where a pit was dug, this was

in the focus zone. If you look at -- well, first, this overview shot, there's no surface oil visible. However, if you go and you dig a pit at that foreground shot and look at photo number 1A, you can see a watery, high OR, MOR type of oil about twenty centimeters below a clean surface layer, and this is in the focus zone. Now, going back to photo one, the overview shot, if you look in the background, there's a relatively low energy, a large boulder, a cobbled shoreline, and if we go over there and dig a pit, look at photo number 1B, you can see a high OR subsurface oil that's a very different quality, it's a sticky, it's more cohesive, it's actually binding sediments together. In fact, I think, on the left side of that pit you can see a pretty crusty layer there. So, that's one situation with subsurface oil. If you look at photo two, this is from the east side of Eleanor Island, this is a very high energy site, but it still has subsurface oil, and the key here is the grain size, the surface armor that protects the subsurface sediment, and the storms that have occurred since '89 have not been great enough to excavate the subsurface oil. If you look at the dot in the upper left-hand part of the photograph, that designates where photo 2A was taken, another pit in the upper intertidal area, and here you can see more MOR, high OR-type subsurface oil below about twenty or thirty centimeters between sediments, the black, brownish sheen on the surface, and if you look around at the top of the page, the pebbles that were dipped into the oil. Now, all the subsurface oil isn't quite (indiscernible), and if you look photo number three, this is a little bit more difficult to see, but

there's, once again, a clean surface layer of cobbles on top, then pebbles, then we get into sand and granules, and way down on the bottom of the pit is about a five centimeter, or about a two-inch thick lucid (ph) layer, and this one was dug on another spot on Eleanor Island. So, those are the -- typically the types of subsurface oil we encounter -- we encounter, and the types of situation that it commonly occurs in. Returning to surface oil, surface oil has provided more of a problem for the analysis than what subsurface oil was. The way that the surveyors survey the surface oil is to mark out an area, then make a visual estimate of the percent of coverage of a particular type of surface oil within an area, ten by ten meters or so. And in fact, a visual estimate is very difficult to make along many of these shorelines with large boulders, for instance, but looking at the 1992 data and comparing it with the 1993 data, I can't detect that there was any measurable change in the asphalt and surface oil residue categories of the surface oil, but I'm still looking at that. In other words, the surface oil that's remaining seems to be very, very resilient, very hard (indiscernible) as we could get at. However, we did find that surface oil at just about every site that we visited, and in fact, there was some sheening at several of the sites as well. There does seem to be an apparent change toward asphalt, that is, we measured relatively more asphalt this year than they did in '92. They measured more surface oil residue. So, that's an expected change in the weathering of the oil. If we look at a couple of pictures of the surface oil, photo number four is an asphalt that

is binding the finer grain sediments in between these more angular cobbles, and that's a very hard asphalt, and I would expect it to be there for a few years, at least. (Mr. Piper displays asphalt) Photo number five is SOR, or surface oil residue. (Mr. Piper displays jar of SOR) This is the type of surface oil that is not binding sediments together, and here is just below a larger boulder, a cover, and we often find this type of oil in that kind of setting. (Mr. Piper shows a jar of mousse oil residue) Photo number six, the mousse that was on the underside of a boulder, and this is a particularly heavy type of surface oil that commonly occurs in these areas beneath the boulders. Photo number seven is a bathtub ring, or the remnants of a bathtub ring. We call it cover. If you walked up to that rock face, you could easily scrape off some of this oil with your fingernail or with a trowel or something. In fact, in some areas, pine needles are adhered to it. You can see how it has weathered. It used to be a solid band probably in '89, and now it's eroded quite a bit. The mussel beds are a particular problem. Photo number eight is from a site on the northeast shore of LaTouche Island, and it's an overview shot of a mussel bed. Once again, about in the center of that picture there's a little dot that designates where photo number 8A was taken. We look at that, a shallow pit that was dug, you can see an MOR, high OR layer below the mussel bed. I'd like to re-emphasize what I started out with, that is, the nature of these data being semi-quantitative at best and good for describing trends, provided the trends are substantial. So, with that, I think I'll turn it

back to you, Ernie, or if there are any questions, I'll stay on the line.

MR. ROSIER: Yes, hang on, Jim. Mr. Pennoyer?

MR. PENNOYER: Yes. Maybe I missed -- would you explain again the difference in the comparisons between oil sites and consistent sites?

MR. GIBEAUT: Sure.

MR. PENNOYER: The percentages are certainly dramatically different.

MR. GIBEAUT: Right. The idea here was that one could get either a real reduction -- well, if one were to just go out and measure these sites, '91, '92, '93, and accept those data as they were, one might see the crew in '93 actually measuring more oil or discovering more oil, although it was present in '92, the team just didn't discover it in '92, and so that's the oil-type category, is taking all the sites, regardless of the differences in what the surveyors found, whether or not the oil was there or not. Now, to try to get around the problem of seeing an apparent increase in subsurface oils due to a more thorough survey, for instance, what we did in '93 as opposed to '92, I assume that subsurface oil is not arriving anew on the shorelines. And so if -- for a particular sub-site, a particular location outlined on the beach, if it showed an increase in subsurface oil from, say, '92 to '93, I assume that that was because of the inconsistencies in the surveyors. So, if we just look at the -- if we eliminate all those sites and only take the sites that showed either a -- had a decrease or staying

the same, that would be the consistent site, those would be the consistent sites, the consistently measured sites.

MR. PIPER: If I can interject, for those of us who have liberal arts degrees, the translation here is that the consistent sites are ones for which we have the best data over time, going back -- hopefully back to 1989, and they didn't show any spike in -- from having a low concentration to a high concentration. He just threw out the ones with a spike and looked at the ones that were consistent, and with those he got much more dramatic results.

MR. GIBEAUT: And once again, the assumption there that I'm making is that new subsurface oil did not arrive at the shoreline because it's a pretty safe assumption.

MR. PENNOYER: So, basically, then, the comparative sites, from year to year, the reduction is a hundred percent to six percent in the amount of oil, and in context, then, that's from '91. I assume you did '91 to '93, not to look at total oil impact in the area but look at the relevant continued decline past the known samples, but if you went back to '89, what was your reduction?

MR. PIPER: Well, the problem with that in terms of data is that there isn't a lot of subsurface oil that's real dependable before 1991. The surveys were much more con -- were much more focused on surface oiling, particularly in '89, somewhat in 1990, but it wasn't until the spring 1991 survey that digging pits, and a lot of them, became standard operating practice.

MR. COLE: I have a question.

MR. ROSIER: Yes, Mr. Cole.

MR. GIBEAUT: We just don't have comparable data at all prior to '91.

MR. ROSIER: Mr. Cole?

MR. COLE: My question is, did you make any projections for '94 and '95 and '96 based upon the data which you are now comfortable with?

MR. GIBEAUT: Yeah, that's a good question. The answer is no, although I have put a little thought into it. As I pointed out, there has been a slowing in the rate of reduction from '92 to '93. I think that is significant, and I would expect a further reduction in the rate, but to project that, and at what point will there no longer be subsurface oil, I think that'll be very difficult. I could give you a conservative minimum amount of time that it would take, and I would say three or four years for some of these sites.

MR. COLE: Three or four years?

MR. GIBEAUT: But that --

MR. COLE: What in three or four years?

MR. GIBEAUT: Right.

MR. COLE: Gone?

MR. PIPER: Gone.

MR. GIBEAUT: For at least some of the sites, yeah.

MR. COLE: What do you mean by at least some of the sites?

MR. GIBEAUT: Yeah, I -- you know, projecting into the future is very difficult. For one, we don't know -- really know how these beaches are working. Most of the reduction, a large amount of the reduction is through physical dispersing of the oil when the beaches erode, the waves attack them and the oil disperses and goes away. The problem here is that we don't understand how the beaches work very well. In fact, we're using the oil layer to understand how the beach works, and now we know, since we have oil of forty to fifty centimeters into these beaches, that erosion doesn't occur very commonly to that depth in these beaches when, in fact, it should actually be the other way around. Ideally, we would have understood that about these beaches and been able to predict when that oil would be eroded or when it would likely be dispersed, but unfortunately, that's what makes projecting very difficult, we really don't understand very well erosion and deposition on these beaches, which is a main factor, the main process for removing the oil, the subsurface oil.

MR. PIPER: I think that a sort of policy-maker's answer to that would be that from -- if DEC were looking at this in terms of how we were going to start classifying a contaminated site, or something like that, we would now go back to places that have the sorts of conditions that are the most sheltered, have the most kinds of armor cover, that kind of stuff, and areas that have less of that cover are probably going to go quickly, or more quickly than others.

MR. GIBEAUT: Well, that's true, and it may seem anti

intuitive, but the major subsurface oil problem is now in high energy and moderate energy sites, for one, because of the energy level, these sediments were more permeable and the oil was able to go deeper into the beach, but yet they have these large boulder, large cobble surface layers that move around on the beach, but not as deeply as the oil is deposited now.

MR. ROSIER: Mr. Pennoyer?

MR. PENNOYER: One more question. Ernie, in the past we saw, of course, surface oil on miles of oiled beaches. I remember seeing a lot of statistics on that. Now, this gives a baseline for comparison of a hundred percent for the sites you looked at, but do you have any feeling for the amount of subsurface oil that's out there, the area that's actually involved in this?

MR. PIPER: Yeah, I would say there are two ways to look at that. Number one, the way that -- the methodology that set up all these surveys are such that nobody was ever doing a survey, with the exception of one in 1989 that we did, where you could really say that what we're giving you is a set of all oiled beaches, and within that set showing a subset. That's really not the case. But I -- however, based on our observations from additional surveys that we've done, what we've found is that when sites fell off the surveys in '90, '91, '92 and so on, they generally fell off for a rational reason, meaning the oil was greatly reduced there. There were a few sites that fell off because they just couldn't be worked, and those probably remain heavily oiled, but in general, I'm comfortable that, if you go to

the -- beginning with the set of all beaches that were heavily oiled, those beaches that -- well, generally, I've said that, no, we don't know where all of them are, but I'm fairly confident that we've zoned in on the ones that are biggest problems, and if there are a few anomalies bouncing around out there, I don't think there's any great lakes of mystery oil that's out there, is essentially what I'm saying.

MR. ROSIER: Mr. Sandor?

MR. SANDOR: Ernie, could you restate the projected needs of manual clean-up of Chenega Bay and the mussel bed work that might be done and the rebar control?

MR. PIPER: At the outside, if I were being -- taking -- to try to cover all bases that were out there, I would estimate between thirty and forty-five days of field work, and that's including all three of those, and if I broke them down, I would say that there was probably about twenty to twenty-five days of field work for the manual clean-up of number one in the Chenega area. Mussel beds is an open question, depending upon how many there are or that NOAA wanted to designate. In terms of the rebar patrol, I think that you could do it fairly efficiently within the space of a month, and you could do it partly in conjunction with the manual work in Chenega. So, thirty to forty-five days of field work, total, to accomplish all tasks, I think would be a good estimate.

MR. ROSIER: Yes, go ahead, Mr. Sandor.

MR. SANDOR: Is it your expectation that that twenty to twenty-five days of work in Chenega Bay will meet the concerns that

Chenega raised?

MR. PIPER: I can't say that definitively. One of the problems that's been lingering over time is the fact that the oiling that particularly concerns Chenega, obviously, is immediately adjacent to their village, and this is a real rub. It's an unpleasant situation for the village, and their perception is that it's much greater and much more serious, but I think that what, in my conversations with representatives of Chenega Corporation and the village government itself, they'd like to see some work done that can be done, and as long as it's an honest effort, and they do everything that they can within that time period, I would hope that they would be satisfied, but of course, I can't speak for Chenega on that. What I would like to point out is that there is -- once you get beyond that twenty or twenty-five days of manual work, you're really getting into, from a technical standpoint, what I would call very, very incremental gains.

MR. ROSIER: Go ahead.

MR. SANDOR: Mr. Chairman, I guess we would reiterate that this was our intention, and I think what we accomplished in the last several years and involving Chenega and the people of that community, in not only identifying objectives in clean-up and restoration but have their active participation as well.

MR. PIPER: I think -- I have some suggestions informally on that that the Trustee Council may or may not want to hear in the future. What the -- the rub to get past is, of course, the procurement regulations at the state and federal level, but I

think that there are good, legal, sound, justifiable and -- justifiable ways to include the Chenega Village Corporation or consortium of corporations in that clean-up because you'll probably get your best work out of the people that have the most to stand from getting it done.

MR. ROSIER: Anything further? Yes, Mr. Sandor?

MR. SANDOR: Mr. Chairman, I would move a formal acceptance of this report and, I guess, express appreciation for what I think is a very important effort to continue to monitor oiling.

MR. ROSIER: You've heard the motion. Do we have a second?

MR. PENNOYER: I second it.

MR. ROSIER: Seconded.

MR. COLE: I have a question.

MR. ROSIER: Yes, Mr. Cole?

MR. COLE: What is the significance of our, quote, formally accepting, close quote, this report?

MR. SANDOR: Mr. Chairman?

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: I think it's very imperative that we accept this report because I will intend to formally move that this restoration mussel bed and rebar patrol work be carried out, and quite frankly, related to the very point that Mr. Piper makes about working out an arrangement in which the Chenega community, or a consortium of some kind, can do this work. We still have work

there to do, and I think it's important that we have this scientific assessment providing the foundation for that.

MR. ROSIER: Mr. Cole?

MR. COLE: With due deference to my good friend, the Commissioner, I still don't understand the significance of formally accepting it. Are you suggesting that we are making findings that the conclusions drawn we agree with, or is there some other significance to a formal acceptance other than just having received it and acting upon it? That's what troubles me, because I have some concern that at some time someone in the future may say, well, there was a formal acceptance, and ergo, that is a blessing by the Trustee Council of the data contained in this report and an acceptance of the recommendation. I'm not sure that I'm prepared to go that far. I am certainly pleased with the report, I think it's a very fine report, but I don't think I'm prepared to go any farther than that.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: It may be that it is inadequate in some respect, but I repeat, I intend to use this as the basis for taking action with respect to manual clean-up work at Chenega Bay, estimates of the work, of the twenty to twenty-five days as a starting point, and the follow-up endorsement of the work on the mussel beds and the rebar patrol. If, in fact, there's any hesitancy on the part of any members of the Trustees who want additional information, I think now is the time to identify.

MR. ROSIER: Yes, Mr. Pennoyer?

MR. PENNOYER: Mr. Chairman, I think I understand Mr. Cole's concern. When we voted to accept the report, I think it is good report, and I appreciate the work that's been done. What's important to me, it showed a decline in the rate of -- somewhat of a rate of decline in what's happening out there in oiled areas. I'm not sure the report shows me that a specific project has to be done. I haven't seen any costs. I haven't seen estimates. We haven't evaluated any projects, so my vote was really one of thanks and acceptance for the information. It wasn't for drawing a conclusion that I already had assumed, that we would do those three as a priority, although we may very well do that.

MR. COLE: Mr. Chairman, could I --

MR. ROSIER: Yes.

MR. COLE: -- I mean, take this case, if I could say, you know, do we want Exxon to come out tomorrow with a press release that says, you know, Trustee Council formally accepts report which shows that all this oil will be gone from Prince William in three or four years? That troubles me, you know. I'm not saying they would do it, but I just don't want this to get too far out there, and that's the reason I'm showing some reluctance at formally accepting this report, because I don't have a good sense of what formal acceptance means or what formal acceptance might be construed by others to mean. So, I mean, I just don't want people to think I'm just being my usual difficult self, but I'm troubled. I mean, that's the reason I'm troubled.

MR. ROSIER: Mr. Sandor?

MR. SANDOR: Well, I believe this is a very important activity. I believe the Trustees should either suggest that the report needs additional work or is acceptable, and if there's a problem with it, then I think we ought to lay it on the table.

MR. ROSIER: Mr. Pennoyer?

MR. PENNOYER: Mr. Chairman, I think that the report, as far as it went, was a valuable addition to our knowledge of what's happening on the weathering of oil in Prince William Sound, but it doesn't tell me per se how much is still out there, the effects of that, or the quantitative rationale of what's going to happen if we do these three as yet undefined projects in terms of dollar amounts. So -- and I think the response to Attorney General Cole's question about the time it would take the oil to go away was fairly conjectural. We don't have any data. It isn't part of a formal printed report. The printed report I've got consists of this, so I don't -- I wasn't prepared to draw the conclusion to say that, Commissioner Sandor, at this stage, although I might very well at the time the projects are brought forth.

MR. COLE: Call the question.

MR. ROSIER: The question's been called for. Those in favor signify by saying "aye."

UNIDENTIFIED TRUSTEES: Aye.

MR. ROSIER: Those opposed?

MR. PENNOYER: Aye.

MR. ROSIER: The motion fails. Ernie, did you have more?

MR. PIPER: Yes, sir. The only point that I was going to make, Mr. Chairman, is that Dr. Spies' group still has to look at Jim's analysis, too, for either peer review or general review purposes, I would assume, and I would expect that my work go through the same sort of process too, so there may well be some changes that will be recommended by Dr. Spies' group.

MR. ROSIER: Jim?

MR. GIBEAUT: Yes?

MR. ROSIER: Jim, did you have further comments?

MR. GIBEAUT: No, except that I would like to re-emphasize once again the nature of the data and also my hunch that some of the oil -- or much of the oil will be gone in three or four years. That's really what it is, conjecture.

MR. ROSIER: All right, thank you.

MR. GIBEAUT: Thank you.

MR. ROSIER: Thank you very much, Ernie. That was an excellent presentation. The next item on the agenda is the Public Advisory Group meeting report, and I understand that John French will be giving that report. John, will you want to come forward there and provide us with all of the information from the Public Advisory Group?

DR. FRENCH: Thank you. I'm John French, for those of you who don't know me. I'm the science academic representative on the Public Advisory Group, and I will be giving the report today in the absence of our chair, Brad Phillips. We met on November 23rd and took seven action items which are the lead page on the report

in front of you. I'll try to go through some of them fairly quickly and spend a little more time discussing the endowment recommendations, or at least the recommendations for facilitating funding beyond the year 2001.

MR. PENNOYER: Excuse me, Mr. Chairman?

MR. ROSIER: Yes, Mr. Pennoyer?

MR. PENNOYER: This report that's in front of us, can you clue us to which one that is?

DR. FRENCH: I guess it's the report that will be shortly in front of you, if it isn't already. I understood it was in your packet.

MR. COLE: We have so many packets, it's hard to keep track of them.

DR. FRENCH: It leads off with a page that says actions --

MS. RUTHERFORD: It looks like this.

DR. FRENCH: Yeah. (Pause) Okay, while we're waiting for those, I think I can gloss through the first two or three points. They're not -- there isn't any added back-up to those points in this particular document. It's been brought to our attention that some of the FY93 work plan projects, for example, the Archeological Artifact Repository in Kodiak, have not been proceeding on the time line as was indicated in the work plan, and for that reason, the Public Advisory Group would like to request that we be updated at least on projects that are not proceeding in a manner consistent with the documentation we've been previously

provided with, and if there's a serious reason for it not -- they're not proceeding on that time line, that we be made aware of those reasons. Then, point two, I think, is being answered in this meeting here, in terms of the comprehensive habitat evaluation process. We want to be updated on how that was proceeding. I believe the reason for that is simply that the initial discussion is occurring here today and it will appear on our agenda in the future. Third, in terms of reimbursement payments, it continually comes to our attention that roughly twenty percent of the total settlement has gone to state and federal and Exxon reimbursement payments, and some of the members of the Public -- well, the Public Advisory Group in general would like a more specific, detailed set of information on where those reimbursements went and for what purpose. The fourth item, we re-elected our chair and vice chair from the previous meeting. I'll skip over number five here and come back to it in a moment, in terms for long-term mechanisms for providing funding for restoration monitoring projects. With respect to the draft restoration plan, we spent a significant portion of the meeting discussing the plan, went through it in fairly fine detail. Our recommendations are attached to the packet. It's my understanding from Bob Loeffler that the Restoration Team has considered those and incorporated many of them into the restoration plan. If there's any specific questions on those, I'd be happy to cover those, but specifically, with respect to item 5 and the endowment proposal that follows the cover sheet on the Public Advisory Group recommendations there, we spent a

significant portion of time, including a subgroup meeting on the Monday preceding the main PAG meeting, discussing the need for restoration and monitoring projects, scientific research beyond the year 2000, and one of the reasons we do this is that with respect to the ecosystem, the marine ecosystem, and I think it's important that we recognize the marine ecosystem as opposed to the terrestrial ecosystem, because unlike many of the estuarine and riverain systems of the Lower 48, the northern Gulf of Alaska and Prince William Sound are not driven primarily by land-based nutrients. We're dealing with a system that's dealing -- that's driven mostly by the dynamics of the ocean system, and in that sense, we try to apply the known ecological models to it. There are many, many gaps in our ability to do so. Also, when we look at the fluctuations in the ocean system of the northern Gulf of Alaska, there are major inter-annual and inter-decadal variations that occur, and in assessing and monitoring restoration activities, we need to be able to judge the effectiveness of those activities on top of those cycles. For example, we have an eighteen point six year fluctuation in the ocean temperatures of the Gulf of Alaska. Much of that can be explained by an inter-nodal variation in the inter-lunar variation in the ocean temperatures. But also, if we look at what's known, and what's known is mostly known about commercial species and not what feeds the species we're trying to restore, for example, if we look at Alaskan pollack, it appears to be cycling on a fourteen-year cycle. If we look at king crab, it's also cycling on about a fourteen-year cycle, but it's in

opposition, the cycles are in opposition to the pollack cycles. Now, we can assume, although that gets very dangerous, that the forage fish and the other organisms that -- the species we're trying to restore are feeding upon are cycling in a similar manner, but frankly, much of the knowledge about how those species cycle is not currently in existence, and for this reason, to assess the nature of the ongoing restoration, but also to complete the assessment of the restoration of the species who we predict -- where we predict the restoration is going to occur well beyond the year 2001 when the direct Exxon payments end, it's the opinion of the Public Advisory Group, with two dissenting votes, that we need, or we recommend that you, as the Trustees, seriously consider a mechanism for providing funding for restoration and monitoring activities beyond the year two thousand when the direct payments from Exxon end. Now, there was much discussion among the Public Advisory Group as to what the best mechanism would be. Obviously, the judgment ends up being deferred to you anyway, but the document that's before you gives some ideas as to what we think is important to be in such a document, such a mechanism. First of all, there was a feeling among our majority, or a very large majority, that a significant portion of the fund should be set aside for these purposes. This is reflected in the recommendation for thirty million dollars per year for the remaining years of the settlement being set aside. However, we recognize also that the need for a perpetual endowment is probably not very strongly justified, that the need for studies on the order of at least two marine cycles, in

other words, thirty to forty years, is probably justified, and on that basis there is a second recommendation there to consider declining funds that might be able to accomplish roughly the same level of activity with perhaps a hundred million dollars set aside in total and management of that fund to be depleted after a period of about thirty years, which is the number in the recommendation. The other points that we're in concurrence on, or with respect to management, we recognize that the Trustee Council has the obligation to oversee the expenditures of all these funds, and therefore, whatever mechanism there is for managing them would have to be put together to recognize that need. Second of all, with respect to restoration planning, we heartily endorse the idea that restoration planning be done on an ecosystem level. We feel piecemeal treatment of individual species is not proving to be a very effective use of restoration dollars, and taking a broader picture should, at least, provide a more effective use of those dollars and a more valuable set of information to the public and to those attempting to manage the resources throughout the ecosystem.

I want to emphasize one again, though, that in dealing with the ecosystems of Prince William Sound and the northern Gulf of Alaska, we're dealing with mostly a marine-driven as opposed to a terrestrially-driven system, and that's one of the things that kept coming up with respect to the restoration plan. There is a significant subset of the Public Advisory Group that does not believe that we necessarily are providing a great degree of added protection to land by acquiring it, especially not when we -- we

did not, in many cases, utilize the management tools available to land managers to manage those resources themselves. Then, finally, with respect to project review and restoration, we feel that scientific peer review should be done on an open basis, a broad, open, scientific peer review. We have concerns about the way that the chief scientist process has worked in the past. We feel that the most effective utilization of dollars will require not only an open scientific peer review, but a peer -- it should require -- I'll call it a constituent review for want of any better term -- by the local people living in the areas where the projects are taking place, in other words, review within what we proposed are regional groups, they're referred to partially there as regional -- I guess we actually removed the wording completely in your draft so it's not there, but regional review. We had regional marine review boards there. That was viewed as a little too specific a designation. Okay. So, anyway, region -- both regional and scientific peer review. The other concern about endowments or revolving or continuing funds, sunsetted or otherwise, is the legal context, and we have requested in the past, and we will once again request that we get a legal opinion from both the Alaska Department of Law and the U.S. Department of Justice as to what can or can't be done legally with these funds. As I understand it, there's a third option, and that is that if the money is not spent and it's left in the court, it does continue to accrue interest and can continue to be spent on the existing process. Okay. I don't think, unless there's questions on specific restoration plan

recommendations, that there's other items I have to report at this time.

MR. ROSIER: Thank you very much, John. Comments or questions from the Trustees? Mr. Sandor?

MR. SANDOR: I guess I would ask Dr. Gibbons, or Jim Ayers, with respect to the actions approved in number one, and two and three, as far as that goes, what problems are there in providing this information, if any?

DR. GIBBONS: Mr. Chair?

MR. ROSIER: Yes, Mr. Gibbons.

DR. GIBBONS: I'll try to respond to that. As far as I know, in item one, the Kodiak Archeological Artifact Repository is the only project that is not proceeding in 1993, and -- that's to my knowledge. The comprehensive analysis decision will be made today by the Trustee Council to get that information. I can give them the information on the landowner letters and stuff, that's been out to the public for quite awhile. That was passed out at several Trustee Council members -- meetings ago. And the request for reimbursements, in the supplement to the draft restoration plan, there was some breakdown of the quantities. There was more specific information on the state's side that broke it down, I think, if I'm correct, into litigation costs, response costs, and then settlement costs. On the federal side, there were some, but I'm not quite sure what detail they want on the reimbursement, so that would -- yes, I don't know that.

MR. COLE: Mr. Chairman?

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: I would like to respond to supplement Dr. Gibbons' comments on reimbursements. First, the consent decree and order of the United States District Court requires that these reimbursements be made to the State of Alaska and to the United States of America, and the amounts that are required to be paid are forth in that order, and that is the reason that those funds, and those amounts have been reimbursed to the constituent -- government. Secondly, if you wish to have further detail of what is imposed in those numbers, the state would be glad to furnish the Public Advisory Group upon its request with that data. We have repeatedly furnished it to whomever has asked for it. And lastly, one of the reasons that those amounts were set forth in the settlement agreement was because I, on behalf of the state, did not want to get into an argument with the GAO auditors, or the Federal Office of Management and Budget, about the amounts of the reimbursed expenses, because I had experienced in the past about -- you know, everything -- everybody knows what the agreement was until the guys with the green eye shades and the 2H pencils come in start going all over these things and wiping out this and wiping out that, and said, you didn't spend that, that wasn't called for, and so forth. So, I said, we're not going to have that here. We're going to put these numbers in there and that's going to be the end of it. And that's what it was.

DR. FRENCH: If I -- can't remember the direct, exact context of the discussion, but I believe the numbers in the

supplement to the restoration planning process that went out to the public include a table that indicated that there were going to be future reimbursements to governmental entities, and I think it was our concern that -- and we all recognize, as you said, that there were reimbursements that were required by the process. I'd forgotten they were -- the specific amounts were spelled out, but we certainly recognize that that was part of the process. I guess our concern was raised by seeing that there were going to be future reimbursements and not really understanding, at least, from the process, why there were what appeared to be mandatory reimbursements that hadn't taken place at this point.

MR. COLE: We had -- at the time of that settlement agreement was reached, as I recall, in August, that the agreement between the state and the federal government was reached, we had not yet concluded the agreement with Exxon, and we were looking forward to the possibility of the future litigation and expenses being incurred by the state in the prosecution of those claims. And so, we wanted to be certain to be certain that the state was reimbursed for those future expenses, and we put a cap on the amount, as I recall, in that agreement, and it's spelled out in the agreement, but that's the reason that we made a provision for future expenditures by the state in the prosecution of its claims against Exxon. But we'd be glad to furnish you with the details.

DR. FRENCH: Yeah, I appreciate your comments, and I don't think it's worth making a big deal out of. It was an official request, I guess, so I have to stand behind it. I have to

do that.

MR. ROSIER: Yes, Mr. Sandor?

MR. SANDOR: Mr. Chairman, I'd ask Jim Ayers, what these three -- first three action items convey to me is that the Public Advisory Group is wanting information, and I think that's your very objective, is to provide and strengthen these communication links. Are there any problems that you see in meeting those requests?

MR. AYERS: Mr. Chairman, Commissioner Sandor --

MR. ROSIER: Go ahead.

MR. AYERS: I think that's exactly the point. I think, the Public Advisory Group -- I did sit with the group particularly for this item and listened to the discussion. I think that there is a way for us to convey additional information that would help the advisory group, as well as the general public, understand what the funds have been spent for and what the accomplishments have been, and what we need to do is go back and pick up the projects that have been funded by the Council and develop a status report for those projects and -- be that what they are, and make that available to the public and to the Trustee Council, and I intend to do so.

MR. SANDOR: Mr. Chairman?

MR. ROSIER: Yes.

MR. SANDOR: Would you be satisfied with that?

DR. FRENCH: I think at this particular time, for this particular Public Advisory Group meeting, there was probably a

higher level than usual of frustration due to the fact that we hadn't met since July and we knew that there had been several Trustee Council meetings in the interim, and I think it would be correct to say that we didn't feel very well informed about what had been transpiring in the interim. And I appreciate Jim Ayers' indication that he'll work with us to try to improve the situation. Yeah, that's -- as far as I'm concerned, that's acceptable.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: To move on to item four, which is that the Public Advisory Group requests the Trustee Council to approve its officers for the fiscal year '94, and I would move approval on that.

MR. BARTON: (Inaudible second to the motion)

MR. ROSIER: The motion is made by Mr. Sandor to approve the officers of the PAG for the fiscal year '94, seconded by Mr. Barton. Discussion? Hearing none, those in favor signify by saying aye.

ALL TRUSTEES: Aye

MR. ROSIER: Those opposed?

(No response)

MR. ROSIER: The motion passes. Yes, Mr. Frampton?

MR. FRAMPTON: I had a comment on your number five point, but before I make it, I just wanted to say that I think that I can understand that perhaps there was a little higher level of concern than usual in your most recent meeting, but part of the reason for that may be that the staff here has been working very, very hard

for the last few months to develop a restoration plan, which I hope we will finally approve today with most of the changes that you have suggested, and hire an executive director and do a habitat parcel evaluation and begin to develop an outline of the science plan, so a lot has been going on that hopefully we are about to, you know, launch on here, and it's been a fruitful period, but perhaps, because people have been working so hard, there was not as much of an opportunity to keep the Public Advisory Group apprised of that. So, perhaps that's one of the reasons for this, but hopefully, a lot of this information has now been developed, and with an executive director, we can have a process where you feel much more in the loop.

DR. FRENCH: Yeah. I think that -- well, I'm aware of a great deal of what's been going on, and I think that actually over the year that communications between the Restoration Team and the PAG have improved quite significantly, and I think that's a very positive point. With respect to the restoration plan, I recognize that it's taken a great deal of effort. I hope I'm not speaking for myself alone, and I'm echoing some of the concerns of the Public Advisory Group in this. We didn't see it as very exclusionary. It basically still covers practically every option, and in that sense I don't see a real strong -- well, a real strong focus or real strong direction derived directly from that document.

I appreciate the planning that went into it with respect to the shift towards ecosystem analysis, and in that sense, I think that's a very positive step forward. I hope it carries on past the

restoration plan, but I don't see it as that strong a tenet of the restoration plan as it came before us.

MR. FRAMPTON: Well, my comment on your number five item, that the Trustee Council consider your recommendations regarding the need to carry on restoration and related work beyond the year 2001, I think is certainly recognized, at least with respect to research and monitoring in the proposed restoration plan where the Trustees make a commitment to find a way to fund that part of the activity beyond 2001. Now, I realize that this is a broader proposal, but I would suggest to you that the way that it is laid out here, to some extent, raises the very problems that inherently are in a true endowment, legal problems, and that is that you are contemplating setting up what amounts to a shadow trustees fund, a shadow staff, a shadow plan, and a whole process that's perceived at another level here at a time when, while I think we're sensitive to the need for thinking about what happens beyond 2001, we're just in the process of getting the first plan out and getting a permanent staff on for developing a monitoring plan, and I think that, you know, we will take these considerations into account, but I think we need to get our primary operation going here before, perhaps, we think about a shadow operation, and that's a little bit the way this proposal reads. I think it plays into the legal concerns about an endowment being something that really takes this whole process away from the Trustees and puts it into some other arena with some different fiduciary responsibilities.

DR. FRENCH: Yes, two points, or three points, I guess.

One is, we recognize the responsibility of the Trustees over all the money, and this sense of creating an extra bureaucracy early, which is reflected in the establishment item there, was a point of contention and simply, in the view of the people that supported it, would set aside those dollars for restoration and monitoring activities, free up the other dollars for other activities that were not related to the science side of the restoration and monitoring. That certainly is not a critical issue there. With respect to the restoration plan, none of us saw any off -- the variance between the objectives set forward here and the restoration plan. We saw this as a vehicle to enable you to go forward with the restoration plan under the paragraph that I believe is on page 21 or something in the draft restoration plan, that recognizes the need for studies beyond 2001. We were simply trying to provide our portion of the public voice in support of providing and planning for that eventuality before the dollars run out. We can't wait until the year two thousand and say, oh, jeez, we really do need to do another twenty or thirty years worth of work and we don't have any dollars left. We're simply trying to encourage you to plan for that eventuality and set aside some dollars with an acceptable legal mechanism that allows you to do it. We are not for creating yet another bureaucracy. We have always been looking for ways to minimize administrative costs, and we do not want to have to create something entirely different. That's not the intent of this proposal, simply to provide a mechanism, and we recognize that you and the Restoration Team,

whoever is doing the legwork for you, would probably come up with a mechanism different from this, but we think it's important that the mechanism be established.

