

Exxon Valdez Oil Spill Trustee Council

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2015 Annual Financial Report on the Fiscal Year 2014

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Since its inception in 1991, the *Exxon Valdez* Oil Spill Trustee Council (Council) has worked in three major areas: Restoration, Habitat, and Administration. In late 2012, the Council authorized a shift of its administrative fiscal year from the federal October 1st start date to a February 1st cycle. To that end, FY13 was a transition period, with a 16-month fiscal year. The following is a general guide to the activities included under these headings.

Restoration, Research, and Monitoring

Restoration forms the core mission of the Council. Spending in this area includes hundreds of scientific research projects that address a broad variety of subject areas. Surveys and other monitoring of fish and wildlife in the spill region provide information to determine population trends, productivity, and health. Research increases knowledge of the biological needs of individual species and how each contributes to the Gulf of Alaska ecosystem. This work also provides new information and better tools for effective management of fish and wildlife and is used to study the long-term impact of hydrocarbon exposure on affected species. The Council's support has developed modeling, surveys, mapping of lingering oil and furthered science in the spill area. General restoration includes projects to protect and improve archeological, subsistence and recreational resources. Restoration has also been pursued through projects such as marine debris removal, waste disposal facilities, the Alaska SeaLife Center and archeological site restoration.

Public outreach is an integral part of Restoration and may include public meetings, exhibits, reports, films, lectures, scientific symposiums, publications and outreach by individual projects and through Council office activities.

Restoration expenses include and overlap with Scientific Management, Public Information, and Administration for management of restoration efforts, such as staff support, data management; scientific meetings, oversight and management; project

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planning and development; public outreach efforts and publications. For these reasons, delineating spending among these categories is somewhat subjective.

Research, Monitoring, and General Restoration costs are expended through the Research Investment Sub-Account of the Investment Trust Fund.

Habitat Protection

Habitat protection has provided the Council with a lasting legacy which supports the species and ecosystems injured by the spill. These efforts include both small and large parcels and helps prevent additional injury to species due to loss of habitat. The Council accomplishes this by providing funds to government agencies to acquire title or conservation easements on land that has been determined to be high-value habitat and prioritized as important for the restoration of resources affected by the spill. The majority of spending in this area is attributed to the actual cost to identify and acquire habitat. Other expenses in this area include staff support, due diligence costs, NEPA reviews, habitat purchase negotiation support, and data management. These costs can overlap with the other categories described in this document.

Habitat Protection costs are expended through the Habitat Investment Sub-Account of the Investment Trust Fund. In late 2002, a Koniag Sub-Account was created to provide payments for a conservation easement on Koniag, Inc. lands. Those payments ended when the agreement was terminated in February 2014. The remaining Koniag Sub-Account funds were returned to the Habitat Sub-Account in 2014.

Administration, Science Management, and Public Information

This component of the budget includes annual program implementation, development, and management of the Council's habitat, and science programs. It also includes scientific oversight of research, monitoring and restoration projects, project planning and management, data management, scientific meetings and symposiums.

Administrative spending includes Council office staff, designated trust agency staff, infrastructure costs, agency coordination, and other contractual and administrative overhead. It also includes the cost of public meetings, publications and other means of public outreach, and the support and administration of the Council's Public Advisory Committee.

Administration Science Management, and Public Information costs are expended through the Research Investment Sub-Account of the Investment Trust Fund.

2015 Annual Report: How the Settlement Has Been Used

The following accounts for how settlement funds have been used (in millions) as of **January 31, 2015** (The year ending January 31, 2015 and referred to below is FY14):

Total Revenue	\$1,085.5
Exxon Payments.....	\$900.8
Settlement Fund Interest (Minus Fees & Losses / Plus Earnings) ¹	\$184.7
Reimbursements for Damage Assessments & Response	\$216.4
Governments (includes Litigation & Clean-up).....	\$176.5
Exxon (Clean-up during 1991 and 1992).....	\$39.9
Restoration, Research, and Monitoring (FY92 – FY14)	\$220.8
FY92 - FY13 Work Plans –Restoration Program Projects.....	\$215.7
FY14 Work Plan –Restoration Program Projects.....	\$5.1
Habitat Protection (FY92 – FY14)	\$400.6
FY92 - FY13 Parcel Acquisitions.....	\$364.7
FY14 Parcel Acquisitions.....	\$1.1
FY03 - FY13 Koniag Conservation Easement.....	\$6.1
FY12 - FY13 Habitat Enhancement Projects.....	\$2.9
FY14 Habitat Enhancement Projects.....	\$0.5
FY92 - FY13 Due Diligence & Trust Agency Habitat Support Activities.....	\$24.6
FY14 Due Diligence & Trust Agency Habitat Support Activities.....	\$0.7
Science Management, & Public Information, Administration (FY92 – FY14)	\$83.4
FY92 - FY13 Annual Program Development & Implementation.....	\$81.8
FY14 Annual Program Development & Implementation.....	\$1.6
Investment Trust Fund Balance (as of January 31, 2015)	\$215.7
Research Investment Sub-Account.....	\$101.9
Habitat Investment Sub-Account.....	\$113.8

Previously allocated, lapsed, unencumbered funds and any interest earnings on the joint trust funds are reallocated by the Council. This practice ensures funds are spent efficiently, but also contributes to the ambiguity regarding spending totals, as it is difficult to track re-allocations by line item within state and federal agency budget records. To date the Council has reallocated approximately \$43.6M.

¹ This value is the cumulative sum of interest (earnings and losses) and recoveries, minus fund management fees and adjustments, from the inception of the Investment Fund to January 31, 2015. Because sometimes investments incur losses, this value may be lower than the cumulative sum reported in the previous year.