

9.4.5

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

PUBLIC ADVISORY GROUP

RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska

July 15 and 16, 1993
9:30 a.m.

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EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

**VOLUME I
July 15, 1993**

PUBLIC ADVISORY GROUP MEMBERS in attendance:

DOUGLAS MUTTER
Designated Federal Officer

Department of the Interior

RUPERT ANDREWS
JAMES CLOUD
DONNA FISCHER
JAMES KING
VERN C. McCORKLE
BRAD PHILLIPS

PAMELA BRODIE
SEN. DRUE PEARCE
JOHN FRENCH
JOHN McMULLEN
LLEWELLYN W. WILLIAMS, JR.
CHARLES TOTEMOFF

MARY McBURNEY (alternate for GERALD McCUNE)
SARAH HAYES-CRONK (alternate for JAMES DIEHL)
RITA STEVENS (alternate for RICHARD KNECHT)
KIM BENTON (alternate for JOHN STURGEON)

RESTORATION TEAM in attendance

DAVE GIBBONS

Interim Administrative Director, Trustees
Council

MARK BRODERSEN

Restoration Chief, Alaska Department of
Environmental Conservation

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

OTHERS IN ATTENDANCE who testified:

ANNIE LANDRUM, Rep. Olberg's Office
TOM VAN BROCKLIN, City of Valdez
RICK URION, City of Cordova
MARCO PIGNALBERI, Municipality of Anchorage
AIMEE BOULANGER, Sierra Club-Alaska
WALTER PARKER, Hazard Substance Spill Technology Review Council
SHARON GAGNON, alternate for Lew Williams
BILL HINES, National Marine Fisheries Service
EDMUND WASZKIEWICZ, U.S. Department of Interior, Office of the
Secretary.

DR. JEROME KOMISAR, President, University of Alaska
DR. RON DEARBORN, Alaska Regional Marine Research Board
DAVE ROSE, Alaska Permanent Capital Management Co.
ERIC MYERS, Alaska Center for the Environment
DAN HULL, Prince William Sound Aquaculture Corporation
ARLISS STURGULEWSKI
BILL HALL, Prince William Sound Aquaculture Corporation
KEN Adams, Prince William Sound Aquaculture Corporation
CAROL GORBICS
DR. JOE SULLIVAN

P R O C E E D I N G S

(On Record: July 15, 1993, 9:45 a.m.)

MR. PHILLIPS: Would the group please come to order, please, so we can get the meeting started? (Aside muttering). We're going to ask for roll call first, so, Mr. Mutter ...

MR. MUTTER: Is the sound on Ron? Okay. Rupert Andrews?

MR. ANDREWS: Present.

MR. MUTTER: Pamela Brodie (no response). James Cloud.

MR. CLOUD: Present.

MR. MUTTER: James Diehl.

MS. SARA HAYNES-CRONK: Alternate present.

MR. MUTTER: Richard Eliason (no response). Donna Fischer.

MS. FISCHER: Present.

MR. MUTTER: John French.

DR. FRENCH: Here.

MR. MUTTER: Paul Gavora (no response). James King.

MR. KING: Here.

MR. MUTTER: Rich Knecht.

MS. RITA STEVENS: Alternate present.

MR. MUTTER: Vern McCorkle.

MR. McCORKLE: Here.

MR. MUTTER: Gerald McCune.

MS. MARY McBURNEY: Alternate present.

MR. MUTTER: John McMullen.

1 MR. McMULLEN: Here.

2 MR. MUTTER: Brad Phillips.

3 MR. PHILLIPS: Here.

4 MR. MUTTER: John Sturgeon

5 MS. KIM BENTON: Alternate present.

6 MR. MUTTER: Charles Totemoff.

7 MR. TOTEMOFF: Here.

8 MR. MUTTER: Lew Williams

9 MR. WILLIAMS: Here, and I have my alternate present.

10 (Indiscernible - simultaneous talking and laughing.)

11 MR. PHILLIPS: I'd like to welcome a new member, Senator

12 Drue Pearce of Anchorage (indiscernible).

13 SEN. PEARCE: I'd like to be in Juneau.

14 MR. PHILLIPS: Nice to be here. I wonder if the people

15 in the audience would please, one at a time, stand and identify who

16 you represent so that we can have it on the record. Could we start

17 over here -- hiding behind that stack of chairs.

18 MS. ANNIE LANDRUM: Annie Landrum, staff for

19 Representative Olberg.

20 MR. TOM VAN BROCKLIN: Tom Van Brocklin, City of

21 Valdez.

22 MR. ERIC MYERS: Eric Myers, Alaska Center for the

23 Environment.

24 MR. RICK URION: Rick Urion, City of Cordova.

25 MR. MARCO PIGNALBERI: Marco Pignalberi, I'll watch

26 Rick.

1 MS. AIMEE BOULANGER: Aimee Boulanger, Sierra Club,
2 Alaska

3 MR. WALTER PARKER: Walt Parker, Chairman of Hazard
4 Substance Spill Technology Review Council.

5 DR. BYRON MORRIS: Byron Morris, with the Restoration
6 Team representing NOAA.

7 MS. SHARON GAGNON: Sharon Gagnon, I'm Lew Williams'
8 alternate.

9 DR. JEROME KOMISAR: Jerry Komisar, University of Alaska.

10 DR. RON DEARBORN: John Dearborn, Chair, Regional Marine
11 Research Board.

12 MR. EDMUND WASZKIEWICZ: My name is Ed Waszkiewicz, I'm
13 with the United States Department of Interior, Office of the
14 Secretary.

15 MR. BILL HINES: Bill Hines, National Marine Fisheries
16 Service.

17 MR. PHILLIPS: Minutes of May 25th meeting. Are there
18 any comments or changes? Anything at all on this -- this May 25th.
19 If not, the chair would entertain a motion for approval.

20 MS. FISCHER: I'll move.

21 MR. ANDREWS: Second it.

22 MR. PHILLIPS: It's been moved and seconded. If there's
23 no discussion then the approval is made. And on the agenda, we'll
24 go over the agenda, I'd like to make a slight change after Dave
25 Gibbons' report, I'd like to have Doug Mutter briefly introduce the
26 budget for the PAG and also talk a little bit about the package on

1 alternates, (indiscernible -- out of microphone range). If there
2 is no objection to that, if there's no objection to the agenda with
3 that addition? Is there anybody else who has an addition or change
4 to the agenda? If there is no objection then it is so ordered that
5 will be the agenda. The first item then will be Dave Gibbons'
6 report on the June 1st and 2nd Trustee Council meeting.

7 DR. GIBBONS: I'm passing around some -- these are my
8 notes -- from the Trustee Council meeting, and as is normal, I've
9 got a copy of the complete transcript from the Trustee Council
10 meeting and these are kept over in the Oil Spill Information
11 Center, also. But, I'll give this copy to the Chair so Brad has a
12 copy of all the minutes if he wants to review any in detail from
13 it. Additional paper, Brad. There was a two-day Trustee Council
14 meeting June 1st and 2nd. A lot of items were on the agenda for
15 the Trustee Council and a lot of decisions were made by the Trustee
16 Council. The first one -- item -- on the Trustee Council, was the
17 -- the Public Advisory Group report to the Trustee Council, and
18 during the report Brad mentioned -- no, excuse me, Vern -- Vern was
19 there -- Vern mentioned the -- the idea of endowments that the
20 Public Advisory Group was developing and the Trustee Council
21 thought that -- they would like to see a copy of what you come up
22 with as quickly as they could get it. So, the first action they
23 passed was to -- to have the PAG distribute the -- the options for
24 endowments, the three options for endowments, prepared by your
25 group, to the Trustee Council and to the Restoration Team as they
26 are completed so we can incorporate any information or they can

1 incorporate any information from this -- from these concepts and to
2 -- and to -- some action on if they choose to take it. The second
3 item on the agenda was the draft restoration plan. We had some --
4 a lot of discussions -- really the basic decisions on the draft
5 restoration plan are in -- on June 2nd and I'll get to those, but
6 I'll briefly go through the first. They had some concerns about
7 the legal basis of some of the options in the plan. There is some
8 difference in the legal opinion between the state and federal
9 government on what can be done until the consent decree and the
10 settlement agreement and what cannot be done, and so, they wanted
11 to -- qualifiers that this is not done -- done under complete legal
12 -- combined legal review, and that was still pending, and that the
13 Trustee Council did not fully agree -- all members did not fully
14 agree with what was in the draft restoration plan that was
15 presented to them. They wanted an improvement in the information
16 provided to the public on the link between the newspaper brochure
17 that was released in April, the draft restoration plan, the final
18 plan and the EIS -- how this all links together for the public.
19 So, some verbiage to that effect has been prepared. They tabled
20 any decisions on the draft restoration plan until June 2nd -- any
21 action from the 1st. We had prepared a supplemental package at
22 their request, have gone to the public on the supplemental
23 information to the draft restoration plan brochure. Here's copies
24 of this -- I'm not sure if everybody's got them. Hope they have.
25 The public -- when we did a round of the public meetings in May,
26 the public told us that there wasn't enough information in the

1 brochure. They wanted more information on costs, some things on
2 options, and so we put the supplemental package together, and
3 that's what this is. It provides additional information for public
4 comment. So, these are available, there's some back here, I've got
5 some here in front. They approved the motion to combine the
6 pertinent parts of draft environmental impact statement and draft
7 restoration plan into one document, and then they -- on the 2nd
8 they superseded that decision. So, you'll see my little note there
9 that they made it -- they passed it on the 1st and then they
10 superseded it on the second. So, that's basically null and void.
11 The third item on June 1st was the draft environmental impact
12 statement and the decision there was to cease all further activity
13 on the draft environmental impact statement. They wanted to answer
14 some questions first. One was how much -- many funds had been
15 expended to develop the draft environmental impact statement to
16 date. The contract with Walcoff & Associates, the contract through
17 the Department of Justice. And so, they asked that question. Is
18 an environmental impact statement required for a draft restoration
19 plan? Again, we have difference of legal opinion. The state legal
20 opinion is that perhaps we do not need an environmental impact
21 statement, and the federal legal opinion is definitely we do. So,
22 there's a division of legal opinion here and -- that needs to be
23 resolved. Some questions -- you can see here, is to stop the
24 contractor, are there any contract penalties associated with the
25 stopping the EIS contract, and we were to report back to the
26 Trustee Council on June 2nd, that was the Trust -- Restoration Team

1 was, and I'll get to that on June 2nd. By -- they approved a
2 motion -- by June 14th the Trustee Council is to get a copy of the
3 highly edited draft restoration plan, which we did -- from the
4 contractor and with a one week turn around by the Trustee Council.
5 That has been done. It's been sent to the public. That's what
6 you've got as -- it's part of this package here, is that work. The
7 restoration plan has been highly edited down and it's been released
8 to the public again. The closing date on the comment for the
9 brochure is still August 6. Next item on the agenda was the 1994
10 work plan. The Trustee Council is provided with an executive
11 summary of each study funded in 1992 and 1993 as soon as possible,
12 where we completed that for 1992. 1993 -- the studies don't come
13 out of the field until the end of September, and the final -- the
14 final draft report is due to the Chief Scientist April 15, 1994.
15 So, we explained that to the Trustee Council that really that's the
16 earliest we can get any information to them would be after the
17 final draft final report is prepared. So, we're in the process of
18 supplying that '92 information to them. We'll get it to the Public
19 Advisory Group also. They approved a motion to use a two-page list
20 of assumptions. We developed the assumptions for the '94 package
21 for them. They approved a set which you will get today. I wanted
22 to have them in hand this morning. The Restoration Team finalized
23 that package yesterday, and I can't find a couple of numbers that
24 I need to find, but I will get to you that package today with the
25 assumptions, our comments concerning all of the projects, the list
26 of projects that we intend to develop into a draft '94 package, and

1 the Trustee Council changes that they made to that package. We
2 sent that package of fifty-six projects to Trustee Council on May
3 29th with a return date of July 7th. They made changes into -- to
4 -- our package, which we have incorporated and we have now
5 finalized. And, what we're going to do now -- the steps are -- is
6 to take the fifty-nine projects that are on the list and develop
7 three-page project descriptions to those projects, run them back
8 through the Trustee Council in a September Trustee Council meeting,
9 they can take whatever action they want at that time, and then it
10 goes to the public for comments for a thirty day comment period.
11 That's the draft '94 work plan. Those comments will be analyzed by
12 the Trustee Council and the Restoration Team, and then a final
13 decision will be made in January. So that's the sequence of steps
14 that we're going to go through. Right now, we're in the process,
15 like I said, of developing the three-page project descriptions and
16 a detailed budget to go with them, and I'll get you that
17 information. It's on your agenda tomorrow, and I'll get you that
18 information as soon as I can get it. I'll try to step out of here
19 this morning and track that down for you. The Trustee Council
20 approved an action that -- that I'm to work with John Johnson of
21 the Chugach Alaska Corporation to develop one more 1993 project,
22 and that is the repatriation of Native remains and associated
23 artifacts for about six thousand dollars. So, I've been working
24 with John a little bit on that and will bring that forward when we
25 get some kind of a project lineup on it. The Trustee Council
26 recessed June 1st, and then at 8:30 a.m. on June 2nd commenced the

1 June 2nd meeting. And the -- discussion on the draft environmental
2 -- environmental impact statement pursued, and the approved motion
3 was not to send out the draft environmental impact statement at
4 this time without further discussion and decision by the Trustee
5 Council. So, we're -- we're in the process of trying to pull all
6 that record together on the environmental impact statement and
7 present that to the Trustee Council in August for their -- for some
8 kind of further decision or action. They also approved that the
9 Department of Agriculture is to review the draft environmental
10 impact statement contract and contractor's costs. Were they --
11 were they too much, were they in line with the product that we
12 received. And the Department of Agriculture has done that and will
13 report to the Trustee Council on that. They -- they laid out their
14 idea of what a draft restoration plan should include and that's
15 what the next things are that -- the objective by resource --
16 resource should be clearly spelled out. What -- what are you doing
17 for each injured resources service. And then the organization of
18 the draft restoration plan would be the -- an injury statement, how
19 was the resource or associated service injured? What's the
20 objective for that -- recovery of that injury? What actions can
21 get you there? What can be done to restore the injury? The
22 constraints, the expenditure under the agreement, what can be
23 expended, what cannot be expended for that resource, and then a
24 restoration end point. How do we know that we got there? And so,
25 we're working with that now. We'd like this type of thing that
26 gives us some kind of -- an answer that says yeah, an objective is

1 measurable and an end point is measurable, so we can -- we can know
2 when we're getting somewhere. And so we -- the Restoration Team
3 kind of likes that -- that concept. The next comments relate to
4 this document where they wanted to -- the appendices of the
5 restoration plan were -- Appendix D was basically trimmed a little
6 bit, which -- included in here. Appendix C was trimmed also,
7 included. And then, Appendix E we had twenty-six examples or
8 options for restoration. Again, legal disagreements. We trimmed
9 that back to six examples until we can get some legal opinion on
10 what we can do and what we can't do. The next thing, I've already
11 basically covered, that's the package that's been sent out to the
12 public and you've got too, and that's here, so I won't go into
13 that. Drop down to 1994 work plan, several Trustee Council
14 members, over the course of the evening on the 1st, changed some of
15 the assumptions and they revisited those and we developed the final
16 set of 1994 work plan assumptions. The second approved motion,
17 that -- that direct the Restoration Team to develop a '94 work plan
18 project list with a fifty highest priority projects and that's from
19 a list of four hundred and twenty that we had. They wanted us --
20 the Restoration Team -- to come back to them with a list of the
21 fifty highest and the list of the fifty second highest. And we
22 told them that under the constraints of people and time, that, you
23 know, we could develop approximately fifty, three-page budget
24 descriptions, and so they took that into account in that decision
25 there. The Chief Scientist, Dr. Spies, will develop a list and he
26 has done that. I just received it yesterday. I'll try to get you

1 that also. The Trustee -- the Restoration Team has done that. We
2 have two lists that you'll see here later today. The first lists
3 now has fifty-nine projects and the second list has -- I think --
4 twenty-five or thirty, somewhere in that range. I'm -- I'm not
5 quite sure on -- on the second list -- second priority list. They
6 decided to proceed with a development of monitoring studies in
7 1994. I'll paraphrase what this really means is that we've got a -
8 - in 1993 they approved a development of a monitoring plan, and
9 there was some concern that we're doing monitoring studies in '94
10 that have not been integrated into that monitoring plan that they
11 approved in '93. And what the motion basically said -- says -- is
12 if the monitoring plan is completed in time, we should incorporate
13 the '94 monitoring projects into that and see how they fit. If
14 it's not done in time, we should proceed with the '94 monitoring
15 program as outlined by the public. This is a decision later in
16 January, so that's basically what that motion says. The monitoring
17 plan -- what we're trying to lay out here is the plan that will
18 identify when you should monitor, how you should monitor, you know,
19 those types of things. Do you need to monitor, for example,
20 murre, every year or can you skip it and do it every third year,
21 every fourth year, to get recovery. So that's what that monitoring
22 plan will lay out for us. And so, it's a critical document and
23 we're developing that as quickly as we can. Phase I was done under
24 contract by Parametrix (ph). I have a copy of that if you care to
25 read it, it's a hundred and fifty pages long, and it lays the
26 framework out for this type of a process. And then the next step,

1 Phase II, would be the development of a monitoring plan. So, if
2 any of you really would like a copy, there's -- we've have a
3 finalized copy available. I've taken to heart some of the comments
4 I got earlier from the Public Advisory Group that I load you down
5 with paper all the time and you just -- so I'm doing it the
6 opposite now, if you'd like a copy, please let me know, and I'll
7 get you one, but I'm not going to load you down with paper all the
8 time. The fourth item they dealt with was the 1993 work plan, and
9 they added some projects, they approved -- the first approved
10 motion was to amend the pink salmon coded-wire tag study. They
11 approved an earlier study of pink salmon for one hundred and fifty
12 thousand dollars, and I wasn't sure where that number came from
13 while the other people weren't sure where that number came from.
14 They revisited that and decided to increase that amount from one
15 hundred and fifty thousand to two hundred and twenty thousand to
16 fund the project completely. So, they revisited that on June 2nd
17 and approved that. The second motion they approved was to approve
18 a coded-wire tag recovery study for chinook, coho, chum and sockeye
19 salmon at the cost of one hundred twenty-six thousand four hundred.
20 The reasoning behind this one was that in 1989 and 1990 and '91,
21 coded-wire tags were put on with Trustee Council funding. They
22 were hatchery fish, but they were put on with coded wire -- you
23 know, funding from the Trustee Council. We've got the fish out
24 there, we should recover them. We should get the information back
25 from the coded-wire tags, and that was the reasoning behind that
26 one. The third one they approved, a motion to include a spring

1 herring spawn deposition study in the top fifty priorities for
2 1994. They directed the Restoration Team to do that, it's there.
3 You'll see it today. And the second motion was to include the
4 Chenega Bay chinook, coho study -- project 93016 in the top fifty
5 also. And that was the four they dealt with on the '93. My note
6 here was to check what action they did to the Red Lake study, and
7 they just deferred it, so there's no action taken on Red Lake.
8 Under habitat protection, the Trustee Council recommends with
9 regard to any possible future action by -- with Eyak Corporation,
10 that the U.S. Forest Service negotiations -- that they continue the
11 meeting by a teleconference. So, on -- the end of June 2nd they
12 didn't -- they recessed the meeting. They didn't complete it. And
13 with the goal that if there's any action done on Eyak negotiations,
14 they could have it by teleconference. And that -- that allows me
15 to call a meeting within about a week, do a public notice, those
16 types of things. If they recess -- with the end of the meeting,
17 then I would have to go through newspaper notices, it's almost a
18 thirty day period. So, what they did is to try to facilitate some
19 quick turn around on that. They -- they recessed the meeting with
20 -- with the intent that they could teleconference on Eyak. The
21 next one was just some appraisal costs for Seal Bay and Tonki
22 Peninsula -- thirty-two thousand dollars for appraisal is very
23 good. Some of the basis behind that is they've had some timber
24 crews in there just within the recent past and there was a lot of
25 data there they could build upon. So, that appraisal was being
26 done as we talked. I'm not quite sure the exact date, I'd have to

1 check with DNR when that will be completed, but -- that and title
2 search -- title search has been done and hazardous waste survey has
3 been done of the site, so we're waiting on the appraisal. Item
4 six, the Simpson Building, that's the building here, I raised
5 concerns that I received a letter that they were -- the Jack White
6 Company was going to advertise the first and the fourth floor for
7 lease. We're on a month-by-month basis and that's a -- what they--
8 the authority they've given me -- under this motion they gave me
9 the authority to negotiate a two-year lease. I'm in the process of
10 doing that, and the building will be brought up to ADA Code and
11 other codes with no additional cost if -- if we sign the two-year
12 lease. So, we're in a process of them negotiations. So, those are
13 proceeding well. The symposium that was held February, there's an
14 abstract document that's out. We intended to publish -- complete
15 proceedings of that. We're in the process of moving ahead with
16 that document, so within -- Byron Morris of NOAA can probably tell
17 me more, but within a short period of time we'll have some
18 proceedings out and published, and, we're just searching for the
19 proper area to have those published. The -- item eight, the Oil
20 Spill Recovery Institute -- I believe in February or March of this
21 year the Trustee Council directed me to draft a memorandum of
22 understanding with the Oil Spill Recovery Institute and bring that
23 back to them. It was presented to them at the meeting, and they
24 tabled any decisions on the MOU with the Oil Spill Recovery
25 Institute. And the last action, which I've done, is to write a
26 letter to the Prince William Sound Communities Organized to Restore

1 the Sound, to thank them for their efforts in a combined way. The
2 Trustee Council appreciated the communities getting together and
3 speaking with one voice rather than the fragmentation that
4 sometimes they hear. They were thankful for that kind of an
5 organization. And, if anybody's got any question, I'll try to
6 answer them. The assumptions that they passed are attached here
7 for the '94, and that's the last comment.

8 MR. ANDREWS: Dave, what's the Oil Spill Recovery
9 Institute?

10 DR. GIBBONS: The Oil Spill Recovery Institute was
11 formed by the Oil Pollution Act of 1990 by Congress, and it was --
12 to give you a little history of -- the funding for that was
13 authorized to come down through NOAA, through appropriations. So,
14 it was created before the settlement, the settlement occurred in
15 1991. It was created by the Oil Pollution -- I -- we call it OPA
16 '90 but it's the Oil Pollution Act of 1990. And, their goals are
17 to do long term research and on recovery and to look at oil spill
18 type of prevention. If I call it -- that's their two primary
19 goals.

20 UNIDENTIFIED: Safety?

21 DR. GIBBONS: Could be oil spill safety. I -- I haven't
22 looked at their charter. Their are members of the Trustee Council
23 agencies on the board of directors for that, and they're located in
24 Cordova.

25 MR. FRENCH: Dave, first I'd like a copy of the
26 monitoring plan outline. Second of all, has there been any

1 discussion about potential MOU's similar to that with other
2 organizations, particularly such as the University of Alaska, that
3 authorizes some of the -- some very similar capabilities.

4 DR. GIBBONS: There has been no talk. Gary Thomas, who
5 is the acting director for the Oil Spill Recovery Institute, showed
6 up at a Trustee Council meeting and made a presentation, and that's
7 what spurred on the MOU. There has been no talk for other types of
8 MOU -- I mean, with RCAC or some of those -- there's been no other
9 communication.

10 MR. PHILLIPS: Okay, the next item on the agenda, I'm
11 calling Doug Mutter to brief us on the budget and the alternate
12 package.

13 MR. MUTTER: Ron, did we get a handout for the audience
14 participants by now? A sign up sheet? Yeah, could we pass that
15 out so people can sign in. Thanks. While Dave and the Restoration
16 Team are preparing draft budget for '94 at this point, and that
17 includes administration and support activities and the Public
18 Advisory Group falls within that budget category. So, I went ahead
19 and put together a draft budget for the organization and I'll hand
20 that out right now. It's fairly straightforward. I assumed that
21 this group would meet six times during the course of the next
22 fiscal year, which starts October 1st. And, we've met this year,
23 was a start-up year, there was a lot going on, we've had, I think,
24 nine meetings so far. We'll end up with ten or eleven by time the
25 fiscal year is over. According to our Charter, we should meet at
26 least four times a year. So, one assumption to take a look at is

1 six meetings during the year. That's the basic cost that we incur
2 as an organization. There's some staff time to support that. Some
3 of my time and a little bit of Fish and Wildlife Service time
4 because they handle all the travel arrangements. And, as you know,
5 that turns out to be a fairly large amount of work. There's two
6 pages to this. The one page outlines proposed expenditures, the
7 other one outlines budget allocations, and it includes the past
8 allocations that we've had. So, I think, perhaps the best thing to
9 do, Mr. Chairman, is for the members to take a look at that, and,
10 maybe tomorrow morning, if anyone has any suggested changes we can
11 take that up briefly and resolve that and I can pass it onto the
12 Restoration Team.

13 MR. PHILLIPS: Is our fiscal year -- is that indicated
14 here in column one?

15 MR. MUTTER: No, the fiscal year in the last column,
16 October 1

17 MR. PHILLIPS: Okay, it's September 30th, it's the
18 federal fiscal year. If there's no objection to that suggestion,
19 why don't we take these, and instead of having lunch you can read
20 it and digest it. (Laughter)

21 MR. MUTTER: The second topic of discussion is the PAG
22 alternate package, and I believe everyone has gotten a copy of
23 Brad's memo that he forwarded to the Trustee Council, and copies
24 went to the Restoration Team as well. There's a list in there of
25 each of the members and who they propose for their official
26 alternate and further status of the information, and this has gone

1 to the Trustees with the hope that they would take that up at the
2 August 23rd meeting. I don't know if Dave's putting together the
3 agenda, but the process is that the PAG members nominate alternates
4 for themselves and the Trustee Council takes action on that, and
5 then they get formally approved by the Trustees in Washington. So,
6 that is -- is off and running. And, that's mainly to get
7 alternates that can have the authority to vote for you. You can
8 have alternates sit in, but they don't have a vote at this point.
9 So, that's where that's at.

10 (Pamela Brodie arrived 10:00 a.m.)

11 MR. PHILLIPS: The next item on the agenda is the
12 discussion of potential endowment concepts. If I could ask, who is
13 going to make a presentation? Is that -- Ron are you going to or
14 who?

15 DR. RON DEARBORN: Dr. Komisar will lead off that
16 discussion.

17 MR. PHILLIPS: May I suggest -- ask (indiscernible).
18 Yes, that's fine if we can use this microphone. Can you find your
19 way up here, doctor, and we have a mike.

20 MR. ANDREWS: We have one down there too.

21 MR. PHILLIPS: Whereabouts?

22 MR. ANDREWS: Actually we'll use this one.

23 (Indiscernible)

24 MR. PHILLIPS: Yeah, why don't we use this. We do know
25 how to work all that stuff over there.

26 DR. DEARBORN: Mr. Chairman, I will have some re-

1 enforcing comments. I can either follow directly or wait for the
2 public comment, whatever you would prefer.

3 MR. PHILLIPS: Alright, fine, thank you. Would -- for
4 the record, Doctor, would you identify yourself and your
5 affiliations so we have it on the tape.

6 DR. KOMISAR: I'm Jerome Komisar, President of the
7 University of Alaska. I'm here not representing that organization,
8 but representing a combined effort of a number of organizations.
9 And, first I'd simply like to thank you for inviting me here and
10 presenting this kind of opportunity to come before the group and
11 talk a little about the endowment concept. I hope you've all
12 received the letter or memorandum that was sent on June 7th -- on
13 July 7th -- to the members of the Exxon Valdez Oil Spill Public
14 Advisory Group. It has six authors. I apologize a little for it
15 having sounding like it was written by a committee, but I think it
16 represents some deep feeling, a lot of thought, and indeed a
17 diverse set of interests. The concept of an endowment or using
18 some of the settlement funds for an endowment, has been floating
19 around since the settlement took place. I know that Arliss
20 Sturgulewski presented a plan. I did, Bill Hall did, and there are
21 a number of others that have been created. The reason for the six
22 of us getting together was to see if we could talk about our
23 separate ideas and come up with what might be a considered
24 endowment that would cover a diverse set of interests. We joined
25 to see if we could come up with a common proposal. We have made a
26 great deal of progress, and I guess each of us was somewhat

1 surprised at how easy it was to find accommodation with one
2 another. As you would expect, the easiest thing for us to decide
3 on was the fact that there was a need for an endowment, and I think
4 we all had the same feeling that the concepts of restoration and
5 enhancement and protection of the EVOS area is going to depend on
6 knowing what is happening in the region and how to protect and work
7 with the great resources that are available in the region. And,
8 the only way that we can learn what we need to know is through
9 extended study over a long period of time. The life cycle of
10 coastal systems are just very long, much longer than the eight
11 years that are now left in the payment of Exxon settlement money.
12 We also came to some other conclusions. One is that, and I think
13 most of them are stated on page two of the memorandum that we sent.
14 First, that we wanted to develop a comprehensive research plan so
15 that the research was done in a coordinated dated way, and a
16 thoughtful way, and that the major purpose of the funding would be
17 to support research that would meet the needs and design of the
18 comprehensive research plan. We also wanted to focus our interests
19 on a few topics and the topics that we came up with, though few in
20 number when listed one through three, are really a very broad
21 spectrum of what we think are the essential needs of knowledge.
22 And, the first is to provide a complete understanding of the
23 coastal ecosystems, the EVOS impacted area. The second was to
24 support the research necessary to improve our understanding and
25 management of the EVOS area fisheries. And, the third was to
26 support the research in critical habitat that is necessary to

1 preserve the mammalian, avian and piscine populations. We also had
2 a rather limited discussions on the nature of the endowment itself,
3 how the trustees would be selected, how they would operate. We
4 haven't come to any conclusion on the membership or, indeed, the
5 process of appointment. We did, however, come to a strong decision
6 that the selection of the trustees and indeed the decisions of the
7 trustees would have to be based upon a great deal of information
8 that was provided by the citizens of the region and by those that
9 were vitally interested and concerned with the welfare of that
10 region of the state. There were, as you see, initially a number of
11 authors -- two co-authors with me here, Ron Dearborn and Arliss
12 Sturgulewski. Both of them, I think, would have comments to add to
13 this if the Chair would invite them.