MR. FRAMPTON: Well, I appreciate that you also perceive that the proposed restoration plan is not inconsistent with this idea but opens up the way to explore this and other ideas.

DR. FRENCH: Definitely.

MR. ROSIER: Further comment? Yes, Mr. Sandor?

MR. SANDOR: Just a question, Mr. Chairman, I guess to Jim and Dr. Gibbons, perhaps. This matter of endowment proposals has been with us for nearly two years, or over. Last year, Senator Sturzelewski and others proposed endowment proposals, and we have been considering that various option. What's the status of that, that whole evaluation process? Is there a work group, or is there somebody that has been working on that, or should we -- how have we dealt with these various recommendations that have come to us over time?

MR. ROSIER: Mr. Gibbons, can you help us on that?

DR. GIBBONS: Mr. Chair, yes. The -- there has been -- we've been dealing with this for over a year. We included the idea of an endowment in the restoration brochure that went to the public, that receives public comment on that. There is a section in the draft restoration plan now that's not called endowment, but it's called research past the year 2001, I think, is the title. And that deals with a concept similar to an endowment, in my mind, in my mind, that how are we going to get at funding, you know, for

some of these longer terms? And right now, I think it's being handled in the draft restoration plan process, the planning process for the restoration. We don't have a standing group to look at it.

We don't have any proposals, you know, other than what Arlys Sturzelewski submitted to us and those types of things. We don't have a group established to deal with it.

MR. SANDOR: Mr. Chairman, it seems to me that -- oh, excuse me. Did you have something to say?

DR. GIBBONS: No, go ahead.

MR. SANDOR: It seems to me that we have been considering this over time and perhaps that framework within which it is being considered in the restoration plan is adequate. But, I guess, with respect to your specific action, you know, it would seem clear that we have been considering this, will consider this, and as Secretary Frampton points out, it will still be considered as a part of the restoration plan. So I see that action as being accepted.

DR. FRENCH: I'm very glad to hear that. All we're trying to do is add our voice in support of your continuing activities in that area.

MR. ROSIER: Well, I was under the impression that we had a group of legal people that were, in fact, looking at the endowment idea, and I thought that was a commitment of the Department of Law and the federal lawyers made this last spring sometime, to take a look-see at this and to come back to the Council. Am I incorrect in this, Mr. Gibbons?

DR. GIBBONS: No, Mr. Chair. If my recollection is correct, I think the Trustee Council, and Charlie can probably correct me here too, but I think we directed the federal attorneys to look at the legality of the thing and then come back to the Trustee Council. I think that was what the action was.

MR. COLE: Well, that's my recollection too.
(Laughter) But where are we with that?

MR. ROSIER: That's the bottom line here.

MR. COLE: The federal -- I thought the Department of Justice was going to give us an opinion on that. Does anyone have a current -- Mr. Tillery, do you have any light to shed on that issue?

MR. TILLERY: We periodically communicate with the Department of Justice, and the Department of Interior, and ask them what they have, and we've never received anything back.

MR. ROSIER: Perhaps we could proceed with -- yes, Mr. Frampton?

MR. FRAMPTON: I would suggest that perhaps we could ask our new executive director to have a -- one or more, small group of people, outline a couple of different ways, assuming that we approve the restoration plan, to implement this after-2001 concept, and then ask the Justice Department, the U.S. Department of Justice, to take a look at the specific alternatives, since we have discussed things ranging from a true endowment to a kind of annuity that we would fund over time, or that would allow us another ten years beyond 2001, and various other schemes which may have

different legal implications, but if we could have a couple of different alternatives sketched out, and then take a look at those, that might be the most productive way to proceed.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: Well, I join with Mr. Frampton's suggestion. My recollection is, when we spoke with representatives in the Department of Justice, they said that in order for them to give a worthy opinion, or words to that effect, that they needed to know the particulars of what was being proposed. It's my recollection, and as I recall, they said, well, this, quote, endowment, close quote, could have a wide range of possibilities. So, I think that's a good suggestion, and I move that that's an option, so to speak.

(Inaudible second)

MR. ROSIER: The motion is made and seconded to, in effect, form a working group to develop a -- some options for legal review by the Department of Justice on this. Mr. Sandor, did you have something further on the subject?

MR. SANDOR: No.

MR. ROSIER: Okay. Further comments? Hearing none, those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed?

(No response)

MR. ROSIER: The motion passes. Mr. French?

DR. FRENCH: No, I don't have anything.

MR. ROSIER: Yes, Mr. Sandor?

MR. SANDOR: Items six and seven, Mr. Chairman, we can cover as we get to the agenda items on the restoration and work plan. Is that --

MR. ROSIER: That will be fine. Thank you very much, John. We appreciate your efforts there. Yes, Mr. Cole?

MR. COLE: I would like to say to the Public Advisory Group that we appreciate, you know, the increased level of activity by the Public Advisory Group and its comments. I think it's precisely the sort of thing that at least I, as a Trustee, have been looking for from the advisory group.

DR. FRENCH: Thank you. I appreciate that. One of the things we have felt we lacked is direction of what -- how the Trustees would like to see us proceed. We would like to work with you as close as possible and be as beneficial to your deliberations as possible.

MR. ROSIER: Yes, Mr. Pennoyer?

MR. PENNOYER: Mr. Chairman, I would (indiscernible) the recommendations on the statement of principles for evaluation of EVOS work plans and further implementations? You state that these principles be incorporated in the restoration plan. Did you have a formal -- you suggested a whole bunch of modifications to the draft plan, and this sort of stands out by itself. Did you have a suggestion on where or how or what we should do with those principles, or are you just using them in evaluating the plan?

DR. FRENCH: What we -- how this arose was, this was a

carryover item from July, before the restoration -- draft restoration plan reached us, and we had really developed it as a recommendation for additional evaluation of work plans when they were being developed. After -- we covered this early in our meeting, and then we covered the restoration plan and realized that this was basically consistent with the statement of principles in the restoration plan with relatively little modification. Some of these items are already covered in items of principle in the restoration plan. We didn't take the time to recommend specific wording, or specific places for them to be inserted in there. We simply ran out of time at the meeting.

MR. ROSIER: Thank you. John, before you run off, I need to clarify a couple of things. You spoke to the use of external review, or external peer review, as far as proposals are concerned. Did you look at how that might be implemented?

DR. FRENCH: I hesitate to use this as an example because you've been closer to the process than I have been, but what comes to mind is the sort of review that occurs with the SK proposals, where there's both an internal type of agency and industry review, but there's also solicited external peer review, as there are for many, many other types of federal and state agency granting. I receive a number of scientific proposals across my desk each year, which I review to the best of my ability without any additional compensation and, in general, people asking for reviews then can send out those reviews, in this case, presumably the executive director and his team, could send out proposals to

reviewers that are specifically related to that. You wouldn't have a position such as Bob Spies has where you might have, say, one sea otter expert and a couple of people that are related but maybe not the best choices for additional peer review. You could hit the three best people you could find, as long as they were willing to provide unsolicited -- uncompensated peer reviews, which in most cases, at least with peer reviewers in the academic community, is the case all the time. We view that as part of our public service responsibility in the university.

MR. ROSIER: You weren't going, then, the extra step, then, beyond the projects to the, say, peer review of final reports and this type of thing?

DR. FRENCH: That would be consistent with the peer review of articles that were submitted to journals. I don't think, in terms of the Public Advisory Group, that we have really discussed the quality and the nature of the final reports at all at this point, so I can't really respond with respect to the Public Advisory Group's opinion. My personal opinion would be, yeah, you should review final reports to the best of your ability, and in the sense that that may require a peer review, peer review of those reports, it could be done. But, as I say, we also peer review unsolicited journal articles for all the editorial boards we sit on.

MR. ROSIER: Okay, John, thank you. Yes, Mr. Frampton?

MR. FRAMPTON: I appreciate your point, and I know that one of the specific recommendations that you make for a change in

the proposed restoration plan, which the -- one of the very few that the drafters of the plan do not recommend -- be accepted in whole -- is the direction in the restoration plan that all peer review be done free. And I think that you have a very good point, that traditionally, in the scientific community, peer review is something that is done without compensation, and it is papers that are sent out to academic experts, and that is a part of the ordinary process, and I think that's a good point. However, we are in a situation here where we may have, you know, in a short period of time, a fair amount of evaluation that has to be done by experienced people of proposals and projects, and it is not the traditional academic paper peer review situation. And I think that the reason that the recommendation was not to adopt that as an absolute direction in the restoration plan is to give our new executive director a certain amount of leeway here to say when we can do peer review for free in the academic process, fine. When we need, because of complications or because it's not just academic but programmatic, or because of the volume of work, or because we have to find the person to do it, we need to continue to do what we've been doing, which is to hire staff or consultants or pay people on a per diem basis to do that work, but that we have the flexibility to do that. I am sympathetic to your point, but I don't know that the pure peer review situation fits the needs of this group, and I think that's why the recommendation is to leave flexibility in our needs of staff and the executive director about how to approach this and which techniques to use.

DR. FRENCH: Yes, if I could respond to that, yes, I agree that absolutes are dangerous to get into, but in many, many cases, you can -- time is not that critical an element. You can get peer reviews done fairly quickly on an uncompensated basis. Now, to totally prohibit them, yes, is a dangerous precedent, but I think it's important to try to go that direction, because any time you're buying a service, whether it's paying a consultant or buying a product or paying a peer reviewer, you are, to a significant extent, coloring that review, regardless of the quality of the scientist, and I admit -- I recognize that many, many of the peer review teams that have been used in the past are very highly qualified scientists, but when you pay somebody to provide a result, there is going to be a natural tendency to slant that result in the direction that reviewer thinks you want to see, which may be entirely different from what you really want to see, but it's going to get tilted still.

MR. FRAMPTON: Well, I think that's a fair point. I would say, though, that the traditional peer review is really to look at the academic integrity of a piece of research, and what we have been calling peer review in this process is some part of that, but also programmatic evaluation of studies, of budgets, of techniques that are proposed to do particular projects, and that is not the traditional -- that's not something you send to an academic for a traditional kind of peer review. It is more like what one traditionally hires analytical people to help you with. So, I think there's a mix here in terms of the way we've been using peer

review too.

DR. FRENCH: That's why I used the (indiscernible) Kennedy funds as an example. I could have equally used the Alaska Science and Technology Foundation funds, granting process. If you're dealing with something that has an applied outcome, then you look for reviewers that can incorporate that into the reviews, but, you know, half the stuff I review is reviewed due to its relevance to industry or its relevance to economic development of the state.

It's not the pure academic science type of peer review. Now, in many cases, for the National Science Foundation, the National Institute of Health, whatever, that I've also reviewed for, yes, it's pure science you're looking for. It's what we tend to call basic science, although I don't like to see the term because it means that applied science is something different and they all meld together but, anyway, I'll leave it at that.

MR. ROSIER: Okay, thank you again, John. I think at this time we'll take a five-minute break.

(Off record at 10:55 a.m.)

(On record at 11:07 a.m.)

MR. ROSIER: Let's come back to order here, then. Mr. Cole, do you have some words for us?

MR. COLE: Well, I just wanted to say, in connection with the endowment discussion which we had a few moments ago, yesterday, November 29, Senator Frank Murkowski introduced legislation in Congress for creation of a stewardship endowment, and according to this press release, it says that the bill allows

the Trustees to decide how much, if any, of the nine hundred million civil settlement they want to place in the endowment or mini-permanent fund, the money would remain in the endowment until the Trustees unanimously vote to remove it. The goal is to place some of the money into a fund so that annual interest and earnings can be used to fund restoration activities, such as scientific studies and wildlife restoration, long after the last of the settlement funds are received eight years from now. And so I would like to hand this to the executive director and have him place it in the minutes of this meeting.

MR. ROSIER: Okay, thank you, Mr. Cole. Were you seeking any formal action on this?

MR. COLE: No, it's just a report.

MR. ROSIER: Okay.

MR. COLE: But --

MR. ROSIER: I think to formally accept it is inappropriate.

(Laughter)

MR. COLE: Well, let me -- that brings to mind, in the absence of Commissioner Sandor, you know (laughter), I will move that we accept the report of Mr. Piper with appreciation.

MR. SANDOR: Amen.

MR. ROSIER: So moved.

UNIDENTIFIED VOICE: I'll second it.

MR. ROSIER: It's been seconded. Will those in favor signify by saying aye?

UNIDENTIFIED TRUSTEES: Aye.

MR. ROSIER: Those opposed?

(No response)

(Laughter)

UNIDENTIFIED VOICE: (Inaudible)

MR. ROSIER: Well, I think you'd have to let the legal attorneys form that --

MR. COLE: Well, I can address that.

UNIDENTIFIED VOICE: I don't really want to know.

MR. COLE: Thanks.

MR. ROSIER: All right. The next item on the agenda is the comprehensive protection habitat evaluation, and Dave Gibbons, would you proceed, please?

DR. GIBBONS: Thank you, Mr. Chair. Marty and I are co-chairs of the Habitat Protection Work Group, and Marty and I are going to share this presentation. Marty is going to start it off, give us some history, give us some of the initial work on it, and I'm going to pick up with the criteria and some of the rankings and move forward. So, it will be about -- it's estimated about fifteen minutes. So, Marty?

MS. RUTHERFORD: I might add here that the staff -- the subgroup that's been working so hard on this are watching us with eagle eyes to do make sure we do justice to their efforts, so we're feeling the pressure. Just to reiterate, what we're going to tell you is the history of how we got to this point, where we are today and what's next. Then we're going to move into the process.

We're going to talk about the landowner solicitation and the parcel boundary development. We're going to discuss the threshold criteria, the actual evaluation criteria, the approach we used, and then the ranking. We will go through our presentation, and then we can talk about specifics, about specifics about the parcels, and answer any questions that you've got. I'd like to point out that you were each mailed volume one and volume two, and I might add that you were sent an update soon after these were mailed out to you. I hope you all received them and replaced the pages, they were primarily tables and map replacement; we found some small inconsistencies. But volume one contains the description of the comprehensive process and summary tables and charts, which contain the results of the process, the evaluation and ranking process. Volume two provides parcel-specific results and maps. At specific points, we will be referencing pages within volume one, volume one only. There are black and white copies available immediately for volume one, if the Trustee Council decides that they want us to hand them out to the public at this point. They have not been handed out. We can then make colored copies of volume one and two, if so desired, available to all libraries or other repositories in each community. So, that's a decision that I think the Trustees need to make. If you want, we can hand out black and whites at this point in time of volume one. Any direction on that, or do you want to wait? (No audible response) Okay. How we got to this point and what we were asked to do. In July of 1992, a supplement to the restoration framework was published. This document defined

the habitat protection and acquisition process as an option of the restoration plan. The purpose of the supplement was to solicit public review and comments on our proposed habitat protection process. In fall of 1992, the Trustee Council approved project number 93064 as part of the 1993 annual work plan. This project provided funding for the habitat protection analysis and acquisition efforts. It included a twenty million dollar fund, habitat protection fund, which was a sort of a figure set, but it was not static, it could have been increased. In February of 1993, a document was produced that was entitled "Opportunities for Habitat Protection and Acquisition." It was better known as the Imminent Threat Analysis. It was published in early '93 and it identified nineteen parcels, Kachemak and Seal Bay among them, they were ranked numbers one and two in terms of priority. At the same time, the Trustee Council directed staff to begin the comprehensive analysis for large parcels. In March of 1993, the Trustee Council directed that negotiations begin on five imminent threat parcels. They were assigned out to specific agencies for negotiations or for discussions to begin. In April of 1993, the restoration plan, or it was called Summary of Alternatives for Public Comment, was published. It requested input from the public on the restoration plan alternatives, including habitat protection. The public comment was overwhelmingly in favor of habitat protection, I might add. And then the comprehensive analysis effort occurred between March and November of 1993. Staff developed the comprehensive approach and proceeded with identifying, evaluating and ranking all

large parcels in the oil spill where a willing seller was identified. This process is a refinement of the imminently threatened land evaluation process, and that product is in front of you today in these two volumes. Where we are today and what's next. I might refer you to volume one, page four, and there's a flow chart. I might add, it's a simplified flow chart, thank God.

Some of the other ones were pretty ugly. In fact, we refer to them as ugly books, but (laughter) item -- box numbers three and four in this volume one, on page four, indicate evaluate and link habitats and define parcels, and then assign ranked class. That's where we are today. That's what you have in front of you. What's next is sort of up to you, but the staff strongly recommends at this point in time that the Trustee Council pursue protection of the high value habitats that are identified in these volumes. However, one of the things that you might want to consider is, before you assign them out for negotiation, you might want to send these volumes out for public review and comment and then, once that input is received, you could add that information to the information contained in these two volumes. This would be supplemental information because it's quan -- it will be qualitative in nature, and then you could use that combined information to actually establish your ranked list, or you could simply today say you want to proceed with the highs, at least the highs, for assigning out for negotiations. I think we'll be -- the next item on your agenda is to discuss the negotiation process, so you will be discussing that further. I won't do that at this point

in time. Now, to the

process, and I'm going to start with landowner solicitation and development of parcels. The comprehensive evaluation process began in March of '93 with a mailing of letters and follow-up phone calls to ninety landowners of large parcels in the oil spill area, throughout the oil spill area. Thirty-two landowners responded, expressing interest in having their lands evaluated. Quite some time ago, we handed out a list of those people that were contacted, those organizations that were contacted, and those that responded.

If you would like another copy of that, Dave Gibbons has that, we could make -- run off copies pretty quickly. Based upon the landowner responses, staff established eighty-one parcels. Parcel boundaries were based upon both ecological factors and ownership patterns. The parcels were designed to be large enough to include the habitats of the injured resources and services. They were also designed to include as many of the natural support systems needed to give the parcel ecological integrity, for example, entire watersheds, in order to minimize harmful edge effects and provide a buffer around the linked habitats. Parcels primarily larger than one thousand acres were evaluated and ranked. These parcels were evaluated, scored and ranked as high, moderate or low, and we will be discussing the evaluation, scoring and ranking to follow. Over eight hundred and fifty thousand acres were evaluated in this manner. I might add that each parcel has a single owner. Large parcels versus small parcels. The comprehensive process evaluated over eight hundred thousand acres of private lands over the course of approximately seven months. This required focusing on large

parcels since an analysis of smaller parcels would not have been feasible in the time available. Additionally, the methodology that was developed by staff and approved by the Trustee Council last spring to conduct the comprehensive process also favored larger parcels. Evaluation scores were based upon criteria such as the number of resources and services that occurred on a parcel, the ability of a parcel to function as an intact, ecological unit, the effect of adjacent land uses on a parcel, and other factors that depend on or are influenced by parcel size and configuration. I'm going to turn it over to Dave Gibbons right now at this point to discuss the criteria.

MR. ROSIER: Okay, Dave, go ahead.

DR. GIBBONS: Thank you. Thank you, Mr. Chair. All applications -- all candidate lands were evaluated to see if they met five threshold criteria. Candidate lands were rejected if they didn't meet one of the five threshold criteria, and these are these same threshold criteria that had been presented to the Trustee Council several times. These include -- these are on page five of volume one, if you want to follow along. These five criteria are: there is a willing seller of the parcel or the property rights; two, the parcel contains key habitats that are linked to, replaced, provide the equivalent of, or substitute for injured resources and services based on scientific data or other relevant information. Threshold criteria three, the seller acknowledges that the governments can purchase the parcel for property rights only at or below fair market value. Four, recovery of the injured resource or

service would benefit from protection in addition to that provided by the owner and ethical laws and regulations, and finally, the acquired property rights can reasonably be incorporated into a public land management system. Candidate lands that passed through this screening were next evaluated using evaluation criteria. These are found on pages six through nine of volume one. Once the parcel boundaries were determined, those lands that met these criteria, the parcels were then subject to detailed evaluation criteria, which I'll go through now. These evaluation criteria were designed to determine two things. The first, the degree of linkage for injured resources and services to the specific parcel, what is the degree of linkage there, what does it do for the restoration of the injured resources and services, and two, the potential for benefit for habitat protection on each parcel would have to -- would have for each linked resource and service. I'll read that again. The potential for benefit that habitat protection on each parcel would have to have -- would have for each linked resource or service. So, there's nine criteria. The first one is resource-based. It deals with the nineteen injured resources and services, and the following eight are management ecological-type criteria, and I'll go through those right now for the public and the Trustee Council. The first evaluation criteria is, the parcel contains essential habitat/site for injured species and services.

MS. RUTHERFORD: Can I interrupt?

DR. GIBBONS: Sure.

MS. RUTHERFORD: Just for the Trustees, I might refer you

to page nine. That list is available -- no, let's see, no, it's not. It's on page seven.

DR. GIBBONS: Okay. This is the criterion that provides an estimate of the degree of linkage that I mentioned earlier. This is the one that has the greatest weight given. Example, population, or the number of animals or the number of public users, the number of essential habitats or sites on the parcel, and the quality of the essential habitats and sites, so this was focused in on the injured resources and services. The second evaluation criteria, the parcel can function as an impact ecological unit or essential habitat on the parcel or link to other elements, habitats, and the greater ecosystem. So, this is the ecological link. Can it be a stand-alone unit? The third evaluation criteria, adjacent land uses will not significantly degrade the ecological function of the essential habitat. This is intended for the protection of that -- the integrity. Fourth, protection of the habitats on the parcel would benefit more than one injured species or service. This is entitled, if you can get more than -- restoration for more than one injured resource and service, the better off you are with that purchase, or protection. Five, the parcel contains critical habitat for a depleted, rare, threatened or endangered specie. Number six, essential habitats on the parcel are vulnerable or are potentially threatened by human activity. This is factoring in the concept of imminent threat because there's some activity that's going to go on there that may threaten the value for the restoration of the injured resource or service.

Seven, management of adjacent lands is or could be easily made compatible with protection of the central habitats on the parcel, and the last one, the parcel is located within the oil spill affected area. So, those are the evaluation criteria we subjected the candidate lands to, and if you'll go to page nine in the document, we use these criteria to develop a parcel score, and like I mentioned earlier, we gave increased emphasis to the restoration of injured resources and services over the management type criteria, so the linkage to the injury was given more emphasis. We created a -- excuse me, an evaluation score here that you've seen before, the same one that was used in the threatened -- imminent threatened analysis, where the parcel score was computed by summing the number of high scores in the -- in criteria number one, which is that resources and services, those nineteen resources and services, and plus half the number of moderate ratings, this is that linkage, so that's -- those two were summed and multiplied times the sum of the remaining yes criteria. There's the remaining seven criteria, I believe, seven criteria, and those that received a yes were given the score of one and those were multiplied times that resource and service linkage criteria, and that gave you a parcel score, and there's an example in volume one here that we gave you to show you how that was developed.

MS. RUTHERFORD: Page nine.

DR. GIBBONS: The approach, how was this all used again? This information that we received was fragmented and uneven, and what we mean here is, we had real good information on, say,

anadromous fish stream location or a bald eagle nest, but we'd have less, you know, defined information on, say, river otters or marbled murrelets, you know, where their habitats -- they were. So we tried to -- in this process, it was an effort to take that fragmented information and apply one uniform look for the entire oil spill area, so we tried to use consistent information across the oil spill area. And if you look at pages 39 to 41, that gives you some of the references to the information that we did use. In order to apply this information, staff identified these -- like I mentioned earlier, the nineteen resources and services that were to be analyzed by each parcel. As the basis for identifying these nineteen resources and services, we used the Trustee Council approved entry table. This was the table that's been to the public several times, identifying the injured resources and services. That's found on pages 11 through 13, and these are the ones that have also gone out in a supplement to the restoration brochure, I mentioned earlier, it identifies those resources and services. How did we compile the data? We had a Nature Conservancy workshop. The staff contracted with the Nature Conservancy to hold a workshop, to bring together local, regional, and scientific experts with knowledge of the area and knowledge of the injured resources and services, and that work group -- that workshop brought together the information in a usable format for the habitat protection staff. They identified areas of importance for certain species and uses. The next step was to interview further with experts, both geographic species and service specialists, and we went out and

searched out the principal investigators for the various damage assessment studies, say, on marbled murrelets or harlequin ducks, and said, what information do you have on this, what can we use?

MS. RUTHERFORD: Let me interject something here. That information is also in -- under tab number five, which has a list of the participants and experts and reviewers, as long as -- as well as the bibliography of resource information we used that Dave referenced a minute ago.

DR. GIBBONS: And the final step in the process, we went out and visited the sites, we made field visits of the parcels of land, so we have some field verification work. The list of participants and reviewers is quite long. It's found on page 35 through 38, if you want to look at who was involved in the process.

The process, and the approach was peer reviewed. We had a workshop and we brought in some other folks, I think the Carl (ph) program in Florida who have been purchasing property, and we brought them in and some other experts and looked -- to look at the process itself, and they all reviewed it and they made some suggested changes in it, which we've incorporated, and that was presented to you folks, the Trustee Council, in the September Trustee Council meeting. I've explained the evaluation and ranking criteria, and as noted in the criteria number one, the linkage criteria, I keep focusing on that because that is the most important, those were applied a high, medium and low score. The resources -- harlequin ducks -- what was the density of feeding habitat and an evaluation score of high, medium and low recorded

for that. All the data

gleaned from the existing information, interviews and experts, the workshops and the field visits, was focused on a linkage criteria.

That's where we could do the most focus, what was the usage by anadromous fish, specifically, pink salmon, sockeye, the injured species; we looked at those linkages. What was the usage by river otters, what was the usage by harlequin ducks? So, all that information was focused on the linkage criteria, and it was weighted as such. The parcels were evaluated independently on a fee simple basis, but what we mean here is, we evaluated the protection at a level where we would purchase both the land and all the rights on it, so that's the way the evaluation was done. It was done by a single evaluation team, so all scores were impartially looked at equally by the same people. The rating criteria, the rating for criteria number one, the resource of linkage, was derived from the quality of the habitat and the estimated benefit that the injured resources and services would receive from the section of the parcel. A value of high, moderate, low was determined for each resource and service for every parcel, according to the criteria summarized in table four, and that's found on page 11 of volume one. The value was based on the evaluation of similar habitats throughout the oil spill area, and what we mean here is that we looked at the value for these various anadromous fish, and we compared it against the whole area. It was not localized. However, secondary importance was given to some local and regional importance of the habitat. We did not exclude it, but the primary emphasis was the oil spill area-wide. The

potential to -- benefit to the associated ecosystem and the other criteria were rated, like I'd mentioned earlier, yes or no, and that's how the process was done. The actual ranking, each of the scored parcels was assigned a rank in the high, moderate, low, based on the review of the evaluation results. We used that formula back -- figured out a score, and then we broke those eighty-one parcels into three classes of high, moderate, and low. The ranking represents the degree with which protection of the parcel will benefit the recovery of the injured resources and services that occur on that parcel, so we factored in a factor there of recovery. The evaluation team created the ranked classes based upon observed breaks in the distribution of the parcel scores, and we had all the scores, we put them on the graph, and then we identified the natural breaks, and the break was thirty -- a score of thirty or below was a low score, a score of thirty-one to fifty was a moderate score, and fifty-one and above was rated a high score. And this equates to about --

MS. RUTHERFORD: Let me interject. Pages 16 through 19 on volume one actually has the list of all evaluate -- all the parcels evaluated and ranked.

DR. GIBBONS: The breakdown between the various classes, twenty-eight percent of the various parcels, or about two hundred and forty-five thousand acres, rated as high. About thirty-six percent of the parcels, or approximately three hundred and nine thousand acres, rated as moderate, and about thirty-six percent of the parcels were rated as low, or about three hundred and ten. So,

it was about an equal split of one-thirds, the way it came out, high, moderate, and low. There are -- I'll bring to your attention, there are no scores in volume one. All the scores are contained in volume two, so the individual scores are there.

MS. RUTHERFORD: And they're only located next to the actual parcel analysis. That's the only place you'll find the actual scoring. Otherwise, all of the tables represent the ranking.

DR. GIBBONS: Okay. In summary, eighty-one parcels were identified, evaluated, and placed in ranked classes during this stage of the comprehensive process. The description of the comprehensive process and the summary tables and charts containing the results of the process are included in volume one. Volume two provides the site-specific parcels, evaluations and maps. In the future -- in the future, and we will be discussing this as part of the budget presentation, we hope you'll approve, or provide some guidance on small parcel evaluation, what do you want to do with the parcels that are small in nature. I would -- before I open up to questions, I'd like to thank the people who put this package together, and the evaluation team, comprised of Kathryn Burke from the Department of the Interior, Jess Grundblat from the Alaska Department of Natural Resources, Tim Holbrook from the U.S. Forest Service, Mark Kwala (ph) and Kim Sundberg from the Alaska Department of Fish and Game, and Art Wiener from the Alaska Department of Natural Resources. And also, the technical staff, there was a lot of work putting together the maps and these tables,

and Carol Fries from the Alaska Department of Natural Resources worked very diligently on this, as well as three people from the Department of Natural Resources, in the graphic information assistance, and also the staff here in this building, Ron, Barbara Isaiah, Rebecca Williams and Sherry Womack, really put a lot of work in it, but now I'll close and ask if there's any questions or thoughts by the Trustee Council.

MR. ROSIER: Thank you. Yes, Marty?

MS. RUTHERFORD: Mr. Chair, I'd just like to add one other thing. I think of particular interest is a figure on page 34 that you all might find very interesting, and basically, that's a rank-to-acreage chart that I think is real -- will be of interest to you because it sort of outlines -- it indicates that there's a lot of fairly low acreage, high value parcels out there which will probably get a lot of bang for your buck.

MR. ROSIER: Thank you very much. I think that both of you did justice to the committee work here on this, and my compliments also to the committee on this. I think they've really produced a fine, fine piece of work here. Any comments, questions from the Trustees? Mr. Sandor?

MR. SANDOR: I'd like to add my compliments to both the presenters and the committees that prepared this package. I have several questions. With regard to integrated strategies for habitat protection, in looking at this in the magnitude of acreages involved, it occurred to me that it's going to be impossible to acquire all even high value parcels if, in fact, all were willing

sellers, and I refresh my memory of the exchange proposals that were developed in connection with the Alaska Wildlife Refuge exchanges and the Native perspective therein, and it occurred to me that what we really should do is to integrate our acquisition in fee or in easements or whatever else, a program of looking at and encouraging exchanges. To what degree was that discussed, or was it?

DR. GIBBONS: Mr. Chair?

MR. ROSIER: Yes.

DR. GIBBONS: To my knowledge, that was not factored into this analysis at all. This was just purely looking at habitat protection options.

MR. SANDOR: One way to deal with that is simply to -- on page four, to simply fill in that exchange opportunity and to integrate the process of acquiring in fee or buying easements or whatever else, some exchange opportunities, and I would add, really, to your appendix, this publication of the Native Perspective of Exchanges, it not only gives a very valuable description of the resources and some of the areas that we're involved in, but also the perspective from -- of those corporations and the preparation of the package. It may be desirable, in addition to throwing that -- or just that block of exchange opportunities, and a final section on integrated strategies for habitat protection in which there would be -- it would show how we would do that then. The second question, and the second thing that would strengthen this package, then, deals with the problem of

spruce bark beetle infestation and the more recent briefing -- we had, of course, a briefing here in our August meeting. The Governor's office and I had a more recent briefing, actually, November 23rd, on the extent of bark beetle infestation, and statewide infestation is now nine hundred thousand acres, and more disturbing is the projection that in '94 this may add another two to three hundred thousand acres. Within the oil spill area itself, there are several hundred thousand acres of infested areas. Unfortunately, the beetle killed timber, actually destroys the habitat that we're trying to protect, particularly with regard to the marbled murrelet and the harlequin duck. I noticed in your list of people that were consulted at the federal-state task force on forest health that deals with this was not, at least, shown as having been consulted. You do have a reference in 1992, but I'm not sure that you have this most recent information. I would give to Jim Ayers this three-page briefing sheet, which includes the more recent references on -- including up to November 23rd of the findings that are involved with regard to bark beetle infestation and the fact that the extent of infestation is about five to ten times the amount of areas that actually has been or is projected to be harvested by timber. It illustrates the magnitude of the problem. So, I think there should be, at least, a paragraph, if not a page, that deals with what you do with areas that are infested. Indeed, part of the Kachemak Bay area that these -- we required have infestation, and specifically with the parcels that were identified in English Bay, I asked the Forest Health, the

chair, Van Golden, you know, what was the prospects of -- that was -- were beetles already there, and, you know, what the outlook was, and he says they are there, and they should be, you know, evaluated. You recall that in August of 1992, I asked for a formal review of the prospects of bark beetle infestation in the Kachemak Bay area that we were acquiring, and the formal response from the entomologists was that was unlikely that this infestation would extend into that area. Unfortunately, it did, and partly because of the fact that this epidemic had this past season two cycles of insect infestation. The weather was so warm and so good that there was, in fact, a doubling of the infestation, and led to the suggestion, what do we do with these areas once we've acquired them, and there is, of course, a question of what do you do, and what -- whether or not we even should acquire areas that, in fact, are already infested, and then what do we do to those areas that are infested. In any case, that is something that would strengthen this report, and I know, Marty, that you're in that same department in which this activity takes place, but I would offer these ways of strengthening this packet.

MR. ROSIER: Yes, Marty?

