

PAG Report Notes (1-19-93)

- 1 The PAG met January 6-7, 1993 to review 1993 work plan--a draft meeting summary is available (handout)
- 2 The PAG voting record was sent with the Trustee Council package last week, the Trustee Council should have that This shows how each member voted and what comments and amendments were agreed to as a part of the recommendation
- 3 The transcript of the PAG discussion on 1993 projects has been copied for each Trustee Council member, at the request of the PAG, to show the issues, concerns and minority views raised on each project
- 4 A recurring concern by many members of the PAG is the appearance that agencies are funding ongoing operations, or even double funding activities, and that overhead and administrative costs seem excessive A recommendation from the PAG is that the Trustee Council have an independent review of the situation in order ensure accountability and to avoid duplicative and/or excessive funding for agencies
- 5 Another concern of the PAG was that it have adequate funds budgeted to meet at least six times during the year, not just the minimum required four meetings The PAG has already held three meetings and has another scheduled for February 10, 1993 to begin review of the restoration plan and habitat protection plans
- 6 For Trustee Council information is Jim Cloud's memo (handout), which is also supported by PAG Chairperson Brad Phillips

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To: Brad Phillips, Chairman EVOS PAG

Date: January 9, 1993

From: Jim Cloud, Member PAG, Public-at-Large

Subject: Comments on the 1993 Workplan  
EXXON Valdez Oil Spill Trustees Council Public Advisory Group

I would like to take this opportunity to make some comments on some important issues concerning the 1993 Workplan and Budget which was the subject of a two day meeting of the EVOS PAG last week. Please keep in mind that these comments are my own and should not be interpreted as a representation of other PAG members. My comments are meant to reflect concerns of members of the group I represent, that is the "public-at-large". If appropriate, please include these comment in your report to the EVOS Trustee Council and distribute copies to the other PAG members.

#### Public-At-Large

Among the many special interest groups of represented on the EVOS PAG is the "public-at-large". The public-at-large is the broadest of all groups or classes of people that have an interest in the manner in which the EVOS Trustee Council directs the restoration of resources and wildlife damaged by the EVOS and the associated funding of activities related to the restoration process.

The public-at-large includes people that are citizens of the United States of America as well as people who are citizens of other countries; consumers of goods and services as well as consumers of intangible services such as tourism or simply ideals or notions. It will be difficult but not impossible to assure that one class of the public-at-large is not denied utilization or service of a natural resource through the attempt to restore a utilization or service to another class of the public-at large.

#### Habitat Acquisition

After studying the material provided and listening to the discussions at PAG meetings so far held, I have concluded that there are some very extreme conflicts developing between special interests and the interests of the public-at-large. Central to this conflict is the effort to acquire property or property rights and transfer such property or property rights to government agencies for "habitat protection" as a method of restoring a lost service provided by a resource without recognizing the loss of a service created by the acquisition if the acquisition results in a decrease of natural resources available to the public-at-large.

It is not in the interest of the public-at-large to reduce the amount or quality of natural resources that are accessible to the public-at-large through private ownership. During the past two decades, the public-at-large has lost access to natural resources of unknown utility on literally hundreds of millions of acres of land in Alaska. During the discussion at the recent PAG meeting the Restoration Team was unable to provide answers to Senator Eliason's questions regarding the amount of property under government protection compared with the amount of privately owned property and property rights.

Any further reduction in present or future availability of resources to the public-at-large as a result of actions taken by the EVOS Trustee Council would amount to a loss of a "service" to one class of people in order to restore a "service" to another. I do not believe it is the intent of the Court or the Trustee Council to make such trade-offs to the detriment of the public-at-large.



The withdrawal of private property without replacement has an additional cost to the public-at large when it causes a reduction in the property tax base for local governments. A lower tax base (present or future) causes extra burden on area taxpayers.

#### No-Net Loss

I urge the EVOS Trustee Council to apply a principle of "No-Net-Loss" of private property or access to natural resources. If particular habitat is found to be so valuable to the recovery certain wildlife, government landowners should be required to trade some of it's resources in a manner which leaves "no-net-loss" of privately owned property or access to natural resources. Such trades or replacements should be accomplished in a manner that provides for substantially equivalent property or resource availability.

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#### Endowment

This idea has some merit. The council should make a determination of whether it can legally create an endowment with the trust funds and how the endowment funds may be spent. The sooner this can get off the ground the better. Since the University of Alaska already has an endowment program, perhaps there could be some economies by putting such an endowment in with the University of Alaska, limited of course to uses specified by the EVOS Trustee Council. I would recommend a minimum endowment of \$200 million, with one half of the earnings reinvested each year to protect the foundation and the other half used for purposes specified by the EVOS Trustee Council in the creation of the foundation.

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#### Restoration Plan

This is key to future spending plans and priorities. I am frankly amazed it has taken so long. Perhaps the planners are starting with too complicated a document. Nevertheless, I am please to see the EVOS Trustees have ordered a fast track for preparation of the draft plan and related NEPA reports so the drafts may be used to formulate the 1994 Work Plan.

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#### Budgets and Accountability

At our January 6th and 7th meeting there was much discussion about the relatively large budgets for the Administration and Restoration Team. The total of over \$4.6 million is over 30% of the planned work expenditures (excluding the habitat acquisition fund) for 1993. This is in addition to the overhead allocations in each project. The PAG has sent the Trustees some rough recommendations with their approval. However, recent news reports of a General Accounting Office report to Congress critical of lack of financial accountability among federal agencies for program spending and operations has encouraged me to make some addition suggestions to the Trustees.

- 1 Engage an independent accounting firm to audit the expenditures of the EVOS Trust and recommend a system for financial and accounting controls independent of the agencies.
- 2 Based on the above recommendations, develop a system for measuring the effectiveness of each project undertaken by the EVOS Trust to assure that inefficiencies are detected rapidly and corrected or discontinued.
- 3 Engage an independent coordinator or "prime contractor" to manage the restoration effort much like the role of the Coast Guard in the EVOS clean-up phase.

4. Agencies that do not comply with the system of independent accountability should not be allowed to participate in the projects undertaken.
5. Engage an independent accounting firm to provide annual audited financial statements on the EVOS Trust and related expenditures.

Several EVOS PAG participants expressed concern of agency budget featherbedding. If the EVOS Trustee Council will take the time to read the transcripts they will see several comments and questions that try to determine if agencies are augmenting their budgets by trying to use EVOS funding for personnel and work that would be accomplished as part of agency responsibilities. The EVOS PAG does not have the resources or the qualifications to make such a determination. The GAO report only supports such suspicions of the public. Independent accountability is the only way to guard against such charges and assure that expenditures are being carried out efficiently and productively.

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#### Conclusion

Thank you for including my comments with the EVOS PAG report. These comments do not particularly carry the endorsement of the other members of the EVOS PAG or the other representatives of the public-at-large.

cc: Doug Mutter, EVOS PAG Coordinator  
Donna Fischer, Vice Chairperson