14 MR. PHILLIPS: Ron would you like to come up. We've only
15 got this one microphone, and so if you could kind of juggle it
16 around. It's fine.

17 DR.KOMISAR: Did you want to comment?

18 (Indiscernible - out of range of microphone)

19 MR. PHILLIPS: Arliss, did you want to make some
20 comments?

21 MS. STURGULEWSKI: Very briefly, if I might follow Ron.

22 MR. PHILLIPS: Sure.

23 DR. DEARBORN: Mr. Chairman, I am Ron Dearborn. Many of
24 you know me as Director of the Sea Grant college program, but in
25 that position, under the federal law forming the Regional Marine
26 Research Boards around the United States, and there is a separate

1 board for Alaska, I chair that board. There are five federal
2 appointees to that board and six appointees made by the governor.
3 The federal employees include the National Fisheries Service, the
4 Environmental Protection Agency; the governor's appointees include
5 Fish and Game, Chuck Meechum (ph), includes Loren Lehman from the
6 State Senate, includes June McFee, geologist with Calista, and
7 others. So the federal and state group is -- administers an Act
8 which looks at water quality and ecosystems health regions, marine
9 water quality and marine ecosystems health issues in Alaska. The
10 points which Dr. Komisar has already made about the need for long-
11 term looks at these systems, if you were to understand them well,
12 if you're to understand the natural changes in the environment, so
13 that indeed when man has an impact on that environment, you can
14 also understand how that is impacting the system. Those long-term
15 needs, indeed, are essential for making these understandings. The
16 board has asked -- initially asked me -- to come to the Trustees to
17 suggest that because of the federal-state partnership, because of
18 the focus on ecosystem health and water quality issues, because of
19 the breadth of our membership, we might be a key partner in this
20 process. Upon discovering that there was a larger coalition of
21 ideas already there, the board enthusiastically endorsed getting
22 together with the University, getting together with the fishermen,
23 getting together with conservation interests to indeed have a fully
24 collective approach to research and to an endowment. And, so
25 again, the board is a welcome partner in this joint effort. Thank
26 you.

1 MR. PHILLIPS: Arliss.

2 MS. STURGULEWSKI: Mr. Chairman, I'll forego any
3 comments. Just give my votes for the proposal before you and I
4 look forward to the discussion and will be happy to respond if
5 there are questions.

6 MR. PHILLIPS: Any comments from the group? Questions?
7 Yes, John.

8 MR. McMULLEN: Yes, Mr. Chairman. Two of the authors of
9 this -- of this document concerning establishment of marine
10 research endowment are Ken Adams, of the Prince William Sound
11 Aquaculture Corporation, and Bill Hall, who is a fisherman and also
12 represents the Aquaculture Association of the fishermen's point of
13 view on this. I spoke with each of them yesterday in Cordova, and
14 they had wanted -- intended to be here earlier this morning, but I
15 arrived here and have a note before me that says, they will be
16 late, they won't be getting in until about 11:00 due to weather.
17 Must be ground fog, it's the only thing it could be down there.
18 The weather has been so absolutely beautiful, just like it is here.
19 Both of them expressed an interest in presenting some testimony to
20 the board based on their perception of how this -- how this
21 endowment would work into the fisheries situation, which is the
22 second objective mentioned by Dr. Komisar, support the research
23 necessary to improve our understanding and management of these --
24 EVOS-area fisheries. They are -- I think they also wanted to say
25 something about these regional fishery research boards which would
26 be -- which are mentioned in this document and would be part of the

1 planning process on -- on project priorities. I would just ask at
2 this time that they will be here today and that -- I would ask that
3 the floor be open to them at the time for their brief comments on
4 this subject.

5 MR. PHILLIPS: Would you just let us know?

6 MR. McMULLEN: Okay, yeah.

7 MR. PHILLIPS: I have no problem. Any other questions
8 from the group. Go ahead, Pam.

9 MS. BRODIE: I have several questions.

10 MR. PHILLIPS; So do I, but go ahead.

11 MS. BRODIE: So I -- I don't want to monopolize it all
12 at once. But, my first one is we've seen several proposals for
13 endowments, a fisheries endowment that I think was for two hundred
14 million dollars, an endowment for University chairs to endow forty
15 to fifty chairs which would mean eighty to one hundred million
16 dollars of endowment., that this -- this particular proposal that
17 would be two hundred and forty million dollars, the proposal from
18 the Nature Conservancy for one hundred million. I expect that if
19 we are endorsing endowment ideas, we will be seeing more proposals
20 for endowments and my question is, first of all, does this one --
21 this proposal mean that the University is not looking for endowed
22 chairs anymore? Does this supplant that one, and does it mean that
23 the fishermen are not going to be looking for their own fisheries
24 endowment? Or -- or, in fact is this just a proposal by six people
25 but not in fact the organizations, and the organizations may be
26 pushing some different endowment proposals?

1 DR. KOMISAR: Can I -- can I try to respond to that. I
2 think I would be the first University president in history that
3 would go down and talk about endowed -- talk against endowed
4 chairs. I'm not going to say anything that would be negative
5 against endowed chairs. But, let me back up a step to try to give
6 my thinking and I think the other member's thinking in putting this
7 proposal together. We had knowledge of the other proposals. That
8 each type of endowment proposal brings with it a particular value
9 in answering certain types of intellectual questions. Endowed
10 chairs have long served a role of attracting some very good people
11 to faculty, where they have not only conducted research, but also
12 done teaching, and have been able to raise outside funds. There
13 are both very positive things about endowed chairs and there are
14 also some very -- limitations on them in terms of directing endowed
15 chairs to enhance a particular types of research problems. Endowed
16 chairs -- normally are very general in nature, and it's the
17 intellectual freedom that makes them both attractive, but also
18 makes them very independent. There is a structure that is being
19 used in some of the European countries for answering research
20 questions that put together institutions of people, very capable
21 people for short periods of time. That is, you might create an
22 institute for a life span of five to ten years that would pull
23 scientists together from the universities in this state and other
24 states and around the world to answer some questions related to the
25 EVOS area. Or, you might be pulling in people that are not faculty
26 members, who might represent other skills and to answering many of

1 these questions. But, such institutes as used, particularly in
2 Germany, have a fixed life span and then they disband. There are
3 other intellectual questions that are very -- that can be answered
4 in a short period of time, so you might have a contract that ran
5 for six months or a year. What we've attempted to do here is to
6 establish an endowment that could do all of those things without
7 trying to predetermine either the distribution of funds -- funds
8 among the different approaches or among the questions that -- that
9 would be answered. That there might be occasion for some of this
10 endowment to be used for the creation of endowed chairs. Now, the
11 endowed chairs may have the life of the particular occupant, rather
12 than going into perpetuity, but there might be situations where the
13 trustees of this endowment will want to put together endowed
14 chairs. There would be other occasions where I could see them
15 wanting to put together an institute to study some particular
16 impact in the region, and I can see other areas where they would
17 want a short-run scientific proposal where you would have a
18 competitive grant system that would go over -- that would be
19 competed for by people from -- you know, across the planet. What
20 I don't think we wanted to do was prejudge the approach, but rather
21 set the two things going. One the fact that there will be a flow
22 of funds to conduct this kind of research to answer intellectual
23 problems, both basic and applied that came up. And, second that
24 there would be a mechanism for distributing the research funds that
25 would represent the interests of the people of Alaska, the
26 interests of the people in the EVOS area, and what is the quality

1 of the -- quality judgment to the scientific community. And, I
2 think that is primarily what we're going about. So, we saw this as
3 really the one and only endowment, but that it could service the
4 interests of other people that have pressed for endowment
5 structures.

6 DR. FRENCH: Mr. Chairman.

7 MR. PHILLIPS: Just a moment, Pam have you finished with
8 your -- how many questions do you have?

9 MS. BRODIE: I have some more questions, but I hope it
10 goes around the group.

11 MR. PHILLIPS: Alright, fine.

12 DR. FRENCH: I just had a general comment, one in terms
13 of the growing body of the public comment with respect -- favorable
14 public comment with respect to these types of endowments, but also
15 I would like to seek assurance from President Komisar that the
16 authors of this document are willing to elaborate on objectives one
17 through three as to how they relate to the monitoring, restoration,
18 enhancement and replacement activities of damage resources and
19 services that are appropriate to the consent decree. None of those
20 words happen to appear in this document, and we're kind of
21 hamstrung in terms of supporting it on legal basis without those.

22 DR. KOMISAR: That's -- that's a failure of the author
23 I would -- I could have sprinkled the document with those and
24 certainly can rewrite because what I think what we're talking about
25 goes directly the heart of those questions. But, Ron, would you
26 like to add to that?

1 DR. DEARBORN: I think you've answered it correctly. It
2 is not possible to meet the goals set down in the settlement by
3 looking only short-term and immediate changes. The settlement
4 requests that we be able to evaluate what damage was done. We'd be
5 able to outline how to restore the system. And without these long-
6 term approach, given the very dynamic changes that take place in
7 natural environment, we cannot make those decisions. There's one
8 other element in the proposal, and that is that it -- that a plan
9 should be written early on by the trustees formed under this group.
10 Indeed, they -- that is not an easy chore. Our Regional Marine
11 Research Board has pulled together a large part of the academic
12 scientific community, the federal and state agency scientific
13 community active in Alaska, and has drafted at its plan of research
14 looking at the essential long-term questions. For the first
15 element of the endowment proposal, you may want to use this plan as
16 a jumping off point. The trustees might want to use this point --
17 the trustees of the endowment -- might want to use this as a
18 jumping off point for -- for planning. But I think, John, those
19 essential settlement issues are wisely drafted, and I don't think
20 they could be answered without taking this long-term approach.

21 DR. FRENCH: Ron, as you know I'm well -- I'm very
22 supportive of that issue, and I agree with you completely.
23 However, in terms of a body -- this body does not have the
24 technical expertise to rewrite the whole endowment proposal, but it
25 does -- to be able to forward it on with a positive recommendation,
26 be able to feel assured that it does relate directly to the

1 specific goals of the consent decree, and to do so, we need to have
2 language which ties it together. And, I would think that perhaps
3 yourself and myself, and maybe a few other people, might want to
4 try to -- to draft at least a partial document that does that
5 before this meeting is over tomorrow. It's nice to be forward-
6 looking and want an endowment and want to have people trust our
7 objectives. The University has too long sat back and waited for
8 people to trust our objectives without reaching out to the people
9 of this state, and we have to do that in an active way. We have to
10 show what we're trying to do and we -- the University is expected
11 to be a major player in this. What we're trying to do is relate it
12 to and directly tie it in to the main issue we're talking about
13 here, mainly the restoration of the oil spill area and the
14 expenditure of monies under the consent decree, which is -- I'm
15 sure you've read it, it's a fairly long elaborate document.

16 DR. KOMISAR: John, we -- we put this down as a skeleton
17 statement really, and we would very much appreciate your help and
18 Ron's, and I would, under any conditions, be turning to you to --
19 to add some -- some meat to the bones that this thing presents.

20 MR. PHILLIPS: Yes.

21 MS. MCBURNEY: On page three, you have the bare bones,
22 the outline of how this endowment is going to be funded -- endowed.
23 And, I'm just curious, you have over the course of eight years
24 thirty million dollars going into the dedicated account, but
25 there's seven million that's going to be used in each of the eight
26 years. Is that meant to be a discretionary fund of sorts that the

1 Trustees would expend each year on their own, with their own
2 projects?

3 DR. KOMISAR: Not on their own projects, but they would
4 be expended on projects that they solicited request for. That is,
5 that the Trustees would be working on the comprehensive plan and
6 that they would be -- would be conducting and supporting research
7 during the initial eight years. One of the things they came up
8 very early in the discussions was the sense, particularly in the
9 fishing community, that there was research that just had to be done
10 during the next -- the next eight years. That instead -- instead
11 of just talking about the building of an endowment, which this
12 could have done, to really talk about two parts, and that is
13 research would begin to take place immediately under the structure
14 of the endowment through funds that would be -- that would come and
15 be expended, that's the seven million a year, while at the same
16 time you were building the principal of the endowment. At the end
17 of the eight year period of time (cough), excuse me, be the
18 earnings on the principal on the capital of the endowment that
19 would continue that type of research.

20 MS. MCBURNEY: How is that different than what the
21 Trustee Council does with its annual work plan?

22 DR. KOMISAR: It's -- it's very similar, and I think the
23 sense was this would initiate the trustees of this endowment
24 working on that and would be seen as a replacement for much of what
25 the Trustees are now doing in their annual work plan.

26 MS. MCBURNEY: Now, what are the projected annual

1 earnings for this endowment as it's proposed?

2 DR. KOMISAR: That's really hard to calculate. Right
3 now, we're looking at rather low earnings for most endowments
4 because of the severe decline in interest rates of the last few
5 years, but I think you would expect over time to be running about
6 seven or eight percent on endowment income.

7 MS. MCBURNEY: And, also there's just a very brief
8 description of the -- the endowment funds would be -- are proposed
9 to be held and invested by the University of Alaska Foundation. I
10 take it -- you say that their management fees would be limited to
11 the commercially competitive rate. Not knowing what the
12 commercially competitive rate is, what is that currently?

13 DR. KOMISAR: Oh, I don't know at this stage, but I
14 imagine it's less than one-half of one percent or about that for
15 funds of this size. I didn't throw that phrase in, but I think
16 it's a good one to have.

17 MS. MCBURNEY: It's a great commercial.

18 DR. KOMISAR: Our foundation has done very well.

19 MR. WILLIAMS: Yeah, Brad.

20 MR. PHILLIPS: Lew Williams.

21 MR. WILLIAMS: Just to get this firm in my mind, I think
22 what has happened here is six groups or seven, however, that had an
23 endowment idea got together and they haven't worked out the details
24 yet, but they have here an umbrella deal to set aside some of the
25 money so we don't come down at the end of eight years and there's
26 no money left. And, how did -- how they're going to use that money

1 hasn't been detailed yet or even how it's organized, but my
2 understanding of this is that the suggestion to set aside some
3 money, X amount, for eight years so that there is a chance to do
4 something further on. Is that correct?

5 DR. KOMISAR: Best way to summarize it. Yes, sir.

6 MR. PHILLIPS: My mathematics is -- are feeble most of
7 the time -- this tells me that you're asking for twenty -- slightly
8 in excess of twenty-five percent of the total settlement to be put
9 in endowments. We've already extended, I believe, or obligated
10 some thirty percent of those and before we get to restoring
11 anything, on administration and some other things, and so that
12 leaves about forty-five or less percent. How -- if this were done,
13 how would that impact the work plans -- I mean that's pulling
14 twenty-five percent right off the top. So what are the -- how is
15 this going to take funds that are for restoration and restore
16 anything? I just don't understand. I'm a little concerned about
17 setting all of this money aside, and no restoration being done.
18 So, Dave, maybe you're the one that -- if we took that kind -- I
19 don't want to put you on the spot, not really, but what kind of an
20 impact is this going to have on the restoration plan.

21 DR. GIBBONS: Well, there's a lot of conversations now
22 going on -- on the '94 on how much to spend on which area. And, my
23 feeling is that the Trustee -- that would not be acceptable to the
24 Trustee Council. That would be too much in one area. The payments
25 this year are one hundred million, but then they go down to seventy
26 million. So, if you take thirty million of seventy million, you're

1 approaching forty-five percent of it. Until -- in the subsequent
2 years, and that's quite a bit to turn into an endowment. My other
3 concern -- I've heard the term "research" a lot, and under the --
4 under the criminal settlement the term "research" is there. Under
5 the civil settlement the term "research" is not there. So, I've
6 got some fuzziness in my mind too how this fits into the package,
7 but just -- my -- this is my opinion that putting that much money
8 into an endowment might not go over real well with some of the
9 Trustee Council members.

10 MR. PHILLIPS: Yes.

11 MS. MCBURNEY: Dave, is the Trustee Council bound to
12 spend every last dime by the end of eight years?

13 DR. GIBBONS: No. We have money in the account right
14 now from the payments in '91 and '92. There's roughly fifty
15 million sitting in the court that has not been taken out. The
16 court does not want to act as a bank though, but there is no
17 obligation to spend it in -- 2001 when it ends, not all the money
18 needs to be gone.

19 MS. MCBURNEY: So, for example, there would be no
20 restriction on perhaps setting up restricted funds of sort to
21 address particular issues such as long term monitoring that would
22 insure that money would be provided, say farther, beyond 2001, yet
23 isn't necessarily a formal endowment.

24 DR. GIBBONS: Well, yeah. Right now we have kind of an
25 informal endowment going on because it's sitting in the court.
26 There some -- you know, I don't want to get into a lot of this.

1 I'd like to talk to the people who developed this. There's some --
2 I keep mentioning this, but on federal side there's a concern with
3 the concept of endowment being legal under the federal-type money.
4 So, I'd like to talk to the group about that. You know, there
5 needs to be some work done on that.

6 MS. MCBURNEY: And how much long-term monitoring do you
7 feel is going to be included ultimately in the restoration plan, is
8 that going to be a significant portion of the long-term restoration
9 plan?

10 DR. GIBBONS: Well, we don't have a real good feel until
11 we get that monitoring plan done, but some of the estimates for
12 recovery of the species are -- you know, fifty years into the
13 future, whatever. And, we need to know what the restoration end-
14 point of some of these species are. I mean, we don't need to
15 monitor them every year, like I mentioned earlier. Killer whales
16 a good example, monitor them every third year, murrens every third
17 year or fifth year or whatever, just so we can tell when they are
18 returned to pre-spill levels. And, that's not going to occur
19 overnight. Some of the fish species, they're long live species,
20 the sockeye in Kenai, perhaps, might be monitoring past 2001. We
21 will be monitoring -- should be monitoring something past 2001.

22 MR. PHILLIPS: Yes, Pam.

23 MS. BRODIE: As Dave has pointed out, there -- the
24 payments come in over the next eight years, but the expenditures
25 could be stretched out over -- as long as the Trustees choose. So,
26 it seems to me that the main thing that this endowment does is take

1 the decisions on how to spend the money from the Trustees who were
2 given that power under settlement and turns it over to a new board
3 of trustees, and, in fact, takes the advisory role away from this
4 body, and there may or may not be public input with the new board
5 of trustees of this endowment, and I wondered if you could explain
6 why -- what the benefit is of changing trustees?

7 DR. KOMISAR: That was in our discussions. That was one
8 of the points we are attempting -- not one of the aims we were
9 attempting to achieve. We thought that there might be some
10 improvement of that, but one of the ideas that was floated and that
11 was not rejected was that the existing Trustees might continue. I
12 think that the basic purpose of this was to have funding available
13 so that what we had to learn, our ability to learn what we had to
14 learn, would not end in 2001, and, in fact, would go on
15 indefinitely,. because I think the whole host of questions we're
16 going to face has an indefinite horizon. We did not want to talk
17 about changing advisory structure or necessarily changing trustees.
18 I must say if the six of us sat down and debated it, I don't know
19 if we'd come to a common agreement on whether we should stay with
20 the ones that exist or go to a different structure. But, that was
21 not one of the purposes of it. It really had a very singular
22 purpose and that was to be able to reserve the ability to do the
23 kind of work we think is going to be necessary after the year 2001.

24 DR. DEARBORN: Mr. Chairman. (Indiscernible - out of
25 range of microphone). The group also felt strongly about public
26 input. Dr. Komisar mentioned it when he initiated it that. That

1 was further reenforced (indiscernible) we received a message from
2 that (indiscernible) very strong part of it. We are not trying to
3 avoid public advisory input. We're seeking (indiscernible). One
4 other advantage that is not mentioned is that, I doubt that the
5 court is paying eight percent on the money that is not taken. Even
6 eight percent of several million dollars is worth a lot of money
7 and to carry a certain -- for a very long time. At eight percent,
8 a fund doubles in less than ten years. And, so if it were indeed -
9 - could be invested out -- at ten percent it doubles in seven years
10 -- so by the end of the Trustees, that pot could have doubled if
11 were in an endowment rather than sitting in court.

12 MR. PHILLIPS: Mr. King.

13 MR. KING: I guess this is the question for Dave
14 Gibbons. I'm hearing a lot of other suggestions as well as the
15 ones coming from this group, and I know that comments, letters and
16 petitions have been coming in, and I wonder how these are going to
17 be handled in the restoration plan EIS, and it was my understanding
18 that if an EIS is done, this kind of comments would be dealt with
19 in some reasonable forum and passed back to the public for general
20 commentary and input. And, is that -- am I correct in assuming
21 that's what's going to happen?

22 DR. GIBBONS: I was going to try to explain what the
23 Restoration Team is thinking and our -- my thinking on this has
24 been and is now, is in the restoration plan brochure and in the
25 restoration plan we're asking the public a question about
26 endowment. Do you support an endowment? It's specific in --

1 twenty percent, forty percent, and we're targeting the public for
2 that response back and this is our -- part of response -- a lot of
3 response to Arliss' -- you know, proposal. And we're asking the
4 public what do you want us to do. Do you want us to create an
5 endowment and how much do you want to put in there? And, then the
6 Trustee Council -- the Restoration Team '94 work plan would have a
7 lot of input saying we support endowing chairs. We went out with
8 two hundred and ninety-seven projects, and a lot of the new ones
9 come back were endowing chairs. So then the fifty-nine projects we
10 have the concept of endowing the chair there. So we can develop
11 that and go to public input in '94. But, we in our discussion --
12 you know, a lot of the input we got from the public says endow
13 three chairs of endow fifteen chairs in fisheries, endow ten chairs
14 in wildlife, and we boiled that all down to the concept of endowing
15 a chair, and let the public tell us -- you know, should we be
16 endowing several chairs, one chair, how much should we be doing.
17 And we were told that it was about two million dollars a chair, and
18 that's the feedback we got. To endow one chair at the University
19 would be two million dollars, and that would cover that chair in --
20 complete in the future, and that's what --. So the concept is
21 there in the '94 work plan, but the concept of endowments into the
22 future are built into the restoration plan and asking the public
23 for that. So, that's -- that's our two approaches to endowments
24 that we're looking at now.

25 MR. PHILLIPS: Jim.

26 MR. KING: And will you be boiling all of these

1 proposals and suggestions into some sort of a reasonable
2 presentation for the public to comment on?

3 DR. GIBBONS: Right. That's where we've gotten -- I
4 believe eight hundred comments back on the restoration plan already
5 and we're boiling -- we're in the process of polling all those
6 comments and we'll be providing that to the public and to the
7 Trustee Council.

8 MR. KING: Can I assume that the PAG will be able to
9 present comments on things that we've just seen for the first time
10 today.

11 DR. GIBBONS: Yeah, the Trustee Council in their first
12 action would like your thoughts on endowments too, and the three
13 types of endowments. The chair, a permanent endowment for
14 fisheries research or whatever, and then -- they wanted your input
15 on that too. So, that was requested at the June Trustee Council
16 meeting.

17 MR. KING: Thank you.

18 MR. PHILLIPS: Jim.

19 MR. CLOUD: Well in -- adding in your question on
20 allocation and how much would go to the endowment, how much of this
21 plan would make up the remaining budget, I just looked at the
22 restoration plan, RT Rag I guess it was named, and of the
23 alternatives presented to the public, the endowment was listed but
24 not recommended. It was not -- you know, there was no percentage
25 given it. And of the four of the alternatives that are other than
26 natural recovery, habitat acquisition runs from thirty-five percent

1 to ninety-one percent of the remaining, and general restoration
2 runs from zero to forty-eight percent. So, I think -- you know,
3 between those two, the others were monitoring and research, of
4 course, which could be folded into the -- the research done by the
5 endowment, and that ran from five to ten percent in the alternative
6 ranges, and administration and public information, four to seven
7 percent. I think there's plenty of room there for a substantial
8 investment in an endowment that would indeed provide the public and
9 the -- would -- with benefits that would continue in perpetuity.

10 MR. PHILLIPS: John.

11 MR. FRENCH: Yeah, I just wanted to -- while Ron was
12 here -- I mean, you guys can listen to me anytime -- while Ron was
13 here, if he would like to take the opportunity to provide a few
14 more words as to why you feel a long term endowment -- the
15 fundamental information that could be developed under a long-term
16 endowment would assist the restoration and monitoring and
17 enhancement activities under the settlement.

18 DR. DEARBORN: You're asking me to expand on that issue?

19 DR. FRENCH: Yeah, if you'd like to take a few moments
20 to expand on it.

21 DR. DEARBORN: We lack knowledge about how this coastal
22 system works, partly because we arrived here so late compared to
23 other parts of the world or other parts in the United States, but
24 partly because this system up here works so differently than other
25 coastal ecosystems around the United States. If you were to go to
26 the Gulf of Mexico or go to North Carolina, you'd find that the

1 primary energy input from the system are from off the land through
2 estuaries down-river. You get a very short distance off a river
3 the size of the Yukon River or any of the other rivers going into
4 Prince William Sound, in Southeast or whatever, you find that that
5 energy from those systems is not -- is all absorbed by the
6 environment immediately. The primary signal -- energy signal
7 driving this entire ecosystem, whether your interested in fish,
8 whether your interested in mammals, whether your interested in
9 birds, or some intermediate levels of small feeding fishes that
10 allow that entire, our environment to survive, you have to look at
11 the signal that is coming to it which changes by a magnitude of
12 five times over the course of a decade, a very strong environmental
13 signal coming into the ocean, generated by that seismic (ph) gyro
14 up there that lifts energy off the deep ocean and up onto the shelf
15 (indiscernible). We're just now beginning to understand how,
16 though, that strong signal affects Prince William Sound, Cook
17 Inlet, the fisheries at Kodiak, for example. If you don't
18 understand that strong natural environment -- environmental signal
19 -- you cannot understand the impact of dragging a net through the
20 water and picking up fish, the impact of spilling oil on the shore
21 and in the environment -- any of these man-made anthropogenic (ph)
22 inputs cannot be understood because of the strength of the signal
23 and because this signal is so dynamic and so different from all of
24 our prior ocean fishery history around the rest of the United
25 States, or for that matter, Europe. Because we are so low on the
26 learning curve, without addressing these questions over the time

1 frame that these take, over several decades, if the signal changes
2 strongly each decade, if you get just one point at this dock, and
3 one point at that (indiscernible - coughing), you still only have
4 two data points. And so, we must begin mining old data through
5 what's in sediment cores, mining data in lakes that it had strong
6 red salmon runs into them for many years in which deposits and
7 information signals. If we don't get at those kinds of questions
8 and don't address those kinds of issues, we'll have another oil
9 spill, and we won't understand the nature of the impact or where
10 even to begin to look for the impact because we don't understand
11 the system. And that's where we were a few years ago with the
12 Exxon Valdez. So, I think that preserving our ability to look at
13 these is going to be important clearly beyond -- I realize that we
14 have to talk in the terms of the formal agreement of the Exxon
15 Valdez oil spill -- and to put all the other human impacts on this
16 coast and ocean cannot be understood without answering some of
17 these basic questions. Whether it's the shorter term answers on
18 how to restore red salmon to Coghill, or some other animals,
19 whether it's to restore birds or how to restore seal lions or other
20 declining pinopeds (ph), none of that can be clearly understood
21 without getting at some of these key questions as to what Mother
22 Nature is providing for us and in what way.