MS. RUTHERFORD: Mr. Chair, yeah, Commissioner Sandor, I agree. I will note that on page eight of volume one, we do note that, to the degree that we had the information available within the Department of Natural Resources, we did factor that into the parcel analysis. We do not, however, make a recommendation of what to do about that, and if that's something you desire to be added to

this, I'm sure that that can be accommodated. I will add that lately I've been involved with some quite extensive discussions down on the Kenai Peninsula about a DNR five-year harvest plan, and during the course of a large number of meetings, I've heard from a lot of specialists who have indicated that there is significant multiple year growth coming up under some of the forest-killed spruce, and/or the spruce bark beetle-killed spruce, and that they're indicating that there is a healthy forest growing under them. I just might add that it's a piece of recent information that I've gleaned. So -- but we have factored that in there, however, we have not provided any recommendation about what to do about it.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: I would like to make sure that the record is not unduly skewed by Commissioner Sandor's comments about spruce bark beetle in Kachemak Bay. I don't think we ever took the position that there was no spruce bark beetle in Kachemak Bay, but I have personally flown over that area at very low level, looked at the mass of forest there, and I saw very, very little spruce bark beetle kill in Kachemak Bay. And I don't think, from what I observed as recently as about August of this year, that it had not developed in Kachemak Bay State Park. So, lest the record indicate from Commissioner Sandor's comments that Kachemak Bay State Park is "infested" with spruce bark beetle, I think it's wholly in error, and that we, in my view, committed no mistake in the acquisition of the Kachemak Bay State Park land. So, I want that firmly reflected

it in the record. Thanks.

MR. ROSIER: Thank you. Yes, Mr. Sandor?

MR. SANDOR: Yes. I think we -- this is precisely why we need the experts to really examine this from -- the information I have is from people who have been visiting the area on the ground. The infestation doesn't show in the color, at the time, the first indication of the infestation is the bark beetle holes themselves, in which the bark beetles go into the tree. It's only until they completely girdle the tree, which takes some months, actually, almost a year, for the trees to be visible in turning a bright orange and then to lose their -- I would hope and pray that the extent of infestation is -- by those who have visited on the ground, is exaggerated, but I think this is precisely the reason why we need to -- these professionals, in both the federal and state government, as well as private industry, to do the assessment. So, I would stand corrected if the forest health people, who had gone out on the ground, would make that, but don't shoot the messenger here.

(Laughter)

MR. COLE: No, we'll shoot the experts.

MR. SANDOR: Don't shoot the messenger. I would like to simply, you know, say that everything is fine, and we can just continue, but I think, you know, the worst case scenario would be for us not to really address this issue, and to bring the experts involved in that process.

MR. ROSIER: I believe that Mr. Frampton has a word

that will fit between the two of you here on this. Mr. Frampton has the floor.

MR. FRAMPTON: I was going to make a suggestion about how to handle, John, both of your concerns for the future, which are, I think, well-taken, just as we want to make sure that in any negotiations that we undertake, that we give priority, obviously, to the high, or groups of high and medium parcels, and I think this is a tremendous piece of work. We also want to make sure that any negotiations that we undertake for high valued acquisitions, if they come to an agreement that comes back to us, that those -- that that's done in the most cost-effective way possible, and that the agreements -- proposals have integrity. And my suggestion would be that, with respect to any negotiations that we undertake with owners of high-valued parcels, that we simply, formally or informally, direct the staff, that before these come back, any negotiations culminate in those proposals to come back before us that any such proposal include not only an analysis of the extent to which exchange opportunities were, in fact, integrated into the negotiations and considerations, and also a report from the experts, if we haven't shot them by that time, about whether -- or strangled them, about whether we are getting into a potential bark beetle situation, so that we don't have specific negotiated proposals coming back to us without that analysis having been done before it comes back.

MR. ROSIER: Marty?

MS. RUTHERFORD: I do just want to restate, we did look

at every single parcel to determine whether or not there was spruce bark beetle kill occurring on that parcel. I think we only found one, and we noted that on that one parcel analysis. We did not, however, do on-site visits for that purpose, but to the degree that information was available within the Forest Service and the Department of Natural Resources, we have applied that to the parcels. One other thing, though, that we did not do, is we did not necessarily do trends to see whether there was an infestation moving toward that particular parcel, and that is, you know, it could be done.

MS. RUTHERFORD: Yes, Mr. Cole.

MR. COLE: Here's the thing that troubles me, if I say so. I mean, whenever -- of course, we must look at spruce bark beetles, not simply spruce bark beetles, but we should look at the health of the entire habitat and any parcel of land which we are examining for acquisition. I mean, there's no question about that.

What troubles me, and what gives me sort of a bit of a jaundiced eye to this spruce bark beetle problem, is that those who do not favor the acquisition of habitat immediately, and I'm not speaking personally of Commissioner Sandor, because I know his views, but --

MR. ROSIER: He's the messenger, remember?

(Laughter)

MR. COLE: But immediately to start waving the spruce bark beetle, you know, flag out there and say, look, now you've got spruce bark beetles, and they would have us get entomologists out there with a magnifying glass and start searching a tree-by-tree

analysis of this forest to see if they could find spruce bark beetle, and if they find a beetle or a bug, they say, spruce bark beetle, guys, you know, got to be careful. And so, all I'm saying is, I just urge this habitat protection group to take a balanced approach as we look at the health of the forest, the flora, the fauna, you know, the biology of these areas, and not be spooked by this term, spruce bark beetle. Thanks.

MR. ROSIER: Yes, Mr. Frampton, I believe, had a compromise. A lead-in, sir.

MR. FRAMPTON: A mere suggestion.

MR. ROSIER: A mere suggestion.

MR. FRAMPTON: Well understood.

MR. ROSIER: Okay. Further comments? Yes, Mr. Sandor? No? Okay. As I understand it from the working group on this, basically, you're looking for some direction from us on -- kind of on two fronts here on this -- one of two options, anyway, at this point, and should we immediately proceed with pursuing the protection of high value on this, or should we be sending this volume one out to the public for their comments, and then making the priorities following that public review on that?

UNIDENTIFIED VOICE: Correct.

MS. RUTHERFORD: That's correct.

MR. ROSIER: All right.

UNIDENTIFIED VOICE: Or some combination.

MR. ROSIER: Or some combination thereof on this, but would the Trustees care to speak to the options that we have here?

Yes, Mr. Pennoyer?

MR. PENNOYER: Mr. Chairman, for one thing, I move that we do send this out to public review and take the other part as a separate motion.

MR. ROSIER: Is there a second to that?

MR. BARTON: I second the motion.

MR. ROSIER: Thank you, Mr. Barton. Discussion?

Mr. Cole?

MR. COLE: I have some reservations about that, you know. I think we've gone out to the public with the habitat acquisition so many times, they're inundated with material from the Trustee Council seeking their recommendations. I thought, in response to our so-called newspaper thing, we had a good sense of the public response, and if we send this out for public review, you know, we will be setting this back another two or three months, which may or may not be worthwhile, but I'm going to -- I just have some reservations for that reason.

MR. ROSIER: Mr. Pennoyer?

MR. PENNOYER: Mr. Chairman, I broke it into two pieces because it was not my intent that we necessarily wait to do anything until we got some response. As we deal with, perhaps, the '94 work plan, or even now, we can discuss whether -- and I know we are proceeding with negotiations in certain areas anyhow in high ranking parcels. This, however, I think, is the first time we've had this all assembled with a ranking given to these -- a comprehensive ranking given to all these parcels, and I'm not --

the idea was that this goes out to public information, comment if you wish, but not necessarily that we're going to wait to do anything until we grind through the whole process. So, it was kind of a two-parter motion, and I did not intend that we send this out for the three-month deadline, and everything was on hold for that period of time. We may wish to proceed in the meantime in certain areas, but this is the first time I think we've actually ranked all of these parcels, to my understanding.

MR. COLE: How were you going to send it out?

MR. PENNOYER: I think we'd probably send out volume one and perhaps hold volume two in libraries or other places for viewing upon request.

MR. ROSIER: Yes, Dave?

DR. GIBBONS: Mr. Chair, yeah, our recommendation was to send out volume one to the public, put volume two in the various libraries and the little offset (ph) over here, and also have a copy available at Timeframe here in Anchorage, if somebody wants to make a colored copy, they could do that. They're quite expensive to make.

MR. ROSIER: Mr. Frampton?

MR. FRAMPTON: I have a question. I mean, this has been peer reviewed, right? I mean, this was a scientific, analytical process. I wonder if what we could do would be to send out the rankings of the large parcel evaluation, just a few page ranking, with maps that identify where these are, with the FY94 work plan as an appendix to that, which would be an efficient way to get this

into the hands of -- we wouldn't have to make notebooks for thousands of people, but we'd put the six or eight pages with the maps and the rankings, and that would be an efficient way to get this information into the hands of the public in a way that, you know, for any reaction that they may want to have. Is that a possibility?

MR. ROSIER: I think we're about to hear from another messenger over here.

MR. FRAMPTON: Okay.

MR. ROSIER: Marty?

MS. RUTHERFORD: Mr. Chair, we can share the information any way that you'd like. I just want to clarify a couple of things that the -- the peer review was of the approach and the process, not of the data, and I think that's important. We -- and, again, the scientific process was -- is accurate to the degree that information was available and that we could access information. I mean, we actively sought it out at every opportunity, but there -- there well might be that as it goes out to the people who live in the region, who have, you know, additional expertise, we may find clarifications or even errors, we hope we can try to keep those to a minimum, but the peer review was not on the analysis itself. It was on the approach and the process. So -- and I might add, in that peer review of the process and of the approach, they did recommend that it do -- be sent out to public comment.

MR. ROSIER: Mr. Cole, and then Mr. Sandor.

MR. COLE: Well, here's what continues to trouble me.

I mean, we had, in response to our questionnaires, maybe some two thousand, you know, comments, which we received, and to whom would we send this material? I mean, all two thousand, or just selected people out of that group, and would we send them the full notebook?

I mean, I just think that we need to discuss what we would send out a little bit more before we decide to wholesale send it out.

MS. RUTHERFORD: Yeah, actually, yeah, my recommendation is slightly different than the one that Dave indicated, and I would actually send out a letter advising them of what these documents are and where they can access them. For instance, put them in a repository in each community, maybe a couple of repositories in each community, and advise them of the availability, if they wanted to purchase their own copies from -- from such a location as Timeframe. But that's sort of how I would approach it, and then the letter would indicate that if they had additional information, or comments they wanted to provide, they could do so by a time specific. That's sort of what I would recommend. I think that's more cost-effective.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: Well, I agree with Mr. Cole's reservations about sending this out, and I think, really, this ought to be regarded as just a step in the process that's evolving. We've certainly got to deal with these questions that have been raised, and this perhaps ought to be stamped "draft," or at least -- whatever it is at this point in time, and -- because it's going to be consuming -- confusing. I think all these documents should be

accessible to the public, and I have no problem with these being distributed, except in a wholesale way, or a suggestion that this is, in fact, a final report, and I don't know, the chief scientist has some aspect of this, and whether or not he has had the opportunity to look at this, but I would not approve of -- I'd favor the motion as stated.

MR. ROSIER: Marty?

MS. RUTHERFORD: I just -- a couple of different things.

As I had indicated earlier, I think this was -- you know, this was as quantitative of an analysis as we could possibly provide, given the level of information available. If you send it out for public comment, that would be qualitative type information, and I would not factor it in to the evaluations, per se, unless there were errors identified. So, I think that that would be just additional information layered on. So, I would not call these particularly drafts. The other thing I might say is you might just want to put them out, instead of for public comment, just for public information as -- at the repositories.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, I think that's more or less what I was implying, was just for information, comment if people think it's warranted, and, Marty, I guess I disagree with just sending a letter. I think it should at least include the ranking table and the maps, which would be, what, six or eight pages or something like that, to show -- because I think it gives an implication of what the Trustee Council is intending to do. It

kind of indicates that our first shot at this, this is what the high ranking are, and people who have interest in parcels elsewhere may want to comment on that. So, it seems to me that this is an informational thing, we're requesting comment as appropriate, we can either attach it to the work plan or as a separate letter, but it is the first time we've done this. This is the first time we've seen this whole package together outside the imminent threat, and I think it's a worthwhile thing for the public to be aware of where we are on it.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: I think, you know, these high valued parcels, these owners of these high valued parcels should be contacted and, you know, preliminary steps made to determine to what degree, if any, they have any interest in exchanges and acquisition and conveyance by fee or by easement, have that process underway and, you know, give them what this is, but this cannot be regarded as a -- you know, the final information. So, I think the Secretary's prime suggestion of simply getting this thing out, but -- and the process underway, but we've got to integrate this with exchange, we've got to have the most recent reports to the extent of infestation, and as this goes forward, and as negotiations on individual parcels are examined, these can be looked at by entomologists and whatnot, and factored into the part of the process, and I think, Jim, that's exactly the process that you had in mind.

MR. ROSIER: Mr. Cole.

MR. COLE: Mr. Chairman, I move we commit this subject of the dissemination of these materials to the sound judgment of the executive director.

MR. ROSIER: We have a motion on the floor at the present time.

MR. COLE: Well, I move to amend the motion. (Laughter) Let him figure it out. That's what he gets paid for.

MR. ROSIER: Mr. Gibbons, did you have something more to add to this discussion?

DR. GIBBONS: Yeah. I wanted to add a couple of points. One thing that -- the evaluations all represent landowners that identified themselves as willing sellers, so that step's been out of the way. They all indicated to us that, yes, we're willing to discuss with you various habitat protection options. And the second point I wanted to make is, we're fully aware -- this is a dynamic document. I mean, only about one-third of the owners contacted said, yes. We fully expect when this gets out, those other ones are going to come in and say, yeah, we're interested also, so it's a living, breathing type of a document that's going to go on. It's not a static kind of document.

MR. ROSIER: Yeah. It seems to me that one of the things that's also involved here, and I think this goes along with what Mr. Sandor was saying, is that nowhere do we deal with the issue of small parcels. It's simply confusing to the public out there, in my estimation, we've talked about large parcels, the small parcels. But anyway, yes, Mr. Ayers?

MR. AYERS: Mr. Chairman, I understand, at least at this point, clearly what the intention of the Trustees is, which is to share the information that we have regarding habitat, at least to this point. I want to share Dave's observations, that it's a dynamic document that's going to continue to build. However, I want to say that what I don't think you intend is to send the habitat group back to do more additional work on the document per se, but rather to have it disseminated to the general public, as Dave mentioned, and Marty mentioned. In addition to that, to pursue some of the protection analysis information with the respective agency or trustee, gathering more information, for example, the beetle bark infestation issue is something that we need to -- Marty and I were just talking about that. If there's information that they have, we need to see how recent it is, was it on-ground surveys, are we comfortable with that information, is the seller -- does the seller have additional information. We worked it out with respect to the agencies, the bidding on -- when you get into that, how you want to handle that, the contact with the seller, and spend some time in the preliminary discussions and negotiations, as you call it, looking at the matrix, or the integrated -- what did you call it, the integrated strategy, I think were Commissioner Sandor's words. Now, that's my understanding of what your intention is. Is that correct?

MR. ROSIER: Mr. Pennoyer, would you be interested in withdrawing your motion?

(Laughter)

MR. PENNOYER: I thought that's what my motion was. It was amended by Mr. Cole to leave it up to the eminently good judgment of the executive director to implement it.

MR. ROSIER: Okay. Is that what the second understood? All right. Any discussion? Yes, all right. Those in favor signify by saying "aye."

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed?

(No audible response)

MR. ROSIER: The motion passes. Let's adjourn for lunch at the present time. Let's be back here at ten minutes after 1:00.

(Off record at 12:10 p.m.)

(On record at 1:25 p.m.)

MR. ROSIER: Let's come back to order. Let the record show that all of the Trustees are present. Dave, I think the next item here on this was some action that's required on the small parcels. Do you want to proceed with the presentation on that?

DR. GIBBONS: Yes, Mr. Chair, yeah, we were asking the Trustee Council if they'd like us to proceed with the analysis of small parcels, and that would include, first, developing an analysis procedure for small parcels, which we would bring back to you at your next meeting, and then analyze small parcels through the oil spill affected area. We have the public who have expressed interest in parcels between one hundred and sixty acres and a thousand acres presently identified. There are also many other

smaller parcels out there, three acres, five acres, or that type of size. So, the reason we didn't analyze it was basically two reasons. One was the time frame to do the analysis, and the second one, if we had used the same process, all of those would have fallen out into a low category because you are lumping resources and services. So, we'll have to develop a new procedure to look at smaller parcels, and then do an analysis, and the question is, if you want us to do that, what small parcels do you want us to look at, all of them or a portion of them, or do you want us to work with the executive director and develop a process to identify small parcels and then do the analysis?

MR. ROSIER: Comments from the Trustees?

MR. COLE: I move that we proceed.

MR. ROSIER: Yes, Mr. Pennoyer?

MR. PENNOYER: I second it.

MR. ROSIER: The motion has been made and seconded to proceed with analysis of the small parcels, the development of a system for that analysis. Comments? Mr. Pennoyer?

MR. PENNOYER: Question, do we have a timetable on that or an idea of how much effort is involved and when we are going to look at?

DR. GIBBONS: It would be a much shorter process. There -- I'm envisioning a more streamlined evaluation process that may be keyed in on one or two restoration items. We would bring back, at your next meeting or before, giving you a draft of a process to look at those.

MR. ROSIER: Okay.

MR. SANDOR: Is this an analysis for what? Acquisition, exchange, or for what?

DR. GIBBONS: It could be for many things. It could be acquisition of any kind, habitat protection, options, or you could look at it -- you could factor in an exchange.

MR. SANDOR: Exchange would be in there?

DR. GIBBONS: Yes, we will factor that in.

MR. COLE: Mr. Chair?

MR. ROSIER: Yes, Mr. Cole?

MR. COLE: This exchange business talk confuses me just a little bit. I mean, what lands are we talking about exchanging for these critical habitat lands, other Native lands or federally-owned lands or state-owned lands or what? I mean, I'm not sure that we had an exposition of that issue.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: I don't know the answer to Mr. Cole's question. It's obviously got to be one of those three, but --

(Laughter)

MR. ROSIER: Maybe all three of them.

MR. BARTON: Or all three, or two of the three, but it seems to me what we're doing here in this is -- is in the large parcel analysis, just analyzing the attributes of pieces of land in terms of their value for habitat. What we then do with that would be acquire it, buy it, it could be exchanged, it could be, perhaps, something else, but it seems to me that those are two independent

things. What we're trying to do is develop something to use as the -- I hate the word, but input for subsequent actions, then, in terms of habitat protection, whatever it may be.

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: Well, since we really don't know exactly what's involved in the process, how much work it would be -- what the payoff would be, I would suggest that we simply work with the executive director, who comes back at the next meeting with a -- you know, short briefing or a written proposal before the meeting on whether to do this and if so, how. I mean, what kind of work is it, and what's the expected payoff? If, in fact, we have, you know, more than -- more large parcels than we would likely be able to buy in the high or the high medium categories, then there seems to be the question of whether we want to go forward with a very extensive small parcel analysis or not, and we ought to have somebody assess that and make a recommendation as to what's involved, and then we can vote on it at the next meeting. If that's consistent with the motion, I would support the motion.

MR. ROSIER: Mr. Sandor.

MR. SANDOR: Yeah, I agree with that. I presume that these small parcels are usually not Alaska Native corporation lands, but other private lands, typically?

MR. AYERS: By and large, that's my understanding, and I asked the question that was previously asked along with that question. What my bullet notes tell me is that the parcels that are being considered may contain injured specie habitat or service

values that are important to restoration, may be of strategic importance in providing access to larger surrounding or adjacent areas that are important or critical to habitat, may have an influence on the negotiation for larger parcels, or may have a strategic importance to the management or protection of surrounding areas that are critical or important habitat. It may provide exceptional restoration benefits or opportunities in a smaller parcel, at a significantly reduced price, compared to similar habitats that would be involved in larger parcels that are significantly higher cost, or they may be important for the management or protection of public lands in that particular area. So, those are the bullets that I have in response to that question.

I guess, with Commissioner Sandor's comments, I understand the direction would be to take a look at that, look at how that compares with some of the other approaches that we're talking about with regard to the larger parcels, and go back, Mr. Chairman.

MR. ROSIER: Okay, Mr. Cole.

MR. COLE: Mr. Chairman, if the second consents, I'd like to amend my motion to say essentially this, that we authorize the executive director to decide whether to proceed with habitat evaluation of the small portions, and that if he decides that it is well to proceed with that evaluation, that he be authorized to have that evaluation made. That would just allow the process to move right along, rather than to happen to make that decision and then come back to us at some future time and then go back again. I mean, these are not large parcels, and it's simply an evaluation.

MR. ROSIER: Do we have the consent of the second?

MR. BARTON: Yes, but with an alternate embodied in this, is the development of a process to do that evaluation too. Is that your understanding?

MR. COLE: That would be my sense, that we would sort of generally follow the same process as the larger parcels, but on a reduced scale. I think the principles are there.

MR. ROSIER: Yes, Mr. Barton?

MR. BARTON: It was my understanding, though, that the process that we had developed for the large parcels needed to be modified significantly to deal with the small parcels.

MR. AYERS: It's a separate -- my understanding is it's that it is a separate process, but there would be a defined process for the identification and prioritization of small parcels.

MR. ROSIER: Okay. Further comments? Yes, Mr. Sandor?

MR. SANDOR: There being less than one percent of Alaska in private ownership, other than the Native village and regional corporations, I think this analysis must give consideration to a priority of exchange opportunities. I would oppose any policy that would reduce significantly the one percent private ownership. That's -- I think it's fairly well understood that, unlike most of the states, we have very little land in private ownership and that's why I believe that the exchange opportunity should be explored.

MR. ROSIER: Dave.

DR. GIBBONS: Mr. Chair, I think Mr. Barton hit on the

approach in that the Nature Conservancy handbook on habitat protection options has fee simple, conservation easements and all that, and they also have the exchange, and you need to have some way to evaluate what you're exchanging. So, we will certainly identify that there, but I think it's part of a -- perhaps it's important in the negotiation part of the deal.

MR. ROSIER: Okay. Mr. Pennoyer?

MR. PENNOYER: Sir, as I understand it, we're not telling him what to do with these, we're simply asking for an analysis of these parcels relative to their habitat values, and at that point, we'd have to decide how to proceed on negotiation, acquisition, exchange, conservation easements, or whatever else. So, my understanding of the motion is just that they go forward and do the analysis on the value of these parcels and not give this any final decision on how we're going to dispose of it.

MR. ROSIER: Okay. Further comment? Ready for the question? Yes?

MR. COLE: Are we clear on that, that the -- you know, that it's just an evaluation of the parcels and not what action we will take, or the form of the action which we will take after the evaluation is completed. That's my understanding of this motion, and I would like to make --

MR. ROSIER: Mr. Ayers.

MR. AYERS: Certainly, we have no misunderstanding about that at this juncture.

MR. COLE: Mr. Chairman?

MR. ROSIER: Attorney General Cole?

MR. COLE: It is my understanding that the motion is for the executive director and staff to establish a process, assuming that we deem it necessary and critical for the restoration of the resources, and to complete that process, or engage that process in reviewing small parcels and their benefit to restoration, and to bring that process, including a recommend -- not a recommend, including prioritizing those small parcels back to you, and not engage in discussions of negotiations or actions of acquisitions, but simply evaluation and a process that provides you the information you need in determining how and what method should be used to proceed in protecting those small parcels.

UNIDENTIFIED VOICE: Question.

MR. ROSIER: The question's been called for. Those in favor signify by saying "aye."

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed?

(No audible response)

MR. ROSIER: The motion is passed. Next item, habitat protection, negotiations, options. Dave, I guess you're on on this one.

DR. GIBBONS: Mr. Chairman, in your package there's the -- a discussion paper dated the second of September. This isn't highlighted like mine is, but it should be about four pages long, and I'll briefly explain what the topic entails.

MR. PENNOYER: Mr. Chairman?

MR. ROSIER: Yes?

MR. PENNOYER: Several times, people have referred to my package, and I have a whole bunch of separate stacks, and I'm not sure I have any package, so -- if everybody else has that, I apologize, but I don't have it in front of me.

DR. GIBBONS: We'll make several copies right now.

MR. PENNOYER: That probably doesn't stop you from talking about it, though, Mr. Chairman, if you want to . . .

MR. ROSIER: Do you want to proceed there, Dave, and we'll have those (inaudible).

DR. GIBBONS: Okay. Yes, we are.

MR. PENNOYER: He can probably give us the background, Mr. Chairman, on it if he want to, or he can wait.

DR. GIBBONS: Okay. The background of this is, in February of this year the Trustee Council was given a similar discussion paper, this has been modified somewhat, and asked for a decision on negotiation options for possible acquisition or habitat protection methods, and at that time, in February, the Trustee Council agreed on what they called Option A, which is the negotiation by the appropriate management agency. At the August 16 Trustee Council meeting, the Trustee Council requested that the Restoration Team prepare a discussion paper concerning the further -- concerning the conduct of the negotiations for habitat protection acquisition. The current approach for the imminent threat process has been assigned, like I've mentioned to the individual trustee agencies with the lead responsibility for

conducting the negotiations for priority parcels. This approach was described in Option A, which I mentioned as negotiations by the individual agency. Considering, one, the experience of the negotiations and acquisitions at Kachemak Bay and Seal Bay and Eyak; two, the pending replacement of the imminent threat process with a more comprehensive habitat evaluation process that we're into now; three, the recommendations from a habitat acquisition peer review workshop that we held in June of this year; and, four, the anticipated increase in the number and complexity of future habitat acquisition negotiations, that the Restoration Team analyzed the discussion paper again, and we recommend to the Trustee Council the approval of Option B, which is the formation of a negotiation or acquisition team staffed by a mixture of federal and state personnel. We've attempted to analyze the cost of this, of each of the options that are presented. On the basis of current information, it does not appear that there is much difference between the various options on the cost. Option A, which is the individual agency, B, a negotiation team, or C, which is a third party, all in the range of about four hundred to six hundred thousand dollars, we estimate, annually. And this includes costs of conducting the negotiations, administering and approving appraisals, hazardous material surveys, title reports, travel costs, and other things. Let me briefly go through the options one more time, and then I'll leave it open to discussion. Option A, like I mentioned, under this option, the agency or group that would receive the property interest would conduct the negotiations, and

there's pros and cons listed in the paper under that, I won't go into. Option B, under this option a negotiation/acquisition team would be established with staff hired or assigned from the state or federal agency. And Option C, under this option a private entity would be con -- would conduct the negotiations and other acquisition steps under perhaps a contract, and the final Option D would be -- under this option, letters of intent would be secured between a nonprofit conservation group and the affected agencies. So, those are the four options that we have identified.

MR. ROSIER: Mr. Frampton.

MR. FRAMPTON: Well, Mr. Chairman, it seems to me that maybe I'm missing something, but this discussion paper and these alternatives really have sort of been superseded by events here. We now have a permanent executive director who is going to be charged -- is charged, in part, with making sure that if there are a number of ongoing negotiations that they are being conducted in a consistent manner, and that it will be a part of his responsibility to decide whether a staff member conducts those negotiations, or a lead agency, or whether he wants to come back to the Trustee Council to engage an outside person in some particular event, but this is really, now, a matter of -- that we're committing to the executive director to make sure that this is done in a consistent fashion. I guess I would simply move that the executive director be charged with the responsibility for -- in consultation with the appropriate agencies, making a decision about negotiating teams that need be instructed to make sure the

negotiations be consistent, and that he makes certain not only that all the trustees are consulted, but that in any particular negotiation, that there is a -- whoever is the lead agency, or whoever is on the team, that if the lead is a state, that there be a federal member or liaison, and if the lead is a federal agency or person, that there be a state partner or liaison as a part of the negotiation, and that we understand that we are not going to do any individual state or individual federal lead negotiations, even though we have an executive director to make sure that we're all kept well informed.

MR. ROSIER: Further comments? Yes, Mr. Pennoyer?

MR. PENNOYER: I guess -- NOAA is not a land agency, so I don't think they'll engage in any land negotiations, but I'm trying to figure out what we're trying to accomplish here. I heard four to six hundred thousand a year quoted. I know that Mr. Ayers is not going to hire a permanent staff, I guess -- well, maybe he is, I don't know, for four to six hundred thousand dollars. I'm not clear how we transit from what you said to this executive director just contacting the appropriate people on an ad hoc basis and the different agencies. I get the impression there was a certain expertise that was built up in terms of dealing with land, and -- the four to six hundred has to include appraisers and everything else, it's got to be the whole nine yards, I suppose, and have the land surveyors and I don't know what all else. I'm not -- I have great faith in the executive director. I don't mind letting him pull something together and come back to us with some

idea of how it's going to work, but I don't envision yet exactly what we're talking about, having experienced the past several negotiations we've gone through and approached them in sort of different ways, I'm not clear what we're asking him to do, as opposed to what Dr. Gibbons was proposing. That wasn't clear, and I'm not sure I understand it.

MR. SANDOR: Mr. Chair, Mr. Pennoyer's views -- I don't really understand. I have the impression that, depending on the circumstances, we would use different strategies, but when you mentioned four hundred to six hundred thousand dollars, that got my attention, and I'd like to know what the four hundred to six hundred thousand and what these different options would buy.

MR. ROSIER: Dave, could you give us an idea what we're going to spend four hundred to six hundred thousand dollars on out there?

DR. GIBBONS: Yes, you have a series of expertise that you've identified, realty specialists, review appraisers, title search experts, and we've got a whole list of people here that are go in -- are involved with the acquisition type process, in addition to just the negotiators. So, we were trying to identify the cost of doing lots of negotiations simultaneously. We envision, you know, that you may be doing that -- that's -- versus the two or three that you've been doing in the last six months or a year, Kachemak, Steel Bay, and Eyak.

MR. FRAMPTON: (Inaudible)

MR. ROSIER: Yes.

MR. FRAMPTON: To clarify my motion would simply -- recognizing the different negotiations might be done in different ways, with different teams, and different lead agencies that we empower the executive director to come back to us with a recommendation on how to do each one, that he makes sure that those are consistently done, and I certainly didn't mean to suggest that we should approve any six hundred thousand dollar budget. But the question of setting up a separate team when we didn't have a permanent staff, a permanent executive director, was a wholly -- and the problem addressed by the budget here, was a wholly different situation. We're past that now, and I didn't mean to suggest any budget figures at all.

MR. ROSIER: Are you looking at -- I'm -- just to clarify in my own mind, are you looking at drawing on agency people in on this as far as the negotiating teams are concerned on this, or are you looking at some combination of the options that have been put forth here in terms of contractors or outside nonprofits associated with this? I -- yes.

MR. AYERS: Mr. Chairman --

MR. ROSIER: Mr. Ayers.

MR. AYERS: -- and Trustee members, it appears to me that -- and let me talk about it in a practical sense since I do better in a kind of a hayseed approach on this thing. We earlier talked about the habitat analysis. We know now what some of the priority critical habitat lands are. It's also my understanding that you wanted us to proceed with talking to the respective agency

on those and make some initial contact, some preliminary negotiations to find out is the seller interested, are there integrated strategy approaches that might be included, and in addition to that, is there a question with regard to the resources they have, the value of those resources, like the bark beetle infestation issue, and that would then come back to you to make a decision about shall we go forward with the next level of that negotiation, which is, how much is this really going to cost and what's that valued at? In this particular case, I think what we're talking about is that we would come back at you in, say, January, and talk to you about specific appraisals, how much are those going to cost, some additional -- the hazardous waste evaluation, a title search. In some cases, title searches are going to be very expensive. My understanding is, you spent kind of in the neighborhood -- we spent in the neighborhood of seventy-five to eighty-thousand dollars putting the package together on Seal Bay. It's also my understanding that what we want to do is, we want to compile a record, a factual information portfolio on the value of these lands and how we proceeded and what the title search revealed, so that there is housed within this Council the background and the history and the information, the portfolio, if you will, of why we purchased the land, and I think that's all going to cost some money. There's project which is 126 -- 94126, which Mark has efficiently and quickly looked up, and there's approximately one million dollars in there for negotiation-related activities. And my view is that all of these items should come

back to you as we proceed, and there will be a project that will identify the costs, and those costs will relate to a specific parcel that will include all the things that have been mentioned. Therefore, you're not approving a specific cost. You are, at this time, approving a process, and I'll come back to you in January, or whenever our next meeting is, and report back to you on the direction of the team approach, and my understanding is that I am to work with the Trustees in developing a consistent process for negotiation, in assisting in the formation of a team, that the team would include a leader and that leader, unless otherwise specified by the Trustees, would be the appropriate agency, management agency, and that the team would include both state and federal participants.

MR. ROSIER: Mr. Cole.

MR. COLE: Your hayseed approach just didn't quite sell me. I'm really getting a little worried that this is getting too expensive and too stereotyped, and I am comfortable with the fashion in this -- that Assistant Secretary Frampton proposed, that we commit this process to the executive director. He certainly recognizes that four hundred or six hundred thousand, or a million dollars is a scary thought for this rather straightforward process.

You don't have to hire a bunch of negotiators and make this a big deal. It's essentially an art form that we're dealing with, and not something that -- how much we can make of it. We have all the data that we really essentially need for making a decision as to what's a habitat priority. Like I said earlier, you call these

people up and ask if they want to sell, and they start talking about it. Sure, there's expenses of the title search, and maybe a survey, but that's not in the neighborhood of six hundred million.

And another thing that troubles me is, he's going to do this and then come back to us in January or February, and then, you know, we will, you know, limp along and it will be another three months before much gets done, and I think that we must move the process along more rapidly than that. That's what essentially troubles me.

MR. ROSIER: Yes, Mr. Sandor?

MR. SANDOR: Yes, Mr. Chairman. Options A to C, four hundred to six hundred thousand -- Option B -- by Nature Conservancy or some private non-profit entity with minimal costs, it seems like the usual thing would be to try to -- try to minimize administrative costs. I'm going to vote against the motion at this time because of inadequate information and understanding of the paper as presented.

MR. ROSIER: Mr. Ayers.

MR. AYERS: Mr. Chairman. Commissioner Sandor, it is my understanding that earlier we proceeded with the acceptance of the comprehensive habitat protection analysis process, and that we've identified, certainly, after laborious analysis the high value habitat that are relative to restoration, and that I was not only to ensure that that information is disseminated, but also to make some initial contacts with the respective or appropriate agencies and proceed with the sellers -- of the owners of that land. Now, as I understand the current motion as it relates to

that is, and I think we've got two things on the floor here, I think one is a concern about how much this thing costs and I haven't had a chance to look at that, I -- I just now got that number. I don't think that we need to spend that much money to get this done, but I do think that once we engage in preliminary negotiations and we find out what the seller's interest is in, including the integrated strategies you talked about, it's going to come back to you and it's going to cost some amount, and it's my understanding that that's what I'm to do. I'm not going to do as the Attorney General suggests is implied. I don't think that we're talking about, you know, stringing this thing out. I'm going to come back to you in January having made some initial contacts and with the respective agencies, and proceed with a recommendation about negotiations or purchase, with all that information. And, I think at that time it's going to cost some money to do appraisals and some of those other things.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: Well, that's reassuring. It doesn't seem like this should be that complicated. I'll be pleased to know what you come back with -- what you come back with in January.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chair. In essence we're going with sort of Option A with the Executive Director coordinating it, an appropriate state added to federal -- federal, I believe, or federal added to state. That's -- we're not going to form a separate ongoing team, as Option B implies. We're going to have,

based on the circumstance and leave it up to the Executive Director to contact the agencies and set it up appropriately. Is that where we are? Is this separate from the evaluation process?

MR. ROSIER: Yes, go ahead.

MR. FRAMPTON: If my motion confused things, I'll withdraw it and we can proceed based on the understanding that people seem to be comfortable with what we had before. I -- I was just trying to indicate that I think that the A, B and C things are not things we need based on our current approach that I think we're going to do, and that we have now an executive director. So, I withdraw the motion.

MR. ROSIER: Mr. Sandor.

MR. SANDOR: Yeah, I -- you just saw this for the first time -- I just say this for the first time. It would be more reassuring, quite frankly, if you revised this discussion paper and, you know, injected your philosophy into it and -- and ...

MR. ROSIER: Dave.

DR. GIBBONS: Mr. Chair. I need to make a statement here. You -- you've seen this paper in -- in the September 6 -- 16th and 17th Trustee Council meeting that was in the package, and it was a request by the Trustee Council to put it that. So, I'm just trying to say where it came from, and so it's been around awhile.

MR. ROSIER: Okay. Mr. Ayers.

MR. AYERS: Mr. Chairman, members, I have seen this document. I've looked at this document. It was my understanding

that this was at your request and I didn't want to get in the way of this at -- at your request. I guess if I had been able to focus it -- at -- a little clearer at noon, when we moved through some other items, I think that you made a decision earlier that obviates the necessity for this discussion, and I'll be glad to write out what we're going -- how we're -- how I'm going to proceed and come back to you, but I intend to proceed immediately after this meeting with what we talked about earlier.

MR. SANDOR: Great.

MR. ROSIER: Okay.

MR. COLE: It's so moved.

(Indiscernible -- Laughter)

MR. COLE: Well, I think we should reflect -- reflect that the Council approves this prospective action as outlined by the Executive Director. Otherwise, we're left with sort of a blank record.

MR. ROSIER: We have the motion before us then. Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response) Passes. Draft final restoration plan. Loeffler and Rabinowitch.

(Indiscernible - out of range of microphone.)

MR. ROSIER: You want to start on the draft work plan?

(Laughter)

MR. AYERS: Mr. Chairman.

MR. ROSIER: Shall we take a break?

MR. AYERS: I apologize, they were doing some (indiscernible) their presentation. I told them it was okay. I was going to let them know and I got carried away here. Perhaps I would request a break to (indiscernible).

MR. ROSIER: Okay, give them five minutes to get set up.

(Off Record 2:00 p.m.)

(On Record 2:20 p.m.)

MR. ROSIER: Can we get going here please? Bob are you ready to go.

MR. LOEFFLER: Sure.

MR. ROSIER: All right. Okay, you want to proceed here with the presentation then on the draft final restoration plan then ...

MR. LOEFFLER: Are you asking for the short version?

MR. ROSIER: Yes, we are asking for the short version.

MR. LOEFFLER: I have no presentation. I will only remind you that we were at this place last -- at the last Trustee Council meeting, and at that time, it was approved with some changes where people wanted to see them. In the interim, we've done that and I believe we've circulate those -- people have seen, and the PAG has given some comments, and here we are.

MR. ROSIER: How will those PAG comments be dealt with?

MR. LOEFFLER: We have made a recommendation, which I believe was circulated to you, that we accept all but two of the comments, one of which you discussed before concern -- concerning

compensated peer review, and we make some minor format editorial changes just to fit into the plan.

MR. ROSIER: Good.

MR. COLE: Mr. Chairman.

MR. ROSIER: Comments from the Trustees. Yes, Mr. Cole.

MR. COLE: I move the adoption of the restoration plan as amended by the proposed amendments by the Public Advisory Group, as amended by the staff's changes.

MR. PENNOYER: Second.

MR. ROSIER: This motion made and seconded.

MR. SANDOR: Question.

MR. ROSIER: Question -- question's been called for. Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response)

MR. LOEFFLER: Thank you.

MR. ROSIER: Unanimous. (Applause) I think -- I think on that that this has been a -- this was really a tough parturition, I'll tell you, and -- our hats are off to the -- to the work group here on this. I saw Bob sweat some awful big sweat tears up here a time or two before this group, so thanks, Bob, to you and the group on this. You did a fine job.

MR. LOEFFLER: All right, Mr. Chairman.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: I don't want to lengthen the conversation

very long and I won't, but at some point we have to come back and discuss where we go from here, and I think the group is going to talk about that in terms of EIS's and other things, so, I don't need -- think we need to do this right at this juncture, but we are going to have to have some recommendations on how to proceed. Some of it will come up under our discussions of the work plan, and I'll wait 'til then, but my understanding was we were going to get back from the federal members or something at some point how we need to proceed past the point of adopting this draft -- this draft restoration plan.

MR. ROSIER: All right. I would like to announce for the public's benefit here on this, we're going to try to finish today, and we have to be -- we have to have a couple of the Trustees out of here by five o'clock. We're going to postpone the -- the public comment period until five o'clock and we'll go from five until six on the public comment period today. So, let the network know that, please. Okay. The next item on the agenda is the 1994 draft work plan, Dave Gibbons.

DR. GIBBONS: Mr. Chair, in the spirit of trying to make that deadline, I'm just going to give you a brief overview of how we got to where we are now, and ...

MR. COLE: Mr. Chairman.

MR. ROSIER: Yes.

MR. COLE: Can I suggest -- we all have this work plan, could we just shortcut this is an effort to get finished today, if it's not necessary, and just address the work plan

directly, unless there's ...

MR. ROSIER: If that's the desire of the Trustees, does anyone have objection to what Attorney General Cole is proposing here?

DR. GIBBONS: I was just going to -- Mr. Chair, I was just going to explain how you got to this document here and what's in there, but there are other people -- you read it, you know it, you don't need me to tell you how you got here, so ...

(Indiscernible -- out of range of microphone - laughter)

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: I would like to suggest that -- if this hasn't already been suggested that the -- with whatever additions or subtractions from this list of projects that we have in the document here for public review that what we send out is not the four hundred and seventy-some page version, but rather the twenty pages or so that you have very, I think, ably summarized in a paragraph or so each, the various projects that are on the list and there's an index and there are two summaries of the projects and some other basic information which should come to maybe thirty-five, thirty-seven pages. I want to suggest that that's what we use for public comment, and that people who wish to get sent to them the four hundred and seventy-five page version, including the three page write-up on every project, or that they can get that, and they can, of course, come into the various libraries and do it, but we don't try to print lots of copies of four hundred and seventy-five pages. I think the other is really well done and

gives a good sense of the full range of things that we're putting out there.

DR. GIBBONS: Thank you. That was going to be our recommendation.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: Well, I move the adoption of the proposed 1994 work plan and that we start the discussion.

MR. ROSIER: Motion made to adopt the 1994 work plan.

MR. COLE: Well, to send it up -- to send it out -- let me (indiscernible) slightly. Send it out for public comment as proposed.

MR. PENNOYER: Second.

MR. ROSIER: Motion made and seconded. Mr. Pennoyer.

MR. PENNOYER: Dave, I don't think Dave has to go back through the iterations, how we got where we got where we are. I'm not even sure I want to hear it, considering the number of days and the amount of staff work that went into various iterations of this, but there are some things that need to be done relative to this, besides just send the document out to public review. We have considerations of projects we approved on interim funding basis until January 31, I believe, and there's some of those projects that have to be either renewed or expanded on. There's some projects here that may require funding earlier because by the time we get this back from public review, I need to hear what the timing would be. We may or may not be able to get them in the field this year. There are other things that maybe staff should elaborate on

that might be addendums to (indiscernible - coughing) motion of sending it out to public review, and then beyond that, it's a process thing. I think we need to ask the staff to get back prior to time we have to consider this for final adoption in January, or whenever it is, so, I think we do need an elaboration on the timing on this, some of the specifics on projects may need some earlier action, and lastly, of course, we have to deal with the administrative budget which may be taken as a separate item. So, Mr. Chairman, I'd ask Dr. Gibbons to expound a little bit on those subjects that I've brought up.

MR. ROSIER: Jump in ...

DR. GIBBONS: There's a letter in front of you -- part of your package, I'll throw that out, that at the September 17th meeting you approved interim funding for eight projects, and work is proceeding on -- on those, and those were funded until January 31st, 1994. There are three projects that need additional funding before January 31st, and those are identified in that memo to you with the amounts and a brief explanation of why it's needed. That would be the first action to -- to take up, I think, on interim funding. It's -- if we, you know, the approach of sending out the summary, I think, is really good because that gives the public the thirty day period to review a smaller document for comment and there will be less over the Christmas holidays, would be less apt to feel constrained about that. So, I think that we'll probably -- we could probably deal with the draft work plan perhaps in -- in late January and meet -- meet the goals of a lot of these projects

we're carrying on.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: When we send this out, are we going to put the four hundred and seventy-five page plan in each community, as part of the dissemination? I think that should be made clear that each community will have it's -- some appropriate repository -- one or more repositories in each community of the full four hundred and seventy page document.

DR. GIBBONS: Mr. Chair.

MR. ROSIER: Yes, Dave.

DR. GIBBONS: I think the plan would be to put it in -- in all the various libraries and also put a note in the -- in the summary that says if you would like a copy, please call us and we'll get you a copy, but there's copies available at these various locations throughout the oil spill area.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, to get the discussion on this part going, move that we adopt the interim project funding for '94 -- move we amend the main motion to include the interim project funding for '94 outlined in the memo from Dr. Gibbons to the Trustee Council.

UNKNOWN: Seconded.

(Indiscernible - out of range of microphone)

MR. FRAMPTON: Mr. Chairman.

MR. ROSIER: Yes.

MR. FRAMPTON: Our group being asked here for a

resolution dealing with funding. Right? We can take that up and get it out of the way, but what's on the table is sending -- what are we going to send out for public comment as a part of a '94 work plan, none of which will have been approved or endorsed by the Trustees, but simply to get public input on a long list of projects which may or may not make a priority cut and we're trying to get some public comment on those.

MR. PENNOYER: You're absolutely correct.

MR. FRAMPTON: But, if we can dispose of this now, it's fine, as part of your motion.

MR. PENNOYER: Do separate motions.

(Indiscernible - simultaneous talking)

MR. ROSIER: Well, you want to take that part out of order then?

MR. FRAMPTON: Yeah, sure.

MR. ROSIER: Okay, then move to do a separate motion.

MR. PENNOYER: What I said before.

(Laughter)

MR. FRAMPTON: I second it.

MR. ROSIER: Your motion then, it's -- out of order motion is (indiscernible - coughing) to approve the funding.

MR. FRAMPTON: That's right. Approve the funding for these three projects on the memo.

MR. PENNOYER: Discuss it then.

MR. ROSIER: Yes, proceed Mr. Pennoyer.

MR. PENNOYER: I guess that approving the funding at

these levels is tantamount to approving these projects for (indiscernible) in the '94, is that correct?

MR. AYERS: Yes.

MR. PENNOYER: ... basically. I think we ought to have a little discussion on that. I do notice that the project 94159, the marine boat surveys, originally the Chief Scientist had recommended that could be delayed for a year, and I don't know if we could get somebody to discuss that particular one for us. I think we -- the first two we discussed in some detail the previous meeting, and I think it's generally agreed those we want to keep going forward with, but project 94149, I think there have been some discussion, whether it's necessary to do those boat surveys each year.

MR. ROSIER: Do we have a Department of Interior rep here? Come on up to the microphone ...

MR. PENNOYER: I don't think the Chief Scientist hasn't had a chance to look at this, but I do know this is an original (indiscernible - simultaneous talking).

MR. ROSIER: ... here.

MS. BERGMANN: I'd like for Tony DeGange from Fish and Wildlife service to address those questions for the Council.

MR. ROSIER: Go ahead, Tony.

MR. DEGANGE: Thank you. There's a couple of reasons why we -- this is back in the work plan. First of all, having yearly surveys, at least initially, provides us a lot more power to actually detect trends in populations. As you know, a number of

the species that we are surveying through these boat surveys have been in a long term decline. And, it also is actually timely when you consider an ecosystem approach to the Sound is -- many of the species we're talking about that we survey, using the boat surveys, are apex predators on a number of the fish species that would be tied into the ecosystem studies. So, it -- it also is appropriate from that perspective. But, irrespective of the ecosystem study, we -- we feel strongly that this study be approved for this year because again, it give us a lot more statistical power to detect trends and to monitor restoration.

MS. BERGMANN: Mr. Chairman.

MR. ROSIER: Yes.

MS. BERGMANN: The reason that we need funding early is because the first surveys would be done in March and we need to have the contract in place, and if we wait until the Trustee Council meeting in late January, there simply wouldn't be time to get the appropriate contracts in place and we would lose the opportunity to get the data in March of '94.

MR. ROSIER: Yes, Mr. Cole. Don't run away Tony.

MR. DEGANGE: I won't.

MR. COLE: One thing that has concerned me in the past is that we haven't -- do not see, or for some reason, I have not seen the results of previous projects on the same subject. For example, here I see that both surveys of marine bird and sea otter populations were conducted in '91 and '93, and, yet, we're being asked to approve a study in '94, and we do not have the results, as

far as I can see, or haven't seen them for the '93 study, and it's just not a concern related to this proposed project, but it (indiscernible - coughing) many the projects, and I would feel more comfortable if we had -- if no more than a paragraph in these proposed project -- work plan studies to show what prior studies have shown. You know, then we could say, well there was a good study in '93, and we got data, and we'd like to follow up on the data we got in '93, sort of a thing. You know what I mean?

MR. DEGANGE: Right, and I can -- the results from the '93 survey showed no -- no increases for most of those species. They -- they seemed not to be recovering, and, again, looking at the statistical approach when looking at -- again monitoring recovery, is we need population estimates to -- for the analysis, and we can easily accommodate your request by providing you with some -- some results.

MR. COLE: Well, I think it's sort of past that time now, but if we, you know, had in these studies just a short paragraph, five or six sentences which would give us a sense of, you know, what was accomplished by the previous year's study and that could be used as a basis for supporting ensuing year's project. You know, I just mentioned that the Executive Director, if he could keep that in mind, then perhaps, if applicable, furnish us with an insert on each of these projects when it -- they become before us for a decision next. Thank you.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: I'm not particularly picking on this

project. I think the surveys are a good idea and the assessment is a good idea, but we don't have a monitoring plan in front of us yet, and for each one of these species-specific, population assessment studies, there's going to be the question asked of how many years do you have to do it and how often do you have to do it, and this survey was done in '89, '90, '91 and '93. So, we've done it, one, two, three, four, in the last five years. Do we need to do it this year, shall we skip this year and do it the following year. Shall we skip two years and do it the following year. For each one of these studies, I think that question is going to come up, and the reason I brought it up here specifically is because Dr. Spies in his July -- very quick summary of these studies, reckoned this is one that could wait until '95. I think it's going to come up for each of these species. So, we asked at this time, without that monitoring plan, to buy into this one without even knowing what the total spectrum of the work plan is going to be, to buy into this project being done this year, it's a fairly expensive project, and we have done it every year except '92. So ...

MR. DEGANGE: This -- this thing is -- basically it's two tiered, we have a March survey and a summer survey. What we're trying to do is get the March survey off the ground. Of course, we need to get contracting (indiscernible) in January. If you approve interim funding, it doesn't necessarily mean you have to approve the summary survey.

MR. PENNOYER: Any value to doing the spring survey and not the summer survey?

MR. DEGANGE: It -- it depends. There's a whole suite of specie that use the Sound in the winter time that don't use the -- that aren't there in the summer time. That's why we have a winter and summer survey. Just because ...

MR. PENNOYER: Mr. Chairman, would we have the reports that Mr. Cole has requested before we had to decide on a summer survey part of it.

MR. DEGANGE: Oh, absolutely.

MR. ROSIER: Mr. Ayers.

MR. AYERS: Mr. Chairman. Perhaps to move this along, one of the things that -- that Dave and I have been talking about is that we -- and that I have drafted a memo to all agencies about is putting together both a status report of any and all funds for projects that they have received. My understanding is -- much that it's available, as well as a detailed inventory, which ultimately ought to come before you and ought to be made available at meetings like this so that you can actually see -- these projects what the history has been, and certainly it's one of the things that the Chief Scientist talks about in his restoration plan is what's the history been, what's the success of a project with -- with regard to restoration. That is not done in this particular case, we all know, and so I would -- it seems to me that you do have the opportunity to proceed with this particular project, or these three projects, and yet you want the opportunity when you come back in forty-five days, or whatever the time is, and in the meantime we could put together the information you need specifically as relates

to these projects so that you can make then a determination about whether you want to go further or not. Just like you will do with all the other projects.

MR. ROSIER: Mr. Barton.

MR. BARTON: Yes, Mr. Chairman. Thank you. I have a couple of questions. I wasn't here at the September meeting, so this question may have been answered at that point, but the reason we didn't do this in '92, as I recall, was the Council made a decision that we would do it every other year, and I just wonder what changed this thinking -- we now think we need to do it every year, first question? Second question, if we just wanted to go ahead with the March survey at this point in time, what dollar figure are we talking about?

MR. AYERS: Well, basically, about half of the total project cost.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: One last question about the contractual budget for this budget, forty-one thousand, your request that you need now, and it can't wait until January 31st, is one hundred and seven. Why -- why that difference? Why do you need that part of it? I'm not suggesting we don't do it, I just want to understand why we ...

MR. DEGANGE: Why -- I have to take a look at some of the numbers before I can answer that.

MR. PENNOYER: Actually costs is forty-one, I think that's for a boat survey, the rest is one hundred and seven.

MR. DEGANGE: I sort of -- personnel -- it's primarily personnel costs, about forty-one thousand. Contractual, twenty-three thousand for the interim, which is primarily for the boat charter in Prince William Sound.

MR. PENNOYER: So, the one hundred and seven thousand -- twenty-three thousand is boat charters (indiscernible).

MR. DEGANGE: Correct, twenty -- about twenty-three thousand is for a boat.

MR. PENNOYER: The rest is personnel bills.

MR. DEGANGE: Correct, and other miscellaneous equipment.

MR. ROSIER: Mr. Ayers.

MR. AYERS: Mr. Chairman. One of the things that I was leading to a moment ago, and I will speak to this probably ad nauseam on the next item on the agenda, but the -- I would hope that if you decide to move forward with this project, you move forward with the understanding that you come back and stop the project, that we not proceed with the concept of month-by-month, quarter-by-quarter projects. Either you kill them or you fund them, and let me have a look at them, and then we would come back and recommend that you stop a project if it's going in the wrong direction. But, it's -- it's administrative disaster, and that's probably as kind as I can put it, in the process of month-by-month, quarter-by-quarter funding. And so, I would ask, if you decide you don't proceed with this project, you proceed with it with the understanding we'll come back with a detailed explanation of what

happened in the past, why we're doing it currently and how it's going, and if you're satisfied you kill the project at that point, but that you not start partially funding projects.

MR. PENNOYER: Mr. Chairman.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: You propose we put the full amount to it then or just the one hundred and seven -- hundred and seven takes us through the spring survey, right?

MR. AYES: Correct.

MR. PENNOYER: And that would be, or if you wanted to cut off, which I'm not suggesting we do, but if you did, that would be a logical point. So, you're not ...

MR. AYERS: Had I seen this -- had I seen this before, I would have sat down with the party and said exactly what I'm saying, that's don't start funding month-by-month, quarter-by-quarter project, either it's a project or it's not a project, and if it's a viable project, let's move forward. Although I now understand it's -- that what you have before you is -- I'm not clear on what this is.

MR. PENNOYER: Half a year.

(Laughter)

MR. AYERS: This is only a half a year? This doesn't get you through the season, or it does?

MR. DEGANGE: Not through the whole year, no. The interim funding is just so that we can get our March survey in the water.

MR. AYERS: What's the total that's listed in the project 159 that's going out to ...

MR. DEGANGE: Mr. Chairman, if I may.

MR. ROSIER: Yes.

MR. DEGANGE: Two eight six point two.

MR. AYERS: Pardon me.

MR. DEGANGE: Two hundred and eighty-six thousand.

MR. AYERS: And, that's what's going out to the public, right?

MR. DEGANGE: Correct.

MR. ROSIER: Yes.

MR. AYERS: Now, so again it seems to me, and I don't know what the situation is, is it the same on these other projects, are they broken out too, by quarters, as opposed to the project? It seems to me, Mr. Chairman, despite the fact that you have this memo in front of you, and I don't want to be a problem -- I -- my recommendation is that you fund the projects because you're going to go out the public and tell them that, that you're -- that, at least in these three projects, we're going to move forward with them, unless there's a reason to kill them. If you're going to kill them, kill them now.

MR. ROSIER: Mr. Cole.

MR. COLE: Again, I lead the discussion. Well, Mr. Ayers, welcome to the club.

(Laughter)

MR. COLE: Yes, we've been doing this every year for

the last several years as I recall, and, you know, so it's nothing new. But, it's -- it's not, unfortunately, quite that simple. I mean, to go a little farther and then kill, then we have possibilities of breach of contract problems on the boat charter, things like that. So, once you get into these things, you know, well, I'm not sure exactly what he said, that -- that we either have to make this, I think, decision to go through the March study, the spring study or whatever, and be done with it, or do it the whole year and put it behind us, once again.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: I'm getting more confused the more we talk, but what is the total cost in '94 for '064 and '166 both?

MR. PENNOYER: (Indiscernible)

MR. BARTON: Or which (indiscernible).

MR. PENNOYER: '166, Mr. Chairman, is two seventy-nine point four (indiscernible).

DR. MONTAGUE: Mr. Chairman, '166 is four sixty-six point three.

MR. BARTON: Four sixty-six point three? That's the total cost?

DR. MONTAGUE: Correct.

MR. BARTON: Then how about 064?

DR. MONTAGUE: Just a second, 94064.

MR. BARTON: Yeah.

DR. MONTAGUE: It's two hundred and seventy point thousand.

MR. BARTON: Two seventy-two?

DR. MONTAGUE: Two seventy point two ...

MR. BARTON: and '159 was what?

DR. MONTAGUE: Two eighty-six point two.

MR. BARTON: Two eighty-six point two. Mr. Chairman.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: I -- well, I think Mr. Ayers is right on with his remarks, and I do think that he was saying the same thing that Mr. Cole would say. I -- I would move that we approve in its entirety 064 and 166 and not 159.

MR. ROSIER: Nothing in 159?

MR. BARTON: Nothing in 159. I haven't heard an answer to my second question, was that we had earlier decided we would only do that every other year, and I asked what had changed that made us think we need -- now needed to do it this year. We're back to an annual date.

MR. ROSIER: Tony, did you want to -- Tony, did you want to respond to that -- that question?

MS. BERGMANN: Mr. Chairman.

MR. ROSIER: Yes.

MS. BERGMANN: Yeah, my recollection of that is that when the Restoration Team and the Chief Scientist and all the peer reviewers were going through these projects, there -- there was discussion on different species about whether or not it made sense to do them every year or skip a year or skip two years, or whatever. That was certainly discussed with respect to this

project. I do not recall that the Trustee Council made that determination. If the Trustee Council had made that determination, then this project wouldn't be -- wouldn't have come forward as part of the -- of the work plan. Everybody has been looking forward towards the adoption of a monitoring plan which is, hopefully, going to resolve those kinds of questions, but in the absence of the monitoring plan, we don't have definitive information on which species we should monitor in which years. That's my historical recollection of the issue.

MR. AYERS: Mr. Chairman.

MR. ROSIER: Yes, Mr. Ayers.

MR. AYERS: Mr. Chairman, at the risk of moving too fast too soon, it seems to me that in the course of setting this -- the approach of restoration out, irrespective of the fact we don't have the umbrella, we don't have the restoration, the scientific plan that we have envisioned, it seems to me that you have set a course, and you certainly have heard from scientists that said that this project ought, and I wish we could have talked about it beforehand, but this project is a project you fund every other year. And, if -- if there's some information that says that you ought to do it every year that's different than what has been -- then the course has been set, it seems that would have come forward, particularly if you're going to ask for accelerated consideration outside the public review process. So, it seems to me that that is not the case. The Chief Scientist -- scientists haven't changed their position on this, and we don't have any

scientific fact to the contrary. It seems to me that you simply send this project out with the other projects, but you don't fund it today, there's nothing contrary to the information that you've received in the past, or -- unless the Chief Scientist wants to change his recommendation to a -- we do every other year, and I don't want to labor the point, but it seems no reason to fund this project at this point, unless there's somebody that has contrary information to what the scientists have recommended to you in the past.

MR. DEGANGE: Right now this -- for all the species that we've been doing the survey, we're not showing any recovery for -- for those that were injured from the spill, from 1989 through 1993.

If it's funded every other year from now on, I mean, it may take us 'til 19 -- the year 2000 before we can even -- using -- statistical tools have available to us to show whether we have recovery or not. If -- if ...

MR. AYERS: Mr. Chairman, my understanding is from the -- from the scientists, however, is that surveying each year does not change your statistical, empirical data base.

MR. DEGANGE: Well, it means that -- we -- in the next five years, we'll say something as opposed to the next ten years.

MR. ROSIER: Mr. Barton.

MR. BARTON: I had a question. You say they're not recovering, but have you shown any further decline?

MR. DEGANGE: Some species are declining, pigeon gullems, marble murrelets (indiscernible) we have actually

focused restoration (indiscernible).

MR. ROSIER: Mr. Cole.

MR. COLE: ... Executive Director, this gentlemen is a scientist too, and I presume, aren't you?

(Laughter)

MR. ROSIER: Yes, Mr. Frampton.

(Indiscernible - laughter)

MR. ROSIER: The last motion that was on the table, I don't believe there was a second to the ...

MR. COLE: I'll second it so we can find out where we are.

MR. ROSIER: All right. He seconded the motion to delete, or to provide funding for project 94064 and 94166 and not provide funding for 94159.

MR. PENNOYER: Mr. Chairman, (indiscernible) project in its entirety, so it's a half million dollars to 166 and two seventy to 064.

MR. ROSIER: That's correct.

MR. PENNOYER: And, we send out 94159, but we don't fund it right this minute.

MR. ROSIER: That's correct.

(Indiscernible - simultaneous talking - talking in background)

MR. PENNOYER: Question on that. Does that mean that approval of -- assuming it is approved in the normal process, that would cover us as far as making March -- the March survey is concerned in '94, or excuse me in '95?

(Indiscernible - simultaneous talking).

MR. COLE: If we vote on this, then we'll have another motion on 159 following this, we can address 159 and get that out of the way.

MR. PENNOYER: All right.

MR. ROSIER: Further comments? Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, I'm cognizant of what Mr. Ayers says, and half of 94166 is a known project on herring and larva exposure to oil, I probably was going to do this, now I'm a little troubled by the fact that we're doing before without any discussion from the Chief Scientist or anybody else. I'm going to vote for this, but I hope that there aren't other projects we're going to have vote on before -- before we get that type of review.

MR. ROSIER: Further comment. You've heard the motion, those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed? (No response) Motion passed.

MR. COLE: I move we fund the first half of 159. Yeah, that's the spring survey, 107, then we can get public comment with respect to the last one.

MR. FRAMPTON: I second the motion.

MR. ROSIER: The motion made and seconded to fund project 94159 as requested at one hundred and seven thousand dollar level. Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response) Motion passed.
Thank you, Tony. Yes, Mr. Pennoyer.

MR. PENNOYER: But, as we go through the work plan, one of the things we've got to ask for soon is, I think, is a monitoring plan as part of this research plan that tells us how many times you have to do some of these studies and how often. There needs to be a good scientific reason to have to do it every year. Nothing's going to change that much from one year to the next, given what we've seen so far. It might go down a little, it might go up a little, it might stay steady, but there's no hinging restoration action waiting for that determination, so it's kind of -- when you do it for one species -- one group of species is something, where here across the whole board, it's something else. We're going to have to deal with that. So, we are going to have to have that type of review.

MR. ROSIER: Any comments from the Trustees?

MR. COLE: Are there any further questions on the main motion?

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: Well, we're now back on the '94 work plan, are we not.

MR. ROSIER: That's correct.

MR. COLE: All projects in the '94 work plan, other than the ones we've dealt with ...

MR. SANDOR: I have one question.

MR. ROSIER: Yes.

MR. SANDOR: Jim Ayers was going to modify project titles, 94199, Seward Center, or is that not the case?

MR. AYERS: Mr. Chairman, Commissioner Sandor.

MR. ROSIER: Yes.

MR. AYERS: We have to date, and to the credit of several staff people, rewritten project 94199, the Seward Sea Life Center. It's my understanding that it still does not meet generally the intent of the Trustees, or actually many of the people who envisioned that that project be a -- a -- an Alaska marine science research center. So, I understand that you have other views, and perhaps you should give us some guidance on -- on where we should go.

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: Having gone through the list of all the proposed projects to go out for public comment, our counsel at the Justice Department has given the federal Trustees a list of about ten projects which it is their opinion do not sufficiently establish a nexus with the spill, or otherwise do not meet the requirements of the federal decree, and which they do not believe that we should vote for, if they came up in January as part of the work plan, and, therefore, they do not believe should go out for public comments since it would not be fair to send out for public comments in a form in which they are -- cannot lawfully be approved. Chief among those are the -- as presented the 94025 -- I'm just going to list four of them -- 94025, which is the Fish Industrial Technology Center; 94273, the Port Graham Salmon

Hatchery; 94277, which is the Mariculture Oyster Farming; and 94199, Alaska Sea Life Center. From -- after some discussion we've been -- had over the last day or two, I -- I am convinced that, although we don't have right now, we are in the course of developing a comprehensive science and monitoring program. We don't have that in hand. There is a real contribution that an Alaska Sea Life Research Center in Seward might be able to make this program. However, as presented to date, this is not presented as a research program, but rather as a visitor center, education and visitor destination facility, and it is on that basis that the Justice Department objects to the federal Trustees considering this project. Attempts are already underway, as Mr. Ayers said, to try to reformulate that project as a research and monitoring project that we could consider in the context of a -- an integrated research agenda. And, I think more work probably needs to be done on that. My proposal is going to be that we include, rather than taking out of the projects sent out for public review, taking the 199, the Sea Life Center out, that we send out the new draft that has been produced, without any budget number in it, because we really don't know what our overall research agenda is nor what contribution this facility might make, that we send out the draft-in-progress for public comment and as Commissioner Sandor suggested perhaps, the Alaska Sea Life Research Center, but that we also ask the staff, over the next 60 days, to continue to work with supporters of the Center to reformulate this proposal as part of an integrated research agenda. We know that there are people who in

the Prince William Sound area, in Kodiak and Seward who are interested in doing research, and we're not going to be in a position to fund three or four similar studies in three or four different places. So, we're going to have to make all of these people, including the University of Alaska, come to that table and participate in an integrated research program, and I think that there's an opportunity here for the Sea Life Center as a research facility to play a role. Rather than knock it out of the public consideration and have to come back with a revised proposal, it's my -- it's going to be my proposal that we send this draft-in-progress out, but with instructions to keep working on it, so that we can consider it in a way that's consistent with the consent decree and the legal standards that are applied by the Justice Department.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: Let's see, so you then would revise slightly the package, the description that's there now. I agree with that.

MR. ROSIER: Yes, Mr. Pennoyer ...

MR. PENNOYER: Mr. Chairman, does your amendment include those other projects you so named as being omitted or ...

MR. FRAMPTON: Yes. I don't think that (indiscernible).

MR. COLE: May I suggest that we deal with the Seward Sea Life Center until that's disposed of and then take these other sets of (indiscernible) projects up that Mr. Frampton mentioned because otherwise we're apt to have some confusion.

MR. ROSIER: 94199 is before you.

MR. PENNOYER: We're voting on the amendment to the main motion.

MR. ROSIER: Yes.

MR. PENNOYER: Question.

MR. COLE: Can we hold off just a second? Because if it's understood -- well, is it understood that -- that as Mr. Frampton suggested, we will remove from the public comment document any costs from this project? Is that part of this motion and it is understood?

MR. FRAMPTON: It is. And, that the staff will work over the next several months to reformulate the proposal further with a budget, with a new budget that can be considered as an part of an integrated research agenda.

(Indiscernible - out of range of microphone)

MR. SANDOR: Are there any merit, Mr. Chairman, is there any range of the funding? Are there any projects that are sent out that do not have a funding on it? I do not remember any.

DR. GIBBONS: Mr. Chair, the only one is the capital outlay part of project 94126, which is habitat protection.

MR. SANDOR: Seems to me that -- what's in there now, I think is what twenty-five?

MR. FRAMPTON: Twenty-five million.

MR. SANDOR: If we put up to twenty-five or something like that, would it be kept at that, or some range, but it seems like we ought to have some estimate in there.