23 MS. STURGULEWSKI: Mr. Chair. May I make a very brief
24 comment.

25 MR. PHILLIPS: Certainly.

26 MS. STURGULEWSKI: I found that this was compatible

1 MR. PHILLIPS: Arliss, could you use the mike.

2 MS. STURGULEWSKI: Yeah, mike up here (indiscernible).
3 Mr. Chairman, I'm Arliss Sturgulewski. I've sat for a number of
4 years as an advisory member to the International North Pacific
5 Fisheries Commission, which dealt mainly with salmon on the high
6 seas. But, in the course of that, we got a lot of information on
7 the amount of science that we have. What we found is there is a
8 lack of coordination among many agencies. What we found is there
9 is a tremendous lack of knowledge about the inter-relationship of
10 the species and the food chain and a whole lot of other things. We
11 cannot -- or I don't believe that the scientists with all of their
12 studies and all of their words, can tell us why the shrimp went
13 away, why the crab went away, what the impacts of the smaller
14 fisheries that we're getting the impacts of -- of the fisherman,
15 the impacts of the nature cycles that are going on. We have
16 tremendous gaps. What I have seen in the expenditure of a lot of
17 the funds from Exxon Valdez, has been very short-sighted. We
18 simply have to take -- not just do the immediate thing that appears
19 today that we need, but we need to take a longer view. And I think
20 that's the whole reason for the concept is of an endowment is to
21 look at the broader picture. What do we need to know? We don't
22 know what condition existed in the spill area, so how can we judge
23 the success of our restoration or know what we need to do, as a
24 matter of fact, to restore, if we don't have that basic
25 information. So, there's a lot of words, a lot of things are said,
26 we need to know more, it needs to be systematic, it needs to be

1 long term, and the people of the coast, the people that are
2 dependant on that for a whole host of things are going to be better
3 served if we take that long view. So, we're talking I -- in a
4 sense, got a form here as opposed to the substance of the proposal,
5 which is to give us the baseline information so that we can, in
6 fact, know if we're successfully restoring, know how we handle the
7 impacts of that development on our coast. We're faced with another
8 situation of perhaps a major find in Cook Inlet. If we had a major
9 spill, we wouldn't know -- not very much more than we knew at the
10 time of the Exxon Valdez, and we need to know more. But we have to
11 have a place to start. So, I would hope that -- there's nothing
12 against the Trustees, and certainly their actions are fine, but we
13 do need that long view, and we're looking for that structure that
14 can provide that. As I say, I get very passionate on this because
15 I've been involved with the Arctic Research Commission and a number
16 of others, and we're too bidding everything. We're never looking
17 at things holistically and how we can have a successful economy and
18 lifestyle because we keep -- we do this in a systematic way, the
19 gathering of information.

20 MR. PHILLIPS: I propose a question, I know the Chair's
21 not suppose to talk, but I have a concern and it starts with, if
22 you look at everyone of these things here, this group represents
23 not just fish, not just animals, not just birds. They have all
24 kinds of interests. And we are charged with the responsibility of
25 transmitting public opinion to the -- to the guy that makes the
26 final decisions. Well, in this -- excuse me (dropped microphone) -

1 - in this process -- did I disable it completely? In this process
2 we have to be aware that we are not only making decisions, and I
3 can't disagree with anything you've said, but there is a perception
4 in the general public, and how do you address and what you're
5 talking about to the person who missed his habitat acquisition
6 because the money went into some long-term thing that they don't
7 realize what it's going to do for them, where most people judge
8 everything in terms of their lifetime, and most people judge
9 everything in terms of their working lifetime, which is a lot
10 shorter. What benefit is there to me or to our group or to our
11 interest? So, how do you transmit information that's meaningful on
12 what you do with these monies that will actually benefit the
13 general public that we represent. And, you can talk -- I looked at
14 this thing -- pardon me, but the words you used for animals, fish
15 and birds, most people never heard those words, so how do we
16 transmit to the public that if we take all this money and put it in
17 there, that it's going to mean diddly-squat to them in the first
18 place, or is it just there to pump up the budget of the University
19 of Alaska. We have to transmit that information.

20 MS. STURGULEWSKI: Mr. Chairman. I -- one of the
21 reasons I was sitting back there getting antsy, I guess I --
22 usually too often at the table and I don't do very well in the
23 back. (Laughter). But -- but, the key question, and we've
24 addressed it partially, where we've talked about applied and basic
25 research, the difference between, say, the Alaska Science and Tech
26 Foundation, which through an endowment is doing practical kinds of

1 things. As a matter of fact, I'm involved in a couple of companies
2 that are using applied research that have come out of that kind of
3 a proposal. That's why this talks about the people that live along
4 the coast, people that are using those resources, be involved in
5 this so that it isn't pure esoteric science that's going to surface
6 in the future when we're all gone and we've lost our opportunity to
7 participate. So, it has to be structured so that you're doing the
8 baseline kind of stuff -- you have to understand that to be able to
9 know whether you're making any progress -- along with things that
10 help in the development and management of those resources for
11 today. So, I don't know, Jerry might be able to speak on this, but
12 there are two parts to it.

13 DR. KOMISAR: I'd like -- I think one of the most
14 difficult questions that you raise, and that is how to get people
15 to look beyond their own life span or even beyond the next decade,
16 and I think that's a question that we all face, and we face it in
17 a lot of different areas. First, I'd be a little defensive, this
18 doesn't pump up any money in the University of Alaska. What it
19 does is pump up the resources available to the people of Alaska to
20 protect what is one of their greatest assets, and that really is
21 the only purpose of this. And the way you translate the words we
22 use was just the way you did translate them. I think you did a
23 very effective job translating them. There's -- there's no
24 difficulty on that. There is both immediate and long-run value to
25 what we're talking about. We're not talking about setting up an
26 endowment that will first start doing research eight years from

1 now, we're talking about beginning the research process now and
2 looking towards -- a very near horizon. We're talking about two
3 and three and four and five as well as twenty-five years out. But,
4 I must say it has become one of the very hard political tasks that
5 we all face to get the public to recognize the importance of this
6 world twenty years from now, and that relates not only to something
7 like this endowment; it relates to building elementary schools in
8 the state. You're talking about the same as that issue, looking
9 beyond your own lifetime, and I think that something that we all
10 have a public responsibility to push.

11 MS. MCBURNEY: I'm still trying to figure out how exactly
12 this is going to work in a practical sense. Over the course of
13 eight years, we'll take approximately forty-five percent of the
14 money and bank it, essentially. But the sorts of project that the
15 endowment is intended to fund, when I take a look at, for example,
16 the project evaluation and ranking for 1994, it would seem to be
17 that most all of the projects on this list would fall under the
18 intent of the endowment, that essentially the endowment might
19 become the funding body for these projects. Would that be correct?

20 DR. KOMISAR: Yes, for the same style of projects as
21 well as other styles.

22 MS. MCBURNEY: Okay. Now, if it's -- if the annual
23 earnings are going to be between seven and eight percent, I don't
24 see how it's going to pencil out, where we're going to be able to
25 fund the range, the variety of projects that are going to need
26 attention with just the earnings from the endowment.

1 DR. KOMISAR: I must say, I have the same feeling that
2 you do, that the earnings of the endowment aren't going to meet one
3 hundred percent of the needs of the industry or the coastline of
4 the people of Alaska, or it's not. And, when Ron was talking about
5 the lack of knowledge, one of the notes I wrote before sitting down
6 here is that here we have a state that has over fifty percent of
7 the coastline of the United States and it has over seventy percent
8 of the continental shelf of the United States, and I think we have
9 less knowledge about what is taking place on the coast of Alaska
10 than we have knowledge about what's happening in Cape Cod, and I
11 think that is very sad, and I think it's tragic. We have an
12 industry here -- I could just talk about the industry, but then you
13 have the aesthetic. Our sense is that they will be other funds,
14 hopefully, other funds available for doing research in some of
15 these issues. We have some funding now from national sources.
16 But, what this would do is guaranty a base for the kind of studies
17 that we need. Is it going to meet all the needs? I don't think
18 so. Will there be competition for these funds? I hope there will
19 be. I think that what the trustees are going to have to do, the
20 trustees of this endowment, whether they'll be the Trustees now
21 continuing or a new set of trustees, that their major job is going
22 to be -- have to select among competing research needs, and it's
23 going to be a difficult thing to do. But, I don't see the income
24 of this being able to meet all the challenges that we have.

25 MS. MCBURNEY: How is it going to relate to the overall
26 restoration plan?

1 DR. KOMISAR: I think that Ron gave an answer to that.
2 A restoration plan is something that has to be evolved as you see
3 what has happened to life forms over the next twenty-five or thirty
4 years. And to think that we can come up with a restoration plan
5 that can be designed and implemented in ten years is to -- is a
6 failure to recognize the limits of our own knowledge and a failure
7 to recognize what is the long dynamics of the coastal habitat.
8 That we need -- if you're going to be able to restore it, if you're
9 going to be able to protect it, if you're going to be able to
10 enhance it, you're going to have to watch it for a very long period
11 of time and learn about it for a very long period of time. And if
12 we think we can protect it over the next eight years, I think -- I
13 think it's a naive view.

14 MR. PHILLIPS: Any further questions? Jim.

15 MR. KING: One of the things that I keep hearing, but
16 hasn't come up here this morning, is the expertise and educational
17 aspect of this thing and something that I'm hearing as popular with
18 people considering this is the idea of building up the expertise to
19 deal with both the scientific questions and the damage and the
20 monitoring within the communities that were impacted by the Exxon
21 Valdez oil spill. And, not having to go the University of
22 California or points east to get the people to do the studies that
23 are needed. And, the other aspect is that University research has
24 an important training aspect. I believe, that you use your
25 University scientists who are training graduate students, and
26 presumably the young people in these communities in Alaska will

1 become interested in these kind of things, and the idea is to get
2 all that process going on here instead of someplace else. And, I
3 wonder if Dr. Komisar would like to comment on that.

4 DR. KOMISAR: I would be happy to. I don't think I
5 would be so involved in this if I'm not quite sure then, if I
6 didn't think the University of Alaska was going to be a very good
7 competitive for a good share of slots. I have a feeling that the
8 University of Alaska -- I know -- that the University of Alaska has
9 a very competent group of scientist, that we have a set of skills
10 of enormous value to the people of Alaska, that we will be in a
11 good position to compete for some of these research funds. I don't
12 think that we should have an exclusive domain over that. I think
13 that the public -- that we should be scrutinized by the public,
14 that I think we should face certain competitive standards. My
15 sense is that the University would compete well for a lot of these
16 grants, that the result would be the hiring of experts that would
17 be in the state of Alaska, and, certainly, it would help the
18 education of both under graduates and graduate students in Alaska.

19 MR. PHILLIPS: Any further questions from the -- yes?

20 MR. FRENCH: Just to follow up just a little on Mary's
21 comments. Two things, one being in terms of the availability of
22 other funds. These -- there are a lot of dollars that could be
23 used to stretch these types of endowment funds, such as those of
24 the newly formed Coastal Marine Institute with Mineral Management
25 Service funds. Those require matching dollars from other places
26 and they limit the other federal dollars that could be used. But

1 these are types of less restrictive dollars could be very
2 effectively used to match that, and within the budget there, which
3 is this year is a million dollars, it could be -- basically used to
4 double that amount of money available within that window. And,
5 also as many of the discussions -- the last meeting when the topic
6 of endowed chairs first came up, research within the University is
7 multiplied by many factors in terms of graduate student training,
8 in terms of bringing in people and then bring in more money. So,
9 they -- the actual dollars, the seven or eight percent of what the
10 balance in the endowment would be at any given time, really, is
11 kind of a minimum estimate of these actual funds that could be
12 applied to research through this type of a mechanism. Whereas, if
13 we just did it piecemeal, budget -- individual restoration project-
14 by-project as we have been doing in the two previous work plans,
15 why the dollars would be strictly limited to those directly
16 budgeted to the project. So, I think this is a very effective way
17 to multiply the availability of dollars.

18 MR. PHILLIPS: Yeah, if I can just take a second. The --
19 we have considered this morning. Ultimately, we have to take some
20 action on the question, and so I would like to suggest that some of
21 the questions that we have to answer here is, number one, does the
22 PAG support the idea of the endowment program? That has to be
23 settled by this group, or we could discuss this thing forever and
24 never go anywhere. Number two, I think we have to define the
25 purpose that we -- (indiscernible) if we do. I think we have to
26 discuss very clearly what level of funding we would support in such

1 a program. I think we have to talk about who's going to manage the
2 funds and who's going to decide on the projects that are given.
3 These are substantial things that we need, I believe, have a
4 responsibility to go to the Trustees with if we're going to support
5 it and not just a nebulous thing that we support. This -- just let
6 them worry about all that -- the problems. If this group is in
7 support of some measure of an endowment program, then I suggest
8 that we have a small group try to draft a resolution to send that
9 information to them. I know we can't do it right now at this
10 minute, but again, maybe over lunch hour or something, a group that
11 would be interested in -- in trying to put some skeletons together
12 here, we could handle the thing then later in the day, to pass on
13 our opinion to the Trustees. You had a question?

14 MS. MCBURNEY: Just a real quick one. How did you
15 determine that the funding needs for the endowment to come up with
16 this number?

17 DR. KOMISAR: I was afraid someone would ask that. We
18 started out with a much larger figure and then came to what we
19 thought was a political (tape malfunction) ... amount of four
20 hundred million and say it might supply the income we needed to run
21 the kind of research programs we -- that we need. You know, that's
22 -- that clearly is out of the reach. So, we came down, thought in
23 terms of what John was just talking about, multiplication of the
24 income of that from other sources than the endowment and thought
25 this would be a reasonable level. I want to thank all of you for
26 the time and attention and -- and as -- as a non-promoter of

1 anything, but just as a citizen of the state, I want to thank you
2 for the time that you're putting in on this. I think it is a -- it
3 is a very valuable service you're providing to the state. Thank
4 you.

5 MR. PHILLIPS: I appreciate your coming and giving us
6 your input. I would ask the question now, does this group want to
7 take some action to express their support or non-support of this
8 idea? Vern.

9 MR. MCCORKLE: Mr. Chairman. I appreciate the
10 presentations that we've received this morning and I had withheld
11 asking questions because I hope we will have a great deal more
12 discussion. I would like to hear a lot of discussion from people
13 around the table before we go on. I do think the idea of coming to
14 a closure on the topic before we adjourn tomorrow is -- is
15 critical, maybe we can even do it today. So, I would hope that
16 somewhere in the agenda there could be arrangements made for sort
17 of a -- an around-the-table kind of discussion as a result of topic
18 which came to us last month and which we've had the presentation
19 made on today. There may be even some other ideas that we'll want
20 to talk about. And, I wouldn't oppose the Chair exercising its
21 authority in limiting debate, but I do think that would be helpful.

22 MR. PHILLIPS: I guess this is a suggestion to get
23 somewhere. Would you like to take specific time this afternoon for
24 the group then to discuss this and where they want to go, and if we
25 decide that we want to support it or whatever it is, that over
26 night we could come back with a resolution or -- or at least a

1 skeleton of one that we could put some meat on tomorrow to
2 transmit. Is that okay? Let me suggest -- how long will this item
3 take? All afternoon?

4 MR. MUTTER: Depends on you guys.

5 MR. PHILLIPS: Okay.

6 MR. MUTTER:until the next day.

7 MR. PHILLIPS: Yeah.

8 MR. MUTTER: I imagine it will, but we can
9 (indiscernible -- simultaneous talking). Well, the endowment
10 question fits within what recommendations you want to make on the
11 restoration plan.

12 MR. PHILLIPS: Then, let me suggest this, that we take up
13 the subject at -- when we come back from lunch, because it will
14 have an impact on our recommendations on the '94 plan certainly,
15 and if we spend a lot of time on that and then decide to change it,
16 that's -- that's going backwards in my book. Is that acceptable?
17 Yes.

18 MR. KING: We do have a motion from our last meeting
19 that was deferred or whatever, that might be a starting point.

20 MR. PHILLIPS: What was the -- that slipped my mind.

21 MR. KING: You were out....

22 MR. PHILLIPS: Oh, that's why it slipped my mind. I
23 didn't think I was getting feeble yet, but....

24 MR. MUTTER: That was Jim King's motion for endowed
25 chairs at the University of Alaska.

26 MR. PHILLIPS: Well, we can -- we can bring that up. I

1 assume you disposed of it with a tabling motion or something, and
2 it has -- then it's easy to bring back up when we come back. Let
3 me suggest that we take up the subject when we come back from
4 lunch, and at this time then deal with public comment period and
5 then we can get into it -- the group right after lunch. Who -- oh
6 Lew did you have a question?

7 MR. WILLIAMS: (Indiscernible) I was going to have you
8 suggest that you set a time for these other people that were on
9 this committee that are trying to get from Cordova. Are they here
10 yet? I would suggest that maybe set a time like 2:00
11 (indiscernible -- coughing).

12 MR. PHILLIPS: Do you think they'll be in, that the fog
13 will lift. (Laughter).

14 MR. WILLIAMS: I don't know, I'm just trying to be
15 accommodating.

16 MR. PHILLIPS: I know.

17 MR. MUTTER: I think they'll be here at 1:00 o'clock
18 when we get back.

19 MR. WILLIAMS: Okay.

20 MR. PHILLIPS: Alright then without -- without objection
21 let's hear them first then take up this subject second before we go
22 on to the balance of the draft. If there's no objection to that?
23 Yes.

24 MS. BENTON: Frankly, a quick question for Dave,
25 something that you've brought up earlier -- brought up earlier
26 about the legality question on the federal side of the whole

1 endowment concept. Is there a time line that we're supposed to get
2 some kind of ruling back from the federal side?

3 DR. GIBBONS: Not that I'm aware of. It's been broached
4 to them. I've been verbally informed that it would probably take
5 a change in legislation, and that's where it is right now. That's
6 all I know.

7 MR. PHILLIPS: We can couch our recommendation, if it is
8 legal, this is what our approach is without having to get a
9 determination first. If there are no objections to that plan, then
10 first will be the Cordova people, if they get out of the fog,
11 number two we will be discussing the -- this program, and third,
12 we'll go into the draft. At this time then, I'm going to ask for
13 public comments. Is there anybody in the audience? Yes, Dave.
14 Identify yourself, please, and why don't you come up and, right
15 over here on this side in Paul Gavora's seat is a microphone and
16 you can identify yourself and proceed.

17 MR. DAVE ROSE: Good morning, I'm Dave Rose, I'm the
18 former Executive Director of the Alaska Permanent Fund Corporation,
19 and manage institutionally -- I manage about four hundred million
20 dollars of money for Alaska institutions, some of which are formal
21 endowments, some of which are -- are trusts, and some of which are
22 sort of quasi, they're treated like trusts, but they aren't at all.
23 Want to say just a few words about -- about endowments. I'm new to
24 this forum not having been here other than today, and it seemed
25 from some of the conversation around the table that you folks have
26 had more than one endowment on the table before you, and probably

1 likely to have many, many more in the future. To a casual
2 observer, the question is then, why don't you seriously approach
3 taking the entire trust or what's left of it and make that an
4 endowment and live off the income of that each year. Assuming that
5 the monies you receive are not just short, one-year money, or two-
6 year money, or five-year money, but may want to last for a long
7 time, particularly since we're not completely aware of all of the
8 ramifications -- ramifications of the oil spill, since there are
9 scientific studies ongoing, that nine hundred million dollars, or
10 what's left of it, may have to reach far, far into the future.
11 And, what I see you -- you wrestling with to some degree here is
12 sort of like that State Constitution all over again with the
13 question of dedicated funds. Dedicate some funds to my group and
14 perpetuity we'll support ourselves with that endowment and perhaps
15 with another group we can do that, and with the third group, and
16 the fourth group, we can do that. The State Constitution, of
17 course, frowns on that type of approach. The approach in the State
18 Constitution simply is, let's get that pot of money each year, and
19 let's determine in our best knowledge, what we need that year, what
20 events have changed, what studies have come up, that demands a
21 certain emphasis in one year over another, and not necessarily the
22 same programs year end and year out for separate endowed groups.
23 My suggestion is that before all of this money is gone within a few
24 years, completely spent and dissipated, that you earnestly try to
25 endow as much of it as you can within the organization, so that the
26 organization has monies each year to spend as needs -- public needs

1 dictate. That way that fund may last many, many years into the
2 future, and it certainly won't be dissipated -- nickeled and dimed.
3 However, if in your judgment that is impossible, and indeed this
4 money is going to be frittered away, and nickeled and dimed, and
5 spent in a short period of time without any great feeling for the
6 posterity or longevity, then you may find that the only alternative
7 you do have is to create separate endowment funds, just in some way
8 to protect some of this money for the very long term. In my view,
9 that's a bad second choice. You ought to go for the first choice,
10 and you ought to coalesce all of these groups who would want their
11 separate endowments into some kind of a group who would fight for
12 a continuing long-term endowment to the betterment of Alaska, and
13 perhaps at the -- at the sacrifice of some of all of these groups'
14 interests. But, again, if you could not do that coalescing and if
15 you could not endow this money to the long term, you may find that
16 the only way you can save a portion of it from being salvaged from
17 the political process might be to form separate small endowments.
18 I think that you ought to look to the harder, more important, and
19 the solution which gives you longevity rather than just short term.
20 Thank you, Mr. Chairman.

21 MR. PHILLIPS: Thank you, are there any questions of
22 Dave. He sure knows how to manage money, we know that. Is there
23 anybody else in the audience -- public comment time now. Would you
24 come up to the microphone, identify yourself, who you represent and
25 we'll get that on the tape and then you can proceed.

26 MR. MYERS: My name is Eric Myers, I represent the

1 Alaska Center for the Environment. I would also like to comment on
2 the question of endowments generally. We've heard some compelling
3 arguments, I think, that a long -- long view is appropriate and
4 that there may indeed be some questions concerning problems with
5 the management of the money that we're not receiving as much of a
6 return on those investments in a court-held fund as possible. And,
7 that looking beyond the year 2001 is appropriate and the kinds of
8 pleas for humility and hubris in terms of trying to answer these
9 questions in a short-term time frame are -- I believe sound
10 cautions. At the same time, I think it is appropriate that the PAG
11 keep in mind that while all of those objectives and concerns and
12 cautions are meritorious, there's a fundamental question of whether
13 an endowment per se is the answer to the questions that have been
14 posed. I guess, I've heard enough to -- today to indicate that
15 it's nothing per se or necessarily will happen in the year 2001.
16 The settlement will not turn into a pumpkin. It's a question of
17 what the Trustee Council decides to do in the long run -- in the
18 long run. The -- some of the concerns and reservations that I --
19 I've -- that I have about the proposed endowment as it's been
20 articulated, at least the University endowment, relate to its size
21 and the extent to which it would be -- it would foreclose as a
22 practical matter, some of the other necessary restoration
23 objectives, in particular habitat acquisition, just as a practical
24 matter, would be severely constrained just by virtue of the large
25 sums of money that are being proposed for the University endowment.
26 Also, in that vein, we could, in theory, if we studied everything

1 for ever for as long as possible, get perfect information at some
2 point in the distant future, about how these ecosystems that we're
3 all concerned about work, and yet have no resources left to
4 protect. If we didn't take action in some shorter time frame to
5 protect the habitat and forestall some of the activities and
6 actions that might impair those resources. And, with that I guess
7 I would just say that -- that as described so far, the endowment
8 concept would appear to be vulnerable to criticisms of redundancy
9 with the existing Trustee Council and PAG structure, and that I
10 think that there should be serious, critical scrutiny given to the
11 idea of taking away the authority from the existing Trustee
12 Council, to replace it with what? It's a very vaguely defined
13 concept at this -- at this point in terms of what -- what structure
14 would replace it. And then finally the legal questions, I think
15 are very important if we have to revisit this issue in Congress,
16 what kind of risks does that present to the -- to the integrity of
17 the settlement, if we have to put this whole question back before
18 Congress. And, finally, I would just simply say that while all of
19 the questions -- or all of the goals and objectives that have been
20 articulated today, by proponents of the endowment, are indeed
21 meritorious and I find them very appealing. The essential question
22 remains, is the endowment the proper answer and how does that
23 proposal respond to the need for actual restoration as
24 distinguished from research for the sake of answering questions to
25 serve restoration eventually at some unspecified time in the
26 future. Thank you.

1 MR. PHILLIPS: Thank you. Is there any further comment
2 from the public? Would you come up to the table, identify yourself
3 and who you represent, before you proceed.

4 MR. DAN HULL: Thank you, Mr. Chairman, members of
5 the Advisory Group. My name is Dan Hull and I am currently the
6 Chairman of the Board of Directors of Prince William Sound
7 Aquaculture. I'm also a drift gillnetter in Prince William Sound
8 and I just would like to address as a -- as a fisherman today some
9 of the -- the comments that I've heard here from your group. The
10 first by Dr. French on the need for supporting documentation to
11 this endowment idea. In order to fulfill the MOA, and I under --
12 I took that to mean citing specific projects that this would --
13 that the endowment would do. This -- Doctors Dearborn and Komisar,
14 in their descriptions of the endowment focused on some of the long-
15 term research needs, and I would like to add a little more weight
16 to some of the applied research needs that -- that the endowment
17 would -- would accomplish. And I hope -- I believe that Bill Hall
18 and Ken Adams might focus on that as well. Applied research might
19 also be in the form of restoration. Have a restorative nature to
20 it. So, the endowment would not simply be for long-term basic
21 research. I think there's an applied research need here, that it
22 would fulfill. And as far as who's -- who is it to benefit, the
23 Chairman, Mr. Phillips, had the question about how do we transmit
24 or describe the benefits that the endowment would give to John Q.
25 Public. Other users besides simply the -- the commercial users or
26 the sports users. I believe that the endowment would be beneficial

1 to conservation interests, non-consumptive users, sports and
2 subsistence users. It fulfills the needs of -- of all the resource
3 users that -- that we have in the state. And, it does that in part
4 by soliciting input from the people in the -- in the affected
5 areas. How do they feel? How do the conservation people in Kenai,
6 in Cordova and Kodiak, and how do sports fishermen, commercial and
7 subsistence users in those areas -- what do they feel the needs
8 for? Basic research, applied research and restoration. What do
9 they feel those needs are? I wanted to -- to bring up that -- that
10 point and perhaps Bill Hall and Ken would add to that, but from the
11 discussions I heard I just wanted to make some comments.

12 MR. PHILLIPS: Thank you. Yes, Pam.

13 MS. BRODIE: Mr. Hull, you live in Cordova?

14 MR. HULL: I live in Anchorage.

15 MS. BRODIE: But you fish in Prince William Sound?

16 MR. HULL: Yes, that's correct.

17 MS. BRODIE: Could you tell us your -- what you feel
18 about habitat acquisition in Prince William Sound to protect fish
19 and wildlife resources in that area?

20 MR. HULL: I -- I think that -- where habitat
21 acquisition is for critical habitat areas and in particular for
22 restoration, and protection of resources that might be -- let's
23 see, try to think of some of the genetic concerns that managers
24 have -- I think it's appropriate, yes, for critical habitat
25 acquisition is appropriate, yes.

26 MR. PHILLIPS: Further questions?

1 DR. FRENCH: Mr. Chair.

2 MR. PHILLIPS: Yes.

3 DR. FRENCH: I would just like to briefly clarify my
4 comments about the need for further documentation. I don't think
5 we need specific projects. What we need is documentation of how
6 general approaches relate to the consent decree. And, yes, I agree
7 with you completely and I'm glad you said it that -- that many
8 applied research and development-type approaches may be very
9 effective in relating to the requirements of the consent decree.

10 MR. PHILLIPS: Yes.

11 MS. MCBURNEY: I just wanted to direct this question to
12 Dave. When are the responses to the restoration plan brochure
13 going to be available for us to take a look at?

14 DR. GIBBONS: There -- the date closes August 6th, and
15 like I said, we had over eight hundred right now. We're trying to
16 keep up with now. It'll probably be in September when we're
17 planning to give it to the Trustee Council at the earliest. So, it
18 will probably be about the same time. One thing -- one thing that
19 -- that -- if I may make a comment. What I've heard -- I heard the
20 endowment concept is changing from what I heard initially. What I
21 heard initially is long-term research -- you know, we'll study it,
22 that type of thing. Now, I'm hearing -- it's expanding into to
23 other areas of restoration. We've got monitoring and research as
24 a category, but we also have general restoration which is tagging,
25 you know, pink salmon, that type of thing, and I'm hearing it's
26 expanding over now. So, that concept needs to be clearly

1 identified by this group that's putting it together. What --
2 what's your target here? My first comments were concerning long-
3 term research, not concerning general restoration-type activities.
4 So, just to -- try to sort that out. There -- there's some
5 confusion -- you know, that I'm hearing.

6 MR. PHILLIPS: That was my number two questions when we
7 put this together. Yes. Is there anyone else? Thanks a lot for
8 coming over. Is there anyone else in the public that needs to or
9 wants to make comments on our deliberations here? If there isn't
10 anybody, I'm going to suggest that we break for lunch. Oh yes, we
11 really would appreciate it, where's that sign-in sheet? Is it out
12 there somewhere? We need everybody in the audience -- I don't want
13 it, I just wanted to make sure that everybody's whose here signs
14 this and identifies yourself. Then I'd call for -- for lunch and
15 ask everybody to be back here no later than 1:15, and hopefully the
16 people from Cordova will have arrived by that time.

17 (Off Record 11:36 a.m.)

18 (On Record 1:24 p.m.)

19 MR. PHILLIPS: Can we get everybody in out of the
20 sunshine and get this over, please. Please somebody. On sunny
21 days it cruel and unusual punishment to be here all day. If you'd
22 ask everybody to come in, then we can get started. Okay. Did the
23 -- the group from Cordova arrive? Ha! You made it out of the fog.
24 Right? Blaming it on the weather today, is a really a boo-boo.
25 Okay, if we could come to order. As we agreed this morning, the
26 first item this afternoon will be a brief presentation by some

1 people from -- from Cordova. So would you introduce who you want
2 to -- and we've got one seat over there. If you'd identify
3 yourself, please for the record, and then proceed.

4 MR. BILL HALL: Good afternoon. My name is Bill
5 Hall, I'm a thirty-two year commercial fisherman from Prince
6 William Sound and I'm here today representing the Prince William
7 Sound Aquaculture Corporation, which has created a committee to
8 look at the subject of endowments, and I'm speaking to the proposal
9 that you received from the University of Alaska dated July 7th. As
10 a commercial fisherman in Prince William Sound, the -- both --
11 myself and others and the corporation itself was concerned about
12 how the monies were being spent from the oil spill, and we
13 recognize that research is very important from our point of view,
14 and, therefore, we appointed a committee to address the subject.
15 The committee held quite a number of different meetings. Finally,
16 reaching out to contact fishermen from Cook Inlet and Kodiak, and
17 we had an informal meeting to discuss how we might address our
18 needs and interests relative to the oil spill monies and the
19 memorandum of agreement. We've attempted to educate ourselves
20 somewhat about it all, but -- but don't plead any -- don't claim
21 any expertise at this point. Our organization -- our group did put
22 together a proposal with a cover letter which we sent to the
23 Trustees. That was done under the -- under the name the EVOS
24 Fisheries Coalition. We also were requested to supply that to Mr.
25 Mutter, and I did fax him some of that information. I don't know
26 if you've received it or looked at it. In that -- in that document

1 we are articulated and indicated our specific interests in regard
2 to the benefit -- potential benefits of a research endowment, which
3 we at that time called a fisheries research endowment. Recognizing
4 that this whole thing is a political process, we began at our level
5 trying to get together the different interests groups that we felt
6 had to come together to discuss what our -- what our problems and
7 needs were and how they might be addressed through research. We
8 did that in that document. Broadening out a little bit, we were
9 approached by people from the University to express a similar
10 interest and we felt that the more consensus that could be
11 developed on a grass roots level, the better a proposal might have
12 faring with both this group, the restoration team and eventually
13 the Trustees. So, we attempted to do that by meeting with the
14 President of the University, Senator Sturgulewski and myself, Ken
15 Adams, who will speak today and Theo Matthews, who is a fisherman
16 from Cook Inlet. We did, through a number of different drafts,
17 produce the proposal you have before you today. It is a compromise
18 document, and we felt, from our personal perspective as fishermen
19 in Prince William Sound, and from my personal perspective, it's the
20 beginning of a process of defining what our needs are and trying to
21 say we need these needs addressed, let's discuss how to do it.
22 We've gone through many different discussions and arguments about
23 how best to do. We're talking about structure, administration. I
24 feel all those questions are somewhat premature. I -- I merely
25 want to speak to basically what I think is the need for a fisheries
26 research endowment, called marine research endowment, if you wish.

1 We feel it's very important that the needs of the -- of the
2 fisheries in Prince William Sound, Cook Inlet, Kodiak, be
3 addressed, identifying the research that needs to be done and we
4 certainly can support Mr. Chuck Meecham's contention that
5 management is perhaps one of the best tools for restoration. I
6 understand that there have to be certain criteria met in the MOA
7 and certainly Mr. Meecham has given us some guidance there. Again,
8 our efforts so far have been -- try to define some common ground,
9 common ground among us as fishermen, common ground between the
10 fishermen and the University, and I think as we broaden out, we're
11 going to look at trying to find common ground with other interests,
12 people who are interested and their particular ideas about how a
13 research marine endowment might be useful and might be beneficial
14 for the marine resources of the EVOS-affected area. I do want to
15 make a strong point that, from our personal bias, and I see this is
16 a political process and which everybody is addressing a political
17 bias or interest -- an interest. From our personal perspective,
18 applied research is terribly important to us in terms of how we're
19 going to manage the stocks of fish, commercially valuable fish in
20 the Prince William Sound area, Cook Inlet area, and Kodiak areas in
21 -- well into the future. And, from our experience through the
22 aquaculture associations, and as commercial fishermen, we
23 understand that research is a process that requires some comp --
24 comprehensive strategy and moves into the future. So -- so, we
25 would hope that -- that an endowment could be created that would
26 provide funding into the future on a sustained basis, so this could

1 take place in a rational manner. Again, I want to emphasize from
2 our point of view, we are really interested in research that --
3 that can address some of the -- of the needs of actually how we use
4 those resources, applied research. And, in our discussions with
5 the University looking for common ground, they represented their
6 point of view, we presented ours. We thought we came up with a
7 document that included everything. And, we tried to -- to be not
8 too specific because I felt at this point that there's has to be an
9 agreement on the basic points of -- of whether or not we can even
10 have an endowment and how it should be approached. With that I'll
11 just answer any questions that anybody may have to ask.

12 MR. PHILLIPS: I have one question. You envision this
13 endowment as being primarily for research on fish species and that
14 sort of thing?

15 MR. HALL: That would be my preference, if I could
16 get it. If you'll give it to me, I'll take it.

17 MR. PHILLIPS: I may have a problem doing that being in
18 tourism. I think people in forest products and a few other things
19 around here, that think that maybe that money belongs to everybody.

20 MR. HALL: I assumed you'd say, so I guess we're
21 willing to talk.

22 (Simultaneous laughter).

23 MR. PHILLIPS: Jessie Carr said something about that.
24 Any questions of the speaker? Okay, who was next? Who else do you
25 have?

26 DR. FRENCH: Brad, I think we might want to give Bill

1 a chance to perhaps expound as we did Ron on what he views as the
2 connection between this endowment and the framework of the
3 settlement, the restoration enhancement, or particularly
4 restoration enhancement and to replacement objectives.

5 MR. HALL: I'm not sure I totally understand the
6 question. I understand that -- that we have to connect the
7 purposes of an endowment with the effects of the oil spill, and
8 again I'll go back to Mr. Meecham's statement that -- that refining
9 the management process is an excellent way to address restoration.
10 I don't want to really get into too many specifics. I'm not a
11 scientist, and I'm not going to make those connections. I just
12 want to make sure that there's -- I know we need more information
13 to -- to determine what is the best way for us to -- to restore
14 damaged fisheries resources or to replace them. I know we need
15 more information, and I know we need some immediate information
16 because the immediate impact of man's impact upon those fish for
17 harvesting them is going to exacerbate whatever problems may have
18 been initially created with the oil spill. So, we need immediate
19 information, and we need long-term information. And, I'm not going
20 to pretend to have the expertise to develop that. I'm a fisherman,
21 not a biologist or scientist. I would like to say that we felt,
22 one of the real important points that we feel should be discussed
23 within the context of an endowment, is the development of a
24 comprehensive plan of what research is needed and how it can fit
25 together, both the long term and the immediate applied research.
26 And, that really -- if we could agree upon a plan, then we could

1 use the plan as the guide for how we allocate the funds and where
2 we go. A lot of talk has been given that we focus -- we'll what
3 group of people will make these decisions. You know, we've got --
4 do we want to create another group of people? To me that's
5 somewhat subsidiary to saying, well, what's the proper purpose or
6 use to put these monies to? What kind of research and -- for
7 short-term and long-term, and applied research? In my mind, we
8 need to develop that, and we certainly feel strongly in Prince
9 William Sound that we want local input into any planning process.
10 We already have regional planning teams of fishermen and
11 aquaculture people and Fish and Game that work on developing salmon
12 management plan. We found that to work very well because we have
13 fishermen and aquaculturists and Fish and Game people working
14 together, defining on a grassroots level what's important. It's
15 difficult for us sometimes to accept the fact that some office of
16 bureaucracy in Anchorage or Juneau knows better -- what's better
17 for us than what we know. We -- we can make some better decisions
18 ourselves. So, whatever is created, we want to be part of that
19 institutional process. We want to be part of the process that
20 defines what our needs are and identifies where we're going to go.
21 And, and I don't know how that might be best done, but we're
22 offering, I think, our time and our energies and we really want to
23 be part of the process.

24 MR. PHILLIPS: I have just one question. I think your
25 idea of have -- of developing a plan is a rational one. What about
26 -- any discussion at all about maybe the University up there to be

1 the -- the group that handles this. How about them coming up with
2 a plan before they vote to give the money to them and see whether
3 the plan fits everybody's needs and then -- rather than giving the
4 money -- we've seen this happen already, it's about, sort of a step
5 for planning and what we're going to plan. And, I hate to see that
6 go by the wayside with this money too. And, maybe the University
7 with their scientists, along with others, could come up with a
8 plan, say this is how we see the endowment working, and this is
9 what it'll accomplish, and this is what it'll study, and so on and
10 so on. And, then we say okay, then it's worth investing the money
11 or not.

12 MR. HALL: Well, I enjoyed very much working with the
13 President of the University and trying to represent my point of
14 view and work out looking at what he was looking at. And, I really
15 would like to emphasize, we did not create a document that said we
16 want to create a University endowment, that's not what this is.
17 The University is -- in our opinion, and having participated in
18 developing that document, the University has no stronger role in
19 this process than the Prince William Sound Aquaculture Corporation
20 or the Public Advisory Council or any other group. I think all of
21 that is yet to be decided. I think the University is to be a part
22 of it, but this is not a University proposal. And, if that
23 impression has been given, at least from my point of view, having
24 participated and I got my name on the top of that -- that is not a
25 University proposal. And, I just spoke with Dr. Komisar awhile
26 ago, and I have no reasons not to believe that. He certainly felt

1 that -- we're working cooperatively. The University is going to be
2 a participant like anybody else. How this thing comes out is yet
3 to be determined, I think. And, again, I'm not ready to give up
4 and say the University should do this comprehensive plan -- you
5 know, that's -- I wouldn't support that at all. But, I think we'd
6 identify -- Fish and Game's got to be part of it. Other people
7 have to be a part of it. I -- again, I don't think Dr. Komisar
8 would disagree with the statements I'm making, but I can't speak
9 for him.

10 MR. PHILLIPS: My point, I guess -- I -- some things
11 can't explain things very well, but what about somebody coming --
12 somebody, that's kind of a generic term, I think, and not naming
13 anybody -- come up with a plan on how this endowment should work
14 and then decide whether to invest the money in it. That's what --
15 I guess somebody said is I can't.... John.

16 MR. McMULLEN: Mr. Chairman, you'll excuse me for
17 interrupting with this comment here, but (indiscernible) we would -
18 - we had a conversation over noon that Arliss and Dave Gibbons and
19 some of the Restoration Team people who are -- who are concerned
20 about the -- this endowment proposal in -- and the long-range
21 tenure of it and how this fit back into -- into restoration now --
22 and you know, and it -- and the intent of which this money is
23 supposed to be directed. And, Dave, at the time, offered to work
24 with the proposers and possibly even -- this was my interpretation
25 of what was being said, was members of the Public Advisory Group
26 here if they wanted to participate, work on -- work on this

1 proposal and -- and putting it into some -- some form that would be
2 more acceptable to the Trustee Council. I think that was Dave's
3 concern at the time and -- and some of the Restoration Team
4 member's concern that -- that this was maybe sounding like a
5 proposal that wouldn't be too acceptable to the Trustee Council and
6 -- and to give it a better chance to be heard and considered they
7 thought a rework would be in order. And, I -- I think that's a
8 pretty good idea myself.

9 MR. PHILLIPS: Any questions from the group? Yes.

10 MR. WILLIAMS: I was going to back it up. I think that
11 the next best step here is probably to have the current committee
12 pick up a few members of the Council here and -- Dave, come up --
13 better refine the thing, and probably bring it back to us later.
14 But, in the meantime, send the message to the Trustees that we're
15 doing this, and so they have the idea that -- you know, that we're
16 not going to just dump it on them and forget it, but we want some
17 action, so we'll come up with something later.

18 MS. MCBURNEY: Before we kind of go marching down the
19 path of endowments, I -- I'm a little uncomfortable that we're just
20 looking at one funding mechanism. I don't think anybody would
21 disagree that we need to have a plan for the future for that long-
22 term monitoring. That's critical. It's very important, but we
23 haven't even discussed, we haven't brainstormed, we haven't even
24 examined other funding mechanisms that might be able to accomplish
25 those goals that would not require, say the locking up of such a
26 large portion of the settlement money that could still meet the

1 goals and objectives that were expressed by -- by this group in
2 their proposal. Just one thought that I had, and I don't know if
3 this is feasible, but it would seem to me that since we're talking
4 about an endowment, which is essentially a dedicated fund, and if
5 we just accept the fact that we're talking about dedicated funds,
6 let's start looking at perhaps dedicated funds for individual
7 services and resources that could address the needs of those
8 injured resources and services. We have already summaries of
9 injuries, a starting point, if you will, and perhaps the
10 restoration plan process could start looking at these individual
11 services and resources and do individual restoration type plans.
12 For example, we have a starting point now, perhaps it's time to
13 take a look at maybe a step-wise approach to rehabilitating some of
14 these resources. We have an idea of how we might be able to do
15 that in some instances. People here are probably getting sick and
16 tired of hearing about herring, but I can always use that as an
17 example, and whereby, we know that herring sustained injury from
18 the oil spill, there are certain sorts of activities that could
19 take place to help, say, herring populations to recover. By
20 putting together a restoration plan for herring, we can also put
21 together, say, a long-term budget to go ahead and meet those goals
22 and objectives with long-term monitoring and research as being one
23 of the components to address those long-term issues. But, also,
24 providing ready funding for the immediate issues to kind of get
25 things going. Endowments sound real great for dealing with the
26 long-term, but I still don't see much for dealing with the right

1 now. And, from our discussion this morning, I'm a little bit
2 concerned about that because it sounds like the proposal that's
3 been presented is meant to be in lieu of the current work plan
4 process, and I see that as being a way of providing a sieve for a
5 lot of these immediate projects perhaps fall through the cracks.

6 MR. CLOUD: Dave, how much -- money do they give us
7 each year?

8 DR. GIBBONS: (Indiscernible) this year we get one
9 hundred million and subsequent years from that seventy-nine.

10 MR. CLOUD: So that would leave forty million, if,
11 just for the sake of argument, assuming that this thirty million a
12 year plan would go to -- go forward, it would leave sixty million
13 this year, and forty million every year thereafter to spend on
14 restoration projects, right, other than the big chunk through
15 administration?

16 MS. BRODIE: And the reimbursements?

17 DR. GIBBONS: There's still outstanding reimbursements,
18 but -- you know, that's to be determined yet.

19 MR. CLOUD: Very much?

20 DR. GIBBONS: There's thirty-five million still
21 remaining reimbursements from the settlement agreement, and then
22 there's reimbursements to be determined from the period from March
23 13th, '91 to February 29th, '92. Estimates range from thirty to
24 forty million.

25 MR. PHILLIPS: May I make a suggestion that we hear from
26 the other parties from Cordova on their presentation and then we

1 don't have anything in front of us to talk about, and I understand
2 there is a motion on the table that could be brought up and then we
3 have something for us to discuss. Just so that we can make some
4 progress today and get somewhere. So without -- if there isn't any
5 objection to that approach, why don't we have -- how many -- are
6 three? One more. What -- why don't you come up, we're going to
7 have to kind of share chairs because we only have that one
8 microphone.

9 MR. HALL: Just one comment I'd like to make in
10 regard to the last speaker, and that is that is the proposal that
11 we've submitted, we've offered the idea that seven million dollars
12 should be spent annually up front out of the endowment monies to
13 address those needs that Mary McBurney is referring to, and, you
14 know, I think that's a very legitimate concern. It's something,
15 you know, we can't quit doing what needs to be done now. The big
16 concern, I think is that, if we don't have some overall plan, and
17 if we just keep going project by project, piecemeal, we're going to
18 fritter the money away, and we're going to use it very
19 inefficiently, and I certainly wouldn't want to see that happen.
20 And, certainly, the information needed to deal with herring also
21 requires some knowledge about the ecosystem and -- in a broader
22 picture, and they're all somewhat symbiotic and so, just to take it
23 project by project, you may not end up addressing the subject quite
24 like you really want to do. And, the ability to make sure that
25 there's some funding available in the future to answer some
26 questions that we don't even know enough to ask right now, I think

1 it's terribly important. So, thank you. Ken Adams will be next.

2 MR. PHILLIPS: Appreciate you coming. If you would
3 identify yourself before you start your comments for the record,
4 please.

5 MR. KEN ADAMS: Yes, good afternoon, ladies and
6 gentlemen. My name is Ken Adams; I'm from Cordova; I am a
7 commercial fisherman for about twenty years and a representative of
8 Prince William Sound Aquaculture Corporation, and like the previous
9 speaker, Mr. Hall, I've been a member of a committee that was
10 designed to explore the possibility of formation of an endowment by
11 way of the EVOS funding. I have to say that I think some of my
12 thunder has already been stolen. (Simultaneous laughter). The
13 previous speakers and questions that were asked of him, get right
14 to the heart of a number of issues, and those were some of the
15 things that were foremost in my mind too. So, I'm going to try to
16 pick up the pieces from what I had intended to say to you and hope
17 that I won't be too redundant. If -- let me just, if I may, pick
18 out a few salient pieces from my notes. I think the bottom line
19 within the fishing community is the dissatisfaction with the
20 Trustees proceedings, and I think this is borne out if one looks at
21 the amount of -- of funding that fisheries projects have received
22 through the restoration -- restoration process in the '92 and '93
23 work plan. The total for restoration projects is fifty-four million
24 dollars, while fisheries projects total less than six million
25 dollars. This is a total for both '92 and '93. And, we have
26 offered ample evidence to document the fact that we're dealing with

1 a damaged resource or damaged resources, if you look at the
2 multitude of species involved here. We're looking not only at
3 salmon, but also as people mentioned repeatedly, herring resource.
4 But, there are other things as well. Shellfish resources were
5 examined during the post-spill period, and results are -- are not -
6 - are not at hand. I mean, there have been damage to other
7 resources, aside from just fin fish. So, in any case, there is a
8 dissatisfaction with the emphasis that the Trustee Council has
9 placed upon fisheries resources, and we're very much concerned
10 about this. So, what we feel could address this problem, as Bill
11 mentioned just before me, was the development of a comprehensive
12 plan. A comprehensive research plan, which we envision would
13 include the concerns of the three major oil-impacted areas, Kodiak,
14 Cook Inlet and Prince William Sound, who would compose or develop
15 a regional plan. Let's take Prince William Sound, for example.
16 Prince William Sound may be a little bit unique in that we do have
17 the Prince William Sound Science Center. We do have the
18 headquarters for Prince William Sound Aquaculture Corporation,
19 which may well be the largest pink salmon hatchery program in the
20 world. It -- it certainly is unique in its success and it's
21 extent, and expertise involved in the staff. We also have local
22 headquarters for Alaska Department of Fish and Game. We have
23 knowledgeable industry representatives living in the Cordova area.
24 All parties, or let's say the best expertise in each department,
25 and I don't mean to exclude anyone, could participate in the
26 development of a regional research plan. We can identify our

1 needs. We feel that there's a need to do this. A need to put a
2 comprehensive plan, what we deem are projects that are worthy of
3 funding. Where should emphasis be? Because we've seen anything
4 but a comprehensive plan. We've seen helter-skelter spending, and,
5 as Mary McBurney just mentioned just a moment ago, the failure to
6 fund herring research, emphasizes the failure of the Trustees
7 Council to include that -- to include the herring projects within
8 the '93 work plan. For those of you who don't know, we had the
9 biggest herring biomass forecasted for Prince William Sound ever
10 this spring. It was a total failure, and we have nothing in place
11 to assess herring spawning deposition, because that project was cut
12 from the restoration plan, from the -- pardon me -- from the '93
13 work plan. It's -- it's unacceptable is what it boils down to in
14 a fishing community. The reluctance to fund a coded-wire tag
15 program in Prince William Sound is another issue we had to fight
16 tooth and nail with the Trustee Council. We're just frankly sick
17 and tired of it. We've been damaged. Fishermen are -- are -- have
18 been identified through the oil spill restoration -- pardon me --
19 the oil spill research, as being a community of stressed
20 individuals, and we feel that we should get a fair shake in this
21 process. We are relying upon a resource. Our resources have taken
22 years of direct hits, a couple of years of direct hits. In '91,
23 the major pink salmon return to Prince William Sound was very
24 erratic. It didn't behave as it should have. The fish came in
25 very late in a very compressed period of time. Is it oil spill
26 damage? Maybe, maybe so. These things need to be looked at. In

1 '92 our -- pink william -- or pink salmon return to Prince William
2 Sound failed. It's the first time that our hatchery program had a
3 return that failed. Oil spill related? Perhaps. But, it needs to
4 be looked at. So, we're calling for a comprehensive research plan
5 where there is regional input, and it's not been done so far. So,
6 we support this endowment proposal that the University has jointly
7 prepared with us. We see there's a need for basic research that
8 would have very definite management implications, management
9 utilization, resource utilization, as well as the broad base
10 ecosystem concerns that the University has presented. Dr. Ted
11 Cooney, from the University, is current involved in a cooperative
12 fisheries program with Prince William Sound Aquaculture
13 Corporation, Alaska Department of Fish and Game, and the
14 University. We feel this is a very useful type of project. It's
15 basically, ecosystem monitoring. It's monitoring the marine
16 ecosystem in Prince William Sound. This needs to be continued.
17 It's sort of -- I guess you'd call it basic research. So, we would
18 consider this type of research would fit an endowment, but also
19 directed research. The research would have direct implication from
20 management, such as the coded-wire tagging program. So, these
21 things can be addressed in a comprehensive plan. You notice that
22 the endowment proposal before you is called the marine research
23 endowment, and Mr. Gibbons alluded to the fact that -- that this
24 endowment seems -- the concept seems to be enlarging. Well, some
25 members of our fishing community have also addressed concerns that
26 go beyond research, and -- it's kind of a gray area. Are we

1 dealing with research, are we dealing with monitoring in some --
2 some subjects? The concern has also been raised, among fishermen,
3 that if we do get funded, what are we going to do? Are we just
4 going to diagnose or should we diagnose and treat. So, I offer to
5 you, the concern that we have that restoration -- direct
6 restoration also be included within this endowment. So, we're
7 dealing with more, in my concept, and I think other members of our
8 group will agree, that we're dealing more -- we're dealing with
9 more than just direct research. We're dealing with monitoring and
10 direct restoration here. Let's rehab, if we can. I agree that the
11 creation of an endowment will present problems. It seems that
12 there's going to be some -- some level of bureaucracy no matter how
13 you cut this, but at least we'll address the comprehensive plan
14 needs. I would just offer the suggestion that if a board, an
15 endowment board be created, that individuals who determine how the
16 monies be spent, individuals on that board, be prohibited from
17 sitting on the board if there's any thought of conflict of
18 interest. Therefore, we would eliminate potential research
19 proposals -- agencies that would potentially submit proposals. So,
20 in effect, on the board one could -- could envision a board
21 composed of users, resource users, rather than managers, rather
22 than departments of state or federal departments. I think that's
23 basic -- basically it, so not to be redundant, I think I'll just
24 end there. Thank you.

25 MR. PHILLIPS: Any questions? Okay, we'll go right down
26 this table.

1 MR. ANDREWS: Has your group talked about how much money
2 they'd like to see in this endowment fund, any level of funding I
3 should say?

4 MR. ADAMS: Yes, sir, yeah. In the endowment
5 proposal, there is a figure of -- earmarking -- thirty -- thirty
6 million dollars and -- thirty million dollars.

7 MR. CLOUD: A year?

8 MR. ADAMS: Thirty million dollars a year. Correct.
9 And in effect, it would be somewhere in the -- in the ballpark of
10 forty percent or so of remaining funds. I know there's a great
11 deal of public support for habitat acquisition. And, in general,
12 the fishing community doesn't want to be -- what I say -- doesn't
13 want to exclude habitat acquisition, especially in critical forest
14 habitat areas. But, we'd like a fair shake for fisheries. And, we
15 feel that the over emphasis that seems to be given to habitat
16 acquisition preempts a fair consideration for marine resources. So
17 -- so an allocation, let's say in the vicinity of maybe forty-five
18 percent for habitat acquisition, and then a forty percent for an
19 endowment. The concern raised here by Mary, just a few moments ago
20 about -- about -- about adequate funding on a yearly basis. What's
21 mentioned in, in this endowment proposal before you, would take
22 seven million dollars and have that available in any given year,
23 and take twenty-three million dollars of -- let's say, thirty
24 million dollars are to be allocated for an endowment, put twenty-
25 two million dollars in a bank and have seven available for a
26 variety of marine research topics in any given year. You know --

1 just call out the fact that the level of spending right now for
2 marine or fisheries related topics in '92 and '93 has been less
3 than six million dollars. So -- you know, we're not talking about
4 any unrealistic amounts here, I think, in terms of potential
5 expenditure in a given year.

6 MR. PHILLIPS: Pam.

7 MS. BRODIE: The six million dollar figure for
8 fisheries that you've said, is that six million dollars per year?

9 MR. ADAMS: Negative. That's for '92 and '93. You
10 talking about within our proposal?

11 MS. BRODIE: No. What you say -- what's been spent
12 already in the annual work plans?

13 MR. ADAMS: In '92 and '93 total....

14 MS. BRODIE: Right.

15 MR. ADAMS: Slightly less than six million dollars for
16 fisheries projects.

17 MS. BRODIE: Okay. The -- the proposal that you folks
18 have submitted names thirty million dollars a year, seven million
19 dollars to be spent in the given year, and twenty-three million
20 dollars to be put in a fund.

21 MR. ADAMS: Yes.

22 MS. BRODIE: And then after the eight years of
23 payments, there will be something with interest -- that something
24 approximately two hundred million dollars in an endowment. It's a
25 hundred and eighty-five plus whatever interest it's earned....

26 MR. ADAMS: Yep.

1 MS. BRODIE: So, after that there would be maybe ten
2 million dollars a year available -- a little more -- depending on
3 whether it's inflation proofed and so on and the money will be
4 worth less. So, we're talking about seven million present dollars
5 in perpetuity for this fund. What I have heard from the various
6 people that testified about how that money would be spent, seems to
7 me to be very comprehensive in terms of just about anything that
8 current projects deal with could be covered in this endowment, plus
9 a whole lot of other things that are not now included in current
10 projects, are also -- have been named as the sort of the things
11 that could be funded with this endowment. And, what I'm wondering
12 is, if this endowment were adopted, would the parties involved who
13 are looking to have their projects funded, would those be limited
14 to the seven million dollars a year, and whatever that interest
15 would be in the future years, or would they also want more funding
16 from the remainder of the money that's coming in.

17 MR. ADAMS: I could see some of those concerns being
18 addressed if restoration, let's say, practical restoration were
19 included within the concept of an endowment, for one. In the --
20 the under -- our overriding concern here is that the marine
21 resources get a fair shake. And, it doesn't appear to be
22 happening. It has not happened to this point.

23 MS. BRODIE: I'm hearing some things that I agree with
24 and that I -- I expect most, if not everybody here, would agree
25 with, and one is that people want to get the best possible interest
26 rate on the money that's sitting in the bank. I'm sure everybody

1 would agree with that.

2 MR. CLOUD: Risk and reward.

3 MS. BRODIE: Well, with -- with appropriate safety.
4 Number two is that people want to be able to spend money for more
5 than the eight years that the money is coming in, and I think
6 probably everybody agrees with that. Another -- a third thing is
7 a comprehensive plan with regional input, probably we would all
8 agree with that. And, a fourth is more support for the needs of
9 fishermen, which I agree with, I'm not sure everybody here agrees
10 with that. I do think that those -- that there are various ways to
11 meet those needs, and I am at this point not persuaded that we can
12 meet those needs better with the endowment proposal than we can --
13 by making changes in the current system. The endowment proposal
14 would have some various problems in the ability to set it up. It
15 would mean a different group of people probably, but not
16 necessarily, a different group of people making the decisions, but
17 I -- I haven't quite heard why -- who those people are that should
18 be making the decisions. If it's going to be the same group of
19 people, why we need to make this change -- whether, maybe we can't
20 reform the current system without wasting a lot more money in terms
21 of administration, than we have so far. I guess what I'm saying
22 is, I'd like to -- to meet your concerns and improve the situation,
23 but at this point I'm not persuaded that the endowment is going to
24 do it.