MR. FRAMPTON: My motion contemplated that that's the job of the supporters of the center, who presented a proposal that really does not incorporate research, and the staff to work together to come back with a budget that based on -- on a research proposal.

MR. SANDOR: What was the twenty-five million based on, I've forgotten?

MR. AYERS: Mr. Chairman, Commissioner Sandor, the twenty-five million -- I have not seen a detailed budget for the Sea Life Center myself, and it's one of the items that I -- as I understand the motion, that we would put together isolating, if I may use that word, that aspect that is envisioned to be an Alaska marine science research center, and developing a budget specifically as it relates to that science center. This twenty-five million, I think, encapsulated a variety of aspects at the Seward Sea Life Center. So, we would simply change -- simply -- we would -- we would work with the proposers as well as the University, NEPS, Seward community and ADF&G, and develop a detailed budget with, as I understand the motion, with a focus on integrated research. Now, with regard to the item, what happens in the cost of the project, there's a number that's put in it for '94 and then '95 and '96, and perhaps we could TBD or just "to be determined" there ...

MR. SANDOR: Yeah, let's do that.

MR. AYERS: ... if that would be acceptable to the Trustees and we would footnote it and say what we're doing.

MR. SANDOR: Yeah.

MR. ROSIER: Mr. Cole.

MR. COLE: Mr. Chairman, I'm going to vote for this motion, but I do so with the understanding that unless the motion were so amended, the project would be rejected in its totality by the federal Trustees.

MR. ROSIER: Okay, further comments? Raise the question.

UNKNOWN:WN: Question.

MR. ROSIER: Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed? (No response) Motion passes. Okay, 94199 is behind us. Mr. Frampton, did you want to speak to 94025 or '273 or '277?

MR. FRAMPTON: Only to say that those are projects that maybe able to be reformulated to establish a nexus that meet the legal requirements, but we're advised that they don't at this time, and -- in the case of the Port Graham salmon hatchery, I think obviously if we're going to into the hatchery building business, we need to look at this in a more comprehensive way, and in the case of the Fishery Industrial Technology Center, which could also make a contribution here to the -- an integrated research agenda, I would just note that one of the very highest ranking parcels that -- on the habitat protection evaluation is a parcel that's owned by the Borough of Kodiak, and if we were to undertake land acquisition deal with the Borough and it chose to go forward as the sponsor of

this center with its own money, that would be something that would be, you know, a decision that would entirely up to the Borough. So, that there may be some opportunities for this project, either to be reformatted here to come back to us, or for the project to go forward with other monies other than Trustee money, that would meet the objective of those who are sponsoring the project.

MR. COLE: Mr. Chairman.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: I call for question on the motion to send all of these projects out for public bid, except as we have provided for 94199 and as amended by Mr. Frampton, with respect to 94273, 94277, 94025.

MR. PENNOYER: Second.

MR. ROSIER: Okay. We've heard the motion, further comments? Those in favor of the motion signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed. (No response) Motion is passed unanimously.

MR. COLE: Mr. Chairman, there's one ...

MR. ROSIER: Yes.

MR. COLE: ... loose item and that had to deal with the Artifact Repository Center at Kodiak. We've had that before us and previously approved it, and I think that there was some uncertainty raised about it, and I would think that those issues have been resolved and I would at this time again move to reaffirm the decision to proceed with that project in the amount of one

point five million dollars.

(Indiscernible - background talking)

MR. PENNOYER: Second, for discussion.

MR. COLE: Do you want to raise it?

(Indiscernible - background talking)

MR. ROSIER: We have a second for discussion purposes here by Mr. Pennoyer.

MR. PENNOYER: Only discussion was that, I was originally in favor of this, and still do, but I'm not sure that the request of the Trustee Council regarding this project have been fulfilled. If they have, I haven't seen it. We had discussions about design and costs, contracting, the repository.

MR. BRODERSEN: Mr. Chairman.

MR. ROSIER: Yes, go ahead, Mark.

MR. PENNOYER: (Indiscernible - simultaneous talking)

MR. BRODERSEN: We gave you a detailed project description that included, I thought, all the questions that Mr. Pennoyer had raised. There was also some letters that came from KANA addressing those. The detailed project description went out for review amongst the agencies and they came back with some good comments which we have since incorporated into another version of the detailed project description, which has also come back to you. So, if you have any specific questions, we'd certainly try to answer them.

(Laughter)

MR. ROSIER: Yes, Mr. Pennoyer, proceed.

MR. PENNOYER: I guess there in the packet somewhere along the way (laughter). One of the item, as I recall, and you can just answer this for me without me trying to dig it or you dig it out, and I will accept what your saying, what had to do with the commitment for funding over time and operational costs over time. I recall we got a letter, I recall that in some people's judgment the letter wasn't adequate in terms of entering into a contractual arrangement for maintenance of the facility and what services would be provided with that maintenance over time, if we provided the capital to build it. And -- I don't -- maybe what you sent answered that. If it did, fine. I don't recall that we did get an answer to that.

MR. BRODERSEN: Mr. Chairman, Mr. Pennoyer. KANA has guaranteed that they will provide funding for it to do so. I'm not sure how else we extract from them promises that they will do so other than that they will. We could have them put it in a bond or something like that if you wanted, but that seems like that's getting a bit much. We haven't required it of others. I'm not quite sure what it is your looking for in terms of guarantee that they will provide that funding.

MR. PENNOYER: Your asking me to resurrect something that I don't recall that clearly, and I'm caught at a disadvantage by Mr. Cole this morning because I don't have it with me. My recollection was that we got a letter. I don't know that -- it wasn't a bond. I'm trying to think back to what our lawyers have looked at and the discussion as to whether that was an adequate

guarantee of what we thought was going to happen with that facility over time. Maybe it was. If it was, I withdraw my objection -- I voted for the project in the first place. I'm not against it, I just wanted to get that information clearly.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: The reason I brought it up, and I didn't mean to blindside you Mr. Pennoyer, but I'm told that these people out there are having fiscal stress in connection with this project.

It has been delayed for really months, almost interminably, and I really think it's time that we give these people a commitment or just say forget it. But, I think we should go ahead with it, we've approve it once, we've looked at it closely, we've had a lot of data, satisfied it's a good project. I think we all are, and that's why I think we should put that thing behind us today. So, I'll call for the question on the motion.

MR. ROSIER: The questions been called for. Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, one last -- I'm going to vote for this motion to provide that -- I do understand that that question was answered about the future of the facility and that we are satisfied in that regard. As I recall, some of our people are looking at that and weren't, but if that's been taken care of, then that's fine, because I think we should go at it. So, I'll vote for it.

MR. ROSIER: Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed? (No response) Motion passed unanimously.

MR. PENNOYER: (Indiscernible) '94 work plan, but I can wait for a break.

MR. ROSIER: Okay, we'll take a ten minute break here then.

(Off Record 3:15 p.m.)

(On Record 3:46 p.m.)

MR. ROSIER: Let's get going, let's take our seats, please, come back to order. Okay. Bart, let's get going. The next -- next item, Mr. Pennoyer.

MR. PENNOYER: I don't -- I think this may be appropriate before we get into the administrative budget, and Dr. Ayers here is anxious to go, but -- when we come back, and we haven't decided when we're going to do this, but the end of January to approve this work plan, we're going to need some organization to the approach and some information about these projects that I'm not sure we have now, and staff may need some instructions in that regard. The draft restoration plan we approved does not give guidance very well down to the level of species or ecosystems or what have you, and we have a ecosystem workshop out there which is probably going to be very preliminary fashion to deal with that question, it won't give us final resolution. I don't know what we can do by the end of January, but I would hope that we at least have the staff put some of these like projects in some type of context. For example, pink salmon are a species of great interest to both the users and, I

think, to this Council. We have, I think, six projects -- go back -- without going back and looking at it in the '94 work plan for about two and one-half million dollars or something like that. I don't necessarily have any problem with that, but I would like to know how those six projects relate to each other and how they relate to some objective that we're trying to satisfy on pink salmon. So, whether they are like projects for species or groups of species that can be related to either to work we've already done or to restoration objectives, I think I'd like to get that back from the staff by the January meeting, so, we're not just faced with another list of seemingly disassociated projects. And, I don't expect you're going to write recovery plans for each species by the end of January. That's not a very valid assumption, but where there are things you can bring forward, things like the need to do projects every year, the discussion we just had on some of these, things like how several projects dealing with sockeye escapement, for example, and sockeye concerns for pink salmon or whatever relate to each other, relate to what we've already done, then I hope we can have that type of information.

DR. MONTAGUE: Mr. Chairman.

MR. PENNOYER: And, oh, one other point too that I wanted to bring up and nearly forgot. At the moment don't have the Chief Scientist or peer review assessment of these projects. We have a memo from the Chief Scientist dating from July, I would assume we would have that in front of us as well to go with staff recommendations on these projects.

DR. MONTAGUE: Mr. Chairman.

MR. ROSIER: Yes.

DR. MONTAGUE: Mr. Pennoyer. Relative to sockeyes and pinks, we are embarking on doing what you've indicated and we'll have that ready by January. It is quite a task though and I wonder are there other species really, or is it just those two? I mean, I'm not aware of any other species that have as many or as complex projects that ...

MR. PENNOYER: Mr. Chairman, I -- I know it's quite a task. The reason I don't -- I wasn't implying you should do a symposia or compendium or a publication reference chart, I mean anything elaborate. It seems to me, for example, for pink salmon if you've got six projects you can sort of relate, tell us how they all relate to each other, and whether you write a book or your prepared to give us that type of background. Our approach to this work plan needs to be organized in some fashion. And, if there are other species -- I guess I could go through the list and send you a note or something, but where there are several things dealing with the intertidal or several things dealing with marine birds or that type of thing, then I think you should be prepared to say how they relate to each other, how they relate to our objectives for that species, even though there not very well stated at the moment, and probably why we need to do them this year.

MR. ROSIER: Further comments? Mr. Ayers is that clear?

MR. AYERS: Mr. Chairman, Mr. Pennoyer -- I am

struggling with non-fluency. I don't know that you can get there from here with the '94 work plan. I know what you want, I think, and we've talked about this, and individually I've talked with the various Trustee members as well as the staff. We will, to the best of our ability, develop a report to you that that associates or identifies projects that are associated and related. I don't know that we can do it to the degree of identifying those projects and their inter-relationship in the ecosystem just yet, but I understand what you want. I also understand that you -- and clearly, that you want to hear from the -- the Chief Scientist on -- on the projects and the association we're talking about, this inter-relationship of species. And, I think I heard you say that you wanted to hear a recommendation from staff on projects.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, yes, that's correct. Jim, I don't mean that you need to, again, write a book on those things. As a matter of fact, even if staff was prepared to do it in a verbal presentation in response to that type of question about each project. But, I think we need some background, and I don't expect that the '94 -- '94 work plan, we're still playing catch up as we have the last two work plans, and I don't expect we're going to have that caught up before the '95 work plan, but it seems to me that for some of these, Dr. Montague hit on a couple of them, and I'm sure there are others as we go through here we can pick out, some of those relationships, not the whole -- ecosystem as a whole, but to themselves even, like on pink salmon. I'm -- the

relationship of pink salmon to marine birds and forage fish and everything else, is something we may want to get to, or will want to get, but we don't have that for this particular purpose. But within that context, you got tagging projects and recovery projects and genetic projects, and so on. Somehow that has to fit a pattern. Is this a good package for pink salmon for '94 and, if so, why?

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: Mr. Chairman, I'd -- I'd like to second the request for recommendation when we come back, but also say that, speaking for myself at least, that I would not object to some creativity here even on a short time frame which you have to begin to think about the outline of a set of priorities. If you and your staff decide that there are some important projects that need to be done in the area of pink salmon, but they are not incorporated in list of projects that were sent out, or there's an overlapping project that needs to be done, I would encourage you to come back with a recommendation that we don't do two or three of the projects, but instead we take a little bit more time to put out an RFP for what it is that we do want, or get a couple of the people who submitted projects to combine to a slightly different project that may be the highest priority, so that you don't feel - I would not want you to feel limited by what we put out here as an exclusive menu. If there's some things that -- are identified in this process, there's no reason we can't take a few more months and see if we can restructure some projects later in the fiscal year,

that are higher priority.

MR. ROSIER: I don't believe there was a motion that you were seconding there, but -- or was there?

MR. FRAMPTON: Does it require a motion?

MR. ROSIER: Doesn't require a motion as far as I'm concerned. As long as Mr. Ayers is clear in terms of what we're requesting of him.

MR. AYERS: We'll know in January.

MR. ROSIER: All right.

(Laughter)

MR. ROSIER: Fair enough (indiscernible). Alright, let's move on to item 7 there, the management structure and administrative budget. Mr. Ayers, you have the floor.

MR. AYERS: Mr. Chairman, I have forwarded to each of the Trustee members a copy of the draft mission statement and also an organizational structure, draft number four. If you don't have those particular items, I have copies here. Basically, Mr. Chairman, the -- the mission statement is a result of discussions, in some part, and memos on -- in other cases, and I believe that I have incorporated what I understand to be the Council's direction with regard to the mission. And, I think it's important for us to have a clearly stated mission so that anyone who is participating in the activities of the Council effort has a clear understanding of what our mission is.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman. Mr. Ayers, how does -- I

haven't gone back and -- beg of you -- I haven't spent enough time this, but I haven't gone back and compared this one to our draft restoration plan that we just did. Is there not an adequate mission statement inherent in the introductory sections of the restoration plan? Somewhere in there it certainly says what we're are about, at least I hope it does.

MR. AYERS: Mr. Chairman, Mr. Pennoyer. My view is that consistently there are reiterations or reflections on the court degree. I'm not certain that there's been a mission statement and we could certainly get back into the debate, ad nauseam about it, I just think that you need to have a simple statement that says -- and I think the first sentence of this mission statements says what it is that we're about. The second part of this was also to address an issue that's been raised and messages that I received from you.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: Mr. Chairman, I move that we adopt this mission statement as presented in draft two, I like draft one better. I'll take draft two.

MR. ROSIER: We have a motion to adopt. Do I hear a second?

MR. SANDOR: Seconded.

MR. ROSIER: Seconded by Mr. Sandor. Comments? Ready for the question? Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Those opposed? (No response) Motion

passes unanimously.

MR. AYERS: Mr. Chairman, the other item that is before you in this -- this -- this particular structure will lead us into the discussion of where I think we're headed and so it's difficult for me to decide whether I want to talk to you about where I think we need to go with regard to establishing a scientific approach to things like a work plan. So, I'll relate my comments only to the structure. I think this structure is specifically efficient, would accomplish the mission, and gives us the staff support necessary to carry out the mission of the Trustee Council, including managing the work projects and having adequate fiscal oversight as it relates to that mission. And, I don't -- I don't believe that -- that this is the only way to do it. I think that this is the way after several comments that I think would work most efficiently given your comments and that it will accomplish the mission. And, I can get into individual questions, but rather than belabor the point about an ecosystem approach and why this is the more appropriate, I'll wait until questions.

MR. COLE: I move we approve organizational chart as presented.

MR. BARTON: Seconded.

MR. ROSIER: Motion has been made and seconded by Mr. Barton to approve the organizational chart as presented. Comments? Yes, Mr. Frampton.

MR. FRAMPTON: If we approve this organization chart, which I understand you may want to, or we may want to revisit, you

know, a few months down the road when you get into staffing. It's my understanding that you will consult with each Trustee, or each agency with respect to personnel needs from that agency, and you will do that on an individual basis. Is that the plan?

MR. ROSIER: Mr. Ayers.

MR. AYERS: Mr. Chairman, Mr. Frampton, I generally have as a rule not to give you more than one piece of a paper at a time, but I'm not sure that I can avoid this. I think in order to answer his question, I'm going to have to deal with the issue of a resolution that you need to pass to give me the authority to make transfers and to fund this management structure, so I'm now going to hand you, what I believe to be the funding resolution, to -- which is the answer to your questions, Secretary Frampton. So, why don't I hand that to you and I'll just explain what this is, as I ... What's -- what has to happen is there has to be a transition, as you know, from the existing management structure to an Executive Director and a traditional management approach to implementing the program and work plan. What this resolution actually says is that there would be some transition time from now until probably February 1st, that's what it is implied in here, until February 1st as we make the transition to move away from a conglomeration of administration that is in the current work plan of a an Executive Director's office, a Restoration Team, including the various work groups, the Finance Committee and the Public Advisory Group. Without going into details of five different work groups, what this suggests is that you would approve the management structure that

you would proceed with the work plan, and the items in the work plan that are related to the administration budget would be transitioned over the next three to four months to this management structure, but that we not delay for three or four months the transition, that we immediately proceed with the transition and that I work that transition out, on page two of this kind of outlines that, that I would work the transition out with the individual agencies establishing who is going to be their liaison work force member, what source of resources we need, who will be the habitat analysis and protection work force member, including this small parcel issue, although that, too, is envision in a separate project which is project 110, but that those details, Mr. Chairman, Secretary Frampton, those details would be worked out with the individual agencies. I do have it in mind to, as it says, disband or dissolve the various existing Restoration Team, the Restoration Work Plan Group and other associated groups, or meld them into the structure that I'm proposing. And, that what you would direct me to do is use the budget -- you would send this budget out so that the public has something to review. We'd also send out the management structure so that they could review that with the understanding that we're going to make the transition, and we're going to use the funds that are indicated in there to make this transition to this management structure, and that it will be, at least, fifteen percent less than what's proposed in the budget. That's a lot. I'd be glad to answer questions.

MR. ROSIER: Yes, John, did you have a question?

MR. SANDOR: Yes, Mr. Chairman, I guess the concern I have is that I do not know how this is going to affect the individuals that are now assigned to the Trustee Council, and would like to have the opportunity to -- to determine what their assignments are to be, and indeed to determine whether or not they would want to continue in them. Most of the recommendations that I have given to you are adopted, but several remain. If no one else, no other agency has that concern, I guess I would not oppose the motion, but I would prefer that this be an interim approval until our January meeting. That's my (indiscernible).

MR. AYERS: Mr. Chairman, Commissioner Sandor. the budget that you have approved currently only goes until December 31st.

MR. SANDOR: I don't have any problem with the budget. I guess I have a problem with the structure, at least with the structure and how the individuals will be utilized.

MR. AYERS: Mr. Chairman, Commissioner Sandor, that is exactly what I mean in item number six is that agency would designate a liaison, a restoration work force person to work with the Executive Director in developing the FY94 administrative budget respectively. So that I would sit with you or your designee, actually that's what one and six both imply, and I was hoping that that would perhaps meets -- maybe it needs to be clearer. But, I intend to sit with you or your designee and work out exactly who you want to be involved as your representative in the appropriate restoration work force, for example, that that will take people

from the Department of Environmental Conservation. I don't know who you would want, although I would like to talk to you about that. There are some specific skills and -- let me say that the first order of business, as far as I'm concerned, is to put together a small group of people with the Chief Scientist and a couple of other people and clarify what it is that we mean by an ecosystem description, and immediately pull that together so that we can describe what it is that we mean by a healthy ecosystem. We have done some damage assessments, and what is that damage assessment's relationship to that ecosystem. That we move with that group to describe what an ecosystem approach is then in identifying the objective. Actually, it would be the goals of each of those resources and then develop, what is it we need to know of all of the flora and fauna that are related to those resources and restoration. So, the first order of business will be to pull some people together, including key members of your staff to discuss that and lay that out, and not do that over six or eight months, but do that immediately after the first of the year. But, I would work with you, I think is the answer to your questions. Although, let me say that the budget can be reduced.

MR. SANDOR: One follow-up question, Mr. Chairman.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: For individuals that are dropped from the organization, how much notice will they have.

MR. AYERS: I wouldn't intend that anybody that's currently on staff would be dropped from the organization before

February, and we would work with them to see if there is a place in this effort for them, or back in their agency. I've already, you know -- matter of fact, Marty and I were talking earlier. She has several -- Marty already has a job, she's not necessarily concerned about not having a position on the Restoration Team and was smiling as she left.

(Laughter)

MR. AYERS: On the other hand, there are people who have concerns and I want to be sensitive to that. I did not want to ask for an executive session for that very reason. I want to be very open. I want to work with -- with not only the agency, but with the individuals and helping them find a place in their agency or within this structure. But, I do believe that we can do it with fewer people more efficiently. Given that the foundation has been developed by the staff, who have done an incredible job, given not only the -- their assignment, but the structure.

MR. FRAMPTON: How about their bosses. You didn't say it.

(Laughter)

MR. SANDOR: Thank you, Mr. Chairman.

MR. ROSIER: Thank you. Other comments? Questions?
Yes, Mr. Pennoyer.

MR. PENNOYER: Okay, Jim so your proposing that we send the budget out as in the FY94 work plan.

MR. AYERS: Yes.

MR. PENNOYER: ... for the whole year, as it sits now,

and then your commitment is to have a budget about fifteen percent less than that when you get the final package put together.

So, right?

MR. AYERS: Yes.

MR. PENNOYER: Okay. In terms of this structure here, approval, how many actual positions are we giving you the authority to, or going along with your request to retire.

MR. AYERS: Mr. Chairman. My -- my view is that there are -- there are fewer positions in this, but they are in agencies currently. So, the answer -- let me answer the question as straightforward as I can. My view is there's an Executive Director position that doesn't exist today that will now exist. There is a Chief Scientist that does exist today and will continue to exist, although I believe that Chief Scientist should report directly to the Executive Director. That does not mean the Chief Scientist will not talk to, but that Chief Scientist will be directed by the Executive Director. The Director of Operations is a position that does not exist today, but that you talked about in your previous meeting as a deputy, and I don't necessarily see a need for a deputy. We need somebody who has a very specific assignment and that would be the Director of Operations. Under the Director of Operations, I think we must have someone whose sole responsibility is to work on habitat and land coordination, and I can describe all of this, the various assignments that we were talking about earlier, including the coordination of that activity, and I think in addition to that working with the respective agencies and

Department of Law working out, even to the details, whose -- what kind of a tickler system or annual system are we going to make with regard to fiduciary or payment responsibilities. The other position I envision there is a Project Management Coordinator, a person who's actually, every day, thinking and working about how the project inter-relates to our overall mission in the ecosystem, and keeping -- and setting in motion, and I could go into this in a little more detail, but setting in motion a process where project -- it's a two year project is not developed and funded on an annual basis, or God knows, a quarterly basis, so that the two year project, we develop a system where we establish that as a two year project, as it relates to our goal, and we go both to the LB&A on the state side or to OMB on the federal side, just like we do in capital projects, and we say this is a two year project. We're not going to come back to you next year and talk to you about it, it's going to go on for two years so we're not splitting these projects in two. So, that Project Management Coordinator would both be -- and the Habitat Land, those are two new positions. The Director of Administration is a position that I think is essential, and right now you do that in a variety of ways. You have a finance committee and then you also have people who actually carry out various administrative responsibilities. And, frankly, I need to sit down with Mark Brodersen and Dave Bruce and Michelle Gibert (ph) and a number of other people because I think that the budget can be constructed a little differently, and I think we need to have somebody whose sole responsibility is the fiscal oversight, the

budget and audit, and I'm going to say accounting and inventory, although that seems to be debate in some quarters, and an annual fiscal report, which I think is essential for the Trustees. I think you ought to print, publish and produce and distribute an annual financial statement like a -- like a professional corporation or trust actually does, in this country. And, I think there's a way to do that so that the public feels more comfortable about what's transpiring. I think the Director of Administration may need a clerk in some cases to do that, but I want to talk to the agencies. So, the answer to your question is the Executive Director is a new position, the Chief Scientist is not, but the Director of Operations, that's two, Habitat Land Coordination, that's three, that's less than a senior staff, Program Management Coordinator, that's four, less than senior staff, Director of Administration, senior staff, that's five, and probably a clerk is six. I don't know about secretarial staff yet, I'm trying to work that out with the Department of Fish & Game and NOAA, and I need to work on that. I think I'm going to have to hire a secretary, but I need to work that out, and I'm not prepared to discuss that at this point about where all of the secretarial and administrative assistance is today and whether we can transfer that in some way. But, there is -- that is six positions, one, two, three, four, five, six, including the Executive Director. I put the Special Assistant at the side because, at least in the beginning, my view is I'm going to have to have some help.

MR. ROSIER: Questions.

MR. AYERS: So, that's -- that would be seven, not counting a secretary, which at some time I've got to figure out.

MR. ROSIER: Are these positions that we're talking about here, are these positions that would be in Juneau with you?

MR. AYERS: Mr. Chairman, my view is that currently I'm in a variety of places, and the only position that I think will be in Juneau is the Director of Administration, and I think that that -- I think for a variety of reasons that's essential. I mean, that person is going to end up -- we're already burdened with budget and audit questions that we're trying to avoid, but we're getting into deeper, and I think both state and federal agency, Director of Administration, perhaps that person's clerk would be there. The rest of the positions will be in Anchorage, in this office.

MR. ROSIER: I'm not sure what our total staffing level is at the present time in the Anchorage office. How many would you say, are these seven new positions above and beyond what we currently have on the payroll here in the Anchorage facility, or is this -- are those people being considered as potentials to fill into this -- this structure?

MR. AYERS: Mr. Chairman, I have not addressed the question of secretarial or administrative staff at this point, which -- and there are a number of people here. On the other hand, there are ...

MR. ROSIER: How many do you have here at the present time?

MR. AYERS: I believe there's nine, there's nine secretarial, administrative assistant staff, including the library, though I think, that's including the library and assistant.

MR. ROSIER: So, we're talking a total of sixteen?

MR. AYERS: That's correct (pause) -- which is less than what you have today. It depends on how you -- how you determine how these assignments are currently being carried out.

MR. ROSIER: I understand that.

MR. COLE: That's the question I was going to ask, if -- I mean how do we count, so to speak. I mean are you planning on putting on seven more and keeping essentially everyone else? You may want to ... (indiscernible)

MR. AYERS: The answer to your question, Mr. Chairman, Mr. Attorney General, the answer to your question is no. I -- I -- I can run through these in some detail, there seems to be some question about how many staff people there are that are related to the various work groups.

MR. ROSIER: I would appreciate that, if you would, please.

MR. AYERS: Run through this?

MR. ROSIER: Yes.

MR. AYERS: To the best of my ability, my understanding, and I guess anytime someone new comes in and positions himself or is positioned as the Executive Director, they're subject to the whip. So, I've done this work on my own with regard to the budget, and I'm sure we'll be corrected, and so

I say with a lot of humility this is my analysis, but I think it's what the budget says. That ADEC has an -- in the Executive Director's office the funding for two restoration specialists and information officer and three point two positions. ADNR has the point two positions in the Executive Director's office, that the Forest Service -- they also carry the Chief Scientist budget. That the Forest Service has approximately one point three million dollars, but that's only one full time position, but the one point three includes the CACI contract.

(Laughter)

MR. AYERS: That was the particular budget that I looked at when I accepted the position, and I (laughter) -- I'm a little, somewhat disconcerting when I -- yeah, when I realized that I was sitting in the last row on the airplane. Then there's a general administration, which you have approved, which is supposed to fund some of the things I'm talking about, which is fifteen percent of the personnel services line items, plus seven percent of the contractual line items, that goes to the respective agency that manages those respective contracts. The finance -- do you want me to keep going? The finance committee is a -- a proportional distribution based on the assignment that they may have with regard to finances and it varies from a quarter of a person to a tenth of a person, which is DOI, and basically, it totals a hundred sixty-five thousand dollars. The Public Advisory Committee has point seven person assigned to it, and the total there is a hundred and eighty-one thousand, but again a considerable amount of that is in

transportation contract. The Restoration Team is a little more complex as a project because it has the subgroups within the Restoration Team. ADEC has four point two positions assigned to it, that includes restoration at one point four and Restoration Plan Working Group at one and Habitat Working Group at point one. The personnel services item is three hundred and thirty-thousand. I figure that's the easiest way to do it. ADF&G has approximately -- no it has exactly three hundred twenty-four point seven thousand dollars associated with it and four point four people within the restoration, but that includes the Restoration Team, the Restoration Plan Work Group, Habitat Work Group, and one point five people for the Work Plan Work Group. DNR has four point one people and personnel services of three hundred and thirty-eight thousand, and it includes that various work group business. Plus, the various other line items two through eight hundred that are not associated with personnel services which I'm not -- is not part of the question. The Forest Service has, it looks to me like five point four full-time positions, there are three hundred and twenty-seven point seven thousand, and they're also distributing a Restoration Team, one point five people and a Restoration Plan Work Group. One point five in the Habitat Program Work Group, and then one point two people in the Work Plan Work Group. Interior has three point seven people associated with the structure and its two hundred and fifty-one point one thousand, and it's the same distribution in the four work groups. NOAA has three point eight people funded with regard to administration, and that total is two

hundred forty-three point nine for personnel services.

MR. COLE: Mr. Ayers, when you say personnel services, is that in addition to the three point nine, or is that what you're paying for the three point ...

MR. AYERS: No that's the cost for the three point nine, personnel services, and I only differentiated that so you would know I'm not -- I'm not going into travel and contractual and that. The general administration in each agency seems to vary considerably, depending on whether or not they've chosen to activate the formula of fifteen percent for personnel services and seven percent for contractual items, or whether they've simple initiated a charge to the Trustees based on a specific purpose. So, I won't belabor that unless you want to argue with each other, but it just -- it just seems to vary how that's dealt with, the general administration that you have approved. There's a work plan -- no I'm sorry -- there's a Habitat Plan Work Group that's actually a separate project, and that's the -- that's the technical subgroup of the Habitat Work Group, which is the technical habitat planning sub-work group, and that project (laughter) -- that's project 110. And, it seems to vary depending on what the assignment is, but there are funds associated with that subgroup of the work -- of the Habitat Plan Work Group. Now, one of the things I didn't do is put all that into a document and get into the discussion because I think it's important for you to know it and that what I am proposing is left in that, and I think there's a way to make the gradual transition, and it will be significantly less

people and less money, but I think it will take us some time to do that so that we don't have someone left on the street, so to speak, but I think we can do that over the next six months without a problem.

MR. COLE: How many ... Mr. Chairman.

MR. ROSIER: Yes.

MR. COLE: How many -- I have two questions. How many persons does -- where does that add up to?

MR. AYERS: You know, I think the answer to your question is it adds up to a lot more people than the FTE because they share positions and then they -- they picked it up in funding for the rest of that balance, but FTE or full time equivalent ... (pause) I think is thirty-one, but I didn't add them up because like I say, I didn't want to belabor the point. Thirty to thirty-five.

MR. COLE: One other question. How many ...

UNKNOWN: Thirty-one is the number, Mark.

MR. COLE: How many full time state and federal employees is this Exxon Valdez Trustee Council employing or funding today?

MR. AYERS: Mr. Chairman, Mr. Attorney General, I would -- I don't know what the three month project would say, but when I tried to -- when I tried to pick up the FTE, I think that it -- I know that it -- I know that I can -- I can count to eighty-seven without this thirty, but it -- then it's -- then it's a little murky depending on -- on the assignment within the agency.

But, I think the answer to your question is eighty to a hundred FTE, but we're probably carrying close to two hundred people, in some fashion.

MR. COLE: Full time equivalent?

MR. AYERS: No, eighty to one hundred full time equivalent, but I -- I would rather come back to you with a specific answer, Mr. Chairman, Mr. Attorney General.

MR. COLE: Let me say one other thing.

MR. AYERS: Yeah.

MR. COLE: You say without counting the thirty-one, you have to add the thirty-one onto the eighty-seven?

MR. AYERS: That's my view right now, yes.

MR. COLE: So, it's roughly a hundred and twenty ...

MR. AYERS: Yes.

MR. COLE: ... full time, and then maybe some more that you haven't been able to quantify, is that fair, reasonably accurate? If so, I have a -- because people ask me this question, you know, and then they say did you know how many employees are out there, state and federal ones, and then they give me some pretty big sounding number, and I said matter of fact I didn't know, so I thought I would get it sort of straight from the horses mouth today.

MR. AYERS: Well, I don't know which end of the horse we're dealing with.

(Laughter)

MR. AYERS: Mr. Chairman, Mr. Attorney General, I

would -- I'm not a lawyer so I'm not going to head into the discussion of the Fifth Amendment necessarily, but I would rather come back to you with the answer because I don't think it would be fair for me to say a number because I think it's going to cause some concerns. I'm comfortable that I've looked at this and there's thirty-one people that I know, or thirty-one FTE's that I'm -- that I'm familiar with regard to administration and that doesn't count the number of -- the nine people that are in this building, that thirty-one does not include them because their contract, so that's a separate question. And, when I started using the other number, that included all the people that I can see that are associated. But, I would rather come back with an answer that is -- the question is how many beyond the thirty-one are funded, and how many full-time equivalents or positions are funded, and I'd rather come back with an answer that I think is ...

MR. COLE: Just let me say this, and that -- you will do that and that's like onboard right now, that doesn't count the people -- additional people with -- if we have additional people, as a result of the projects -- work projects. Is that right?

MR. AYERS: That's correct. Mr. Chairman, Mr. Attorney General, that's correct, but some of those people are involved in projects already that are similar to the projects that you're going out with, so they're continuations. So ...

MR. BARTON: The eighty-seven, does that include people in the -- working on the projects, again -- the '93 projects?

MR. AYERS: Mr. Chairman, Regional Forester Barton

(laughter), yes. But, I would like to do a little bit more survey. I mean, the auditors weren't able to count them, and they guesstimated and I think, you know, then they attacked. I think it's important -- I think it's important for us to come up with a number. Let me also say, I haven't found anybody, you know, sleeping in the corners or not doing some work. I mean, the group has been a very productive group and by and large, I mean, I think that you have a very dedicated work force that gets very little support in terms of -- in terms of, I know you turned and looked at me Charlie (laughter) -- in terms of ...

MR. COLE: I was looking at this agenda. Mr. Frampton is getting ready to leave.

MR. AYERS: And, I figured if I talked to five to five, you'd vote for it.