25 MR. ADAMS: I have just two -- two spots on that. One
26 is this question of -- of term -- at least, I think I'm answering

1 your question. The restoration -- '93 work plan addresses the fact
2 that pick salmon have been -- I'm taking pink salmon as an example
3 of a problem. Pink salmon have been damaged. The amount of time
4 perceived for restoration is twenty years. An endowment would
5 provide long-term funding beyond the seven or eight years that
6 remain. Right? This is nothing new. When there have been major
7 oil spills, for example on the coast of France on the Amoco Cadiz,
8 fisheries resources took a hit, and it was a long time recovering.
9 And, we may be dealing with -- with sublethal, genetic problems
10 which may be persistent, there's a need to continue research is
11 what we see as a benefit of the endowment. The endowment could --
12 could support long-term -- long-term monitoring is what it is in
13 effect.

14 MS. BRODIE: The choice that the Trustees are facing,
15 in considering the endowment is whether you want a relatively small
16 amount per year in perpetuity or a larger amount per year for a
17 smaller number of years, which doesn't have to be just eight. And,
18 you know, it's possible to spend the money over twenty years and
19 have it more per year than if we spend it in perpetuity, and that
20 might meet the needs of the fishermen better than spending it in
21 perpetuity.

22 MR. ADAMS: Well, this is no bed of roses for sure.
23 But, we see there is some benefit to consideration for an
24 endowment. And, to just address your concern about who would
25 administer an endowment. We would like to see this conflict of
26 interest issue addressed. If, let's say, the Department of

1 Interior or Alaska Department of Fish and Game has representatives
2 sitting on the Trustee Council and also submit -- let's say we do
3 create an endowment -- an endowment, right? And there will be
4 proposals submitted which will be in compliance with a
5 comprehensive plan which is developed. Should those agencies have
6 representatives sitting on the board which decides what could be
7 funded? You know, there's a problem. There's a potential conflict
8 of interest.

9 MS. BRODIE: That's true.

10 MR. ADAMS: So the creation -- is the creation of a
11 cleaner administration board, is an issue that needs to be
12 addressed.

13 MR. PHILLIPS: Jim, did you have a question?

14 MR. CLOUD: Yeah. If it comes down to a choice,
15 between funding an endowment of thirty million dollars a year, if
16 it comes down to a choice with funding an endowment of thirty
17 million dollars a year or funding habitat acquisition, buying land
18 at that same level, which would you choose?

19 MR. ADAMS: I as a fishermen?

20 MR. CLOUD: Yes.

21 MR. ADAMS: Well, I would not choose habitat
22 acquisition at that level.

23 MR. CLOUD: So, your priority is that the endowment
24 would provide better, long-term benefits to the fishing industry
25 and the people in the Prince William Sound, than using the money to
26 buy up land?

1 MR. ADAMS: In our cloudy crystal ball, I would say
2 yes.

3 MR. HALL: Can I respond to that one too? I reject
4 the question. I don't accept it. I think -- I think the benefits
5 come from both purposes, and I think that there needs to be a
6 discussion about how you can arrive at what might be an equitable
7 decision about how to allocate that money.

8 MR. PHILLIPS: What -- what are....yes.

9 DR. FRENCH: I have a question. In principle I fully
10 support the idea that you want to minimize conflicts of interest,
11 but I also support the general position that it's important to have
12 a great level of local community involvement. But, my question
13 really comes down, if you have a board where you have a herring
14 fisherman, as opposed to, say, a Department of Fish and Game
15 representative, isn't the herring fisherman, in a way, just as much
16 as a conflict of interest as the Fish and Game representative?

17 MR. ADAMS: The herring fisherman can draw attention
18 to a need. The herring fisherman does not gain monetarily from the
19 research proposed, at least as far as conducting the research,
20 but....

21 DR. FRENCH: But, if the hearing fishermen chooses to
22 go for herring project over a pink salmon project, for example, or
23 a herring project in the Prince William Sound versus a herring
24 project from -- from say Kodiak, if he happens to be a Prince
25 William Sound fishermen, isn't that just -- isn't that a conflict
26 of interest?

1 MR. ADAMS: That's a very good question.

2 MR. HALL: It's been suggested that we're -- we're
3 concerned about the interests of commercial fishermen. I think our
4 focus needs to be the interests of the resources. The commercial
5 fishermen are just one group of predators who utilize that
6 resource. Sport fishermen are another group of predators, and I
7 think there are birds and sea mammals. So, effectively if we talk
8 about research that gives us information about how to manage the
9 resource better, we're talking about how to manage one of the group
10 of predators which might be the commercial fishermen. The focus is
11 the resource, in my mind. And, to start talking about vested
12 interest of which -- which group knows better, we all have a common
13 interest, and we all share a common ignorance.

14 MR. PHILLIPS: Donna.

15 MS. FISCHER: Yeah, I just want to make the comment that
16 I support the concept of an endowment. I'm not so sure I support
17 this concept. I think that Mr. Hall did say the right word that
18 I've been waiting to hear, that you mention the resource. You
19 know, not just the fishermen, we have the fisheries, we have the
20 hatcheries out there, a lot of fishing in the area that needs to be
21 identified and put into proper perspective. But, I think there's
22 a lot of things that need to be worked on too, such as insurance --
23 note the habitat that -- we're finding that there's problems with
24 a lot of the purchases that has been made, such as Kachemak Bay
25 buy-back. I mean, that forest is gone from beetle kill. And, what
26 assurance would we have with the fishing industry that you'd just

1 get the money for that. You know, I think that these are things
2 that we need to look at, and I think we need to look at how we set
3 up an endowment. Can we set it up like the Permanent Fund Board --
4 you know, have a non-biased group be able to attend to it and be
5 able to weigh the differences.

6 MR. ADAMS: I think that would be the ideal, Donna.
7 If you would have an unbiased board that would decide which
8 projects were funded. It -- this whole issue does present
9 problems, but we think that the goal as, who said it, Martin Luther
10 King, keep your eyes on the prize. We think it's a worthwhile
11 prize.

12 MS. FISCHER: I agree that your needs are not being
13 addressed as much as they should be. I think other areas have been
14 addressed more. And -- but not just your needs, but the
15 hatcheries, the different fishing areas.

16 MR. ADAMS: We're just looking for a fair shake for
17 the marine resources, and we don't see that coming out of the plan.

18 MR. HALL: If the research is oriented towards giving
19 us a better ability to manage our natural resources, the level at
20 which we all decide who gets a part of those resources is already
21 established through the Board of Fish process and everything else.
22 Again, the focus should be the resource and I don't see that there
23 are competing interests. We all share the need for costs -- for
24 more information and better knowledge about the resource. So, if
25 we do a better job, if we have more knowledge to be a better job of
26 managing, then I think we all benefit.

1 MR. PHILLIPS: Yes, Dave.

2 DR. GIBBONS: One thing I'd like to point out here, and
3 I think you need to keep it clear too, is that the Trustee Council
4 will not abrogate their responsibility for the management of
5 resources. That's been told to me several times, that they're
6 Trustees because of the resources out there. The Fish and Game --
7 you know, whatever resources there are out there, they're the
8 managers of those, and they're not going to turn that over to
9 somebody else to manage and approve what projects. So just -- I'm
10 not trying to -- just keep that in mind. That that's they're
11 position now. They're the managers and they -- and they'll make
12 the decisions.

13 MR. HALL: As a comment, when we were discussing how
14 we might make our proposal with the University of Alaska
15 representatives and the fishermen, one of the phraseologies we had
16 in our proposal was perhaps the Trustees would -- would essentially
17 be the group that makes all those decisions, subject to a -- a plan
18 that's developed that addresses the needs of the resource based
19 upon the knowledge of input from a variety of users of that
20 resource.

21 DR. GIBBONS: Right, and I just heard people say we'll
22 have an independent board that makes the decision on which projects
23 are funded and stuff. I'm just -- I'm just bringing it back where
24 I thought you guys were going off a little bit. You need to bring
25 it back into....

26 MR. HALL: Certainly.

1 MR. PHILLIPS: So that we can avoid being here until
2 October on an unstructured conversation about something we don't
3 have in front of us, I would like to read the motion that's on the
4 table from the 25th, May 25th -- or was it May 25th? -- meeting put
5 on by Mr. King. And, it says, "my motion then is that the PAG
6 recommends that, one, the Trustee Council allocate thirty million
7 dollars each year to the University of Alaska foundation for
8 establishing research chairs dealing with resources damaged by
9 EVOS. Number two, the Restoration Team be asked to work with the
10 University of Alaska to develop a detailed plan for endowed chairs
11 that complies with the provisions of the settlement agreement and
12 public concerns; and finally three, the draft restoration plan,
13 when distributed to the public in the near future, include a short
14 description of this proposal as one alternative action." That is
15 the -- the tabled motion. Does anybody desire to take it off the
16 table, and that motion is not debatable. Chuck.

17 MR. TOTEMOFF: Mr. Chairman, before anybody makes a
18 motion, I just need to say that I think we're getting ahead of
19 ourselves, a little bit here. There's some -- there are still
20 immediate and chronic needs out there that probably cannot wait
21 until an endowment plan is in place. I think -- I think first of
22 all those need to be identified and responded to as quickly as
23 possible. Some areas are archeological and subsistence concerns,
24 which I haven't heard about in this proposal. I think it was
25 mentioned once as a -- as a passing thought, but I don't think it's
26 the focus of this endowment. I think we need to be concerned with

1 those other injured resources and services before we run off and
2 stamp this and call it good for the long-term. I think there --
3 there needs to be a plan put in place to address these immediate
4 needs.

5 MR. PHILLIPS: We have before us, a proposal of the '94
6 program, which we have not heard yet, which we came here to hear,
7 and I think that probably will cover a lot of those, and if they
8 don't then we can add to them. But, we've got to get to them
9 first. And we agreed before lunch that maybe somebody wanted to
10 take this motion off the table. I have heard no such motion, and
11 if I don't -- yes.

12 MR. ANDREWS: I move to remove from the table this
13 motion, Mr. Chairman.

14 MR. PHILLIPS: You've heard the motion, is there a
15 second? Actually, there doesn't have to be, but there is a second.
16 The question is shall the motion be taken off the table? Those in
17 favor say aye. (No response). Those opposed?

18 COLLECTIVE VOICES: Aye.

19 MR. PHILLIPS: The motion fails so the motion was not
20 taken off the table. The next -- (indiscernible -- background
21 talking).

22 UNIDENTIFIED: It's not before the group?

23 MR. PHILLIPS: Yes, you moved to take it off the table.
24 The motion failed, so it isn't off the table, so it's not before
25 us.

26 MR. CLOUD: So, it's still on the table.

1 (Indiscernible -- simultaneous talking).

2 MR. PHILLIPS: No, but you can weld it to the table if
3 you want to, (simultaneous laughing) but that's where it is and it
4 ain't going anywhere. (Indiscernible -- background talking). No,
5 it's just tabled, you can bring a motion off the table any time you
6 want to. Isn't that right, Donna? Anyway...(indiscernible --
7 simultaneous talking). Oh no, right now we are not considering it
8 because it's not before us. Jim.

9 MR. KING: In lieu of the discussion this morning and
10 this afternoon, I have a suggestion that perhaps each member of the
11 PAG would like to draw up a set of goals for an endowment fund. We
12 have some things before us from some of the interests, but there
13 are a number of the interests in this room that we haven't
14 discussed that very well could be part of an endowed system like
15 this, and so I think it would be good if each of us wrote our goals
16 down. I'd like to know more about what the rest of us think and
17 perhaps do that in the next few days after we've had a chance to
18 read all of this stuff and get it into Doug, and then at our next
19 meeting we could look at what the group thinks the goals should be.

20 MR. PHILLIPS: Could it -- be more appropriate so that we
21 don't waste a lot of time to find out whether the group wants any
22 kind of an endowment. Shouldn't that be -- shouldn't that be known
23 before we waste an awful lot of time here. Yes, Jim.

24 MR. CLOUD: Well, in that regard, I'd like to make a
25 motion....

26 MR. PHILLIPS: Good.

1 MR. CLOUD:that, I'd like to move that the EVOS
2 PAG reports to the Trustee Council that they are in support of the
3 establishment of an endowment or trust concept that will provide
4 funding for the monitoring and data collection -- for monitoring
5 and data collection projects in perpetuity. The use of the
6 endowment funds should be limited by a charter approved by the
7 Trustee Council. That's it.

8 MR. PHILLIPS: Do I have a second to the motion?

9 MR. ANDREWS: Second.

10 MR. PHILLIPS: It's been seconded. I wonder if perhaps
11 that could be reduced to writing so that -- it's pretty long, so
12 that everybody could have it in front of them.

13 MR. CLOUD: It is reduced to scribble right now.
14 Yeah, we can do that.

15 MR. PHILLIPS: I -- I just think it might be more
16 productive if we have it in front of us, because we may want to
17 pick it apart or modify it, but it's rather difficult to do trying
18 to remember. Yes....

19 DR. FRENCH: I would be willing to Chair a working
20 group this evening -- or be a member of a working group this
21 evening anyway, if we wish to develop it. Well, for those people
22 who might be interested in helping develop a resolution specific to
23 the proposal put forward by the various groups today, and for our
24 consideration tomorrow, under that guise I would suggest that we
25 table consideration of Mr. Cloud's proposal -- I should say that --
26 his resolution until we have written copy of that before us also,

1 presumably tomorrow morning would be an appropriate time. And, we
2 go on at this point to other restoration plans.

3 MR. PHILLIPS: You can't -- you can't discuss a motion to
4 table. As I understand it that's what your motion was. It's not
5 discussable. I might suggest that if you want to postpone it until
6 tomorrow, that's quite a different thing.

7 DR. FRENCH: Okay, that we postpone consideration until
8 tomorrow morning when we have a written copy in front of us.

9 MR. PHILLIPS: Alright, yes, that's open for discussion.

10 MR. ANDREWS: Mr. Chair, as I understand the motion,
11 it's just to adopt or express approval of the concept. I mean what
12 else does it do?

13 MR. CLOUD: It might be a short cut as to whether we -
14 - (interrupted by recorder) the reason for my motion is just to do
15 what Brad suggested. to get an idea from this group whether we
16 think that we should move ahead on this concept. If we don't, if
17 we decide not to move ahead in this concept, then we don't have to
18 worry about discussions of it any further. If we decide that we
19 do, then we should follow up with John's suggestion and I think
20 refine a resolution to send to the Trustee Council.

21 MR. PHILLIPS: The Chair's going to call a ten minute
22 recess and ask that that be reduced in writing with copies. Can
23 you accomplish that Dave, or somebody.

24 DR. GIBBONS: Well, he's got to give me something I can
25 read.

26 MR. PHILLIPS: Well, he can go with you, he can go with

1 you and whisper it in your ear. I don't care, but let's get it on
2 paper so everybody can look at it so we know what we're voting on.
3 So, if you can do that, we'll call a ten minute recess and be back
4 here to....

5 (Off Record 2:25 p.m.)

6 (On Record 2:45 p.m.)

7 MR. PHILLIPS: Come to order please. We have written
8 material now for everybody. If we could please come to order. The
9 motion before us, I'd like to read for the benefit of those who
10 don't have a copy of it, but all members should have a copy, and
11 there's a few extras up here. If you want a copy, please raise
12 your hand and we'll see that you have one. Would you pass those
13 over so the public gets a chance to get some. But, the amendment
14 that's before us says, "the EVOS PAG is in support of the concept
15 of the establishment of an endowment or trust that will provide
16 funding for monitoring, research and restoration projects for the
17 spill affected area in perpetuity. The use or administration of
18 the endowment or trust should be established by Charter developed
19 and approved by the Trustee Council." That's the motion. Is there
20 any discussion on the motion?

21 MR. McMULLEN: Seconded.

22 MR. PHILLIPS: It has been seconded, it was seconded and
23 I think here.

24 MR. McMULLEN: Mr. Chairman.

25 MR. PHILLIPS: Yes, John.

26 MR. McMULLEN: Would Jim explain the second part of that

1 motion. I don't understand how that works.

2 MR. CLOUD: (indiscernible)

3 MR. PHILLIPS: Yes, but give him a microphone, please.

4 MR. CLOUD: I've got it. The second paragraph is just
5 to clarify that we believe that it's the Trustee Council's job to
6 define the scope that the -- the administration or working of the
7 rules, if you will, that the endowment or trust has to operate
8 under. Whether or not, you know, how the board of directors is
9 elected, how they'll behave, what kind of projects that they can
10 use the funds for, because the Trustee Council probably won't be
11 around in perpetuity. It's sort of like establishing a trust, you
12 know, in your family. You establish the rules and then you give it
13 to a trustee to manage.

14 MR. McMULLEN: I was wondering how that fit in with the
15 concept described by Dave where he said the Trustee Council
16 couldn't, probably wouldn't abrogate it's authority for -- for
17 approving expenditure of funds.

18 MR. CLOUD: In this case, the Trustee is not abrogated
19 its authority, it's establishing the authorities.

20 MR. PHILLIPS: Would you include in your thoughts of what
21 they would establish is also the amount of the funding?

22 MR. CLOUD: No.

23 MR. PHILLIPS: I mean, you don't see them coming up with
24 this?

25 MR. CLOUD: Well, at this stage, I think we should
26 decide whether we're going to agree that this is a good concept or

1 not.

2 MR. PHILLIPS: No, that isn't what I meant. Would -- in
3 your thoughts, the Trustee Council in making up the charter, would
4 they also decide on the level of funding. I would assume they
5 would, but rather than -- somebody has to make that decision and
6 we're not making it here today, but you said that they would
7 develop a charter that would say whose on it, what projects they
8 should undertake or types of project. Would it also include a
9 determination of what level of funding and where the funding comes
10 from?

11 MR. CLOUD: I would assume that they would want to do
12 that.

13 MR. PHILLIPS: Yes.

14 MS. McBURNEY: I'll like to offer a friendly amendment,
15 basically removing the words "in perpetuity" for two reasons.
16 Number one, it -- it basically removes the idea of sinking funds
17 from the possible range of funding mechanisms that could be used,
18 and I think that we need to keep as many long-term funding options
19 open to us as possible.

20 MR. PHILLIPS: Is there a second to that amendment?
21 Alright, it's seconded by Pam. Okay, now we can discuss it. Is
22 there....

23 MS. McBURNEY: Thank you.

24 MR. PHILLIPS: Is there further discussion on the
25 amendment to delete the words in the first paragraph "in
26 perpetuity."

1 MR. CLOUD: Well, I think that the concept of having
2 the endowment or trust be established in perpetuity, meaning that
3 they ought not to have the authority to expend the principal of the
4 fund is a very important concept to the whole endowment concept.
5 And if you -- if you say -- if you say remove it from in
6 perpetuity, I don't think it has anything to do with funding
7 mechanisms for projects. A project is -- is submitted either to
8 the endowment or to somebody -- somebody else for funding.
9 Endowment is a way of funding a portion or all of that project, but
10 the endowment itself and the trust ought to be set up in
11 perpetuity. It ought to be something that we all can rely on, that
12 Alaskans in future years will get the benefit of the research and
13 restoration and stuff that happens with this money.

14 MS. MCBURNEY: I understand that. My feeling is that if
15 you had some sort of a sinking fund developed, that perhaps the
16 life of that fund might be forty or fifty years, for example.

17 MR. CLOUD: I don't understand what you mean by a
18 sinking fund.

19 MS. MCBURNEY: By a sinking fund, where you are expending
20 a portion of the principal each year and then by the end of say
21 your forty or fifty years, you will have expended the fund, but by
22 that time you have also provided perhaps more capital to necessary
23 projects that really need attention. And, for the most part a lot
24 of the long-term monitoring activities and recovery activities may
25 not need to take place over the course of, you know, several
26 hundred years. I mean, in perpetuity implies forever, as opposed

1 to a sinking fund, for example, that could, say, for the lifetime
2 of, you know, your average killer whale or something, take care of
3 those needs.

4 MR. CLOUD: I think my intent in making the motion is
5 for the establishment of an endowment in perpetuity, not -- and not
6 address using the principal of the fund. That's a (indiscernible).

7 MR. ANDREWS: I'd like to support this type of a motion,
8 provided it isn't limiting us or limiting the ability to discuss
9 all of the proposals that are on the table and the eight
10 hundred....

11 MR. PHILLIPS: Are you speaking to the amendment that has
12 been offered? That's what's before us right now, eliminating those
13 two words.

14 MR. KING: I'm wondering if that is an aspect that would
15 somehow live with us either way. I don't understand. I'm looking
16 for a clarification. If it's limiting one way or the other, I
17 think we shouldn't -- shouldn't limit ourselves until we've
18 analyzed all the things that are coming in.

19 MR. CLOUD: I think that this -- my motion -- without
20 the friendly amendment, is broad -- the broadest that we could say
21 to the Trustees. We are not at all ordering the Trustees to, how
22 they're going to, if they choose to develop an endowment or
23 something. So -- so whether or not the principal gets -- could get
24 spent of this fund in the future is something that probably could
25 be decided and will be decided at some point by the Trustee
26 Council. But I still think that we should offer our -- if we pass

1 this motion -- we should offer it with the concept of perpetuity.

2 MR. PHILLIPS: Yes, Pam.

3 MS. BRODIE: I think it's clear that the maker of the
4 original motion is not accepting this amendment as a friendly
5 amendment.

6 MR. PHILLIPS: There is no such thing as a friendly
7 amendment.

8 MS. BRODIE: Okay. (Simultaneous laughter) So, now
9 it's just an amendment to the motion that we're debating.

10 MR. PHILLIPS: Yes. That's correct.

11 MS. BRODIE: And I'd like to just read one sentence
12 from the -- from the settlement, the oil spill settlement. And
13 this says, "the governments shall jointly use all natural resource
14 damage recoveries for purposes of restoring, replacing, enhancing,
15 rehabilitating or acquiring the equivalent of natural resources
16 injured as a result of the oil spill and the reduced lost of
17 service -- the reduced or lost services provided by such resources,
18 except as provided in paragraph three of this article." I think we
19 need to keep in mind the purposes of the settlement. I
20 particularly thought that during this presentation by some of the
21 people from the university who were talking about many good things
22 to do with an endowment but which were, in fact, getting very far
23 afield from this. The presentations made by the fishermen, I
24 thought, were, in fact, much closer to what the settlement says.
25 I think it's in the nature of the oil spill and recovery from the
26 oil spill that it doesn't make sense to spend a certain amount of

1 money every year in perpetuity. I think it makes more sense to
2 spend more money closer to the time of the oil spill and then a
3 gradually decreasing amount out some number of years or decades and
4 eventually falling off. That's what Mary has referred to as a
5 sinking fund. It just seems to me to be more appropriate to me to
6 be much more appropriate to oil spill restoration, and that if we -
7 - so, this is why I'm supporting the amendment. I do agree that
8 the expenditures should be stretched out over -- for more than the
9 eight years of the income, but I don't agree that it should be
10 perpetuity, and I think we'll be paying a high price for doing it
11 in perpetuity, by having very little in the coming years.

12 MR. PHILLIPS: Any further discussion on the amendment?
13 If not, those in favor of the amendment, indicate by saying aye.

14 UNIDENTIFIED COLLECTIVE VOICES: Aye.

15 MR. PHILLIPS: Those opposed?

16 UNIDENTIFIED COLLECTIVE VOICES: Aye.

17 MR. PHILLIPS: I think the opposed have it, but in all
18 fairness, we'd better ...

19 MR. MUTTER: My ears aren't that good.

20 MR. PHILLIPS: Oh, mine are excellent. (Laughter) But
21 those in favor, please raise your hand -- in favor of the
22 amendment. One, two, three. Those opposed, raise your hand. My
23 ear was right, Doug. The amendment fails. Now before us is the
24 motion. Is there any discussion on the motion? Mr. King.

25 MR. KING: Pam read the language from the settlement,
26 and this appears to be more restrictive in that it doesn't mention

1 enhancement, for instance -- it suggests, perhaps, that it is
2 limited to the spill-affected area, and there is some provisions in
3 the draft brochure that we've had on the restoration plan about
4 whether to extend some of the work beyond the spill-affected area -
5 - of restoration. So, I would like to see the thing less
6 restrictive on the grounds that we don't want to shut any doors at
7 this point.

8 MR. PHILLIPS: Would you like to offer an amendment?

9 MR. KING: Well, I'd move that we use the language
10 from the brochure that Pam read.

11 MR. PHILLIPS: How -- where would you insert that so that
12 we --

13 MR. KING: Well, we got part of it in here, but we
14 don't have all of it -- research -- monitoring, research -- I know
15 enhancement's in there and --

16 MR. MUTTER: Perhaps, perhaps Pam could read that
17 again, but I think the language she is reading is -- a lot of that
18 is the definition of restoration.

19 UNIDENTIFIED VOICE: Correct.

20 MR. MUTTER: The term "restoration" -- and -- and maybe
21 you could say "as defined in the civil settlement."

22 MR. KING: Alright. Just so we don't limit it -- is
23 all I'm worried about.

24 MR. PHILLIPS: Where would we insert it? It has to be
25 somewhere.

26 MR. MUTTER: You'd say "restoration parens, as defined

1 in the civil settlement."

2 MR. CLOUD: (Out of microphone range) Is that
3 definition -- just (inaudible) -- does that definition include all
4 the activities: monitoring, research?

5 DR. GIBBONS: Mr. Chairman.

6 MR. PHILLIPS: Yes, just a second. I can't cross the
7 street and chew gum at the same time. Go ahead.

8 DR. GIBBONS: What she read was from the settlement
9 agreement and that specifies what restoration actions can be done.
10 Natural recovery monitoring is part of that, but if you read them
11 again you will see that research is not part of that. So, the
12 civil agreement allows for direct restoration, and acquisition of
13 equivalent resources, replacement actions, and enhancement. I
14 think that's the four, if I'm not mistaken. Pamela can read it
15 again, but that's -- you know, that's what the civil agreement
16 says, so --.

17 MR. PHILLIPS: Yes, John.

18 DR. FRENCH: Only a comment to Dave, you can't assess
19 any of those things without doing what Webster would define as
20 research.

21 DR. GIBBONS: Well, all I -- I only point that out is
22 that under the criminal settlement it was very clearly spelled out
23 that research is part of that. Under the civil settlement, it's
24 very clear that's it's absent from it. And so, that's the only
25 point I'm making. I mean, when they settled those two, there was
26 an intent difference.

1 DR. FRENCH: All I'm -- I don't have a copy of the
2 dictionary in front of me, but all I'm saying is I believe if you
3 checked your dictionary that you would find that research is simply
4 the activity of evaluating -- of assessing and evaluating
5 observations, and in this case, evaluating those legal activities,
6 and the presence or absence of the word "research" is semantic.

7 MR. PHILLIPS: Yes, Pam.

8 MS. BRODIE: I -- I don't think I agree with that,
9 John, because what it says here is -- I mean, I think you're making
10 a good point, but what the settlement says is "for purposes" of
11 restoring, replacing, enhancing, rehabilitating or acquiring the
12 equivalent of natural resources, etc. And the motion sets out
13 research as a purpose, whereas under the settlement, research would
14 be allowed for these purposes but not as a purpose in itself. It
15 is a little different.

16 MR. PHILLIPS: I would like to ask for, if we're going to
17 change, it's got to be in the form of an amendment. So, if
18 somebody could offer an amendment, then we could have something to
19 talk about. If you don't, we've -- all we have to talk about is
20 the main motion. Vern.

21 MR. MCCORKLE: Thank you, Mr. Chairman. I would like to
22 offer the following language as a -- hopefully -- a friendly
23 amendment, and it would substitute these following words in place
24 of the words that start with "monitoring" in the first paragraph.
25 So, it would read "The EVOS PAG is in support of the concept of the
26 establishment of an endowment or trust that would provide for

1 funding for" -- here's the new language -- "the purposes
2 established by the settlement agreement beyond the year 2001 but
3 not longer than the year 2050, unless the parties shall agree to
4 extend the term," period.

5 MR. PHILLIPS: Would you read it again, please.

6 MR. MCCORKLE: Sure. The new language would be "the
7 purposes established by the settlement agreement beyond the year
8 2001 but not beyond the year 2050, unless the parties shall agree
9 to extend the term," period.

10 MR. PHILLIPS: Have you eliminated the whole balance of
11 that sentence or just ...?

12 MR. MCCORKLE: Yes.

13 MR. PHILLIPS: ... this ...

14 MR. MCCORKLE: Yes. The entire balance of the sentence
15 is gone. However, the second paragraph is kept as it's stated.
16 And "the parties" then, of course, are the state, the feds, and
17 Exxon.

18 MR. PHILLIPS: Is there a second to the motion?

19 MR. WILLIAMS: Second.

20 MR. PHILLIPS: Seconded by Lew Williams. Okay, the
21 discussion is on the amendment. You want to talk about it --
22 you're amendment, please?

23 MR. MCCORKLE: Certainly. I'd be glad to, at least,
24 begin discussion. I sense that the -- the group felt that
25 perpetuity might have difficulties, and it might limit the amount
26 of money that could be spent in the near years, and that's probably

1 true -- it might. Second, I felt that there was a desire, however,
2 to -- to set some kind of limits. It seemed to be nearly unanimous
3 that everybody agrees that spending it by the year 2001 or the next
4 eight years may not be the best plan for all the interests -- but,
5 certainly something longer than that should be considered. So, I
6 considered that if we put on another forty-nine years, that
7 certainly would be enough to -- enough time. It does, however,
8 give the Trustees of the option to lobby with the sponsors -- or
9 the parties -- to make it shorter or longer if they think they want
10 to, so you can take into account the research and data and
11 experience that's gained in the next eight, ten, twelve or fifteen
12 years, and maybe that that's all they want to do. Or, maybe,
13 they'll say, yes, we'd like to have it go on to the year 2002 -- or
14 2100. But this provides a reasonable factor for termination within
15 fifty years, and it can be shorter or longer if at that time the
16 Trustees who are -- who would have the benefit of the research that
17 we do from the restoration plan and all the activities that will be
18 taking place in the next ten, twelve or fifteen years, decide that
19 they'd like to do more or less. It gives them that option. But
20 the final point here is it does keep it within the terms -- that's
21 the wrong word. It keeps it within the -- the precepts of a public
22 process required all the time. So that all the parties that are
23 represented here, are represented by the Trustees, have to
24 participate in those kinds of decisions. So, I -- I'd like to --
25 of course, to ask people to vote in favor of this amendment to the
26 motion presented.

1 MR. CLOUD: Who are the parties, Vern?

2 MR. MCCORKLE: The parties are the State of Alaska, the
3 federal government and Exxon.

4 MR. CLOUD: (Inaudible -- out of microphone range)

5 MR. MCCORKLE: Yeah. I would presume they would be hear
6 at that time.

7 MR. CLOUD: Is this -- is this friendly amendment ...

8 MR. PHILLIPS: Could you use the microphone. She has a
9 helluva time picking up ...

10 MR. CLOUD: Does this friendly amendment (simultaneous
11 laughter) -- does this friendly amendment provide for expending of
12 endowment funds or earnings before the year 2001 or only after the
13 year 2001?

14 MR. MCCORKLE: It provides -- it does not address that
15 because we have yet to address how many funds go into such an
16 endowment, and I figure that is better left for another discussion.
17 What this does is it creates an endowment fund that lasts to the
18 year 2050.

19 MR. CLOUD: Are you sure that the way that you amended
20 it doesn't make -- make it start at 2001. It seems to me, the way
21 I heard it was, it started at 2001.

22 MR. MCCORKLE: Um -- what my intention is, is that the
23 purposes established by the settlement agreement beyond the year
24 2001. So this would mean that if an endowment is established
25 through this action or some other action, it would not start until
26 the year 2001. So, it would require us to set aside a certain

1 percentage of the corpus of the money available, over time, by
2 saying of the allotment to be achieved each year, a certain amount
3 of that will go into the trust or into the -- the endowment and be
4 spent after year 2001. It says to extend beyond the year 2001, and
5 that was my intention to -- to provide. Because, you see, we have
6 a lot of money that's on the table to be spent now. There's lots
7 of money available to be spent between now and the year 2001. So,
8 the creation of the trust or the endowment is going to be left to
9 either this group to recommend -- a method or means -- or the
10 Trustees to decide how that should be done.

11 MR. CLOUD: I think that that -- this amendment, as
12 with regards to the terms, limits the intent of deciding whether we
13 like the concept of an endowment or trust. What I've been trying
14 to do with this motion in first place was just to let us decide
15 whether we like the endowment -- or idea or an endowment or trust -
16 - and then leave it, leave the details up to the Trustee Council to
17 work out. And, to that effect, I would ask that you not -- not
18 amend it -- or I would be against amending it and putting in any
19 time frames. On the other hand, I can understand, and I had enough
20 trouble coming up with uses of the funds anyhow, the intent -- my
21 intent -- was for the uses of the funds certainly to be legal. So,
22 saying that the funds from the endowment can be used for purposes
23 identified in the settlement agreement or however you said it, is
24 fine with me, but I think we should leave it at that and not try to
25 do the Trustee Council's work for them as to setting out either a
26 life of the endowment and when it begins. Give them the greatest

1 flexibility.

2 MR. MCCORKLE: If I'd had my choice, we would simply have
3 voted yes or no on an endowment concept, but I was left to deal
4 with the language we had and to try and defeat the idea of -- that
5 the word perpetuity would kill the idea of a concept. So ...

6 MR. CLOUD: We -- we already defeated that amendment -
7 - that friendly amendment.

8 MR. MCCORKLE: So -- yes. So, we're left with the
9 perpetuity on the table.

10 MR. PHILLIPS: Doug, did you have a --?

11 MR. MUTTER: Just a point of clarification, I believe
12 the parties involved are the three Federal Trustees and the three
13 State Trustees. Exxon is out of the picture.

14 MR. MCCORKLE: Okay. Well, then I stand corrected. I
15 was repeating some common knowledge I'd heard on the floor today.

16 DR. GIBBONS: Exxon has no say whatsoever ...

17 MR. MCCORKLE: Okay.

18 DR. GIBBONS: ... on how the money is spent.

19 MR. MCCORKLE: Well -- the parties.

20 MR. PHILLIPS: Is there -- yes. Yes.

21 MR. KING: I think I agree with the concept that Jim
22 is putting forward here. If we're going to talk about limiting, we
23 should wait until we have the restoration plan before us and all
24 the information, and then, perhaps, we'll feel like getting more
25 detailed, but at this point it looks to me like we just need a --
26 a simple support of the concept of an endowment.

1 MR. PHILLIPS: But the question before us is the motion -
2 - the amendment -- offered by Mr. McCorkle, and that's what we'll
3 be voting on. So, is there any question or any further discussion
4 on the amendment. Yes, Vern.

5 MR. MCCORKLE: If I -- if I sense the feelings of the
6 group at this time, I would be willing to remove the following
7 language from my amendment, and I would then take away the language
8 that says "beyond the year 2001," etc. So, it would read "The EVOS
9 PAG is the support -- is in support of the concept of the
10 establishment of an endowment or trust that will provide funding
11 for the purposes establishment by the settlement agreement,
12 period."

13 MR. PHILLIPS: Okay, is that approved by the second? The
14 question is, are you ready for the question? Is there any further
15 comment on the modification. If there isn't, those in favor of the
16 altered amendment, indicate by saying aye.

17 COLLECTIVE VOICES: Aye.

18 MR. PHILLIPS: Those opposed? (No audible response) So
19 it is passed.

20 MR. MUTTER: Did I see a hand?

21 (Simultaneous laughter)

22 MR. PHILLIPS: Believe me, they're all there.
23 (Simultaneous laughter) So, now we have the -- and we're facing
24 the regular -- the motion. Do you want me to read it -- everybody
25 know -- yes?

26 MS. MCBURNEY: I'd like to offer one more amendment.

1 MR. PHILLIPS: Shoot.

2 MS. MCBURNEY: And that is to the last paragraph. "The
3 use or administration of the endowment or trust should be
4 established by a charter developed and approved by the Trustee
5 Council," and I'd like to add "and include input from regional
6 advisory groups." These would be like the regional advisory groups
7 that Ken Adams and Bill Hall had mentioned. Groups from the
8 various regions of the spill-impacted, overall region would be able
9 to address specific needs that they've identified in their
10 particular region: Prince William Sound, Kodiak, Gulf of Alaska,
11 Cook Inlet.

12 MR. PHILLIPS: Is there a second to that?

13 MS. FISCHER: I'll second that.

14 MR. PHILLIPS: It's been seconded here. You don't think
15 that the term "advised by the public" is good enough. There's some
16 interests that don't have regional advisory groups, like tourism,
17 as an example (simultaneous laughter) doesn't have a regional
18 advisory group particularly. It may be the forest products
19 industry may not have a regional advisory group. And, again, we
20 have to represent everybody that's concerned about this.

21 MS. MCBURNEY: But, certainly, a regional advisory group
22 could encompass representatives from the region for those different
23 interests to help make recommendations to the Trustee Council as
24 far as prospective projects for the endowment.

25 MR. PHILLIPS: Yes.

26 MS. BENTON: The way that I understand it now, anytime

1 the Trustee Council makes a decision it is their intention to get
2 as much information from as many groups as possible, and I don't
3 think that they would exclude any of these groups -- our group,
4 Brad's group, anybody's group -- in a decision to make or create an
5 endowment of this magnitude. So, I don't know if that's necessary.
6 I really think that it is and I think it actually excludes some of
7 the other user groups and interest groups.

8 MR. PHILLIPS: Any further discussion? Yes.

9 DR. FRENCH: Yes. I can support language for public
10 advising, as suggested by you, but I'd have to oppose the language
11 proposed in the amendment because there are very specific regional
12 advisory groups, such as the fish and game regional advisory
13 groups, and I don't have any objection to those being included, but
14 I think the wording could be interpreted to be exclusive of those
15 only, and I would not want that to be the case.

16 MS. MCBURNEY: Would amended language, such as "public
17 regional advisory groups" or --

18 DR. FRENCH: How about "public advisory groups."

19 MS. MCBURNEY: ... public advisory groups from

20 DR. FRENCH: From spill-affected areas.

21 MS. MCBURNEY: Okay. Public advisory group -- "public
22 groups representative of the spill-impacted region."

23 DR. FRENCH: Okay.

24 MR. CLOUD: That's where we are.

25 MR. PHILLIPS: Yes, John.

26 MR. McMULLEN: Mr. Chairman, I'd just like to keep this

1 motion as clean as possible and go back to focus in on the main
2 motion that we were attempting to pass here and convey to the
3 Trustee Council, so I'd have to vote against the amendment.

4 MR. PHILLIPS: That's the amendment that's before us.
5 Dave, do you have a comment?

6 DR. GIBBONS: Under the settlement agreement, the
7 guidelines given to the Trustee Council say you max -- you will use
8 maximum public involvement in the process, and I think that's --
9 that's covered within the settlement agreement. They cannot do
10 anything without using maximum public involvement.

11 MR. PHILLIPS: Yes.

12 MS. MCBURNEY: It's clearly redundant; I remove my
13 amendment.

14 MR. PHILLIPS: Is that alright with the second?

15 MS. FISCHER: Yes.

16 MR. PHILLIPS: Okay. Alright. Now, facing us is the
17 main motion at a quarter after three (laughter), and I will read it
18 if it's all right with you. "The EVOS PAG is in support of the
19 concept of the establishment of an endowment or trust that will
20 provide funding for the purposes established by the settlement
21 agreement, period." The second paragraph, "The use or
22 administration of the endowment or trust should be established by
23 a charter developed and approved by the Trustee Council." That's
24 the motion before us. Is there further discussion on the motion?
25 Yes, Pam.

26 MS. BRODIE: At the risk of sounding ignorant, I will

1 ask this question. Could someone please explain to me the
2 difference between an endowment and a trust.

3 MR. PHILLIPS: Let the banker do it. (Simultaneous
4 laughter)

5 MR. CLOUD: Nope. That's why I used both words.

6 MS. STURGULEWSKI: Mr. Chairman.

7 MR. PHILLIPS: Yes.

8 MS. STURGULEWSKI: Not to add any confusion, oftentimes
9 they're used interchangeably, but an endowment oftentimes can --
10 can be the body itself establishes an endowment, and they're the
11 trustee. A trust oftentimes implies a separation, separate board,
12 separate bylaws, and all of that. So, it's -- by including it,
13 you've offered them again, I think, as Mr. Cloud said, the widest
14 ability.

15 MR. PHILLIPS: Thank you. Is there any further
16 discussion on the motion?

17 MR. WILLIAMS: Question.

18 MR. PHILLIPS: The question is, all those in favor of the
19 motion, signify by saying aye.

20 COLLECTIVE VOICES: Aye.

21 MR. PHILLIPS: Those opposed?

22 MS. BRODIE: Nay.

23 MR. PHILLIPS: I think the ayes have it, so the motion
24 then will be forwarded to the Trustee Council. Now --

25 MR. CLOUD: Is it October yet?

26 MR. PHILLIPS: Why we came here (simultaneous laughter)

1 is getting dimmer and dimmer. It is now three-twenty. We have
2 about an hour. Would that give us a chance to get into the
3 restoration plan, Doug?

4 MR. MUTTER: Yes.

5 MR. PHILLIPS: We just talk faster. Okay. Here we go.
6 Do you want to -- who wants to be -- present that? It has me
7 presenting it, but I'd don't even have a copy, so --.

8 MR. MUTTER: Here you go.

9 MR. PHILLIPS: Oh, thank you very much. Take a minute
10 and read it.

11 MR. MUTTER: Attached to the minutes of the last
12 meeting, is a -- was a draft approach to restoration that the PAG
13 put together, and it was prepared as a draft to be discussed by you
14 at this meeting to see if you want to refine it before passing it
15 on to the Trustee Council.

16 MR. PHILLIPS: Does everybody have a copy of this?

17 MR. CLOUD: No.

18 MR. MUTTER: Do you have your last minutes. Let me
19 make some copies real quick. How many copies do we need?

20 MR. PHILLIPS: That's the top page, yes.

21 UNIDENTIFIED VOICE: What does it say?

22 MR. PHILLIPS: It says Exxon Valdez Oil Spill Public
23 Advisory Group Draft Approach to Restoration 5/25/93 -- draft.

24 MR. MUTTER: Attached to the minutes of the May 25th
25 meeting.

26 MR. PHILLIPS: Okay, we'll take a quick break here while

1 he gets it copied -- can you? Okay.

2 (Off Record at 3:21 p.m.)

3 (On Record at 3:29 p.m.)

4 MR. PHILLIPS: Could we come back to order. Would
5 somebody put their head out the door there and suggest to them that
6 they come in. Yes, a friendly suggestion. We don't need a second
7 for that. (Aside simultaneous talking)

8 Alright, if we could come back to order, please. Is there
9 anybody in the group that does not have a copy now of this draft.
10 Okay. No fair, Lew. Okay. This is the suggested draft which
11 hasn't left this committee for presentation to the Trustee Council.
12 Maybe we could get -- if you want to read it yourself, fine, or if
13 you want me to just skim through it, I'd be glad to because we're
14 going to have to take it part by part and make sure that it's
15 acceptable to everybody. "The Exxon Valdez Oil Spill Trustees
16 should give priority to the projects which are most effective in
17 restoring and protecting injured resources and service. Preference
18 should be given by the Trustees to projects, one, within the spill
19 area as defined in the Restoration Plan Brochure of 1993, or
20 outside the spill area within the State of Alaska." Any questions
21 on that wording? (No audible response) Okay, then "(A) pick up
22 oil that is fouling the environment and where it makes
23 environmental and economic sense to clean up and with the approval
24 of local residents, landowners, and resource users. This includes
25 monitoring and feasibility studies and physical clean-up." Are
26 there any questions about that direction? (No audible response)

1 Okay, "(B) restore injured resources and services by taking direct
2 action in pertinent environments. This includes" -- and there's a
3 list -- "subsistence, cultural, recreation, commercial, fish,
4 wildlife and habitat." (Brief tape malfunction) -- I mean tell us
5 what projects you want us to do. Aren't they going to do that?
6 Yes.

7 MR. MCCORKLE: In that case, we would refer them to the
8 restoration plan.

9 MR. PHILLIPS: Okay. And why are we doing this? Okay,
10 page two, "Protect habitat critical to resources injured by the oil
11 spill or threatened by potentially injurious actions. This
12 includes acquisition, conservation easements, lease, trades,
13 application of appropriate management techniques with landowners."
14 Any questions or comments on this section? (No audible response)
15 Boy. Number (D), "Fund an endowment for monitoring, research --
16 this one then would be replaced by the one we just passed. So,
17 scrap (D) and insert the one we just concluded. Number (E),
18 "Replace and/or enhance injured resources or services through
19 indirect means. This includes enhancement of equivalent resources
20 to reduce pressure on injured ones," or second, "increase
21 populations or levels of service over pre-spill conditions." Any
22 question about that. (No audible response) And finally, (F),
23 "Provide funding for facilities which support (A) through (E)."
24 May I inquire who wrote this?

25 UNIDENTIFIED VOICE: At the last meeting.

26 MR. PHILLIPS: Okay, I wasn't here, and I'm just curious.

1 MR. MUTTER: It's the Lew Williams protocol.

2 (Simultaneous laughter) Okay, yes.

3 MR. CLOUD: We even had a committee help draft it.

4 MR. PHILLIPS: Okay. I love committee work.

5 MR. CLOUD: I don't think we need to scrap (D). (D)
6 just goes along with what we did.

7 MR. PHILLIPS: We're just replacing not scrapping it,
8 actually. We are enhancing it with your amendment or your ...

9 MR. CLOUD: Yeah, this is a separate deal. The other
10 motion should just go as a motion. This was a -- this was an idea
11 to set -- I don't remember. It was a long time ago, wasn't it.
12 (Simultaneous laughter) We wanted to set out priorities, I think,
13 in our own minds as to how we wanted to put -- analyze this
14 restoration plan effort.

15 MR. PHILLIPS: It seems to me that the other one that we
16 just spent a lot of time on has priority of this. Vern.

17 MR. MCCORKLE: By way of background, it has been
18 sometime. It's sort of hard to call all back. Maybe opening up my
19 comments with specific reference to paragraph D of the document
20 we're looking at, the draft, the inclusion of the word "research"
21 might kick that out because we -- a little problem there. So, I
22 wouldn't feel uncomfortable with including the new motion in here
23 as (D) and then sending the motion along separately as well. But
24 this document came as a result of a direct, almost a direct order,
25 from the Trustees to give them our suggestions of what they ought
26 to do. And I, in your stead, attended that meeting where they

1 asked us for us. So we did give it considerable discussion, and I
2 still feel very comfortable with this as an approach to restoration
3 which I think would be helpful.

4 MR. PHILLIPS: Any further comment? Yes.

5 MR. ANDREWS: Mr. Chairman.

6 MR. PHILLIPS: Yes.

7 MR. ANDREWS: If this was presented to the Trustees,
8 have they responded in any way?

9 MR. PHILLIPS: There has not been. This is for our
10 consideration here. It's been drafted and this is the first time
11 any action -- official action -- will be taken on this, and then if
12 it passes it will be sent on to them.

13 MR. ANDREWS: Thank you.

14 MR. PHILLIPS: Lew, and then Dave.

15 MR. WILLIAMS: Yeah, one of the things -- we tried to
16 write this the way we were trying to write something else last
17 time. So, what we agreed to do is the committee, I think was Vern,
18 kind of had everybody's ideas and concepts, and I think Doug had
19 written notes, and they were going to go back and write something
20 like we were talking about, and that's what this is.

21 MR. PHILLIPS: Okay, Doug -- Dave, I mean.

22 DR. GIBBONS: Yeah. I said -- just a point that I'm
23 trying to figure out, page two (C), item (C), the last one,
24 "application of appropriate management techniques." That leaves me
25 with saying, do we do inappropriate techniques now?

26 MR. CLOUD: Yes.

1 (Simultaneous laughter)

2 DR. GIBBONS: Perhaps we say "application of intensified
3 protected management techniques" or something like that. It's
4 intensified management. That would be a wording suggestion, you
5 know, rather than "appropriate."

6 MR. CLOUD: I'd just leave "appropriate" out.

7 DR. GIBBONS: That's fine too. "Appropriate" just --
8 you know -- I was trying to figure out what it meant.

9 MR. CLOUD: Well, if we're leaving out words, let's
10 leave out "acquisition."

11 (Simultaneous laughter)

12 MR. PHILLIPS: Okay. Is there further discussion? Would
13 you want to leave out the word "appropriate"? If so, it requires
14 a -- somebody to do something.

15 MS. BENTON: That's fine. Where that came from was to
16 allow as many diverse things as we can, and even in an area of an
17 existing timber harvest, if there was a matter that might enhance
18 us in our planning that we wanted to do, so I would agree with
19 that, take the word "appropriate" out.

20 MR. PHILLIPS: Is there anybody objects to just removing
21 the word "appropriate"? If not, let's do it. Okay, are there any
22 other suggestions on this before we vote on it? Any other
23 discussion? If not, then -- yes, Pam.

24 MS. BRODIE: It's not clear to me whether this A, B, C,
25 D, E, F, is supposed to be a priority order or just a list. I
26 would support that, not necessarily changing anything here, but

1 that we present it to the Trustees as a list rather than a priority
2 list, if it's alright with the group.

3 MR. PHILLIPS: Any comments? Lew.

4 MR. WILLIAMS: We discussed that last time, and I think
5 there was a general agreement that it isn't a priority because some
6 of these things you're going to want to do. Some of these things -
7 - the priority is obvious. We had them one, two, three, four,
8 five, and then we decided, well, let's make them A, B, C, D,
9 because some things are doing to do, say, E, before maybe they
10 would do something in B.

11 MR. PHILLIPS: Does that answer your question?

12 MS. BRODIE: I think so.

13 MR. CLOUD: So it's a list.

14 MR. PHILLIPS: So it's a list. Does somebody want to
15 make a motion to adopt this? Vern.

16 MR. MCCORKLE: Mr. Chairman, I move that the draft
17 approach to the restoration dated May 25, 1993, be forwarded to the
18 Trustees as the recommendations of the Public Advisory Group.

19 MR. PHILLIPS: Is there a second to the motion?

20 DR. FRENCH: Second.

21 MR. PHILLIPS: Seconded over here -- Donna.

22 MR. MUTTER: You mean the amended five twenty-five,
23 perhaps? We've made a couple of amendments to it.

24 MR. MCCORKLE: As amended.

25 MR. MUTTER: Thank you. As amended.

26 MR. PHILLIPS: Okay. Yes, Pam.

1 MS. BRODIE: I am confused about what (D) looks like
2 now.
3 MR. PHILLIPS: (D) -- (D) is blank.
4 MR. CLOUD: No.
5 MR. PHILLIPS: Nada. (D) is the one that, as far as ...
6 MS. BRODIE: (D) is the motion that was adopted today?
7 MR. PHILLIPS: That's my understanding, yes.
8 MS. BRODIE: Okay. Thank you.
9 MR. PHILLIPS: Unless there's an objection to that --
10 that deals with the subject matter -- endowments. If there isn't
11 any further discussion ...
12 MR. MUTTER: Was there a second?
13 MR. PHILLIPS: Yes, Donna seconded it. If there's no
14 further discussion, those in favor of the motion indicate by saying
15 aye.
16 COLLECTIVE VOICES: Aye.
17 MR. PHILLIPS: Those opposed? (No audible response)
18 That's unanimous, and it will be forwarded to the Trustees.
19 My goodness, we got ahead of schedule. Must be the heat.
20 (Laughter) Well, that -- yes.
21 MR. MUTTER: Just a question, tomorrow's agenda
22 includes a discussion of the '94 work plan, and Dave was going to
23 get some materials for includes a discussion of the '94 work plan,
24 and Dave was going to get some materials for everyone, so maybe
25 now's a good time to pass that out.
26 DR. GIBBONS: It's already been passed out.

1 MR. PHILLIPS: It's been passed out. May I request -- if
2 this is impossible, fine -- my original schedule showed a 9:30
3 meeting, and therefore I have an appointment at 8 o'clock that I
4 can't -- that's hard to get out of, and so I would like to ask if
5 we could at least have the meeting start at 9:00 instead of 8:30,
6 because I didn't know that until after I'd made the appointment.
7 Does that screw anybody up? (No audible response). Then why don't
8 we meet at 9:00 o'clock in the morning, and the coffee will be hot,
9 and the discussion enlightening ...

10 MS. FISCHER: No more doughnuts?

11 MR. PHILLIPS: ... I'm not bringing doughnuts any more.
12 (Simultaneous laughter)

13 MS. FISCHER: You've got to be here at 8:30 then.
14 (Laughter)

15 MR. PHILLIPS: Dave.

16 DR. GIBBONS: I'm not sure whether you're going to
17 adjourn or what, but I'd like to explain the packet that's in front
18 of everybody, before they head out, so they actually know what's
19 there.

20 MR. PHILLIPS: Fine. That'll be great.

21 DR. GIBBONS: I didn't give you a complete package that
22 we're going to present to various agencies, and I'll explain what's
23 left out. What's left out is the detailed budgets spreadsheets,
24 you know, blank sheets, to be filled out, and a format for
25 preparation of a detailed project description. So that's what you
26 don't have in front of you. If you would like that, I can --

1 tomorrow I can get copies of the entire package for you that's
2 going to everybody, but I wanted to get this to you today so you
3 had a chance to look at it. What is in front of you is a page --
4 a two-page spreadsheet of the fifty-nine projects that the Trustee
5 Council has told us to prepare three-page project descriptions.
6 The iteration of this is on April 19th -- there is some copies of
7 it up on top of the bookshelf -- we -- were sent for public comment
8 -- a listing of projects -- I think two hundred and ninety-seven
9 projects. What we got back was comment on those, plus an
10 additional hundred and some odd projects, saying please fund this.
11 We -- we've gone through an analysis, like I mentioned, the Trustee
12 Council told us to bring them the top fifty and then the second
13 fifty. The Restoration Team has used the criteria, which is
14 attached here, the assumptions for the '94 work plan, which is on
15 page two. We've used those, we've created evaluation criteria,
16 which are identified in here, to, whittle those four hundred and
17 twenty projects down to the listing that you have in front of you.
18 I've a record if somebody is interested, or about what happened
19 about specific projects. I can tell you exactly what happened to
20 it. A lot of projects were subsumed within projects. I'll give
21 you an example, under commercial fish, it says, number three forty-
22 five, commercial fish, evaluation and enumeration project for
23 streams in the Lower Kenai Peninsula. That included about four or
24 five projects that were submitted into that one project. And when
25 the project description is developed, those will be laid out in
26 there. So, you know, I can walk through. Another one would be one

1 thirty-nine, commercial fish, in-stream habitat and stock
2 restoration techniques for salmon. That's specifically included
3 Pink River fish ladder, Montague Island chum, Soft (ph) Lake
4 projects -- all these projects were thrown into that. Rather than
5 having a bunch of projects, we've tried to incorporate them into a
6 comprehensive type of a -- of a process. That's what the first
7 couple of pages are. Attachment three gives you a description of
8 what the project -- of what we understand the project to be. Like
9 project seven, site-specific archeological restoration inter-
10 agency. Complete site-specific restoration work on the twenty-four
11 known archeological sites. This project is the continuation of
12 1993, project 93006. That gives you an idea of what that project
13 is. And so that's attachment three. Attachment four gives you an
14 explanation of the projects, and I notice that table is missing,
15 and I'll make sure to get it you tomorrow. It's the second
16 priority. It didn't get included in here. Attachment four
17 identifies the projects that are included in the second priority
18 listing that are not being developed for project descriptions but
19 did receive Restoration Team votes -- some support from the
20 Restoration Team. You can look at those projects -- like I say --
21 that's attachment four -- identifies those projects that are in
22 that second list that had some Restoration Team support. The --
23 moving on, you'll see another spreadsheet. Excuse me, right, here
24 it is. The next spreadsheet is the second priority listing.
25 You'll see on the top, it says 1994 Project Evaluation and Ranking,
26 Restoration Team Priority Two. It says that on a couple of the

1 small spreadsheets. Everybody find that? Right after attachment
2 four. You'll need your magnifying glass to read it. It's
3 extremely small. I'll try and get you a better copy, but it's --
4 it's there. Attachment seven -- moving through some spreadsheets,
5 attachment seven is the Restoration Team identification procedures
6 for the identification of the '94 restoration work product. These
7 are the criteria that we used and how we applied them. So -- we
8 created two types of criteria: a threshold criteria, which is the -
9 - the action occurs in the area affected by the oil spill. If the
10 project was not in the oil spill-affected, it was not -- it was
11 kicked out immediately. It was rejected. And that's at the
12 direction of the Trustee Council. They wanted us to do projects
13 within the oil spill-affected area in 1994. So, the threshold
14 criteria, if one of those were not made -- were not made by the
15 project, it was removed. It was rejected and gone. The evaluation
16 criteria, on the other hand, lists the other criteria that we
17 considered in the development of the '94 work plan. It may have
18 been no to one and yes to the other ones. That's not a threshold
19 criteria;; the evaluation were not threshold criteria. So, it's a
20 distinction there. Then, attachment eight is our discussions from
21 June 9th and 10th Restoration Team meeting, and you can see the
22 initial Restoration Team project voting. This is an administrative
23 record by project -- through the projects -- and continuing on on
24 June 10th, discussions of each project and the Restoration Team
25 voting as a package. This may confuse some of you. We -- what we
26 did was each Restoration Team member had fifty votes, and we went

1 through and said, okay, did anybody support project X, and if there
2 was some support for it, we put it on the list. And two hundred
3 and ninety -- about two hundred and ninety projects got no support
4 from the Restoration Team members whatsoever and were set aside,
5 leaving us with a hundred and thirty-seven, or something. And the
6 next day, on June 10th, we went through those hundred and thirty-
7 plus projects and discussed the project and took a vote on support,
8 and it's just clearly a voting support. To tell you what went to
9 the first priority and what went to the second priority, any
10 projects that received three votes or more went to the top priority
11 list, and that ended up with the initial listing of fifty-three
12 projects. And there was thirty-nine projects in the second
13 priority listing that had one or two. That package -- here's the
14 information on that, pages ten through thirty-one -- thirty- --
15 page ten through thirty-six, thirty-seven. On the 17th of June, we
16 revisited the package again to make sure we were on track, and
17 here's a record of what took place on the 17th of June, and then we
18 looked at it again before we sent it to the Trustee Council on the
19 29th of June, on June 23rd, and there were some other changes. And
20 what we looked at there was time critical. Is a project -- need to
21 be done this year or can it wait. And that's just one evaluation
22 criteria. It's not like last year. If it didn't meet the time-
23 critical factor last year, it was kicked out. This year, it's one
24 evaluation factor to look at -- should we do it this year or should
25 we wait until next year. The package was sent to the Trustee
26 Council on, like I said, May 29th. I received responses from five

1 Trustee Council members by July 7th, which was the direction they
2 gave me. They made changes in the listing that we gave them. We
3 gave them fifty-three projects; we now have fifty-nine projects.
4 So they moved some projects from the priority two listing to the
5 priority one listing, and some members withdrew some projects from
6 the priority one listing. So there were some changes that way, and
7 I'll give you that documentation when I get that done. So, that's
8 the package you have in front of you, and tomorrow, I'll give you
9 the detailed study plan development and the budget spreadsheets if
10 you would like.