(Laughter)

MR. AYERS: Mr. Chairman, I'll conclude my remarks with saying that I feel comfortable and confident that I can implement this -- this structure in an efficient manner that will be relatively non-threatening, but is going to cause some reduction of force, and let's say that can be done through transition, I think, and it's going to cause some reduction in dollars. And, my target right now is two hundred and fifty thousand dollars. I think if we can get to two hundred and fifty thousand dollars per agency this year, that that's a laudable goal, and that's more than fifteen percent, but I don't know if I can get there with some agencies. I got to find out what their commitments are.

MR. ROSIER: Yes.

MR. SANDOR: Really an excellent discussion. In summary, then -- in January -- our January meeting you'd expect to be able to have more definitive numbers.

MR. AYERS: It depends on when in January, but what I would like to do is move forward with this structure budget, but I would definitely come back to you and I would give you a very specific budget, assuming that it's the latter part of January and that I, you know I'm going to need some help from -- from Dave and Mark, as well as some agency people. There's a -- there's a lot of information in the -- in the bowels of the various organizations. So, yes, I will come back with you with a detailed budget for this -- for this structure, assuming that we're going to meet the end of January.

MR. SANDOR: Thank you.

MR. ROSIER: Is there a question? There's a motion to adopt this resolution here. (Indiscernible - discussion out of range of microphone)

MR. AYERS: I think there was a motion on the floor, but maybe we can get some help here. I don't think we -- there was action on the item with regard to the structure, there was a motion by the Attorney General.

MR. PENNOYER: (Indiscernible) and that the motion may include the (indiscernible)

MR. ROSIER: Motion made and seconded to include the administrative funding resolution. Comments? Those in favor

signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response)

MR. AYERS; Mr. Chairman.

MR. ROSIER: Yes, Mr. Ayers.

MR. AYERS: Thank you. Mr. Chairman, members, there are two -- two items which I think before you get into this next debate and cause us to lose -- or have me lose tract, there's an item for publication that needs to happen, and I'm advised that rather than take the chance, you need to allow us to transfer twenty-five thousand dollars from one -- from a federal agency which is the -- the Forest Service, as I mentioned there are various pieces of this puzzle in the -- in the various agencies. We need to transfer some of that -- we need to transfer twenty-five thousand dollars from the Forest Service over to a state agency, so that we can implement publication of the work plan, and I don't know how much detail -- do we care which agency? The DEC.

(Laughter)

MR. AYERS: Would the Forest Service please send DEC a check?

MR. BARTON: It will be done.

MR. PENNOYER: (Indiscernible) court request.

MR. AYERS: We think -- we think that we need you to say that, on the record, that that's acceptable.

MR. PENNOYER: So moved.

MR. BARTON: Second.

MR. ROSIER: Those in favor?

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response)

MR. AYERS: The other item, Mr. Chairman, since we're on -- and this is my last item. Is -- January 31st is as late as I can possibly get in January, and I was wondering if rather than get to that discussion later, if January 31st, which I think is a Monday -- is a Monday, if you could dispense with that particular item at this time. Set January -- January 31st as the time that you would meet again to conduct the various items of business that you've been talking about and referring to the end of January all day.

MR. COLE: Mr. Chairman.

MR. ROSIER: Mr. Cole.

MR. COLE: Mr. Chairman, I -- I think it is unwise to wait two months before we meet again. I think we should meet at the early part of January or the latter part of December, because I think too much is happening, we have too much work to do to defer the next meeting for sixty days.

MR. PENNOYER: Mr. Chairman.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: I don't have any -- I've got a lot of problems with early January. I don't have a problem with late December, but I'd like to know what we're going to have back in front of us. I think the group on the work plan has promised they can't bring anything back until the end of January, and I have

absolutely no problem with meeting if we have an agenda, but I think -- they've requested the end of January for the work plan. So, we've probably got to do that, and they can't have it back to us before that time. If you want to have an in between meeting, that's okay with me to, but to have ...

MR. COLE: Well, let me respond to that. Why can't they have something on the work plan back to us before the end of January?

MR. PENNOYER: Public review.

MR. COLE: I mean, I just think that, you know, I've consistently said, you know, we have to supe-up these things because we come there in the latter part of January, we will be faced again with -- well, you know, we can't wait, we've got to decide this today because the vessels are -- got to be chartered, or we've got to order some fish tags or something. You know, I mean we've been through that every year, I mean -- and -- and I think we have to just move these things along faster than that.

MR. ROSIER: Dave.

DR. GIBBONS: Thank you. Mr. Chair, if we work this week to revamp the '94 work plan, get it to the printer next week, and it takes at least a week to get out of the printer, that's -- then that's pushing it a week. We could have it out to the public sometime around the 17th of December, thirty day comment period puts you into the middle of January. If you want just a collation of the public comments, we have to wait until several days after because stuff's in the mail, postmarked so accepted, so it's

somewhere towards the last two weeks of January is the earliest we can ...

MR. COLE: Can I respond.

MR. ROSIER: Yes.

MR. COLE: If I, I mean first -- I mean, I think we should just take this sort of summary we have, a little tinkering with it in the next couple of days, we'll have to get it to the printer, just put it in the mail and get it out, and let these people respond faster than, you know. You know, it's always -- it takes two weeks here and two week there, and I tell you that doing these things in the latter part of January, in my view, is too late. And, then we will have at the same time the habitat. You know, we're going work from the habitat group, and then we'll say, gee, you know.

MR. ROSIER: One -- one question here on this, I guess, what's the availability of the Trustee Council the first half of January?

MR. PENNOYER: Mr. Chairman, I'm not available the first two weeks in January and the last week in January.

MR. ROSIER: I'm not available for the first two weeks in January. You don't have a calendar with you (indiscernible)?

MR. FRAMPTON: I -- Mr. Chairman.

MR. ROSIER: Yes, Mr. Frampton.

MR. FRAMPTON: I -- I agree that it ought to be possible to get the work plan into the mail a little earlier, but realistically it seems to me we may be better off waiting a couple

of weeks until the end of January to get a little bit more coherent set of proposals and recommendations back. It seems to me that maybe we could set the meeting for the 31st or February 1st and plan to, at least tentatively schedule a conference call meeting in the middle of January, at the end of the second week in January. And, handle things that are ready at that point. And, we're not going to have a full blown work plan to approve, but there may be a number of things that we can move forward without waiting for the full -- take the process forward. And, if it turns out that, you know, there are things on the agenda that we can handle by the 15th of January, we do it on the telephone.

MR. COLE: Mr. Chair, I'd just like to say, you know, that gets to the legislative session, we state Trustees are called, summoned if you will, to appear before the legislative committees, have a stack of other responsibilities descending upon us starting around the 15th of -- of January, and maybe a little sooner.

MR. PENNOYER: Mr. Chairman.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: I sympathize with Mr. Cole's desire, and I know we're behind the eight ball again in this work plan and hope next year we're not. But, we also -- when we approve this work plan we're going to, I think, need some backup information and organization we've requested. And, so, getting something back early that is still a loose collection of projects is not going to be real helpful, I don't think. I think we need to have this package organized for us and presentations and go through it so we

understand the relationship of these projects to each other and the work we have done and are going to do. And, I -- I'm free the week of January 18th. I think if you want to move it up a week or so, and there's a way to do that, that -- I -- I think if we can do it on the 31st and 1st is time enough to get these projects in the field, from what I understand from the discussion we've had. And, I don't know that rushing it is going to do a better job on it for us.

MR. COLE: We say the same thing every year. We're always into January with these projects, you know, and we always get sort of behind the proverbial power curve in January, and here we are again. You know, and then we say the same thing, gee, we just can't get this done any faster, and I guess there's -- I'll just sort of give up and say well, you know, okay be done with it. We'll meet in the latter part of January.

MR. PENNOYER: Mr. Chairman, I don't want to leave the impression that I like waiting. It seems to me a part of this is the fact that we decline to make decisions on the '94 work plan back in October for other reasons. And, we didn't put it out at time for public review, we came at this stage before we put it out to public review. We have delayed ourselves, it's not the staff's fault. At the same time, getting the stuff back from them to make this final decision, I think we've backed ourselves in having to give them the time to do that, ourselves.

MR. COLE: I'm not faulting anyone else, you know. It always comes back to our responsibility every year at this time,

you know. So be it, enough said. Mr. Frampton has to leave. I'd like to be able to spend a moment, if we could, on the ecological study before he leaves. Therefore ...

MR. ROSIER: Just moment, Mr. Cole. I'm not sure that we've solved the problem for Mr. Ayers here at this point, 31st?

MR. COLE: No, 31st, I mean let's at least make ...

MR. AYERS: We will -- we will begin to get some copies out the first of next week. We will get copies out on the street, and I think that will help us as far as comment period is concerned and getting those comments in and sort of -- we're able to get our act together so we can come back to you. Let me mention one other thing since I have the floor, Mr. Chairman, that I failed to do knowing ... I don't see Craig Tillery here, but I -- you all have been involved in a discussion and I note -- I made a note here that Secretary Frampton has pointed out that we would talk to you -- that I would talk to individually about staff selection. It is certainly my intention to move forward with this management structure and by staff selection, I assume that the secretary is not the level which you want to have discussion of my selection. On the other hand, the Director of Operations and Director of Administration are two positions that you are interested in having me talk to you individually about, and I guess I'm curious about whether you want the Program Management Coordinator and the Habitat Land Coordinator, are those positions you want me to talk to you about individually, about doing a selection? Clarification, because I intend to move forward.

MR. ROSIER: Move forward.

MR. AYERS: Thank you. I'm finished, thank you.

MR. ROSIER: All right, thank you very much, Mr. Ayers.
Good job. Federal attorney ...

MR. COLE: Mr. Chair, I move that we switch the order
of the next two agenda items.

MR. ROSIER: Okay, Mr. Spies, are you ready to talk
about the ecosystem study plan status report?

DR. SPIES: Sure.

MR. ROSIER: Come right forward here, sir.

MR. COLE: I like your tie.

MR. PENNOYER: It took some -- more courage to wear that.

DR. SPIES: Good afternoon, Trustees. After your
charge to implement the ecosystem study, as you may be aware, doing
our usual thing we've formed a committee, and -- with
representatives from the agencies, NOAA, Alaska Department of Fish
& Game, U.S. Fish & Wildlife Service, also the Nature Conservancy
and the Prince William Sound Fisheries Ecosystem Research Group in
Cordova, and myself. And, we've -- the committee has developed
objectives and a structure for the work shop, which is reflected in
the agenda that I have available here. After a lot of discussion
of the dates, it was decided to hold this over the weekend of
December 4th, 5th and into Monday the 6th. It'll be held in
Cordova. And the basic thrust of the workshop will be develop an
ecosystem approach to study injured resources, and the approach
developed by the Prince William Sound Fisheries Research Group, in

particular, since it's so far along in its planning, will be used as a so-called straw dog as an example and reviewed in great detail. We've got some world-class scientists coming in who are familiar with the sorts of approaches that have been used to study the production in marine ecosystems, particularly related to fisheries production. We have about a dozen of the best reviewers.

I don't think they'll be too tainted by accepting fees for this, but they are -- some very -- the best people in the world available. People, for instance, the author -- some of the authors of the Globe Ex Program that -- are major oceanographic programs studying related problems in the -- off New England in the banks. This -- the Prince William Sound Fisheries Research Group has developed a very -- extremely intense effort -- developed a very detailed approach to studying the fisheries production problems in the Sound at the present. And, this is -- will be reviewed in a great deal of detail and used as a model. At the same time, the problems of Prince William Sound are larger than the fisheries themselves, and we will be starting down the road with some of these other group, particularly the birds and the mammals, during this workshop to develop a similar sorts of approaches to studying all the resources that are experiencing problems in the Sound. But, the focus will be, and because of this planning is further along on the fisheries. Rather than, I think, extend my comments until -- it's a bit late, but that kind of encapsulates the approach that we're taking here. You've got the agenda before you and I'll be glad to answer any questions that you may have at this

time.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: Will this study as envisioned by you and your group include components of the ecosystem other than those injured by the spill, or thought or believed to be injured by the spill?

DR. SPIES: The approach taken is to take the fisheries that are having problems now and to work backward to the ecosystem, both from my so-called top down and bottom up approach.

For instance, the -- with the pink salmon, the zooplankton, the zooplankton depend on the phytoplankton, the production on the phytoplankton depends on nutrients and oceanic conditions and climate. And, this sort of -- and that their competitors with the salmon for food and so forth, and there's -- of course, they have their predators. And, it's reaching out in both directions, if you will, from the injured species to understand what controls their production.

MR. COLE: Mr. Chairman.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: Because ...

DR. SPIES: And I'd just like to clarify that this really isn't mine. I've -- I've played a relatively minor role in trying to put this together, but this -- the people in Cordova have done the -- the -- lot of work on this (indiscernible).

MR. COLE: Well, you know, one of my ideas when we were discussing this, your proposing is that the study would

include the elements of the Sound ecosystem other than those simply injured by the spill or related to injuries of the spill -- from the spill. And, I -- I would have some apprehension that this study may be of somewhat narrower than was conceived by the Trustees because I think, as it was being initially discussed by the Trustees -- that thought was made and it was raised by some of the scientists and scholars at the University of Alaska in Fairbanks that not enough attention was being paid to the relationship of the injured resources and the restoration activities taken in connection with those resources to parts of the ecosystem which were not injured by the spill.

DR. SPIES: I think you could fairly say at this point that the emphasis has shifted from the studying species that were specifically injured, or could be determined to be specifically injured, to more of an ecosystem approach where the inter-dependencies among the species in the Sound that are experiencing problems are being studied in a more comprehensive fashion.

MR. COLE: Let me just say, and I'll put an end to my comments, it was just that, it should, in my view, but certainly leave it to the folks who far more about this subject than I, it should be to the inter-dependency of components of the ecosystem, other than those injured by the spill.

DR. SPIES: I think you could safely say that those are being included to a much larger extent now than they have been in the past.

MR. COLE: Okay, I want to be sure about that.

MR. ROSIER: Mr. Frampton.

MR. FRAMPTON: Well, I just want to say I think this is a very interesting and ambitious looking agenda. But, I would also hope that the group that's involved takes the broadest possible approach because I think that while obviously pink salmon and herring are, at this point, a major piece of the concern here in Prince William Sound, that what I had in mind and what I think -- think we all had in mind was trying to encourage this process and trying to put as at least a benchmark, not a limit, but a benchmark of five million dollars for ecosystem monitoring and study program was something that was not simply targeted on fisheries, but on the whole ecosystem. And, what we're looking for is a really comprehensive approach, and if too much is simply looking at, even if it's top down and bottom up in the spectrum of pink salmon and herring, you're not going to get the kind of a broad approach that I certainly looking for ...

DR. SPIES: You have to look at the agenda, there's -- there's great emphasis on that because there's been a lot of planning. This document has got a lot in it, relating to fisheries, and I think what we have to do is develop similar approaches for some of the other injured resources.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: NOAA tried to take a lead in setting this up, as the Trustee Council asked us to, and there are two points there. First of all the work down by the group in Cordova didn't focus only on studying pink salmon and herring. They focused on

those as the indicator and on a pathway approach from those other resources. We obviously are taking a very strong look at that in this workshop of peer review process and having various experts from other disciplines come in, but we are also looking at alternatives, additions, other branches that might be added to the tree. So, I think it's -- it is a broad look. I would also say that I don't -- I don't think some people's feelings at the start, that our five million dollar limit, or five million dollar number was somehow a limit and, therefore, if you spend two million dollars on the pink salmon, you kind of cut everything else out. The five million was for ecosystem approach and we still may be doing species specific studies in addition to that. They've been told, in other words, not to -- obviously have to be realistic, but not limit their thinking by specifics doing for all research projects. I think the concept of looking at all the relationships is clear. The other thing I'd point out is this is a workshop. It's not going to answer our question entirely of what our total research plan is going to be. Mr. Ayers is working in combination with many of the people coming out of this workshop, is going to have to help put together a total research plan, how long a discussion we've had on the Seward Center, and it's going to have to include a monitoring plan for monitoring things like the annual or bi-annual or whatever, boat surveys, it's going to have to include all those other aspects, so this is a start. This is not intended to be the final piece.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: I still am not comfortable with what has been said here, and I hark back to what Dr. French said this morning, and I picked up on that. But, we -- we said five million dollars for an eco -- study of the ecosystem in Prince William Sound. I mean, that was the study for the ecosystem, and as I recall quite well, we wanted to discuss the inter-relationship of all of the components of the ecosystem in Prince William Sound, and particularly those related to the studies we were doing and the effect that they may have on -- in any other resource in the Sound, injured or uninjured, et cetera (indiscernible - coughing). And, also we wanted baseline data for all of these components or elements of the ecosystem in Prince William Sound for five million dollars. And, there was another talk about another five million dollars next year. And then we said that we -- and we have in the work plan that we were prepared to spend additional funds on the pink salmon and herring and all these specific resources. But, it was five million dollars for an ecosystem study, and, you know, I just want to make sure that -- that the staff, if you will, and the Executive Director understands that this was an ecosystem study, and it was not pink salmon or herring or things like that. Maybe I'm being, you know, somewhat constrained about, but I just remain a little unsettled that, you know, where we really -- what we committed that five million dollars for.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: I appreciate that, Mr. Cole, and I appreciate the clarification. These are discussions that have

occurred in the group that was setting up this workshop and setting up this study, and where we ended up was exactly where I think you want to end up, but we've been through those same type of discussions, and I think the approach is broad. All elements are going to be looked. The work the group has -- has done a great time expenditure in Cordova did deal with pathway approaches using pink salmon and herring as indicators, but the workshop itself not only looks at that, but looks at the broad spectrum of the ecosystem in Prince William Sound in trying to seek answers for why things are happening there. I think we have -- it is broad.

MR. ROSIER: Are there any further questions?

MR. SANDOR: Yes.

MR. ROSIER: John.

MR. SANDOR: Has there been very active participation by the Fairbanks, Seward marine scientists in this effort?

DR. SPIES: We've gotten some input from them, but it's been fairly minimal so far, and ...

MR. SANDOR: Urge greater involvement from that group, and I think really what really what we need to do is have the research task force from Prince William Sound Science Center from the Fairbanks to Seward, as well as Kodiak deal with ...

(Mr. Frampton left at 5:00 p.m., Paul Gates sits as alternate)

DR. SPIES: Well we -- let me take that back. The University of Alaska Fairbanks -- there are a number of people from there have been active -- active in the -- the planning down there as well as coming in a peer reviewers on this. I think we've got

a fair representation of University of Alaska Fairbanks people at the present time.

MR. SANDOR: And Seward ...

MR. ROSIER: I'd like to move us along here, if possible, here on this. We've kept the public waiting an extra hour here at the present time and -- is there any further comment on this item? Thank you very much, Bob, appreciate that. NEPA compliance, federal attorneys? I think we've got at least one in the audience here.

MR. AYERS: While that person's coming up here, there is a court request for the first three months that has not been completed and rather than belabor that point, I will circulate that court request because it requires your signature because that has not been completed for the first three months of this, and then we'll come back -- when I come back with the detailed budget to do the next court requested of what you approved earlier. Well, your going to have to approve it in a motion anyway.

MR. ROSIER: Okay.

MS. MARIA LISOWSKI: Mr. Chairman.

MR. ROSIER: Yes.

MS. LISOWSKI: For the record, I'm Maria Lisowski. I'm with the office of general counsel for Agriculture. There's a memorandum from the federal attorneys that deals with NEPA compliance that's being passed around to each of you. That should, hopefully, answer any questions you may have outstanding on NEPA compliance issues. And, earlier today we also handed out to you a

draft of a memorandum of understanding to deal with a procedure to go about complying with NEPA both on a programmatic and on a project level. I guess I'd urge you to go ahead and review it, and if you have any comments to go ahead and direct them to me. That is a proposal by DOA, with some -- some input from the Department of Interior on it. Otherwise, if you have any further questions that are outstanding on NEPA compliance, I'd be happy to answer them, or try to.

MR. ROSIER: Are there comments or questions from the Trustees. Yes, Mr. Pennoyer.

MR. PENNOYER: We're reviewing this and coming back in January to decide on this MOU, is that your recommendation.

MS. LISOWSKI: Well -- I -- well, given the timing here, I'd go ahead and recommend that. There is an outstanding question, we do now have a draft restoration plan that you've approved to go out to the public, and if you -- should get the programmatic EIS process underway as early as possible, try and -- and integrate those two prophecies. So, it would be beneficial to go ahead and identify a lead -- federal or co-lead with the state to do the EIS and get that underway.

MR. PENNOYER: Is this something we can give to the Executive Director?

(Laughter)

MS. LISOWSKI: I believe that in the past you have identified Forest Service as the lead federal agency, but there's been considerable discussion back and forth over whether there

would be NEPA compliance on a programmatic level and so you may want to revisit that.

MR. ROSIER: Further questions? Yes, Mr. Sandor.

MR. SANDOR: I'm almost afraid to ask it. Say to begin programmatic -- being the EIS process?

MS. LISOWSKI: Well, I think that there at one point when there was a previous version of the draft restoration plan underway, we did have a document that was out on contract that did have some initial drafts of an EIS, but the draft restoration plan has changed considerably since that time. And there maybe some analysis that we can use in this EIS for this draft restoration plan, but, essentially we've got to start from the beginning to identify an inter-disciplinary team and go forward.

MR. SANDOR: Can we do that with an analysis rather than an EIS?

MS. LISOWSKI: Well, we recommended as you see in the memorandum from the federal side of this that there be a programmatic EIS for the -- the entire program because that helps to capture all the cumulative affects analysis. The extent that you can have some projects-specific analysis in the draft restoration plan, you can also include that in your EIS for the draft plan.

MR. SANDOR: When you project a final completion of that EIS process.

MS. LISOWSKI: For that I'd have to defer to Ken Rice on it. I think he's been getting together a time line for ...

MR. SANDOR: Roughly?

MR. BARTON: Mr. Chairman.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: Let me jump in at this point. Maria is correct that you ended -- you all asked at the Agriculture take the lead in the preparation of EIS. I think we had earlier concluded that an EIS was necessary, not (indiscernible). We've been developing a time line, and an approach to this. It will be the intent to try to maximize the use of the work that was done on the earlier version of the restoration plan. But, at the present -- the present schedule which we're still trying to refine, would have a record of decision in late October.

MR. ROSIER: Further comments? Questions? Asking if there are further comments or questions at this point. Or do you want to wait until January?

MR. PENNOYER: Mr. Chairman, I don't know exactly what we're doing, but I'll (indiscernible - laughing) -- I probably want to wait until January.

MS. LISOWSKI: Well, it's my understanding that there has been agreement that there will be a programmatic EIS done for the draft restoration plan, and if there is indeed an agreement on that, then we need to move forward with identify the lead federal agency or co-lead with the state, however you want to do it, and get the team underway to get the process going.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: I guess I'm a little confused on that

because I got the impression that we prepared an alternate opinion that the current draft restoration plan doesn't lend itself in its current form to do a good programmatic EIS. I'm still not clear what we're doing, And, if there's a way to do it, fine, let's just -- Forest Service has volunteered, I just heard and we let -- go ahead and do it, but I'm not sure what we're doing exactly. I know what we want to do, but I'm not sure how we're planning on doing it.

MR. ROSIER: Mr. Cole.

MR. COLE: I -- I have a problem -- whether the draft restoration plan really requires NEPA compliance. We're not committing to any expenditures of money, we're not committing to any projects, we just got some general principles. And, we've researched this question once in the Department of Law, and I'm looking at this memorandum, and I haven't had time to study it, but I -- obviously will have to defer to the final judgment of the federal authorities, but I would ask them to take a very, quote, cold, hard look, close quote, as the Alaska Supreme Court terms it, so often, that -- as rather it is required for the restoration plan.

MR. ROSIER: Mr. Barton.

MR. BARTON: Would certainly be delighted to do that. Nothing would please me more than to be able to find that we do not need one, but I think it's the consensus of the federal attorney that we do need one. Is that correct?

MS. LISOWSKI: That -- that is in fact the conclusion

that's reached in this memorandum, and with all due respect to the state, reasonable minds can differ on EIS, I suppose, but we do believe that the draft restoration plan does constitute a proposal and, therefore, a proposal for action, and, therefore, NEPA does come into effect.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: That decision carries a substantial price tag. The time, as I understand it, is October '94. Four hundred thousand dollars is the price tag potential? The cost on this?

MS. LISOWSKI: I'd have to defer to the Forest Service on that.

MR. SANDOR: I guess I'm trying to re-enforce a concern, it's not just a time delay and the time process, there's a tremendous amount of money involved. I mean, I'd had to close this meeting with a summary of how much we've spent on environmental statements and analysis already, but it's got to be close to a million, I suspect.

MR. ROSIER: Mr. Barton.

MR. BARTON: I don't know how to resolve this, if there's a disagreement between the state legal experts and the federal legal experts. Has the Department of Justice uttered an opinion on this issue? Is the final federal authority, I guess.

MS. LISOWSKI: They have in the past been agreement with the federal agencies. I have not specifically asked that to review -- this particular memorandum,

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: DOJ also said that even the previous restoration plan draft, which has more detail than this, was not adequate to write a programmatic EIS on. So, I'm -- I think what you're telling us is we need one. We were previously told the document we had wasn't sufficient to write one from, and I still don't know what we're doing.

MR. ROSIER: Yes, Mr. Barton.

MR. BARTON: Carl, I would just say that in doing the homework on this subject, there's been a lot of consternation as to how to craft an EIS around this restoration plan. That's right.

MR. ROSIER: Yes, Mr. Cole.

MS. LISOWSKI: One question.

MR. COLE: Well, let's just talk about the issue to help our thinking. According to this memorandum and the code of federal regulation that a proposal exists at that stage in the development of an action, when an agency subject to NEPA, here's the critical language, "has the goal and is actively preparing to make a decision on one or more alternative means of accomplishing that goal, and the effects can be meaningfully evaluated." I really don't think that that restoration plan is such -- specifies any specific goals. Certainly, you know, certainly that we can meaningfully evaluate the effects of accomplishing any particular goal. I don't think that we can do that until we look at the work plan, because then we have goals, concrete goals, more or less, established in the work plan, and we can then evaluate the effects of those goals as set forth in each of the work plans. That's sort

of my point. That's why I don't think that the restoration plan requires NEPA compliance.

MR. ROSIER: Mr. Barton.

MR. BARTON: Well, as I recall sometime ago in earlier discussions, we talked about one of the values of doing a NEPA -- or an EIS on the restoration plan was to allow then the annual work plan projects to tier to that EIS, and be able to accomplish those then perhaps with an EA rather than an EIS on the individual projects. We talked about taking that approach and not doing an EIS on the restoration plan, and just doing EIS's on the individual projects. But that would be a lot more costly, if we ended up having to do EIS's on individual projects instead of EA's.

MR. ROSIER: Yes, Paul?

MR. GATES: I think one of the main concerns is if -- if one was not done on the restoration plan, that the annual work plan will require NEPA compliance and generally, this would probably be an EIS and would kick in more time -- critical situation. And, I think the intent was to try to do a EIS on restoration plan and then tier off with EA's or categorical exclusions on the annual work plan. I mean, that's the background, that was earlier.

MS. LISOWSKI: Yes, I would say that that's still the thinking that we've found on the federal side, and with respect to Mr. Cole's comments about whether there's a proposal or not, from the federal side we've looked at that question and we do think that there is a goal. We've outlined a goal with restoration. And, you

are looking at different alternatives that -- how to achieve that goal, that being direct restoration or acquisitions or monitoring natural recovery. And, that being the case, we do think that it falls within the definition of a proposal.

MR. ROSIER: Yes, John.

MR. SANDOR: Have the assurance that no EIS's will (indiscernible) will be necessary for the work plan?

MS. LISOWSKI: We would not envision having to have the work plan as compiled altogether as one document to need NEPA compliance. However, we do envision that on a project-by-project basis you would have NEPA compliance, in tier two, the EIS for the overall plan. That's consistent with what we've been doing.

MR. ROSIER: Yes.

MR. PENNOYER: It is consistent with what we've been doing. It's relatively simple since many individual projects will get categorically exclusions and they have a major construction thing of some kind that requires an EIS, but overall the plan would not. And, if -- my question was not whether it would be a good idea to do it given that, I'm just not sure how you're going to get to that point. And, whether you can write a programmatic EIS on the level of draft restoration plan that we have. Maybe the idea is to have somebody go off and study this and come back with a proposal on exactly how to do it at our January meeting and proceed from there. Or, are you telling me if we don't do this now, we're going to have to do an EIS on the '94 work plan, then that's a whole different category I don't want to get into.

MS. LISOWSKI: We have, frankly, have always run the risk of litigation over the fact that we have not complied on an annual work plan basis for the last three years.

MR. PENNOYER: Well, whatever we do now won't eliminate that for the '94 work plan. That will happen long before any EIS is in it, so if we wait -- if we get a feedback, then let's start investigating this and come back with a specific way of approaching, funding and so forth at the January meeting, and then maybe we could bring it all together. But, the prospect of having to do an EIS on the work plan as a whole -- for each work plan, is horrifying. If somebody actually held us to that, we'd be taking two years to do a work plan. We'd be delayed even longer than we are now, Charlie.

MR. COLE: January of '95, huh?

MR. ROSIER: Is that a potential approach on this, Maria?

MS. LISOWSKI: Yeah, I think we can do that.

MR. PENNOYER: To have the appropriate federal agency with their respective attorneys and the Department of Justice, so if we look at this and come back with a proposal in January as to how to do this.

MR. BARTON: (Indiscernible)

MR. PENNOYER: How to do a EIS for the draft restoration.

MR. BARTON: It would be provided.

MR. PENNOYER: You'd have a volunteer. Mr. Chairman, I
move ...

MR. ROSIER: Is there -- is there any objections to the
...

MR. BARTON: The thing is, you know, the more we delay
on the front end, the further it pushes back the record of
decision.

MR. PENNOYER: Mr. Chairman.

MR. ROSIER: Yes.

MR. PENNOYER: If the Forest Service can get the plan,
EIS, done by the January meeting (indiscernible - laughter).

MS. LISOWSKI: Mr. Chairman.

MR. ROSIER: Yes.

MS. LISOWSKI: I guess I would ask that if we look at
this in the next couple of weeks and determine that it can
meaningfully be accomplished, then that we move forward with the
memorandum of understanding before the -- the January meeting.

MR. ROSIER: We had talked about it, perhaps a
teleconference if we needed one or something like that for -- for
actions. All right, I would entertain a motion on that.

MR. PENNOYER: So moved.

MR. ROSIER: Motion made and seconded. Further
comments? Those in favor signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response) Done. That
completes the agenda. We'll take a five minute break, get set up
for the teleconference there.

(Off Record 5:30 p.m.)

(On Record 5:40 p.m.)

MR. ROSIER: Good evening, ladies and gentlemen out there. We're sorry for the delay. The Trustees have had a busy day here today, and we went through a two day agenda in one day here today, so there has been a fair amount accomplished here and it's been a tough day for everybody, but I'm really sorry for the delay. We are going to try to continue the teleconference through 6:30 and where -- you'll find that I'll probably be pretty sticky today about the three minute time frame for testifying. We'll give you a warning when your three minutes is nearly up, and in the interest of getting everyone out and getting everyone -- the opportunity to testify, we ask that you do hold your testimony to three minutes. What I'll do is I'll go through, we'll take two people at each site that is on line at a time. And, then we'll move onto the next -- to the next site. And, so, I'll call the roll see whose on line here on this. Chenega Bay on (no response). Chenega Bay are you on? (No response) Cordova, are you on? (No response) Is Cordova on line?

RESPONSE: Cordova's on line.

MR. ROSIER: Okay, Fairbanks Legislative Information Office, are you on line?

RESPONSE: Fairbanks is on line.

MR. ROSIER: Okay, Juneau Legislative Information Office, are you on line?

RESPONSE: Juneau's on line.

MR. ROSIER: Homer Teleconference Center?

RESPONSE: Home has one to testify.

MR. ROSIER: Okay, Kenai Peninsula-Soldotna Legislative Office. Are you on line.

RESPONSE: No they aren't.

MR ROSIER: Kodiak Legislative Information Office, are you on line?

RESPONSE: Kodiak is on line.

MR. ROSIER: Thank you. Seward Volunteer Teleconference Center?

RESPONSE: Yes, we're on line.

MR. ROSIER: Okay, thank you. Tatitlek IRA Council Office, are you on line.

RESPONSE: No they aren't.

MR. ROSIER: Valdez Legislative Information Office, are you on line?

RESPONSE: Yes, Valdez is on line.

MR. ROSIER: Thank you, and Whittier Kittiwake Room, Begich Towers.

RESPONSE: No.

MR. ROSIER: No. All right, we'll start then. Chenega Bay is not on, we'll start with Cordova and take the first people to testify there, take two, and then move on. So, Cordova please - please proceed.

MS. MARLA ADKINS: Good afternoon, I thank you for holding this meeting. My name is Marla Adkins, and I'm a thirty

five year resident of Alaska. I wanted Mr. Ayers to know that there's many people around the State of Alaska that's glad to know that he's on line and going to be with the EVOS council. Bill Compton said that he was a -- be a responsible mover and shaker. Nobody - chosen not to allow this to continue to drag on for another four or five years. I'm not a fisherman, I have no business relation to the industry. My concerns are for Alaska, the Sound and the effects on this, what the spill has done and where we're going with this Council. Many people are still concerned about the Council being centered -- controlled by the EVOS Council.

We're extremely concerned about more paperwork shuffling with EPA and EIS studies. This needs to be got on a fast track, and I'm hoping Mr. Ayers can do this. Many people are concerned about a ecosystem in Prince William Sound. Very definitely, we need something, but we would like to see this -- defined and detailed to identify. This should be done immediately before it gets out of control and -- and we're hoping that it's not another mere gridlock or a lockup system under the guise of scientific environmental research, which we know is long needed. Four years have passed and yet little physical work is getting down. Dollars continue to roll on, we're spending for the these meetings that you hold, and the travel expenses that these things involve, and while it continues, damage is going on out there in Prince William Sound. We've had massive amounts of money spent for timber buy-outs. I feel under the guise, in some areas of critical habitat. Critical habitat was never defined to me, which I have repeatedly asked. There have

been about a half a dozen questions for two years I have asked which you are always going to get back to me on, but you never have done. I might add here that I was asked at the last meeting to send a letter defining what I perceived needing to be done. I have that letter drafted -- (indiscernible) I'm not so sure their going to like it when they get it. We need actual work going -- ongoing at this time. Fish & Game needs to continuing tagging -- two hundred thousand dollars immediately for continued tagging funds. They have not received this as of the last time I checked. I recently met with several biologist, Fish & Game hatchery people, fishermen, environmental people to get ideas, and this is in my letter that will be forthcoming to all of you. We need money for plankton research, we need money for ocean water temperature monitoring identified. We need money long term for Fish & Game too needs to identify streams for future hatch release program. That needs to be done immediately.

MR. ROSIER: Marla you have thirty ...

MS. ADKINS: The hatcheries have had fourteen years of successful service. However, they still -- they need funding at this time as you know. We also need to determine, however, if the hatchery fish have any kind of adverse effect on wild stock.

MR. ROSIER: Marla you have fifteen seconds.

MS. ADKINS: If so, we can convert these hatcheries into sport fisheries. The bottom line, I beg you, Mr. Ayers, is to move on some of this stuff. We can't sit aside for another two or three or four years, and watch the money go for massive amounts of

trees and nothing be done in the damaged fisheries, I think.

MR. ROSIER: Thank you very much, Marla. For the benefit of those on line, I apologize. We should have had a summary of the business of the Trustee Council given here on this.

I -- I would interrupt the testimony here at this point to have Dave or Jim, I'm not sure whose going to give the summary here, as to the accomplishments of the Council here today. Dave would you proceed, please.

DR. GIBBONS: Yes, I'll try to make this quick. It was a busy day and a lot of motions were passed. The first motion is concerning the Public Advisory Group, the Trustee Council approved the -- the elected officers of the Public Advisory Group for fiscal year '94. Those include Brad Phillips as the Chair of the Public Advisory Group and Donna Fisher as the Vice-Chair. The next motion they passed is to form a small group of people to flesh out the concept of an endowment having various options prepared, and after that ask the Department of Justice to give a legal opinion on the legality of an endowment -- endowment concept. So, first prepare our options for endowment and, second ask for legal opinion. The next motion that the Trustee Council passed was to move to send the appropriate habitat document to the public for information and leaving the -- the decision on what documents to send up to the Executive Director. The next motion the Trustee Council passed was to authorize the Executive Director to determine whether to proceed with a small parcel habitat analysis, and if that decision is to proceed, then to move with a development of a process for analyzing

the small parcel and proceed with the analysis to bring back to the Trustee Council. Next motion the Trustee Council was for the Executive Director to be charged with defining negotiations for parcels identified by the Trustee Council for possible habitat protection negotiations. Next motion passed was to adopt a draft restoration plan as amended by the Public Advisory Group comment that staff has incorporated into the document that existed today. Next motion passed, send out for public review the 1994 draft work plan, except for projects that were fully funded previously and except for projects 94025, 94273 and 94277, and there was an amendment to this motion that the staff continue to work with the Alaska Science -- the Alaska Science Center -- excuse me -- the Alaska Sea Life Center, to reformat the proposal and send out project 94119 -- project 94199, with no costs identified at this time. Next motion passed was to approve for funding project 94064 in total, that's the harbor seal project for two hundred and seventy thousand two hundred. And, also approve project 94166, which is a herring pond deposition study in total for four hundred and sixty-six thousand three hundred. Next motion the Trustee Council passed was to fund project 94159, which is the marine boat surveys for sea otters and marine birds at a cost of one hundred and seven thousand dollars to cover the spring survey only -- motion passed. Next motion is to move to provide funding for the Kodiak Artifact Repository at one point five million dollars. Next motion passed was to adopt the mission statement developed by the Executive Director for the EVOS, for the Exxon Valdez Oil Spill

Trustee Council. They next approved a motion to adopt the organizational chart developed by the Executive Director. And, send the administrative budget out with the draft '94 work plan, which will be reduced by at least fifteen percent, at a later date, and the Executive Director will come back to the Trustee Council with -- with those -- the new organization and those reductions. Next motion passed was to transfer twenty-five thousand dollars from the Department of Agriculture to the Alaska Department of Environmental Conservation for the publication of a draft '94 work plan. The next motion passed, the final motion passed, was to have the appropriate federal attorneys and the Department of Justice look at the draft restoration plan and come back to the Trustee Council as soon as possible -- as possible, with an opinion on the ability to develop a draft environmental impact statement from the draft restoration plan. The next Trustee Council meeting is scheduled for January 31, 1994.

MR. ROSIER: Thank you very much, Dave. Are there any ... yes, Mr. Cole.

MR. COLE: How come when we talk about this project 94199, the one that we funded through -- this spring, and then they said that -- that we studied that in what '89 and '90, '91 and '93, and they found that the birds had not come back and so forth. Well, shouldn't we be looking at a restoration plan to restore the population of those birds, if such is the case, rather than just study it this year, last year and this year and next year. I mean, you know, would you be good enough Mr. Executive Director to look

into that? I mean, I just think that at some point we should sort of stop this study and do something, you know, don't study it anymore.

MR. AYERS: Mr. Chairman.

MR. ROSIER: Yes, Mr. Ayers.

MR. AYERS: Attorney General Cole, actually the Chief Scientist and I were just talking about having a conversation about this very thing. We've got to take a look at what -- we've got to get a look at -- and I don't want to get into the discussion of recovery program or plan, but of the umbrella of the ecosystem, take a look at those very specific issues and what are -- what are -- he calls it the web, what are the web -- what is the web of -- of the flora and fauna related to that particular, in this case, the birds and what is causing that and what can we do about restoration. We'll take a look at it and for the record, I think it was 94159 actually -- better we get that right, so that we're clear there, and yes, I will respond to that.

MR. COLE: Let me just say this, I think that it's -- that it's that concept that we've been looking at all of these and we go through all these studies. Where are we -- where are we with respect to these studies and should we be applying on a restoration project the results of the data we're getting from these studies. I mean that's the thing I question whether we're doing it satisfactorily, or efficiently. So, anyway thanks. Would you, you know, look at maybe where we are.

MR. AYERS: I understand.

MR. ROSIER: Okay, are there any questions for Marla Jean Adkins, her testimony? Can we have the second person in Cordova, please.

MR. KARL BECKER: Yes, for the record my name is Karl Becker, I am representing the Prince William Sound Conservation Alliance, and I just like to say we welcome Mr. Ayers as the new Executive Director and appreciate everything that Mr. Gibbons has done for the Trustee Council. We think he has done an excellent job. I would also like to congratulate the Trustees for getting through this ambitious agenda in one day. It's a real relieve to many of who spend our winters in meetings to see one that actually finishes ahead of schedule. I'd also like to thank the Trustees for teleconferencing the entire proceedings of the day. That's been a real benefit for us out here in the Bush to keep abreast of some of these things that are so critical to us. I have two points to make. One, I'd like to say that the Prince William Sound Conservation Alliance endorses the efforts of the Prince William Sound Ecosystem Research Planning Group. The draft research plan named the Sound ecosystem as such that it's consistent with the Alliance's comments on the draft EVOS restoration plan. I'll quote from the document that we've submitted to the Trustee Council on August 6th, "Prince William Conservation Alliance recognizes the research to monitor the recovery of injured marine-related species and the marine habitat. We feel that the studies should be incorporated in a comprehensive research plan directed at better understanding the marine environment as it relates to the EVOS

injured species and services." And, the second point that I would like to make and also ask a question at the end, is that we hope that the negotiations -- we understand that the negotiations have been difficult at times with the Eyak Corporation, but we certainly encourage the Trustees to continue forward in the discussions with Eyak. I'd like to find out, if you can shed any light on where the negotiations stand at this time?

MR. ROSIER: Yes, Mr. Barton, would you like to respond to that?

MR. BARTON: Yes, I sure would, Carl, we've met, I think it was week before last, Mr. Cole and myself and some members of our staff to -- to try to work out an arrangement with Eyak on -- let me just say we were unable to do so at that time and there are no discussions going on at the moment.

MR. BECKER: Thank you (indiscernible). That won't preclude any future discussions, will it?

MR. BARTON: Not necessarily, no. There needs to be some, I think, additional thought given to the whole subject and further work may be warranted.

MR. ROSIER: Thank you, Mr. Barton. Does that complete your testimony Karl.

MR. BECKER: Yes it does. Thank you very much.

MR. ROSIER: Thank you very much for testifying. Any further comments, questions from the Trustees? Okay, we'll go on to Fairbanks. Could I have your first person to testify, please.

DR. MIKE CASTELLINI: Yes, hello, this is Dr. Michael

Castellini from the University of Alaska, Institute for Marine Science, here in Fairbanks, and I wanted to expand on just three things. One, the discussion that went on awhile ago with Dr. Spies and others about the ecosystem concept of monitoring the air in the Sound and around the Gulf of Alaska and the web concept that you've been talking about. Certainly, from my own specialty which is dealing with marine mammals and the issues that are going on there, I would certainly like to reinforce the idea, especially in the concept of looking at the Alaska Sea Life Center. What we're trying to do is work with the Council and work with everybody on the scientific legal and sort of jurisdictional boundaries, of how we can work with marine mammals in light of the Exxon Valdez oil spill settlement involved in that. And, we're working along those lines, I've spent time today talking with Alaska Department of Fish & Game and their participation in the Prince William Sound ecosystem studies that Dr. Spies talked about. We're all trying to work on this together, and I just want to make two points relative to proposal number 94199 itself, and that is dealing with the Alaska Sea Life Center and just to reiterate to you that this is a scientific critical point and scientific situation that we're trying to build there and work with the vertebrate species in the Sound and throughout the Gulf of Alaska, in terms of the marine mammal ecosystem and problems, habitat problems, health problems, things along those lines, and secondly, within that area to just reiterate again, that we are not trying to build here a recreation park. It is going to be something like -- like I said before, at

the public meeting, it's not like Shamu goes to Prince William Sound or anything. We're not trying to build anything like that at all, otherwise we would not be putting the effort into it from the University end on building such a scientific center. And, like I said before and I will say again one more time, is we have world class scientist ready, willing and able to come here and participate in this program. The State of Alaska doesn't have anything like this at all right now in terms of doing any of this type of work. But, we can talk all we want about discussing the web of marine mammal research and how they fit into the ecosystem here, and unless we can actually study some of these animals and get some answers to some very simple questions, like how much does an animal need to eat, or how does its health should be maintained and we're not going to be able to do that. So just in wrapping up here, I just wanted to reinforce the idea that we're willing to work with everybody on this type of project, that it's a scientifically fairly critical for us deal -- to come up with some of these concepts and we need the Alaska Sea Life Center in order to be able to do that, and to reinforce again the idea that this is not going to be attraction simply to try to bring some money into the state or into the Seward area. Thanks a lot.

MR. ROSIER: Thank you very much for your testimony. Have any questions, Trustee Council? Could I have the second person from Fairbanks there, please.

MR. HUGH DOOGAN: Good evening, my name is Hugh Doogan (ph), I live at 359 Slater Street, Fairbanks, Alaska. First off

I'd like to say -- address the buy-out of the Kachemak timber and put it into the Kachemak Bay park. First off, that land belongs to the Natives, they asked for that land to be held in perpetuity for future generations. If they sell it, they can't do that. You've got other things that are going on in, not only the Prince William Sound that -- over in Kodiak to buy timber rights and what not to put it into wilderness or park and what not, which I object to. The Exxon Valdez oil spill did not do any damage, and I repeat, do any damage to the timber industry of Alaska. It's a renewable resource, we should be using it because it'll grow fast, and Mother Nature is pretty good to us if we do it right, and by cleaning up the area when we log. You don't have to do clear cutting anymore with the new industry and what not, you can go in there and do select cutting or whatever you need to do and harvest that timber very economically, and it'll grow back. It will also give economic value to the -- not only the Native people of Alaska that have that land, but to the State of Alaska. You also got the problem with the spruce beetle in that land there in Kachemak Bay and it's growing. There's just been another report out, the second one on the spruce beetle. The study was just done, I believe, last -- written up done -- written up last year. I suggest you get from the state forestry department and find out what is going to happen.

MR. ROSIER: Mr. Doogan, your time is up.

MR. DOOGAN: Yeah, okay. One other thing I'd like to address here and it has to do with the sea otters. They're starving in Prince William Sound, they were starving before the

Exxon Oil Valdez and why the hell they ever put them back in there behooves the heck out of me, and I think they really -- I know that there's a doctor here from the University of Alaska that talks plenty about marine mammals and what not. I think a real good study ought to do on the sea otters and what damage it's doing to the shell fish and shell industry in the State of Alaska. They damn near killed it off in the Prince William Sound area and they're moving south.

MR. ROSIER: Thank you very much, Mr. Doogan. Questions for Mr. Doogan? We'll go now to Kodiak. Kodiak, could we have your first person to testify, please.

MR. STOSH ANDERSON: Good evening, Mr. Chairman, my name is Stosh Anderson, and I was asked to spell it. Stosh is spelled S-T-O-S-H; Anderson with an O. I'd like to thank you for the collection and acquisition in Seal Bay and the related areas. Protecting the complete watershed is an excellent strategy and I hope you continue that when available. There were three other members of the public that were here to testify this evening and I am sure shared it, but due to time constraints, weren't able to stay. As you proceed with your habitat acquisition, I would hope that more large tracts -- find in the Kodiak Island complex. I believe this is appropriate and certainly would be appreciated. I would request in your looking at further habitat acquisition that you select and acquire several of the small parcels used as fisheries weir sites around the island. The acquisition of these fish weir sites would ensure continued management access to the

respective river systems. As budgets are declining and the development becomes more prevalent in these rural areas, it puts a lot more pressure on these particular sites and their future availability. This could be a real asset to long-term management of the salmon fishery. I thank you for your time. Good evening.

MR. ROSIER: Thank you very much, Mr. Anderson. Any questions for Mr. Anderson? Are there an additional person to testify in Kodiak?

UNIDENTIFIED VOICE: No, they had to leave. Thank you.

MR. ROSIER: Cordova, I understand that you're going off of the line at 6:00 o'clock. Are there additional people to testify in Cordova?

MR. BECKER: Yeah, this is Karl Becker. Yes, we have one more person here who would like to testify.

UNIDENTIFIED VOICE: Okay, fine. I understood that Cordova was going off at 6:00 o'clock here, so I'll take that person next, please.

MR. BECKER: Okay, just a moment.

MR. DAVID SALMON (ph): Hi, my name's David Salmon. I'm with the Prince William Sound Science Center and also with the University of Alaska Fairbanks. And I would like to comment on especially Mr. Cole's comment concerning the ecosystem research plan put together by the Cordova coalition. And I guess my main comments are that while we have chosen to focus on pink salmon and herring, Dr. Spies' comments are extremely relevant here in that we

using those species as indicator species while looking at the broader fisheries ecosystem, that is, all of those components of the ecosystem that in any way add to limits of production of those particular species. At the same time, it would be quite the task for any group to put together a comprehensive ecosystem research plan that was able to address aspects of all of the biological species in the ecosystem, as well as the abiotic components of the system itself. This statement was made, I believe, out of a lack of knowledge of what it took to produce these plans for these two species and the components that they interact themselves. This is a concerted effort of approximately fifteen people, most of them working seven days a week and a minimum of twelve hours a day on the project itself. So, it is not feasible at all to produce a plan to address these specific aspects of each individual species in the ecosystem. The planning process, however, that would be used in generating this particular ecosystem research plan, will be very applicable to other species within the ecosystem, and it's the hopes that at this workshop the agency people in particular who are studying marine mammals and bird species, as well as other parts of the ecosystem that aren't addressed in the particular plan that will be put on the table, will glean from the process that was used some of the methodology that will then be appropriate for putting together a very comprehensive and integrated ecosystem research plan at that time. So, again, my -- the bottom line here is it's just not feasible to have produced such a comprehensive plan in two months, and we've a real good jump on it, and with continued effort

and hopefully some funding in the future, these efforts can proceed in the positive direction. Thanks.

MR. ROSIER: Thank you very much, David. Any questions for Mr. Salmon? Okay, does that complete the people to testify in Cordova now?

UNIDENTIFIED VOICE: Yes, it does.

MR. ROSIER: Thank you very much. We will go now to Juneau. We appreciate your patience there. Could we have the first person from Juneau testify, please.

MR. CHIP THOMA: Yes, Mr. Rosier, this is Chip Thoma in Juneau. I'm the only person to testify, and I'll make my comments brief. I very much appreciated the Piper-Gibeaut report that we heard first thing today. That was a very interesting report, and just to reiterate briefly what they said that the residue oil is slowing in the rate of reduction, the surface oil remaining is very resilient, there's an apparent change toward to asphalt, and only mechanical tilling seems to have had an effect. And I would urge the council members to consider that, that we shouldn't be using or directing any more effort to lifting up oil, except in the Chenega Bay area where there are human lives involved. I do endorse the public action group's request for audits, and I'm sorry they've only met once since to July. I think that that group, even though it's stacked, should meet more often.

I had time (indiscernible) during the course of these long days and compare the comprehensive -- volume one, Evaluation Rankings of the Habitat Protection Process with House Bill 411, which passed

the

legislature, as you know, a couple of years ago. It was vetoed by the Governor. Fourteen areas in that bill are included in the evaluation ranking, most of them in the high categories. Those entire fourteen areas total fifteen million dollars, and sections two, three, and ten of House Bill 411, and I would direct Mr. Ayers to that bill and urge him to contact Dr. Steiner and Kim Nelson of Representative Davis' staff and go back over some of those willing sellers and how those negotiations transpired. I'm afraid we're going to be paying five to six times now because of the machinations of the timber industry. I find myself in a difficult position in agreeing with a lot of what Mr. Cole said today. It's an amazing turnaround in his attitude ...

UNIDENTIFIED VOICE: (Indiscernible aside comments by Trustees)

MR. THOMA: ... probably brought around by public interest in this, but I also have a problem with the definition of restoration, as far as it affects migratory birds. I don't think we're doing anything for migratory birds, except studying them. And the entire definition of restoration, I would hold up to question. We have spent over two hundred million to two hundred and forty million dollars. The majority of that has gone to pay back the governments and to continue research projects. There is no restoration per se, and I would contend, of course, that restoration cannot and will not occur for fisheries and wildlife species --

MR. ROSIER: Thirty seconds, Chip.

MR. THOMA: My last comments are that I very much appreciate the interest that Annie Landrom (ph) from Representative Oberg's staff has made, seeing that we do have teleconferences, and I hope that the teleconferences are continued and this process continues. Thank you very much.

MR. ROSIER: Thank you very much, Chip. Any questions for Mr. Thoma? Okay, and there's no one else to testify there in Juneau?

MR. THOMA: No, sir. That's it.

MR. ROSIER: Thank you very much, Chip. Homer, can we have your person there, please?

UNIDENTIFIED VOICE: Participants at Homer had to leave. Do you know if you will continue tomorrow?

MR. ROSIER: No. We will be finished here this evening.

UNIDENTIFIED VOICE: Thank you.

MR. ROSIER: Thank you very much. Kenai Peninsula? Can we have your first person, please? Nobody there?

MS. ELAINE NELSON: Seward. Would you like someone to testify from Seward?

MR. ROSIER: Seward is next on the list. Apparently, Kenai is also done at the present time. Seward is next.

MS. NELSON: My name is Elaine Nelson with the Seward Chamber Commerce. I wanted to make the comment that we, as a community, welcomed more clarification as to the mission of the Sea Life Center. We believe in its importance to the research and what

is needed for the rehabilitative efforts with our mammal and seabird life in the entire Prince William-Gulf of Alaska area. We want to reiterate the support of citizens and the businesses in Seward for the concept as we have known it, which is as a first-class research center. The other issues which have come up are truly side issues dealing with the center's support, but we believe and we are supportive of its main mission as a research facility. The third comment has to do with the timetable. As the staff of the Sea Life Center and the scientists that are involved work with the other agencies to combine our resources and prioritizing our research projects, any delay in that process we feel will affect the very sea and wildlife that we are attempting to work for. Will this pull the project totally out of the 1994 budget process or will it be able to be put back in the process for your consideration during this year?

MR. ROSIER: The -- are you finished with your testimony, Ms. Nelson.

MS. NELSON: Yes, thank you.

MR. ROSIER: Yes. Thank you. I believe in the case of the project there, it will appear, it will go through the process, and certainly the staff here will be developing some kind of a cost estimate associated with an overall research plan. I don't know whether it will, in fact, survive for funding this year or not, but we are proceeding with the project, and it's alive and well.

MS. NELSON: Thank you very much.

MR. ROSIER: Thank you very much. Is there a second

person to testify in Seward?

UNIDENTIFIED VOICE: Yes, there is.

MR. ROSIER: Please come forward.

MS. TERRI NASH: This is Terri (ph) Nash (ph). I'm a Seward resident. I would just like to reiterate the meanings of the words "sea life center" and where the oil went in Prince William Sound. It went in the water. We're still talking habitat acquisition, we're still talking about acquisition with Native organizations that don't want to negotiate, yet it doesn't serve a purpose if it is not critical habitat that's being discussed here.

What we need is research, we need the marine animals checked, we need the fish checked, we need the birds, we need the things that we hurt in the spill, which is not the trees. That is all I have to say.

MR. ROSIER: Thank you very much, Terri. Any questions for Ms. Nash? Seeing none, we'll now go to Valdez. Is there someone there to testify in Valdez?

MR. CHARLES PARKER: Yes, there is, sir.

MR. ROSIER: Okay, please proceed.

MR. PARKER: Good evening, Trustee Council members. My name is Charles Parker, director of tribal operations for the Valdez Native Association. As the representative for Prince William Sound Communities Organized to Restore the Sound through the Fisheries Ecosystem Research Planning Group based out of Cordova, I have been asked to read you a letter that you may not have had a chance to look over yet, a letter from Thomas Van

Brocklin, the president of PWSCORS. (Quoting directly from the Van Brocklin letter) Dear Trustee Council Members, on behalf of PWSCORS, its members and communities, I am writing to you today regarding your proposed intent to use your November 30th meeting to evaluate the restoration planning process, in particular as it applies to Prince William Sound. Over the last few months, there has been tremendous activity going on in this region by a group of organizations to see a fisheries region plan for Prince William Sound plan reviewed, revised, and ready for submission to the Council. Unfortunately, although the draft form of an ecosystem plan has been completed, the review and revision process has not been finished. To that end, as you know, this coming weekend will see a workshop undertaken in Cordova to fulfill these necessary second and third stages of preparation. As chairman for PWSCORS, I am asking -- writing to ask you not to close out the planning process on November 30th, allowing the work group in Prince William Sound the opportunity to get their completed plan before you at the earliest following date. I would appreciate your consideration regarding this matter, and if I can answer any questions, please don't hesitate to contact me. Sincerely, Thomas Van Brocklin, Chairman of PWSCORS (end of quoted material).

MR. ROSIER: Thank you. Any questions for Mr. Parker?

(No response) Is there a second person to testify in Valdez?

MR. PARKER: No, there isn't.

MR. ROSIER: Okay, thank you very much. We appreciate your comments.

MR. PARKER: Thank you.

MR. ROSIER: Okay, we'll take the first -- Jerome Selby? (No response) He left. Mr. Gray? Jim Gray?

MR. JIM GRAY: There's hardly anybody left to talk to. I will try to make this brief. We recognize the Council's concern about legal restraints in regard to EVOS funds, and we're concerned about some issues facing Prince William Sound fisheries at this time, although representatives of state and federal government seem to agree that the aquaculture program in Prince William Sound, includes VFDA and the Prince William Sound Acquaculture Corporation, need to be kept afloat until recovery starts in the Sound, I'm beginning to see a pattern of everyone looking to some other group to come up with the funds necessary to keep this system operational. The clock is running out and relief does not seem to be forthcoming. I would like to remind the Council that the fisheries in Prince William Sound were damaged by the spill, and when we think of restoration the acquaculture system will likely provide the seed that we'll be using to do some fisheries restoration. In relation to the sums of money committed to various projects, the amount of money needed to keep this system afloat seems to be small potatoes. We have one of the largest and most successful aquaculture programs in the world in Prince William Sound in 1988. It has been seriously damaged and is worthy of restoration and to be kept in operation until we can determine what's wrong in Prince William Sound and what we can do about it. We are not creating a new entity here, we're keeping and existing

and functional system in operation. I would also like to point out to the Trustees page 36 of their own draft restoration plan, which states at the end of the third paragraph, that another example of restoration is providing replacement fish for harvest. I'm trying to figure out how you can do that without a hatchery. These aquaculture facilities benefit all users in Prince William Sound, including the dipnetters in Fairbanks that use the Copper River, the Anchorage area sportsman, Outside sportsman when they come in, the Chenega and Tatitlek villagers, and tourism groups in Prince William Sound. So, I would ask the Trustee Council to try to figure out some way, some mechanism, to try to help keep this hatchery system afloat until we can figure out what's wrong in Prince William Sound. Thank you.

MR. ROSIER: Thank you very much. Yes, Mr. Pennoyer?

MR. PENNOYER: Are you speaking in favor of the hatchery debt retirement, or what specific proposal are you addressing?

MR. GRAY: Well, it seems as though, without getting specifically into -- the debt retirement would certainly be an issue that would be helpful in taking some of the pressure off of the hatchery system. However, just operational expenses here are -- we're down to the last nuts and bolts as far as money keeping this system going. We don't even have money for operational budget at this point, and I'm sure there are other people who are going to talk on this. So any kind of relief to keep this system going would be helpful. I certainly am in favor of debt retirement for the hatchery, yes, but I don't think I would specifically preclude

that that's the only thing I would like to see. I would just like to see the hatchery system be kept alive until we can figure out what's wrong in Prince William Sound. I think it may be one of the mechanisms that we can use -- excuse me -- to restore the fisheries.

MR. ROSIER: Further questions from the Council members? Thank you very much, Jim.

MR. COLE: Mr. Chairman?

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: I do have a question. Well, not to Mr. Gray particularly, but to the -- have we considered the hatchery programs there in Prince William Sound as part of the '94 work plan? I don't see it in there. And is there some reason we haven't? I mean -- you know.

DR. MONTAGUE: Mr. Chairman.

MR. ROSIER: Yes, Mr. Montague.

DR. MONTAGUE: The debt retirements projects were in the list of four hundred and twenty projects that we initially reviewed. If you remember, getting from the four hundred and twenty to this sixty was achieved through Restoration Team voting process, and those projects didn't receive sufficient votes to make it to the Trustee Council ...

MR. ROSIER: Go ahead.

DR. MONTAGUE: I think that the primary concern of those who didn't vote for it was whether it was allowed under the settlement restrictions.

MR. COLE: This area (indiscernible) referring to debt retirement.

DR. MONTAGUE: Yes.

MR. COLE: So. Could I ask another question?

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: Well, beyond debt retirement for the hatcheries there, have we considered the fact of funding the current operations for this '94 season and/or '95 to allow them to continue their operations without giving them monies for debt retirement? I mean, is that considered -- I just think it's important enough for this -- I would like to have a sense of whether we did or not.

DR. MONTAGUE: Mr. Chairman, Attorney General, we did not consider that. There wasn't -- none of the four hundred and twenty proposals were to do that. The debt retirement more or less was kind of along those same lines. In the proposals it was said if they didn't have to pay the debt payments, they could cover their operating expenses. It was having to cover the debt payments and the operating expenses that they couldn't do. But, I mean, the idea of simply paying annual expenses has been a more recent idea that hasn't be dealt with.

MR. ROSIER: Mr. Pennoyer.

MR. PENNOYER: Mr. Chairman, I'm not proposing we do that, but certainly during the public comment period if people want to bring forward other ideas, they're free to do that and we can take them up. I presume some of the research projects we're

considering include things like marking hatchery fish and that type of thing that are going in some fashion into PWSAC, but I'm not really sure how or to what degree.

MR. GRAY: I'd like to make another comment here in regards to the debt retirement. We've kind of went to every place we can go, and, as I say, everywhere we go, everybody's kind of nodding their head, going, yeah, well, we need to save these hatcheries, but the bottom line is it's not happening here, and so I imagine that one of the reasons you haven't seen a proposal for funding was because we were trying to figure out any opportunity we could, but the time line is running down on us now, and in January we're going to run out of money. So, maybe we ought to think about having a proposal for current operating budgets as a stop-gap measure. So, in other words, I'm saying that if we can't do debt retirement or if there's some legal constraint or whatever, I just don't see, I'm having a lot of problem here that when you talk about restoration of Prince William Sound, if you don't think about the hatchery program, which was the most successful hatchery program in the world four years ago, I think that you're missing boat. I mean, you know, it's already existing. We're not building a new building; we're not building a new system. It's already working; it has worked before, so --

MR. ROSIER: Mr. Cole.

MR. COLE: You say, you know, the debt retirement of twenty-four million may -- may have some legal problems. Furthermore (indiscernible -- coughing), but a proposal to fund

current operations may work, but I would like to see some proposals on that, but I would have to defer to people who know more about hatcheries operations than I. But it would be something that I think we should consider.

MR. ROSIER: Jim, do you have any idea, or could you give us any idea of what sort of costs we're talking about? What's the level?

MR. GRAY: I think -- John McMullen's here -- he would probably have a much better idea than I do. I think I would defer to him on that. And I don't know if you want to make it this part of public testimony, I think four million dollars is one figure that I think we have right now for a current budget, but I would rather have you speak with him. I don't know if you want to make that public. But, at any rate, we're very concerned about this, and I appreciate the questions that -- we need to keep this system operational until we can determine what's wrong. We can't let this system fail and then come back and say, well, we've figured out what's wrong, we sure wish we had a way to fix this but we let it die.

MR. ROSIER: Thank you very much for your comments.

MR. GRAY: Okay.

MR. ROSIER: Pamela?

MS. PAMELA BRODIE: Thank you, Mr. Chairman. For the record, I'm Pamela Brodie from the Sierra Club. First of all, I'd like to say congratulations. The Trustee Council has completed the draft restoration plan, it's completed the habitat protection

evaluation, you've hired an executive director, and you've started the process of streamlining the management structure. I hope and believe that the Trustee Council is moving into a new and more active phase of restoration. Regarding the habitat protection process, I agree with Mr. Ayers that the Trustee Council needs one staff person to be particularly in charge with the habitat protection process. I hope that the staff will be pursuing numerous negotiations simultaneously, unlike what has happened with the imminent threat process, and I agree with what I think the Trustee Council did leaving the flexibility about how to do that to Mr. Ayers. I do hope he has sufficient budget to be able to take action, including hiring new staff. Regarding the Public Advisory Group motion to release more information about the state and federal reimbursements, the motion that seems to have annoyed Mr. Cole, I will confess that this was my motion --

MR. ROSIER: (Laughter)

MS. BRODIE: -- Mr. Cole is correct that the agreement and consent agreement requires some reimbursements. The required reimbursements are sixty-seven million dollars to the federal government and seventy-five million to the state government, a total of a hundred and forty-two million. Provisions were made for the possibility of further reimbursements. I would like to refer the Trustees to the brochure, which says that so far a hundred and seven point five million has been reimbursed and which says that future commitments are, quote, "an unknown amount probably between seventy and ninety million dollars," unquote. These amounts would

be thirty-five to fifty-five million dollars above the required hundred and forty-two million dollars. This brochure was prepared approximately four years after the spill and one and a half years after the settlement, yet the amount of reimbursement was still unknown and with a range of twenty million dollars. As far as I know, the numbers are still unknown, and there has been very little information released to the public about this a hundred and seventy-seven to a hundred and ninety-seven million dollars was spent, which is approximately twenty percent of the settlement. If I may borrow from Mr. Cole, I find this troubling. I'll be frank about my motivations for continuing to request this information. Mainly, I want to minimize the reimbursements in order to maximize the (indiscernible -- interrupted by Mr. Rosier) ...

MR. ROSIER: Thirty seconds, Pamela.

MS. BRODIE: I fear that without public scrutiny requirements may be larger than necessary, and it does not inspire confidence in the bureaucracy, for example, that no one seems to know how people actually work for the Trustee Council. My second motivation is simply that I'm often asked by reporters and others how the settlement funds have been spent, how much on studies, how much on legal fees, and so on, and I'd like to be able to give them an answer. Thank you.

MR. ROSIER: Thank you very much. Questions? Questions, yes, Mr. Cole?

MR. COLE: Well, I want to say we know what those numbers are, okay, and you're welcome to come down to the office

and meet with Mr. Tillery and Mr. Swiderski. But we, too, have been working to minimize those numbers, you know. I'm not talking about pumping them up, I'm talking to keep them in a realistic level, and perhaps even just, you know, back away from some of them. So, it isn't as though we don't have any information, and keep in mind that the governments who are entitled to those monies sort of off the top, and we have taken them in sort of the installment plan so there would be monies available to be able to continue the restoration projects and these studies. You know, it's a little bit of a hard call when we tell the legislature that it has money perhaps coming under this agreement and it won't be paid into the state treasury in these times for one reason or another, and so it's something that we're reflecting upon carefully to figure out what that number really is and/or ought to be.

MS. BRODIE: Thank you, Mr. Cole.

MR. ROSIER: Any other questions for Pamela? Thank you, Pamela. We're go now to Fairbanks. Fairbanks, do you have additional people to testify?

UNIDENTIFIED VOICE: No, we do not.

MR. ROSIER: Okay, thank you very much. Seward, do you have additional people to testify

UNIDENTIFIED VOICE: No, we do not.

MR. ROSIER: Thank you very much. Does Chenega Bay or Tatitlek, either one, ever come on line? (No response) Okay, then that should complete all stations then as far as the teleconference is concerned. Thank you very much. The next person to testify

here, Dan Hull.