11 MR. PHILLIPS: Dave, on page one of this priority two,
12 there are some tables here with symbols. What does the U mean, and
13 I assume that the Y and the N mean yes and no.

14 DR. GIBBONS: U means unknown.

15 MR. PHILLIPS: Unknown?

16 DR. GIBBONS: Yes. There should be a footnote.

17 MR. PHILLIPS: Maybe should be, but there ain't.

18 DR. GIBBONS: Yes, U is unknown. You'll also see under
19 the legal column that there's a yes, no, and a question mark.

20 MR. PHILLIPS: Yes, okay.

21 DR. GIBBONS: And the question mark should be --

22 MR. PHILLIPS: In anticipation of a reaction from the
23 Trustees when we send our motion on establishing of a trust or
24 whatever, they will probably come back and ask for more specific
25 information, and so that we don't delay the processes, I would like
26 to appoint an interim committee to come up with some suggestions

3
1 dealing with some more specific subjects on this, and the five --
2 arbitrary five -- members I've selected to deal with this is John
3 French as chairman, Lew Williams, John McMullen, Jim Cloud, Vern
4 McCorkle, to try and frame for us some possible answers of -- the
5 purpose of the endowment, what is supposed to accomplish, the level
6 of funding -- to have some kind of an approach on that -- and the
7 question of who should manage the fund and decide what projects are
8 in there. Sort of a thinking of the group so that we can come back
9 and not be nebulous with this -- because they've asked us to tell
10 them what to do, and whether they agree with us or not, I think we
11 have to have some definition, and -- there may be other subjects
12 that are pertinent and important that we may be asked, but if you
13 could put a little time on this and come back with some
14 suggestions, it will be helpful, and I would suggest that anybody
15 else who wants to work with you, like the group from Cordova or
16 anybody else, but the five of you are going to make some
17 recommendations from us, and if we keep the committee small like
18 that, I think we probably would accomplish something. Yes.

19 UNIDENTIFIED VOICE: What was the due date?

20 MR. PHILLIPS: Well -- well, we're not meeting until nine
21 in the morning -- (Simultaneous laughter) No, I really don't
22 care. As I see it, we're going to send off what we voted on today,
23 and we're going to get a reaction, and I think that reaction will
24 be give us some more specifics on this endowment thing, and I think
25 we should be prepared to make some recommendations. Yes, Lew.

26 MR. WILLIAMS: Wouldn't that be something you'd want us

1 to work on between now and our next meeting.

2 MR. PHILLIPS: Exactly.

3 MR. WILLIAMS: Without involving the whole group.

4 MR. PHILLIPS: Exactly. And it will give you some time
5 then to talk and think it out and to hear from some people. But I
6 think we'd look awful stupid if they come back and say, now, would
7 you please define that a little more for us, and we can't do it.
8 Yes.

9 MR. MUTTER: Mr. Chairman, I think your next meeting
10 will probably be sometime between August 23rd and September 20th
11 when the Trustee -- between -- Trustee Council meetings when they
12 start to take that up.

13 MS. FISCHER: Can I make a suggestion, I know this is a
14 really difficult time of year to try to meet and try to -- ask --
15 the Trustees, you know, hey, worry about the fishermen, worry about
16 the business people out there, worry about Brad's tour boat, but
17 this is a busy time of the year. Can they maybe do it after Labor
18 Day and then we can meet or whatever, because I think, especially
19 August, is a bad time of the year for everybody. I think everybody
20 in here ...

21 MR. PHILLIPS: But the people I picked on don't have
22 anything to do between now and then.

23 (Simultaneous laughter)

24 MS. FISCHER: No, but I mean for the next ...

25 MR. PHILLIPS: Oh ...

26 MS. FISCHER: ... meeting.

1 MR. PHILLIPS: Oh, yes. Yes.

2 MS. FISCHER: For the next meeting.

3 MR. PHILLIPS: For the next meeting. I agree with you.

4 MR. WILLIAMS: I would suggest that John French advertise
5 to us all now his fax number so we can send him our ideas.

6 MR. PHILLIPS: Alright, and then there's always the
7 telephone and so on. Maybe if when we leave here the five of you
8 could just get together and talk about details on how you're going
9 to accomplish it. Yes, Pam.

10 MS. BRODIE: Could you read those five again.

11 MR. PHILLIPS: And this relates only to the endowment.
12 Where did I -- oh, I put that in my pocket --. Okay, it's John
13 French, chairman, Lew Williams, John McMullen, Jim Cloud, Vern
14 McCorkle, and I'd say let your minds wander and anticipate what
15 they're going -- what would be helpful to them if they ask us this
16 question because this is not a non-controversial subject, and I
17 think we should be prepared. And as far as the next meeting is
18 concerned, for God's sakes, if it could be held after Labor Day,
19 between there and the 15th of September for me, because I am right
20 up to here.

21 MR. CLOUD: Moose season is over the 20th of
22 September.

23 MR. PHILLIPS: (Laughter) Okay. I will half way to
24 Seattle on a boat then. Okay, is there anything else now to come
25 before the group, Doug?

26 MR. MUTTER: Just one question. Tomorrow the major

1 topic of discussion is going to be what kind of recommendations you
2 want to make to the Trustee Council on the '94 work plans, and I
3 guess I'd just like to ask Dave, out of all this material that you
4 have, what is the relevant list that the PAG should be talking
5 about tomorrow and make suggestions on.

6 DR. GIBBONS: Thank you. You made -- you made an
7 opening for me that gets me talking here. The first two pages are
8 the list. That's the list. The rest of it's all supporting
9 documentation -- how we got to the first two pages. If you want to
10 know about a project, you can go back, find it's number and read
11 about it to tell you a little bit more about it. The first two
12 pages are the listing. I'll point something else out, that you'll
13 see "lead agency" and it says lead agency. A lot of these ideas
14 were submitted by the public, but at the direction of the Trustee
15 Council it has to go through an agency. This does not mean that
16 this agency may do that project. It's that this agency will
17 develop the three-page project description. So, I wanted to make
18 that clear, that we're directed to go to the six Trustee agencies,
19 that the project may not be done by that agency. It may go out in
20 an RFP, or whatever the case is.

21 MS. BENTON: Could we talk about that a little bit more
22 tomorrow, just to put it --

23 MR. PHILLIPS: Sure.

24 MS. BENTON: To talk about it tomorrow, how you come up
25 with whether an agency or a contractor is able to complete the
26 fifty projects because I think that was a big topic of discussion

1 that we've had before about the implication that agencies are
2 getting all these contracts. It may not be true. But how that
3 happens, and maybe you could --.

4 MR. PHILLIPS: If we could be as conversant as possible
5 with these fifty so that we can expedite our time tomorrow because
6 I'm going to go right through them from the beginning to the end,
7 and if you've got comments or objections or strong support or
8 anything, let's do it and try to cover those fifty tomorrow so we
9 can be of help to the Trustees. Are there any other things to come
10 before the group today before I -- we've had the public comment --
11 I don't see any new faces, so if there is no objection --. You
12 trying to keep me here?

13 MR. MUTTER: No. (Laughter)

14 MR. PHILLIPS: I would entertain a motion to recess until
15 tomorrow morning at 9:00 o'clock. If there is anybody who'd like
16 to make that motion?

17 DR. FRENCH: Well, I'd just like to make another real
18 quick comment. I think, yes, there has been a prioritization --
19 the fifty-whatever -- three -- projects -- whatever Dave said.
20 There's also another list of twenty-nine in there, and albeit that
21 some screening has already been done, we have a history in the past
22 and I would encourage us to continue it, of looking at the --
23 beyond the list and what's been screened by the Restoration Team,
24 so that we do maintain at least some sense of independence, but
25 also so we get to look at the whole scope.

26 DR. GIBBONS: Thanks, John. That's why I've provided

1 the other documents in here, so you have a listing of all of them -
2 - the projects.

3 MR. PHILLIPS: I do notice that on the second priority
4 list though, they made the printing so small, you're not going to
5 be able to read anyway, so I don't know what that chapter's for.

6 MR. WILLIAMS: Why don't we recess.

7 MR. PHILLIPS: Okay, there's a motion to recess by Lew
8 Williams. Is there a second?

9 MS. FISCHER: Second.

10 MR. PHILLIPS: If there's no objection, it is so ordered.
11 We'll see you at 9:00 o'clock.

12 (Off Record at 4:00 p.m.)

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

PUBLIC ADVISORY GROUP

**RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska**

**July 15 and 16, 1993
9:30 a.m.**

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**EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD**

**VOLUME II
July 16, 1993**

P R O C E E D I N G S

(On Record: 9:10 a.m., July 16, 1993)

MR. PHILLIPS: Okay, I wonder if we could come to order this morning, and I think we have a pretty full plate. Before we start, there's a couple of changes on the menu today. We have two resolutions we'd like to have the group look at, and one of them involves changing of -- potentially changing the budget, and that is being typed right now. We'll have copies here so that everybody can take a look at it before we take it up, and I have another one that I'd like to pass out to all members, and I think it's pretty self-explanatory, but if you'd just take a minute to read it and then let's discuss it and dispense with it one way or another. While you're doing that, there are two members -- Mr. Totemoff has another meeting that conflicts this morning with a group that he represents and he has to go to Kodiak this afternoon so he will not be here. However, there will be one of his epistles presented to us before the day is over on behalf of his constituency, but that will come when it comes and I'll see that you all get a copy. And Mr. Williams finds it necessary also to leave us this afternoon so we're going to try to get as much done this morning as we can on decisions that have to be made. So if you'll just take a moment to read the resolution, then we'll talk about it. (Pause) Probably, the two most controversial and time-consuming subjects that we'll be engaging in here and have engaged in will be the matter of the endowment establishment, and the other one is habitat acquisition. So anywhere we cannot waste time on it, I think is important. So

1 the suggestion here is to ask the Trustees, really, let's not wait
2 a year or a year and a half to find out whether or not this is
3 legal and we've spend all this time on it. Let's really try to
4 find out now so that we can know what direction to go. Are there
5 any questions or suggestions or comments or complaints or anything
6 else about the purpose and the wording of this? If there are any
7 typos in here, it was because the copy machine wasn't working.
8 (Laughter) Yeah, this terst (ph) we're trying to do. Anyway, is
9 there any discussion if -- I guess the proper way to do this is for
10 somebody to move for the adoption of the resolution and then we can
11 have the discussion. Yes, Vern? MR. McCORKLE: So moved.
12 MR. PHILLIPS: It's been moved. Is there a second?
13 MR. McMULLEN: I second it.
14 MR. PHILLIPS: Second, John McMullen, yes. Okay,
15 discussion on the -- on it. Is there any discussion? Yes, Jim.
16 MR. CLOUD: It's a good idea if the -- as you stated,
17 the purpose being, let's move ahead on this. If they're going to
18 argue about it, we can't go around second guessing them, and they
19 should move ahead with the design of an endowment or trust that
20 they think is legal or the structure they can get, and then submit
21 it to the court and see if -- see what the judge has to say. If he
22 has some concerns, at least they'll know what those concerns are
23 and then work with that. So I'd call for support of this
24 resolution.
25 MR. PHILLIPS: Any further discussion? Yes, James?
26 MR. KING: I ran into Charlie Cole in the hotel this

1 morning, and he wanted to know how our meeting went yesterday, and
2 I pointed out that we had developed a resolution on the University
3 thing, and I have the feeling that he would -- this is the kind of
4 thing they're looking for from us is -- perhaps even more than
5 evaluating scientific projects that we don't understand very well,
6 that this kind of input is more important than perhaps some other
7 things we might do.

8 MR. PHILLIPS: The question's been asked, or been called.
9 All those in favor of the resolution signify by saying aye.

10 COLLECTIVE VOICES: Aye.

11 MR. PHILLIPS: Those opposed?

12 (No audible response)

13 MR. PHILLIPS: That was passed unanimously.

14 DR. GIBBONS: I've got some wording changes for you that
15 might improve this.

16 MR. PHILLIPS: Well, why don't you tell us what --

17 DR. GIBBONS: I didn't know you were going to pass it
18 that quickly, but on the second "whereas," I would recommend
19 changing "there are comments alleging that the federal attorneys
20 may feel that an endowment -- it's not the Federal Trustee Council,
21 it's the federal attorneys that are saying that.

22 MR. PHILLIPS: Oh, okay.

23 DR. GIBBONS: And --

24 MR. MUTTER: Attorneys can't vote.

25 DR. GIBBONS: They give opinions to the Federal Trustee
26 Council members that sometimes are very difficult not to accept,

1 let's put it that way.

2 MR. PHILLIPS: That's a good suggestion.

3 DR. GIBBONS: Yeah, it's the federal attorneys who are
4 ruling on that and then the next one, "therefore, let it be
5 resolved that," I would suggest that you reword that to say that
6 "the brief setting forth differing" -- that had the Trustee Council
7 prepare briefs that would go to more than just to PAG, but would go
8 to them too, you know. This seems to say that EVOS PAG be
9 furnished with briefs. I would say, prepare briefs setting forth
10 the differences, that's what I would prefer.

11 MR. MUTTER: Or maybe that the Trustee Council and PAG
12 be furnished with briefs.

13 DR. GIBBONS: Briefs, or something to that effect, but
14 this is -- perhaps focusing a little bit on what's on the --

15 MR. PHILLIPS: The simplest way to do this would be to --
16 Doug's suggestion here, that the PAG and the Trustee Council --
17 insert after the word PAG "and the Trustee Council be furnished
18 with briefs." Is that -- does that do what you're talking about?

19 MR. McCORKLE: I move we adopt the recommended changes.

20 MR. PHILLIPS: All right.

21 UNIDENTIFIED VOICE: I second the motion.

22 MR. PHILLIPS: Second. If there's no -- yes?

23 MS. BENTON: Just a point for clarification, Dave, if
24 something is provided to the Public Advisory Group is then provided
25 to the Trustees, will it in turn be provided to the public?

26 UNIDENTIFIED VOICE: Yes.

1 DR. GIBBONS: You are the public.

2 MS. BENTON: So we can turn that around once again?

3 DR. GIBBONS: That's one of the problems I've run into
4 with providing you stuff before I've provided it to the Trustee
5 Council. I've got to remember that you are the public. If I give
6 it to you, I've got to give it to everybody at that point.

7 MR. PHILLIPS: Okay. If there's no objection to those
8 changes, then it will be considered unanimous and would ask you if
9 you can have this done before we leave here today so it can be
10 signed and so on. Yeah, all right, fine. As soon as we get the
11 other -- do you have any idea when that will be? (Inaudible)
12 Okay, well, perhaps I could ask the maker of the resolution that we
13 are going to consider here in a few minutes, maybe you'd like to
14 just discuss it before it gets here and then we can read it, tell
15 us it's purpose and what you're trying to accomplish.

16 DR. FRENCH: Okay. In general, there's two purposes.
17 What I'm proposing is voluntary inclusion of -- am I getting picked
18 up? What I'm proposing is voluntary inclusion of PAG members on
19 the Restoration Team public hearing teams so that, you know,
20 several of us have commented, one, that we represent interests far-
21 flung across the oil spill area and others of us, of course,
22 represent the public-at-large, and it's difficult in some cases for
23 us to synthesize the public opinion. We hear -- the special
24 interest opinions we hear, it's representative of all areas across
25 the spill. I've also heard people on the Restoration Team speak
26 about the desire to have greater interaction on the earlier and

1 more informal levels between the Restoration Team and the Public
2 Advisory Group members. So what I have simply proposed in the form
3 of a resolution, which hopefully will get here in a little better
4 form than my handwriting, is that we ask for the voluntary
5 inclusion of one to two PAG members on each of the public hearing
6 teams and that those members be expected to work with the team to
7 minimize the additional cost to the hearing, and that thirty
8 thousand dollars be added to our FY94 budget to cover those costs
9 because, presumably, costs for travel for the PAG members, member
10 or members, should be covered out of the PAG budget as opposed to
11 the Restoration Team public hearing budget although if they want to
12 stick it in there, that's fine.

13 (Ms. Brodie joins meeting 9:19 a.m.)

14 MR. PHILLIPS: Is there any comment? I know this is out
15 of order because we should have something before us, but if you
16 have a comment that could be distilled while we're waiting, I have
17 no problem in entertaining that. Shoot.

18 MS. BENTON: I guess maybe another question for Dave.
19 Is that something that the Restoration Team would find very
20 helpful?

21 DR. GIBBONS: Yes, we -- last time when we had the
22 public meetings on the brochure, we tried to contact you, say, when
23 we're in your town, please help us with the meeting, and I only --
24 I went to seven of the meetings, seven of the twenty-two, and I
25 didn't see but a few PAG members present. Anchorage was a diff --
26 Pamela was there, that's all. We would welcome that.

1 DR. FRENCH: I'm not sure I was -- I'm not sure if I
2 made myself entirely clear, but what I think the real benefits for
3 this would be in providing funds to when I was to attend meetings
4 outside of our immediate geographical area, because that's where
5 the real restriction is. That's where we have difficulty assessing
6 some of the public opinions, and it was the mechanism that I
7 proposed, I think, the PAG and the Restoration Team could still
8 have their own separate syntheses of public opinion and deal with
9 our roles as however the Trustee Council's wish to put them
10 forward. I think clearly in the wording I've put together, the
11 Restoration Team's responsibility for the public hearings is not
12 questioned. Our role would be voluntary because clearly we are not
13 going to be paid other than per diem for the time we are there,
14 which may limit the involvement of some of us due to constraints
15 from our employers, but I think it's valuable that the opportunity
16 be available.

17 MR. PHILLIPS: Well, why don't we then wait until we are
18 able to read it and then act on it, and in the meantime, I think --
19 oh, you want to take up the -- well, why don't we hold the budget
20 thing until we get to know what's going to happen on the
21 resolution, and then we can do the budget anytime. If there is
22 nothing else intervening, I'd like to move to the 1994 work plan,
23 I think you all have a copy of this from yesterday, and I don't
24 know the most expeditious way of doing this, but I'd like to start
25 -- maybe the best way is to ask from, starting with number one, if
26 there are questions, if not, we'll just go down the line and then

1 those ones you want to discuss or have comments on or anything, we
2 can take them up in that order, if that's all right with you. Yes,
3 Lew?

4 MR. WILLIAMS: Brad, I just have a question on the
5 overall thing first.

6 MR. PHILLIPS: All right.

7 MR. WILLIAMS: I don't know, maybe the others have too.
8 What I notice is the Restoration Team vote, and it appears to me in
9 looking at it that there wasn't much strength in voting for
10 commercial fisheries, judging that there were no sixes for pink
11 salmon or -- well, let's see, there was -- or the first three
12 commercial fish up there. I just wonder if somebody can tell me
13 what the makeup of the Restoration Team is and why there wouldn't
14 be something unanimous on commercial fish ones where there is on,
15 oh, such things as habitat acquisition and some of the research
16 words.

17 MR. PHILLIPS: Is it possible that maybe in the meetings
18 that discuss these that there wasn't a full quorum, I mean, a full
19 group?

20 DR. GIBBONS: No, there's at least five members, and
21 during this discussion there were six members present.

22 MR. WILLIAMS: What is the total number of members?

23 DR. GIBBONS: Six.

24 MR. WILLIAMS: Six? And there's one from each agency,
25 isn't there?

26 DR. GIBBONS: One from each Trustee agency, that's

1 correct.

2 MR. PHILLIPS: Can you shed any light on that, Dave?

3 DR. GIBBONS: Well, all I can do is recommend you go
4 back to the voting record back here, and it'll tell you who voted
5 for what and some of the discussion that took place.

6 MR. WILLIAMS: There is discussion (unintelligible).

7 DR. GIBBONS: Yeah.

8 MR. WILLIAMS: In looking over the whole thing, I went
9 down and checked all the sixes because I thought I'd read them
10 first, figuring they're important, and then it just -- when you
11 list the sixes, you find that commercial fishing and pink salmon
12 and even one of the herring didn't get much support, and we heard
13 from the fishermen yesterday, I'm not a fisherman representative,
14 I'm just general public, but I was just wondering what's really
15 going on among the Restoration Team, and of course, you don't want
16 to say anything.

17 MR. PHILLIPS: Yes, Donna?

18 MS. FISCHER: To follow up with what Mr. Williams is
19 saying, it seemed that the harbor seal and the sea otter got quite
20 a bit of vote, you know, from all six of them, and apparently
21 there's not as much of a problem with the sea otter and the harbor
22 seal as there has been, but yet there's proven documents that
23 there's something wrong with the herring and not that much support
24 on that.

25 MR. WILLIAMS: If you'll look at it, that's another thing
26 I noticed too, that the valuable fisheries and wildlife are kind of

1 given the back seat, where, well, the oyster catcher, I don't know
2 if it's exactly a game bird, and they want to play with it.

3 DR. GIBBONS: Well, you know, one thing you've got to
4 realize is that we don't concentrate on commercial versus
5 noncommercial, we concentrate on injured species, and on the
6 herring, you'll see that it's got a six and then a five. There's
7 one agency that doesn't like fisheries projects, and you can track
8 that through here if you care to look through it.

9 MR. WILLIAMS: Which one was that one?

10 DR. GIBBONS: I'll let you figure that one out.

11 UNIDENTIFIED VOICE: The Department of Interior.

12 MR. PHILLIPS: Donna?

13 MS. FISCHER: Yeah, I just want to comment, too, that I
14 did have the pleasure of sitting through some of the restoration
15 meetings. It is an interesting process that they go through, and
16 they really do put their hearts and soul into it, so I don't think
17 that it's done deliberately, either, but I think there's some
18 things that we need to draw attention and to take to the
19 Restoration Team how we feel too, and make our objections be known
20 to them.

21 MR. WILLIAMS: That's the only reason I brought it up.

22 MS. FISCHER: All right.

23 DR. FRENCH: Brad?

24 MR. PHILLIPS: Yes, go ahead, and then Pam.

25 DR. FRENCH: Okay. This question mostly is to Dave
26 again. I notice in the inclusion of general projects here that the

1 Seward Sea Life Center is included, but the further money for the
2 expansion of the fishery technology efforts in Kodiak are not.
3 Again, I think this brief -- speaks to discrimination against
4 commercial fisheries, much as Donna said, but also I know I asked
5 you yesterday, and I also talked to all the State RT members after
6 I spoke to you, and nobody was able to provide any tracking on that
7 project. Have you had a chance to look it up?

8 DR. GIBBONS: I've got it right here. The direction of
9 the Trustee Council was that if they voted a project down in '92 or
10 '93, you'd better have an extremely good justification to bring it
11 back up in '94, and they voted that one down in '93, so it was a
12 recommendation -- they usually recommended five projects from the
13 PAG to the Trustee Council and they voted on all five of those, and
14 fishery center was not approved.

15 DR. FRENCH: I was at the Trustee Council meeting where
16 that was done, and as I recall, the wording was, it will not be
17 further considered for '93 but left open for consideration later.

18 DR. GIBBONS: I'll go back and check the transcript.

19 DR. FRENCH: I wish you would.

20 DR. GIBBONS: Yeah, I did when I looked at these -- I'll
21 go back and send you a copy of the transcript.

22 MR. PHILLIPS: Pam?

23 MS. BRODIE: One of the things that is of big interest
24 to me and has been to the Trustees is when you get -- when you
25 support a project, how much -- or rather, when they support a
26 project, how much they are committing themselves to for the future.

1 Is there anything in these documents that you gave us that says
2 whether a project will need to be continued for however many number
3 of years?

4 DR. GIBBONS: We won't know that until the detailed
5 project descriptions are prepared.

6 MR. PHILLIPS: Pam? Oh.

7 MS. BRODIE: My other question is -- and I apologize
8 for being late, but exactly what are we doing now? Is this our one
9 opportunity to say yes or no to these projects, or is this just a
10 preliminary vote and then we will be revisiting these projects when
11 they have more information?

12 DR. GIBBONS: Well, like I explained yesterday, maybe I
13 wasn't clear, but these projects will be developed into three-page
14 project descriptions and supplied to the Trustee Council for their
15 meeting in September. At that meeting in September, they will say
16 yes, we'll pore over the package, remove this one, do whatever
17 actions, further actions they want to do on it before it goes to
18 the public. So --

19 MS. BRODIE: I understand it, but --

20 DR. GIBBONS: Yeah.

21 MS. BRODIE: So then we would have a comment --

22 DR. GIBBONS: You'll have a com --

23 MS. BRODIE: -- chance to comment after what's been
24 sent to the public then?

25 DR. GIBBONS: From the public.

26 MS. BRODIE: Okay.

1 DR. GIBBONS: But you'll also -- I'm going to try to get
2 you the copy of the package before it goes to the Trustee Council.
3 We mentioned there's a meeting that needs to take place between
4 August 23 and September 20 and the intent of that meeting would be
5 to look at the '94 package.

6 MS. BRODIE: So this is our one chance before the
7 Trustees look at this?

8 DR. GIBBONS: They've already looked at this list.

9 MS. BRODIE: Before they decide?

10 DR. GIBBONS: No, no, that's not what I'm saying. I'm
11 saying, in September 20, they're going to look at the '94 package.
12 I'm going to try to get you that package before the September 20
13 meeting so that you can look at the three-page project
14 descriptions.

15 MS. BRODIE: Okay, I'm sorry.

16 DR. GIBBONS: That's what I'm saying.

17 MS. BRODIE: Thank you.

18 MR. PHILLIPS: James?

19 MR. KING: I have a little problem with dealing with
20 this. I think it's the same problem we all have. We haven't seen
21 the Restoration Plan, which would -- I think we're all hoping will
22 clarify the need for a lot of these projects. I don't feel like I
23 know enough about any of these that are proposed. The material
24 that we got last night, there's a lot of material here. I think we
25 all felt the need to cross-reference some of it and that became
26 confusing, so we really haven't had enough time to look at and I

1 think I would really have a problem saying yes or no on any of
2 these projects. I have -- well, as I've already stated, I think a
3 lot of this work can be done better in the University atmosphere
4 than the way they are presented here. I also have a feeling that
5 a lot of them are rather inflated in the amount of money that is
6 proposed, and we have no information to deal with that aspect of
7 it, but I think maybe we ought to talk about that a little and
8 recommend that that be -- you know, we have an auditor or somebody
9 to look at the money that's being proposed here for some of these
10 studies. It looks enormous to me for some of the things, so those
11 are the things that are going through my head, and I remember Dick
12 Eliason in our last -- when we went through the '93 things, saying
13 this was a ho-hum, hum-ho exercise, that we really didn't know
14 enough, we were voting off the top of our head, and so there was
15 hope we don't have to go through a hum-ho exercise again.

16 DR. GIBBONS: A couple of responses to you, Jim, one,
17 these are purely estimates, this all we had too. Somebody had
18 submitted the project and this is what it was. When we develop the
19 three-page project description, there will be a detailed budget
20 with personnel, you know, how many person months, travel, you know,
21 commodities, equipment, the whole works will be laid out, and so --
22 and that will be sent to the finance committee for their review,
23 too, so we're going through that process to begin with. This is --
24 these are estimates, and you'll see from the package I'll give you
25 later today, that's identified as estimates the substance. The
26 second point is, you know, I'm trying to prevent what happened last

1 year when we gave you the draft plan and said, please give it to
2 us. That's why I'm giving you this now. I'm trying to bring you
3 along as much as I can, so that's my only intent.

4 MR. KING: So we're not doing the same thing we were
5 doing with the '93 plan?

6 DR. GIBBONS: No. You'll look at this and then you'll
7 look at the draft detailed project description before it goes to
8 the public again in September, and then the document will go to the
9 public for comment and then back again. So this is the first step
10 of that process.

11 MR. KING: So anything we do today is preliminary and
12 we will have a chance to evaluate the completed projects later.