MR. DAN HULL: (Accompanied at the table by TORI BAKER)
Mr. Chairman, members of the Trustee Council, since two heads are better than one, Tori Baker and I decided to come up together. For the record, my name is Dan Hull, I am chairman of the Prince William Sound Aquaculture Corporation, and Tori Baker and I are co-chairpeoples of the Prince William Sound Fisheries Ecosystem Research Planning Group. I want to make just some brief comments on the planning process. We wanted to take the opportunity to thank the Trustee Council for the support you've given to the development of an ecosystem research plan by our group in Prince William Sound. As you know, a working draft has been completed and will be reviewed at a workshop this weekend in Cordova, along with a discussion of ecosystem approaches to research in the whole spill-impacted area and for all marine resources. I think the Trustee Council needs to know that it has been, as David Salmon pointed out in Cordova, a monumental task to complete this draft in the space of two months. The draft plan is the product of hundreds of hours of intensive work, much of it volunteer, by a committee of dedicated scientists, researchers, and resource managers from the Department of Fish and Game, the Prince William Sound Aquaculture Corporation, the Prince William Sound Science Center, and the University of Alaska Fairbanks. We are very excited about the contribution that this draft plan and ecosystem planning workshop will make to the Trustee Council research and restoration planning process, and the Prince William Sound planning group looks forward

to continuing our work with the Trustee Council and the new executive director, Jim Ayers. And just briefly, as an aside on the question of funding for PWSAC, we did submit in our proposal this summer for -- as part of the request for ecosystem research in Prince William Sound a proposal to fund shortfalls in operating costs for PWSAC and the VFDA, but if that was not formal enough, we will be prepared to submit a more formal one to the Trustee Council.

MR. ROSIER: Thank you very much, Dan. Any questions for Dan? Mr. Ayers?

MR. AYERS: Thank you, Mr. Chairman. Do you have a number? Do you have -- what's your annual budget for current ...?

MR. HULL: Our current budget shortfall is approximately four million for FY94.

MR. AYERS: That's an operating budget, that's an annual, kind of an historical, annual operating budget cost?

MR. HULL: That's the shortfall for this year. After we've -- we've cut the budget ten percent and it eliminated whatever we felt we couldn't do without to keep the corporation going, and this is the shortfall on top that is four million.

MR. ROSIER: I don't know whether it would really help or not, but it might give us some perspective here as to the number of facilities we're talking about. We've got five facilities, three of which are formerly state facilities which we lease. That's in the Copper River and Kerry (ph) Creek in Prince William Sound, and Main Bay facility in Prince William Sound. The two

facilities that PWSAC has constructed and operated all along are the Esther Island hatchery and the AFK (ph) hatchery in Prince William Sound. And the projects and the programs are for the benefit of all the user groups: sports, subsistence, dipnetters from Fairbanks, sports fishermen from Anchorage come to use the -- harvest the resources.

MR. ROSIER: Yes, Jim.

MR. AYERS: Mr. Chairman, yeah. I'm assuming, therefore, that you're talking about -- I mean, you're talking about production of much more than pink salmon when you get in ...

MR. HULL: Yes.

MR. AYERS: ... across the board. And one other question that I had is -- now this does not include any of what I understand to be the recovery of the reserve that you've talked to other state department agencies about?

MR. HULL: I'm sorry, can you phrase that again? That doesn't -- the four million is -- that's our budget shortfall for this year, we didn't -- our revenue shortfall.

MR. AYERS: Which is actual operating costs, not a restoration of your reserve?

MR. HULL: That's correct, yeah.

MR. ROSIER: Other comments, questions?

MR. ROSIER: Tori, did you have something to say?

MS. TORI BAKER: I made the walk up, I might as well throw my two cents' worth in as well. Yeah, I, again, wanted to just reiterate a few of the things that Dan said specific to the

ecosystem planning work that's being done in Prince William Sound.

If I could take the opportunity to again acknowledge that the workshop effort that is going to take place this weekend, I think is a very significant step forward in terms of bringing goals -- the work that we've undertaken in Prince William Sound into a critical review phase of its development, as well as, I think, the exchange of information and ideas that I think we anticipate that is going to take place amongst us, the world class assemblage of scientists that are going to be there. That forum, I think, is a great first step on behalf of the Trustees to begin to resolve and move forward in a more systematic fashion to look at ecosystem components, ecosystem priorities, and ecosystem linkages and interaction. I again sort of echo some of Mr. Cole's comments on this very issue that it's a huge ecosystem, it's a complex ecosystem. What we have chosen to do from our perspective in Prince William Sound is to use two primary, ecologically important, economically important species as pathways with which to take a look at the ecosystem in Prince William Sound, again, to get a sense of how it works, how it's wired up, where the gaps exist in the knowledge that we currently have. Again, I think, as Dan says, there's an incredible amount of effort that's gone into this. It's been motivated and supported by a broad group of organizations and user groups within Prince William Sound. It was something that we feel was probably punctuated by the blockade work or the blockade event in August, but that we're definitely building upon the foundation that was ongoing and was there in Prince William Sound

long before any of this happened. This is not a new idea, it is something that is being gelled and is moving ahead. Thank you.

MR. ROSIER: Thank you. Yes, Mr. Cole.

MR. COLE: I just wanted to say, I wasn't being at all critical of the work that has been done and or group has done.

I just want to make sure that the study is broad enough and almost massive enough to do all the things that need to be done and that the people do not feel hobbled by -- you know, just the injured marine resources. That was what I was trying to get across. Thank you.

MS. BAKER: Certainly, thank you.

MR. ROSIER: Yes, John?

MR. SANDOR: A procedural question, but if we have the relative proposals earlier that somehow didn't get through the process, why wouldn't it be possible for us to add a project, an amount to be announced or amount to be developed. It seems to me that really was -- if time is of the essence, as we've heard it is, why shouldn't we (indiscernible) project in and have that estimate of four million and then get public comments on that and deal with.

If we wait until the projects are developed, then we have to make a legal determination, and we've lost another two months. Can you ...

MR. COLE: I'll so move.

MR. SANDOR: Second.

MR. ROSIER: We have an additional, private, nonprofit group in Prince William Sound as well, and they've made the same

request in terms of debt retirement and so forth. I'm not sure what we do if we cover the entire, private, nonprofit program in Prince William Sound or only the one?

MR. SANDOR: Mr. Chairman.

MR. ROSIER: Yes, Mr. Sandor.

MR. SANDOR: Make the project generic. Make the applications to be made as appropriate. But that's all the more reason to add -- to get some work underway in defining what the opportunity is -- anyway.

MR. COLE: Mr. Chairman?

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: My motion contemplated that we refer this preparation of a proposed work plan in dealing with the Prince William Sound hatcheries, both of them, if the case may be, prepare it and send it out for public review as part of the '94 work plan. That would be my motion.

MR. ROSIER: Yes, Mr. Pennoyer.

MR. PENNOYER: Yes, Mr. Chairman. I don't know if Mr. Ayers is going to discuss that or not, I think it's certainly been an area that's been brought to our attention and needs at least to be considered, and I would like to see an internal review, a legal review, and so forth, before we come up again in January and have to make a decision. So, having a placeholder in fact and trying to describe that and going through that process, I think would be helpful. It's much more helpful than coming to the January meeting and being faced with something at the meeting with no background

work. So I would support that as well.

MR. AYERS: Mr. Chairman, I was just consulting with members of the Alaska Department of Fish & Game, and I think that we could put together a proposal. Let me do two items of clarification. Not a proposal, but a project for review. One, that it would put together so that it generally describes the situation. With regard to review, let me say, and the question I was trying to get at is that I think -- I don't know whether an annual operating budget includes debt payments or not, but if that's in there you're going to run into some questions and I'm going -- I don't know. I guess we'll have to take some -- I'm going to have to say that we'd take some labor to separate that out, we need a detailed budget, so we'll need some help from the staff because that is a significant question there.

MR. COLE: I say yes!

MR. AYERS: Secondly, I realize you didn't ask me today how the watch was made, you asked me what time it was. The other issue is one that needs to be resolved. You're going to get a significant question raised about the issue of whether or not impact on the wild stocks here is a question, and so we'll throw all that out there, but we're going to hear a lot of things back. It's a placeholder is my understanding, not a commitment.

MR. PENNOYER: Mr. Chairman, a couple of additional questions too that maybe we can elaborate before we consider it, and that is, one, what does one year annual operating costs do for the system, how does this relate to future problems and the fact we

don't get returns this next year enabling major hatchery harvest, that type of thing. The context should be as broad as possible so we understand what it is we're potentially getting into if we do -- if we funded something of this nature.

MR. ROSIER: Yes, Mr. Cole.

MR. COLE: There could be baker's dozens of questions that will arise when you start looking into this project, but I think the sense of the motion is start looking into and see what, as they say, call together, and we'll look at it.

MR. AYERS: The answer to your question is yes.

MR. COLE: See, you're learning!

(Laughter)

MR. ROSIER: Okay, further comments or questions for Dan or --? Thank you very much.

MR. ROSIER: We do have a motion.

MR. PENNOYER: And I seconded it.

MR. ROSIER: That's right. The question's been called for. Those in favor, signify by saying aye.

ALL TRUSTEES: Aye.

MR. ROSIER: Opposed? (No response) Next, Tim Cabana (ph).

MR. CABANA: Hi, there. I'm a salmon and herring fisherman in Prince William Sound and in Lower Cook Inlet, and I fish cod, herring and halibut, all the fisheries. You pretty much took up one of the major issues I was going to talk about, which was the hatchery system, and I just -- it just bothers me to look

around and see all these maps about all this land acquisition, and how much money is being spent on land acquisition which, don't get me wrong, I'm not completely against it, it just seems like a lot of money is being spent -- forty million dollars -- just on one track in Homer, and yet, you know, in Prince William Sound and Lower Cook Inlet I don't see anything being done. As Mr. Cole was saying, there's lots of studying, but you can't study it forever, somebody has to eventually do something. I don't see anything at all, you know, in the Sound, going on as far as any restoration at all, and if there is, it sure evades me. Trying to keep the hatcheries going is probably one of the major things that could be accomplished because without them there is no fishery. And it kind of messed up my thought path here because that was one of the major things I was going to talk about. But, I'd like to see the north Gulf Coast, Prince William Sound and Kodiak brought back to their original levels of fisheries and habitat, what was there. The ecosystems are, you know -- you drive into the Sound, you go over there next week and drive around and you can't tell there's anything wrong. The mountains are still there, and the water's still flowing, but go back there in April and the herring are missing; go back in August and the salmon aren't there. Also, you hear a lot about pink salmon and herring, but there's other fish there missing too. There's no chums in Lower Cook Inlet; there hasn't been since 1988. There's no chums in northern Prince William Sound. There hasn't been a fishery there since 1990, I believe, and that's probably because they were out in the ocean and

they are affected. So, there's other problems besides just pink salmon and herring, and there just doesn't seem to be a whole lot being done here. I know you guys are trying hard and you've got your fingers kind of tied up by what's legal to do and what's not legal to do and whether you can fund this, whether you can't fund this. It seems like -- it seems like you've almost an impossible task here, and it seems like buying land is the easiest thing to do, so that's what you're doing. It doesn't break any rules. Well, I don't think that we need to spend three hundred million dollars buying land because it's easy.

MR. ROSIER: Fifteen seconds, Tim.

TIM CABANA: Yeah. We got -- you know, you got lots of years to spend this money. We don't have to do it in a few. Thanks.

MR. ROSIER: Thank you very much. Questions for Mr. Cabana?

TIM CABANA: Thank you very much.

MR. ROSIER: Thank you very much. Leroy Cabana?

LEROY CABANA: Members of the Council, my name is Leroy Cabana. I'm glad to be able to address my concern here today. Is there volume on this? Can you guys hear me?

MR. ROSIER: Yes.

LEROY CABANA: Anyway, I really appreciate the last breaking moment of a little interest in this hatchery preservation. It's -- it was something that I was in complete panic about today. I've just been running around here just about ready to cut my own

throat because it seems like we're -- restoration and acquisition, I don't understand how the two are coming together. We're acting -- we acquiring land and restoring nothing, and I think you guys have heard that enough but I just wanted to put that in. I don't see the connection. They're not even close to each other in the dictionary. I'm looking more for restoration than acquisition. We, as commercial harvesters in Prince William Sound, are facing the most difficult conditions imaginable. The level of stress created by the Exxon Valdez spill for our day-to-day and year-to-year lifestyles are unbearable. Almost without exception, commercial harvesters, especially the seiners and the herring and the salmon industry are dealing with complete financial ruin. Prior to the oil spill, the herring stocks and the salmon stocks, especially the hatchery stocks, were the healthiest in recent memory. We as commercial fishermen have invested our time and, in most cases, all of our available money and credit to participate in these fisheries. The fish harvest before the 1989 spill and the harvest of salmon and herring since the spill are simply a matter of record, not -- and it doesn't need to be studied to death. I mean, you can just open a book and look at it, things are going downhill in a hurry. The harvesters in Prince William Sound need some hope, some solid action to convince ourselves and also our financial institutions that the long-term probability of abundant fish will occur. Also, I would like to think that myself and others that fished prior and after the spill will be around to participate in these fisheries. It's an important thing in my

life. I was at a financial meeting yesterday where there was participants from the state and also private lending institutions, and they've been -- they've been reasonable so far but they're getting really nervous, and the collapse of the hatchery system in Prince William Sound won't make them nervous, they'll make them execute us, but we won't be around if -- the average fish run in Prince William Sound prior to hatcheries was four million a year, that was the long-term average. We can't survive on four million fish. We're used to -- we've grown into a fishery of fifteen and twenty million fish harvests, and if we have to go back to -- if we lose our hatcheries and got back to wild stock, we're simply going to be completely financially ruined, and we feel that this amount of money that was finally negotiated through this Exxon Valdez oil spill, we feel that a small part of that ought to be directed, in some way, towards restoration of the fisheries in Prince William Sound. Thank you very much.

MR. ROSIER: Thank you, Leroy. Any questions or comments from Council members? John McMullen.

MR. McMULLEN: Thank you, Mr. Chairman. My name is John McMullen. I'm with Prince William Sound Aquaculture Corporation, and I'm a member of the Public Advisory Group representing aquaculture. I had a little spiel here on the status of PWSAC's program and on behalf of the program in the Sound, and I think I'll alter it a little bit because you talked about it quite a bit. I will say that, as far as Leroy Cabana talking about the meeting we were at yesterday, there were -- most of the fisheries people here

were at that meeting or were represented by state agencies, state financial institutions and bankers, and just asking, you know, what is in store for us, what can we do to help ourselves. I want to go back and start from the bottom and get back to financial conditions and then request there, so I'll take these in ascending order. There's a project in process at Coghill Lake in Prince William Sound. It is -- has potential to be the primary and largest stock of sockeye in the Sound and in Fish and Game and Forest Service and PWSAC been working on that project for a couple of years to restore the Sound, and this year the state and federal agencies agreed to include PWSAC's costs in that FY 94 work plan proposal. It's somewhere in the system. I don't know if it's risen to the top or it can even be sent out for public review, but there are seventy thousand dollars included there for '94 because we go into the lake, take -- remote egg take, take the eggs back to hatchery, raise those fish to smolt, and take them back to the lake, imprint them at the lake and for release, and this is the manner in which the lake will be restored. And so, to date, our costs haven't been included and we certainly hope they can be. As far as how the Prince William Sound ecosystem research planning effort is going, I just want to add my support to that effort, which was encouraged by the Trustee Council initially and that you supplied funding, for which we appreciate. And one thing that we're concerned about is that we'd like to -- we're hoping that the concept of regional involvement in future proposals and in projects for review, and hopefully funding will be out -- will be available to us, that will

continue to be included in the process if we've shown that we're capable of doing that through the plan that we -- that you will be presented. As far as endowments, we went -- your Trustee Council went a long way with that today, and I'll just say that we do, you know, support the concept of the extended funding and hope that the Council, you know, based on the results from the brochure that we'll send out and asking people what they want money spent on, that there can be a commitment to funds for research and restoration and those funds can be extended beyond nine years. As far as PWSAC is concerned, Dan already informed you that we're a five-hatchery system, and we were cooking along, you know, through 1988, putting money in the bank and developed a contingency fund for debt payments, and we have a debt of twenty-four million dollars that was used almost exclusively for capital construction and not annual operating costs, even though that was required as we picked up those three state hatcheries and then brought them on line with the cost recovery programs. But since that time, for whatever cause or causes, as you know, the fisheries in the Sound have crashed and life is going on around us while our financial condition worsens and that of the fisherman worsens, and this year we're scheduled to run out of funds before the end of the fiscal year, but of course, to answer some of your questions, we are working with the state government on this, the Department of Commerce, which administers the aquaculture loan fund, and we have a request in for a supplemental appropriation which is being reviewed by management and budget, and we've got to supply a lot of

financial information to them next week. If we can come back here with a proposal to you, and we're not sure whether -- what's going to happen with that supplemental because it is a legislative call on that request, and we're told that money is short this year and the legislature is going to be tough on the governor's supplemental. So, Mr. Pennoyer was talking about wanting to review information and materials, and I think we will be available and willing to discuss with you, if that's what you're asking for, whatever we discuss with management and budget before that time, so you'll have a pretty accurate estimate of what our actual needs are. And I will say, I think Dan mistook your question, Mr. Ayers, on recovering contingency funds. I almost did too, and I had to think about it for awhile. Presently, a lot of our requests have gone in, especially to the Trustee Council before this last year's fishery occurred. We expected -- we expected to gather in about six million dollars in revenue towards an eight and a half million dollar budget, which includes two million dollars in debt service. So, we were prepared to use contingency funds for the third year. As of now, we've -- we'll have burned up our twelve million dollars that we had, and the request for four million is a request to recover about a million dollars of our contingency fund to get back in the bank because we do operate these five hatcheries. They're all remote, all independent, all with their own power systems, and we don't want to be in a position of where we have no money in the event we have a major fire disaster or whatever at one of these facilities. We've got to hold them together. So, we also

funded

a marketing project this year. It's been well advertised, one point three million dollars, that's more than it actually is, but this was approved prior to the fishing season and we didn't realize that we'd be in the position we are, but yet, still, would want to have pushed through with this as we're doing now, because I think we're breaking new ground, and I think that we will recover most of our funds that we put on that project, we'll recover in sales. In the event that we don't, you know, that four million dollars will cover that too, that's part of the contingency we're talking about.

So, I thank you for your action you took today on looking into and investigating and reviewing our needs and our requests, certainly, is a -- one of -- a leading banker in town here said not too long ago, he'd been in Cordova, and he said if PWSAC closed down, so would the City of Cordova. He said it's just -- they're closely tied together, and I'm repeating here, I'm asking for your support and your help. Just what the townspeople and the fishermen ask of the governor, and Mr. Rosier and Mr. Fuse (??), when you came to town to determine, you know, what we viewed as our problems and our needs there, and appreciated that visit and your response here today. So, thank you very much.

MR. ROSIER: Thank you, John. Questions, comments?
Thank you very much.

MR. McMULLEN: Um-hmm.

MR. ROSIER: Chuck Totemoff? Is Chuck gone? William Whitewater? William Whitewater?

UNIDENTIFIED VOICE: He's outside (inaudible).

MR. WHITEWATER: I'm here, but I didn't sign up to testify, so . . .

MR. ROSIER: Somebody put you on here. All right. Amy

--

MR. WHITEWATER: (Inaudible)

MR. ROSIER: Amy Bollenbach? I hope I pronounced that correctly.

MS. BOLLENBACH: Almost.

MR. ROSIER: Close enough?

MS. BOLLENBACH: Close enough.

MR. ROSIER: Thank you.

MS. BOLLENBACH: Amy Bollenbach. I knew -- I should have figured because I have all this show and tell, it doesn't mean that I'll talk a long time. I'll --

MR. ROSIER: Three minutes.

MS. BOLLENBACH: Three? I'm a member of Kachemak Heritage Land Trust in Homer, Alaska, and we wanted to thank you for acquiring Kachemak Bay State Park. I've noticed there's been some hostility to that acquisition today, but certainly the people of Homer and many other people in Alaska are very grateful to you for that. And today, I realize that it's not your major focus today, but I'm here to ask you to consider a small parcel for future acquisition, and this area is called Bluff Wetlands or Overlook Park, and it's -- I imagine that you're familiar -- it's a nice seven-acre parcel and I think many of you who have driven on the Sterling Highway are familiar with Overlook Park, whether you

now it or not. It's -- as you drive up over the hill, about a mile out of Homer, you've been traveling through the forest and you've suddenly come up and have this vista of Kachemak Bay, Cook Inlet, Mount Iliamna, Augustine, and so forth, and many, many people stop at the scenic overlook there, thousands in a year, and stand and look over Kachemak Bay and Cook Inlet and marvel at the beauty of the place. The land just above, or the land below the overlook is for sale, this ninety seven acre area, and it is a very important area, not so much for the land itself but because of the tidal pools that are below the land. In other words, if the land goes to mean high tide and drains, there are four lakes that drain into the tidal pools, and the people that own the land are planning to develop it as a wilderness retreat and homesite area, if it isn't purchased.

MR. ROSIER: Fifteen seconds.

MS. BOLLENBACH: If it isn't purchased by a government agency. And it's -- fifteen seconds? Okay. I would like to show you some pictures of the invertebrates in this Overlook Park area, below the Overlook Park area, and also I have a list of eight pages, single spaced, of the invertebrates in Kachemak Bay, and about eighty percent of them are in the tidal pools below this, so if you'd like to look at this, the list of species are here and the pictures are there. Well, I have a bunch of maps, but it looks like it's beyond fifteen minutes, but if you'd like to look at them, this is a -- this aerial map is (inaudible).

MR. ROSIER: Very good. Any questions? Any questions

for Amy here? Okay, thank you very much. Charles McKee?

UNIDENTIFIED VOICE: Hey, Mr. Pennoyer, does he want to

--

MR. ROSIER: I thought he wanted to hear Mr. McKee, but I guess he's left. Mr. McKee.

MR. McKEE: My name is Charles McKee, and for the record, I have filed an indictment -- an ecclesiastical indictment, an ecclesiastical law, and that goes back to Old England, actually it's a church tribunal type of thing, because I'm sick and tired of sitting here listening to the valid complaints of private citizens in reference to this judge's decision, which was rendered in error, thereby being enforced by security -- actually private individuals, security personnel and police enforcement and on up to the insurance industry and banking. It's basically, everybody's wanting to maintain the law, and the law is, how can you pay off an investment, the primary investment, or the loan, be it, and then have to contend with the compounded interest on the loan at whatever percentage, depending on the amount of the loan, the primary loan, if it's pretty extensive, even it's, say, eight percent interest or something like that, that adds up real quick. And so, you always focused on the primary -- the interest payment, and right now they're hurrying in a heartbeat, trying to get the foreclosure aspect in process, you know, call the note condition. So, I maintain my interest in not prevent -- not allowing the lie to prevail, be it with this Prince William Sound recovery.

MR. ROSIER: Fifteen seconds, Mr. McKee.

MR. McKEE: I have to say, this is what my sovereign Elohim (ph) has to say in regards to that, that the lie shall die.

MR. ROSIER: Thank you. Thank you very much. Any questions for Mr. McKee? Thank you very much. Arlys Sturgelewski?

MS. STURGELEWSKI: You know, I stayed here all this time just to come to say hallelujah, thank you. (Laughter) I'm Arlys Sturgelewski, and I was absolutely thrilled that you took some action today to ask Jim Ayers to come back with some proposals on an endowment. It's been a very frustrating process not to be able to know what was really possible. I think the concepts of peer review, of getting into a research, restoration, monitoring plan that is longer than the year that you are dealing with, that is in the context of five to ten years, that is in the context of some of the systems that go longer than the year 2001, are incredibly important, and I've heard you talking a lot about that today and I think that's very exciting. I can remember sitting here not too long ago when you passed a research proposal for a hundred thousand dollars. At the end of the meeting, after the decisions were all made, there was discussion, oh, kind of, by the way, that's going to be a million dollars that will be needed over a ten year period.

It's that longer view that needs to be taken, and I really felt you made some significant progress on that today. Lots and lots of people came out on the draft restoration plan, asking for various kinds of endowments, but they had no concept, or context, in a sense, because we don't know what's possible, so we keep coming back and drumming at you, and really, I think we really need to

compliment the PAG. They were very serious about that, they had a lot of people involved, they were very thoughtful, taking that longer view, and I hope somehow you're going to be able to work that in and any help that we can get to Mr. Ayers as he deals with this, but there's some concept -- maybe it isn't invalid, maybe it is you, in some form, but it's that reach into the future and making decisions today based on that that I think is critical, and I think you came a long way and to particularly compliment you, Charlie, because I thought -- Mr. Attorney General, sir, I thought you were right on. Thank you very much. Was I within my three minutes?

MR. ROSIER: Thank you, Senator, you certainly were. Sit still. I think we're going to keep you up here for quite a little bit. I wanted to --

MS. STURGELEWSKI: I don't -- I've been through this too.

MR. ROSIER: I know.

MS. STURGELEWSKI: I can even yell at you like crazy.

MR. COLE: But I wanted to say one thing. You weren't here when I read this press release by Senator Murkowski, who announced that yesterday he had filed legislation --

MS. STURGELEWSKI: Yes, I have a copy of that.

MR. COLE: -- in congress to authorize the establishment of an endowment, so thank you.

MS. STURGELEWSKI: Fine. Thank you.

MR. ROSIER: Thank you very much. That completes the

people that have signed up. Is there anyone in the audience who missed the opportunity?

MS. STEVENS: Mr. Chairman Rosier, members of the Trustee Council. I'll be very brief, I promise, under the three minutes, maybe just one minute. I'm Rita Stevens, Vice President of the Kodiak Area Native Association, and on behalf of Kelly Simeonoff (ph), Jr., our president, and Rick Knecht, our archeologist on staff, I would like to publicly thank each and every one of you for all of your wonderful support and hard work on the -- on KANA's repository project, and for the action that you took today. I would like to thank Mr. Barton, Mr. Gates, Commissioner Rosier, Attorney General Charlie Cole, Mr. Pennoyer, Commissioner Sandor, Mr. Frampton, Mr. Ayers, and all the members of the PAG, Public Advisory Group, who also put forth the recommendation and worked very hard on this. I would particularly like to thank Attorney General Charlie Cole for all of his extra effort in helping us and supporting us, giving us guidance on this project, as well as Commissioner John Sandor. Thank you very much. We are extremely grateful and appreciative of making this project a reality. Thank you.

MR. ROSIER: Thank you, Rita. John?

DR. FRENCH: Yeah, for the record, I'm John French. I'm here in my capacity as the director of the Fishery Industrial Technology Center, University of Alaska Fairbanks. I just wanted to add a few words of clarification because I've heard the University of Alaska Fairbanks' name taken in vain a lot in this

meeting in terms of who is and who isn't a representative of the University of Alaska Fairbanks. For the most part, the agency -- well, I shouldn't say -- the school that's of interest to fisheries activities and marine science activities is the School of Fisheries and Ocean Science, which is, indeed, a unit of the University of Alaska Fairbanks, and we are based in Fairbanks. However, we have major centers at Juneau, in the Anderson Building, which we refer to as our Juneau Center for Fisheries and Ocean Science. We have the Seward Marine Science Center, which is operated by the Institute of Marine Science, which is also a major unit of the School of Fisheries and Ocean Science. We have the Fisheries Industrial Technology Center, which I manage in Kodiak. We also have the Marine Advisory Program that has agents, among others, Rick Steiner in Cordova, also Doug Cohenhower in Homer and agents in Kodiak in terms of the spill area. So, we are widespread. We all represent one administrative unit of the University of Alaska Fairbanks, and in some of those cases we are formally representing the University of Alaska Fairbanks in our duties as a representative of the University of Alaska Fairbanks and other cases where our advisory -- we are serving in an advisory capacity to other groups and not necessarily representing an official position of the University of Alaska, and I think that that may be causing trouble in the long run. Also, I would just like to end with a final appeal that, with respect to research activities, there's at least two major activities that we've talked about today, the sea life center in Seward and the fisheries center in

Kodiak, they provide different types of research expertise, but I would like to voice a request that all the research activities appropriate to the restoration process be treated even-handedly, not just those that happen to have the most glossy brochures. Thank you.

MR. ROSIER: Yes?

MR. COLE: Did you want to make any further comments on the ecological study which you touched upon this morning as a representative of the Public Advisory Group?

DR. FRENCH: I could -- yeah, briefly is a problem. I think the directions that the group in Cordova, the Prince William Sound -- help me with the name, anyway, the group that Dan Hull and Tracy (sic) were representing, is taking a very positive step forward. I appreciate your comments that we need the broadest possible approach. I think that they are making a major step in that direction. I -- many of the systems that they'll be dealing with extend across the whole spill area. I hope to see this process integrated to include people in the Kenai Peninsula, Cook Inlet areas, and Kodiak areas so that we get a -- maybe a series of regional plans that were integrated together, or maybe a spill-wide plan, I don't have strong feelings on that, but many of the ecological systems and oceanographic forces that drive the Sound are the same ones that are driving ecology in the Lower Cook Inlet and the Kenai Pen -- on Kodiak Island.

MR. ROSIER: We have one -- at least one left. Theo Matthews?

MR. MATTHEWS: I wasn't going to bother you, but I couldn't resist, finally, but I will keep this to four quick statements. My name is Theo Matthews. I'm speaking for United Cook Inlet Drift Association, and of course, the resource that we've been most concerned with is the Kenai River sockeye. And in that regard, I'd like to thank the Trustees for keeping the idea of a trustee -- I mean, of an endowment of some kind set aside. I don't care what you call it, something that deals with the long-term. We're now finding out that the '97 run looks dubious (indiscernible) that will be 2001, so there are long-term problems and you're just starting to see them in Prince William Sound also.

I notice that you made a transition today, pretty much in one day, from what a lot of people considered a heavy-handed agency Trustee Council to what some people may someday regard a heavy-handed executive director agency, so I'm sure that won't happen, but I just thought I'd throw out that word of caution. (Laughter) Us in Cook Inlet, and I believe the users in Kodiak I've talked to are really appreciative of the Prince William Sound ecological study. We think it's something that could be useful to all areas in the future, and so we appreciate that going forward and will attempt to keep apprised of what's going on there. And finally, I couldn't resist talking a little bit about beetles. I've been put on Commissioner -- NOAA's five-year timber advisory group to deal with the timber sales on the Kenai Peninsula state lands, and quite frankly, there are many in the administration using the timber -- the beetle issue as a way of cutting the forest to save the forest,

and it just doesn't make sense. I mean, harvesting should take place in some areas, but just because there's a beetle there, or might be there, doesn't make sense. The one example I wanted to bring to your attention, including Mr. Barton's tonight, we just found out there's a proposed clear-cut on the Kenai River Lake, on a very steep slope leading into the lake, and I'm told that the federal government is considering clear-cutting its part on the lake. Now, this, with the Kenai River sockeye already in jeopardy, is just not going to be acceptable from a water quality point of view, so we'll come back to you when we find out more, and I'll be commenting on that in the future. So, thank you again for all your good work and for your years to come.

MR. ROSIER: Thank you, Theo. Any other comments?
Yes, John?

UNIDENTIFIED VOICE: No, I (inaudible).

MR. ROSIER: Oh. Yes, sir?

DR. PAUL: For the record, my name is Dr. A.J. Paul, University of Alaska, Seward Marine Center, and I'm here at the request of Chancellor Joan Wadlow (ph), so I guess I am an official representative of the University in this case, and we'd like you to help us build the Alaska Sea Life Center. The Alaska Sea Life Center program is going to have a staff veterinarians, marine mammal biologists and sea bird ecologists to help us carry out field and captive marine mammal research, and we feel that this is the best route the University can go to increase our efforts in these areas. So, we in the University would like to work with the

Trustees to help get this project going. Thank you very much.

MR. ROSIER: Thank you, A.J. Comments? Yes, John?

MR. SANDOR: No comments. I do want to move for formal recognition of -- and a letter of appreciation to Dave Gibbons, Dr. Gibbons, for his services as interim director and (indiscernible).

(Applause)

MR. ROSIER: We have one last person to testify here.

MR. MOSS: My name is Chris Moss, and I'm speaking on behalf of the Cook Inlet Seiners Association. Our members fish in the Lower Kenai Peninsula and the outer coast, that area. I was really going to give all this up except for what Charlie brought up. It's his fault again for additional people talking, but mostly, I did want to bring up the point that the Lower Cook Inlet and Tutka Bay, the Tutka Bay hatchery is under the same problems that Prince William Sound has. As of June 30, 1994, that hatchery will not have money to operate and we do not have the time to cost recover for the future year. So, I guess what I'm asking is, if it is going to be a policy to do this sort of thing, to support hatcheries in the spill affected area of pink salmon production, that you should also consider this one.

MR. ROSIER: Thank you. Questions, comments? I would entertain a motion to adjourn.

MR. SANDOR: I make the motion.

MR. ROSIER: Hearing no -- hearing nothing to the contrary, we stand adjourned.

(Off record at 7:10 p.m.)

CERTIFICATE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Linda J. Durr, a notary public in and for the State of Alaska and a Certified Professional Legal Secretary, do hereby certify:

That the foregoing pages numbered 04 through 249 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustees Council meeting taken electronically by me on the 30th day of November, 1993, commencing at the hour of 9:25 a.m. at the Restoration Office, 645 G Street, Anchorage, Alaska;

That the transcript is a true and correct transcript requested to be transcribed and thereafter transcribed by me, Angela Hecker and Sandra Yates to the best of our knowledge and ability from that electronic recording.

That I am not an employee, attorney or party interested in any way in the proceedings.

DATED at Anchorage, Alaska, this 7th day of December, 1993.

Linda J. Durr, Certified PLS
Notary Public for Alaska
My commission expires: 10/19/97