13 DR. GIBBONS: You'll get a package of the three-page
14 project descriptions with a budget attached to it, yes.

15 MR. PHILLIPS: When will this happen?

16 DR. GIBBONS: That's what I'm referring to between -- it
17 will probably be about September 10.

18 MR. PHILLIPS: Okay. Jim?

19 MR. CLOUD: Well, I think, to move ahead, I'd
20 recommend that we agree on a procedure for evaluating the '94 work
21 plans that would include three votes of this population of work
22 plans, one today, just in what we know, cursory, straight, anybody
23 record their vote, and then go back between now and the next
24 meeting and prioritize these things like we did last time, and
25 remember we all put out priorities one, two or three, at Senator
26 Eliason's suggestion, and today, if we think of some projects that

1 we remembered from last year or we know about that we think ought
2 to be here, let's make a motion to add those to this list now, and
3 if we see some on here that we -- well, if we see some on here that
4 we don't like, we just vote against it, and then at the next time
5 we meet we'll have had the benefit of this additional information
6 and we can do the second and third readings at that time.

7 MS. MCBURNEY: I just wanted to ask you the question, as
8 far as some of these projects, for example, 184 and 185, which are
9 coded-wire tag recoveries for pink salmon and, let's see, tagging
10 of pink salmon for stock identification, there's assumptions in
11 there that this is a cost-share project with matching funds from
12 aquaculture organizations, and have those aquaculture organizations
13 been contacted so that they know that they're going to be required
14 to kick in some money, or was there just an assumption made that
15 since that was a condition of funding this year that that is going
16 to be a condition of funding next year?

17 DR. GIBBONS: That was presented by the Alaska
18 Department of Fish and Game, so I don't know what homework they've
19 done on that.

20 MS. MCBURNEY: Okay. And John brought to my attention
21 another issue that kind of raises my eyebrows, for example, with
22 the restoration of the Coghill Lake sockeye salmon stock which is
23 Project 259, that the write up that we have addresses the
24 expenditures that the Department of Fish and Game would incur, but
25 it doesn't take into account the expenditures that the aquaculture
26 association would incur from raising the fry and --

1 DR. GIBBONS: That's the lake fertilization project, as
2 I understand it, it's not a -- as I understand it, it's not a fry
3 stocking project, so it's a combined Fish and Game, Forest Service
4 project, where the Forest Service will fertilize the lake and the
5 Fish and Game will measure the increased productivity or whatever
6 happens to the lake, and that's what I understand the project to
7 be.

8 (Sen. Pearce joins meeting at 9:38 a.m.)

9 MR. PHILLIPS: John?

10 MR. McMULLEN: Mr. Chairman, as we discuss these projects
11 today, particularly the salmon projects and the funding levels, I'd
12 like us to go through not only the first list, but the second list
13 of projects which received one or two votes, because there's a
14 project back in there that the citizens of Prince Williams Sound,
15 the Communities for the Restoration of the Sound, have -- are
16 backing rather strongly, that's hatchery debt deferral, and it
17 doesn't explain that project very good, what would be done with the
18 money that's now spent in debt service if that debt was -- if the
19 two aquaculture associations in the Sound were relieved of that
20 debt. Also, we'll be discussing a modal of marking program that
21 will eventually replace coded-wire tags, a one-time cost of
22 installing marking equipment in all the hatcheries of the Sound
23 that will mark every hatchery fish released and relieve the Trustee
24 Council from the continual funding of marking those fish on down
25 the line. And we have tried to account for the aquacultures' share
26 of these salmon programs through some of these other projects

1 because the funding is applied for here, it probably isn't -- will
2 not be allowed to be continued, and is inadequate for these salmon
3 studies. I just want to say something about salmon in general and
4 the attitudes toward salmon. We knew earlier on that the attitude
5 of the Restoration Team was -- or the Chief Scientists, at least,
6 was that commercial fisheries can take care of themselves so the
7 heck with putting funding into them, but when you look at the pink
8 salmon and the herring situation in Prince William Sound, I think
9 that the best way to describe what's happened there is to talk
10 about limited entry permit values. At the time of the oil spill,
11 a limited seine permit, a salmon seine permit in Prince William
12 Sound was worth three hundred thousand dollars. Today, it's worth
13 less than one hundred thousand dollars. At the same time, these
14 projects in here asking for major amounts of money for sockeye
15 salmon on the Kenai River, that I would question whether there was
16 an interruption of salmon production due to the oil spill there,
17 and it also includes restoration in a stream out as far west as
18 Chignik. I would say that a Chignik seine permit at this time is
19 worth four hundred thousand dollars and has not diminished or
20 declined one cent since the oil spill, and that's the difference in
21 fishery values that has taken place from the time of the oil spill
22 until today, and that's why I think that the array of projects here
23 and the funding levels, I think, is terribly inconsistent and
24 doesn't take into consideration the lost services and the harm to
25 the economic base of Prince William Sound have been brought about
26 by the oil spill. Thank you.

1 MR. PHILLIPS: Dave, before you do that, do you have an
2 extra one that you can provide Senator Pearce with? Okay.

3 DR. GIBBONS: If I may say something here, and it's not
4 in defense or whatever, the attorneys tell us there's a third party
5 litigant case, and there is, and the commercial fishermen are a
6 part of that, and they're suing Exxon independently for lost, you
7 know, wages, logged injuries to the commercial fisheries. What
8 we're trying to do here is restore the resources that the
9 commercial fishermen depend on. We cannot give money to the
10 commercial fishermen. The attorneys said that. We cannot do that,
11 but we can help restore the resources that they harvest, that's a
12 legitimate breach. So there's a fine line here of what can be done
13 and what can't be done, and I just wanted to make some indi -- you
14 know, the permits are fine, but we could give each fisherman two
15 hundred thousand dollars to up their permit value from a hundred
16 thousand dollars to three hundred thousand dollars.

17 MR. PHILLIPS: I don't think that --

18 DR. GIBBONS: No, that's not what he was asking, but I'm
19 just using that as what we can do and what we can't do.

20 MR. PHILLIPS: Yes? Go ahead, and then --

21 MR. ANDREWS: I just want to clarify, I just heard a few
22 days ago of a ninety-eight million dollar suit by Alyeska. Is that
23 what you're referring to?

24 DR. GIBBONS: That's what Alyeska -- there's additional
25 suits with Exxon.

26 MR. ANDREWS: Okay, and there's an (indiscernible) case.

1 MR. PHILLIPS: Donna?

2 MS. FISCHER: Yeah, I think the point, or what I got out
3 of what Mr. McMullen was saying, was that due to the fishing
4 conditions in Prince William Sound, not so much what the seine
5 permit was, but due to the conditions in Prince William Sound
6 alone, has deteriorated the costs of the permits. It has ruined,
7 you know, the fishing industry, and I don't believe he's really
8 saying, you know, the fishermen want money, because I think he
9 realizes that there is a lawsuit out there and that they will be
10 compensated somewhere down the road, but just the deterioration in
11 that -- with the hatchery being paid off, with that hatchery debt
12 being paid completely off, will help the fishermen to be able to
13 fish out there, or replenish some of that fish.

14 MR. PHILLIPS: Go ahead.

15 MS. BENTON: Can I just ask an overall question on the
16 premise that I brought up yesterday, Dave? When we look at the
17 budget, and we're going to get a detailed budget plan, can you walk
18 me through how you decide who's the best one to complete the
19 project, whether it's an agency or contract services, or how you
20 decide who gets the project?

21 DR. GIBBONS: Well, the Trustee Council really decides
22 that. We make recommendations to them. Some of these projects are
23 legitimately agency -- the agency is the best capable of doing it.
24 They're managing the fisheries, therefore, they should, you know,
25 do the stock work. Some of the other questions are really up in
26 the air. You can make recommendations, and we suggested this one

1 go out for a request for proposal. You know, that's part of your
2 role too, is -- yeah, we think that we will -- remove all these
3 predators from these islands, should be out for bid, open it up for
4 the public to bid on it, and I don't -- yeah, that's up to the PAG
5 and the Trustee Council to make that decision. We just kind of put
6 the lead agency here relating the resource to the responsibility of
7 the agency, that's all we do for these.

8 MR. PHILLIPS: Yes, Rupert?

9 MR. ANDREWS: Last year, we heard from the Chief
10 Scientist, Dr. Spies. Are we going to be able to hear his views
11 again on these '94 projects?

12 DR. GIBBONS: Yeah, I just got a listing, I can't
13 release it to you as yet until the Trustee Council gets it, but
14 I'll get that to you. And it's not -- it doesn't look like this.
15 There's a lot more projects in it.

16 MR. PHILLIPS: What do you mean?

17 DR. GIBBONS: There are a lot of projects that are
18 deferred out of this list.

19 DR. FRENCH: Well, first of all, for the record, I'd
20 like to state that the project that brought this to my attention is
21 one that my employer would directly benefit from, but Dave, your
22 responses to my first question stirred a lot of concern. You said
23 that projects that were not -- did not go through -- that were
24 considered but did not go through the '93 plan were dropped without
25 further significant justification. However, there were many
26 projects there that were dropped because they were not considered

1 to be time critical, including the Seward Sea Life Center, for
2 example. It now is on your primary list. We put forward four or
3 five projects, one of which being the Tech Center expansion, was
4 deferred for consideration but kept on the table by the Trustees
5 through either three or four successive meetings, the last one
6 being May when it was clearly not effective or appropriate for the
7 '93 plan anymore because we were mostly through '93. If indeed
8 that's the major justification for dropping either that or any
9 other projects from this list, because they were not receiving
10 adequate justification or adequate interest in '93, especially when
11 one of the criteria was timeliness. I think something is seriously
12 wrong with the system.

13 DR. GIBBONS: I'm following the direction of the Trustee
14 Council, and they made it very clear on June 2 that if we did not
15 vote for a project either in '92 or '93, that if you bring it back
16 up to us, you'd better have very, very good justification, and
17 that's a quote from Charlie Cole.

18 MR. CLOUD: You have examples on there where you --

19 DR. GIBBONS: There are projects, yes, there are some in
20 here. I can tell you projects -- 15 is one of them. That was
21 funded in 1992, the material was prepared, it was not funded in
22 '93. Our justification for it being on there is we've got all the
23 materials, they've spent, a hundred thousand dollars to prepare
24 this material, why not use it, why let it go away, and that's our
25 justification for bringing it there. If you want to kill it again,
26 that's their --

1 MR. CLOUD: There's a twenty-five million dollar
2 project on there that you dropped from '93.

3 DR. GIBBONS: The Seward Sea Life Center never came to
4 the Trustee Council as the proposal.

5 MR. FRENCH: It was in your original worksheets. I can
6 go back and track them for you.

7 DR. GIBBONS: But it never came to the Trustee Council
8 as a proposal. What they're referencing is the ones that came
9 before them and said -- and they had a discussion and said, no, we
10 don't approve this one.

11 MR. FRENCH: Track your transcripts.

12 DR. GIBBONS: I will. I know you want your center.

13 MR. FRENCH: Well, not only do I want the center, I
14 think it's beneficial in a lot of respects to a lot of things that
15 the justification for Seward says it will do, but it may not be
16 able to do, because we're in a much better position to provide
17 access and selected fishing that will protect forage fish much to
18 a -- to a much greater degree than the Seward Center will be.

19 DR. GIBBONS: Just one comment, they're not dealing with
20 fish. The Seward Sea Life Center deals with marine birds and
21 marine animals.

22 MR. FRENCH: I know.

23 DR. GIBBONS: Yeah.

24 MR. CLOUD: The marine mammals and birds are dealing
25 with food, --

26 DR. GIBBONS: Right.

1 MR. CLOUD: -- and the availability of forage fish,
2 and the protection of the forage fish that are selective fishing,
3 is probably a much more critical aspect of marine mammal rehabili-
4 tation than keeping them in public view aquariums.

5 MR. PHILLIPS: Go ahead.

6 MS. MCBURNEY: Thank you. I just had a question about
7 the restoration plan assumptions, and specifically number two, I
8 would like some clarification. It states that the '94 work plan
9 will be required to include projects contained in the '93 work plan
10 which has not been completed, and I was curious as to whether this
11 refers to multi-year projects or whether it is referring to
12 projects that weren't completed because of delays or overruns of
13 some sort.

14 DR. GIBBONS: That's really referencing final report
15 preparation. The project came out of the field in September and
16 there's not enough time between October 1st to prepare a report,
17 and that's what that is, is referring to funding for preparation of
18 reports.

19 MS. MCBURNEY: So there will be additional proposals that
20 will be requesting funding for report preparation?

21 DR. GIBBONS: That's correct.

22 MS. MCBURNEY: Okay.

23 MR. PHILLIPS: Yes, Lew?

24 MR. WILLIAMS: One more question from me. How do these
25 things get on the list when they only have two votes in favor?

26 DR. GIBBONS: That was brought up by the Trustee Council

1 members. I got a specific request by the Trustee Council member to
2 move it from the priority two list to the priority one list.

3 MR. WILLIAMS: Okay.

4 DR. GIBBONS: Or it wouldn't be there.

5 MR. WILLIAMS: Otherwise, I was going to suggest we take
6 all threes and twos and knock them off.

7 DR. GIBBONS: Yeah, that was a specific request by one
8 Trustee Council member who moved five projects from the second
9 priority list to the first priority list.

10 MR. WILLIAMS: Okay.

11 MR. PHILLIPS: Would this be the time to insert the road
12 to Whittier?

13 (Laughter)

14 DR. GIBBONS: I think they already got it funded.

15 MR. PHILLIPS: No, they don't. No, no, I think they're
16 just studying that one to death. Anyway, yes, first of all, Pam,
17 and then James.

18 MS. BRODIE: I apologize if you've answered this
19 already, Dave. I can't necessarily absorb everything you say. But
20 when are there going to be available synopses of the reports from
21 the projects that have been done, especially projects that the
22 Trustees are being asked to continue funding, so that we can know
23 what's happened to the projects?

24 DR. GIBBONS: '92, they're being prepared now from
25 projects that were funded in '92. '93 projects will be available
26 in spring of next year. The final report due date is April 15 to

1 the Chief Scientist, and that was set by the Trustee Council on
2 June 2, or one of the last two meetings, they said they want all
3 reports from the '93 field season in by April of '94.

4 MS. BRODIE: And when will the '92 ones be available?

5 DR. GIBBONS: They're arriving in there now as we speak.
6 They were given to -- '91 reports were given to the Chief Scientist
7 on or before June 15 of this year. They're going through peer
8 review, independent peer review, going back and making the changes,
9 finalizing them, and showing up in that form.

10 MS. BRODIE: Will there be excerpts, or one page or
11 half page summaries that will be given to us, or do we need to go
12 look at --

13 DR. GIBBONS: I'm preparing that for the Trustee
14 Council, executive abstracts or executive summaries of each one of
15 these, for their September meeting, but they'll be from '92,
16 they'll not be from '93.

17 MR. PHILLIPS: Go ahead.

18 MS. MCBURNEY: Just a quick question. How much of the
19 information that's being developed or that has been gleaned from
20 these projects that have been funded, for example, from '92, are
21 being considered in the formulation of the restoration plan? Is
22 there coordination there?

23 DR. GIBBONS: Yes.

24 MS. MCBURNEY: Is that information being utilized?

25 DR. GIBBONS: Yeah, those reports from '92 are being
26 used to formulate, or were used to formulate, the statement of

1 injury in the supplemental tables and all that -- what was injured,
2 what was not injured, yeah, and that's what's being used to
3 formulate the summary of injuries. So that is the latest
4 information we have, the document in front of you. For example,
5 just recently, we found out that the cutthroat trout, there was not
6 a population level injury, but there is an injury on the effect of
7 growth, and that's just a change in the findings here recently, so
8 we're progressing more as we go down.

9 MR. PHILLIPS: James?

10 MR. KING: Just in listening here, it occurs to me
11 that there would be nothing that I could say about pink salmon that
12 would be of any value whatsoever to the Trustee Council. On the
13 other hand, John McMullen just gave us a thumbnail presentation
14 that had a lot of elements I hadn't heard about before, and I
15 wonder if it would be possible, rather than for all of us to try
16 and develop some sort of consensus, for the people on the PAG to
17 prepare a statement on their area of interest in this list for the
18 information of the Trustee Council. Now, wouldn't we be doing the
19 Trustee Council a better service if we worked it that way, than to
20 try and make up our head about the projects we don't understand?

21 MR. PHILLIPS: To follow that then, do you think it would
22 be almost necessary for us to have the descriptions and the detail
23 that Dave was talking about earlier, that we will get sometime
24 between, maybe the 10th of September, so in order to make a
25 valuable judgment on any of those things, even in the recreation
26 field, I don't understand all these projects or how valuable they

1 are. I need a lot more information than we have. Rupert?

2 MR. ANDREWS: Going along with what Jim was saying, it
3 may be of some benefit if this committee met with the Restoration
4 Team and posed some of these questions. It seems to me that
5 they're the people that have most of the answers to this.

6 DR. GIBBONS: And the Restoration Team, there's one
7 member, there's some members upstairs that we can bring them down
8 and you can ask specifically why a project's in there and why it
9 isn't, if you want, you know.

10 MR. ANDREWS: Well, yeah, and I think --

11 DR. GIBBONS: I don't have a vote in this process, by
12 the way.

13 MR. ANDREWS: I understand that. What I think is
14 reasonable, as Lew Williams has pointed out, we've got twos and
15 threes and sixes, and somehow, I think there needs to be an
16 explanation of how they came, you know, to this kind of a vote. I
17 think it would be helpful.

18 MR. PHILLIPS: How would we accomplish that? You don't
19 have Restoration Team members for all of these subjects available,
20 do you?

21 DR. GIBBONS: I think -- let's see, there's four --
22 three here at least, I know. I know one will not be available.

23 MR. PHILLIPS: All right, the ones that are, is there a
24 way that you could determine which one -- so that we don't waste
25 everybody's time, can we have one come down at a time and talk
26 about those items that are of interest to this group, that fall

1 within their purview. What -- I don't know what Restoration Team
2 had what here, I'm looking at all these words. But it's silly to
3 have all of them just sit here and wait for their turn. Is there
4 some easy way that we could say, all right, Restoration Team X,
5 these are the items we'd like to talk to you about, or these are
6 the --

7 DR. GIBBONS: Sure, you could have the Restoration Team
8 member come down. Byron Morris is there from NOAA, and he can go
9 down the list here on NOAA lead agency projects and just describe
10 what it is.

11 MR. MCCORKLE: Mr. Chairman, I think that's a good idea.
12 I've been sitting here being quiet for about half an hour to figure
13 out where we are going, and I guess that we're really not being
14 asked for action today, are we? We're -- information is being
15 given, and so I refer to the agenda which says "continue
16 recommendations." What that really means is continue the
17 information on the recommendations of the team, as I get it. So I
18 think, on that team are lead agencies, representatives of lead
19 agencies, who I think -- I think it's a great idea that we have the
20 lead agencies one at a time, and while we're going through the
21 roster of those who are present, we'll see if we can't get others
22 to come if it was convenient later on, and have them do just what
23 Dave has suggested, that lead agency A just skip down the list of
24 projects for which they are the lead agency, not that others
25 wouldn't have other opinions as well, but that would help give us
26 some inkling as to why they have taken the action they did. It

1 might also be instructive for us if we contemplate whether or not
2 we suggest that the Trustees eliminate from the list projects
3 getting two or fewer votes.

4 MR. PHILLIPS: As a suggestion, so that we can glean as
5 much information as we need, could we then ask the NOAA person who
6 is here already to come and talk to us about those projects and
7 then you, in the meantime, could give me a list of the people that
8 are available, which agencies, and then we could call them in one
9 at a time. Is that satisfactory to the group? Would you mind,
10 then, coming up, and there's a microphone there on the end of that
11 table, and James will share that table with you, and then I suggest
12 that, looking in the lead agency column there, the first one that
13 we're talking about is 83, 83 and 84, or 83 and 85, I'm sorry. We
14 could start there. Do you have a copy of this? Do you know which
15 ones we're talking about?

16 DR. MORRIS: Yes, yeah, I do.

17 MS. MCBURNEY: 290 would be the first one.

18 MR. PHILLIPS: Did I miss something? Yeah, I did. 290
19 would be the first one. And then just go down your list and let
20 the group here ask any questions. Maybe you could just give us a
21 thumbnail, whatever would be helpful to start it off, and then let
22 the group ask the questions that they may have. So, why don't we
23 start with 290, and maybe you could just give us a thumbnail on it.

24 DR. MORRIS: Before I do that, I think it might helpful
25 if I explain from my perspective, as an RT, how we got it, these
26 six, five, four, three, two votes . . .

1 MR. PHILLIPS: Excellent.

2 DR. MORRIS: . . . and why this happened that way. We
3 were told by the Council, or asked by the Council, to prepare a
4 list of fifty or so projects that we considered top priority, and
5 another list of maybe another fifty that we thought were a second
6 priority out of a list that originally had three hundred and
7 something project ideas that went out to public review. So each
8 agency went back and gave out their list of fifty top priorities,
9 and some agencies developed a second list of another fifty and some
10 didn't, and then we came back and said, well, to all three hundred
11 and some projects, and said, who's got this as a top fifty priority
12 list, and through that process each agency identified the project
13 as one of their top priorities. We came up with 137 total projects
14 that somebody said was in the top fifty of their list, and going
15 from there, we went back and said, of these 137, how many agencies
16 think they should be in the top fifty or not, and then we did a
17 second round, and these votes reflect how many agencies thought a
18 particular project should be in the top list of priorities and how
19 many thought it should be in a lower priority list. And that's all
20 there was to it, and it wasn't that they were against the project,
21 per se, it was just wasn't to them one of the top priority
22 projects. Does that make sense?

23 MR. PHILLIPS: Thank you. Rupert?

24 MR. ANDREWS: Just for clarification, using the criteria
25 as set forth here --

26 DR. MORRIS: Um-hum.

1 MR. ANDREWS: That's how you (indiscernible)?

2 DR. MORRIS: Yes. Well, not as any hard and fast
3 rules, there were questions about legality we couldn't understand,
4 time criticality that there was some disagreement about, yeah,
5 using basically -- using the criteria, the assumptions that we'd
6 set forward.

7 MR. ANDREWS: I would assume, looking at this, for
8 example, project 66, project 83, harlequin duck recovery monitoring
9 gets a six rating. Monitoring of natural recovery of oil treated
10 shorelines gets a two rating. I have to assume that one of these
11 projects is probably -- the one that gets two is somewhere else in
12 another project.

13 DR. MORRIS: No. Okay.

14 MR. ANDREWS: Then, if I'm not --

15 DR. MORRIS: The harlequin activity felt we should do
16 something, a project on harlequin ducks in 1994. The shoreline,
17 the other study you referred to was 83?

18 MR. ANDREWS: Yeah.

19 DR. MORRIS: That's the NOAA project?

20 MR. ANDREWS: Right.

21 DR. MORRIS: Several agencies didn't consider it was a
22 high priority or felt that it as a federal project that should be
23 funded out of restitution funds and didn't belong on this list, and
24 so four agencies didn't say that's a priority project, and they
25 certainly got two agencies that did. But then, my Trustee Council
26 member, that last round, asked that it be included on this list to

1 go out for -- because he wanted it to go out for public comment.
2 It had public support from the public comment period that we did on
3 the entire list of projects that were supported by public comment.

4 MR. ANDREWS: Right.

5 MR. PHILLIPS: Yes?

6 MS. FISCHER: Byron, one of the things that I wonder is,
7 how did you come up with the monetary sum? I mean, on -- there's
8 only two votes, say on 83, as Rupert pointed out. There are six
9 votes on 290, but it's what, six hundred thousand and a hundred and
10 five thousand for the six votes? If everybody agreed to it, did
11 the price go down, and because only a couple agreed on it, the
12 price went up?

13 DR. MORRIS: No, no, that was the original price that
14 was identified with it when the project was originally identified
15 in April, and we knew, because this was an ongoing project, number
16 83, that the -- it does have a five year budget estimate, and this
17 was the estimated budget for 1994. This year, we are conducting
18 that project out of federal restitution funds.

19 MS. FISCHER: I want to follow up with this.

20 DR. MORRIS: And the other one was also an ongoing
21 project. There's a history of the budget of that amount for this
22 year, '93, as well.

23 MS. FISCHER: Mr. Chair? I want to follow up with this,
24 Byron, on this hydrocarbon data analysis interpretation. Now, is
25 this taken from the series of testing that had just been done or
26 released by Alyeska and other scientists? Is this where this data

1 is coming from? I understand, what, about a month ago there was a
2 lot of data released, and then NOAA came out after studying this
3 data and made their recommendations and what they found out of the
4 study. So is your monies being put into that, or what? How are
5 you coming up with the findings? We realize that during the spill
6 there was a lot of hydrocarbons out there, we know that, you could
7 be in a plane, you could smell it, the odor was atrocious, it was
8 very strong, but today, it doesn't seem to be out there.

9 DR. MORRIS: Right. This project, well, we have taken
10 a lot of samples over the years during the damage assessment, and
11 we are continuing in the restoration to take a lot of samples for
12 the presence of hydrocarbons and have them analyzed by various
13 laboratories, and we have a large data base that we maintain, and
14 we maintain a lot of quality control and quality assurance on this
15 data base to make sure that it's accurate and intact, and this
16 project basically maintains that data base and updates it and keeps
17 it updated annually by additional samples that are being analyzed,
18 and we are continuing to analyze samples, sediment samples, mussel
19 samples, subsistence, resource samples. It is not anything to do
20 with the Alyeska project that you identified. That's done by the
21 Regional Citizen Advisory Council. That's an entirely different
22 monitoring program, and it isn't part of the Trustee Council effort
23 and isn't part of this project.

24 MS. FISCHER: Okay. Where is the monitoring being done
25 at? Is this done out in the Sound, or is it done right there in
26 Prince William Sound and the Port Valdez area? Or would it be the

1 only area that you would have left to do it, to get the
2 hydrocarbons right now?

3 DR. MORRIS: No, there are still little shorelines
4 throughout the oil spill area, and there are still mussel beds that
5 are contaminated, there's still oil in the subsurface sediments.

6 MS. FISCHER: So you're doing it out in the Sound?

7 DR. MORRIS: From Prince William Sound all the way to
8 Kodiak, yes.

9 MR. PHILLIPS: Could we take these one at a time here?
10 If you'd just give us a thumbnail, then everybody in the group
11 would know what you're talking about, what we're talking about, and
12 could comment on them. If you'd start with 290?

13 DR. MORRIS: Sure.

14 MR. PHILLIPS: Just give us a brief . . .

15 DR. MORRIS: Okay, as I was saying, this is a project
16 that maintains and updates the hydrocarbon data base. It takes the
17 laboratory analyses and assesses them for accuracy or for
18 contamination. It also provides technical services to the
19 principal investigators of projects that are taking samples but
20 don't have the chemical expertise to analyze the data, the results.
21 It tells them what the results of their samples mean to a chemist,
22 whether there is oil present, Valdez oil or not, or some other
23 source of oil.

24 MR. PHILLIPS: Okay, they can distinguish between the
25 sources?

26 DR. MORRIS: Right, yeah.

1 MR. PHILLIPS: Are there any questions on this item? I
2 don't know where you got the 105 grams, but do ahead, Pam.

3 MS. BRODIE: Yes, Byron, so then what do you do with
4 that information? How is this data base used? What can you do by
5 studying it again in 1994 that you couldn't do with the information
6 you will already have by the end of 1993?

7 DR. MORRIS: Okay. One data base that goes through the
8 entire damage assessment process is essentially being closed out,
9 and that information is kind of in a final report. It will be in
10 a final report, which is essentially a CD rom disk, only a chemist
11 or a data manager would love, or even want to look at it. But
12 beyond that, we have continued annually just to take samples from
13 a variety of projects, and I could kind of go through and identify
14 some of the projects. We're still collecting samples, ducks,
15 harlequin ducks, we're still taking egg samples and looking at
16 nests, red robins, we're still taking PC samples to see if there
17 are hydrocarbons in them, black oyster catchers, mussel beds, we're
18 taking samples. Various projects are taking mussel samples if they
19 are a food source of one of the predators that we're trying to
20 monitor the recovery of, sea otters, black oystercatchers, what
21 have you. These are sent to the lab for analysis, the data comes
22 back, but it's kept under control of this project 290. You'd have
23 to understand what a gas chromatograph data sample looked like to
24 understand that it needs a chemist to tell you what it means.

25 MS. BRODIE: I do know.

26 DR. MORRIS: Yeah, okay. And this continually,

1 annually updates, maintains and updates this data base and provides
2 the interpretative service to the principal investigator, who would
3 say, based on -- we saw this at the symposium, they used the
4 hydrocarbon data to interpret the source of injury to whatever
5 resource they were studying, maybe tell whether it's continuing or
6 not, whether the resource should be recovering because there's no
7 more -- they're not being exposed to oil anymore or whether they
8 are being exposed to oil somewhere, continued exposure, those kinds
9 of things.

10 MS. BRODIE: Is there any way that the Trustees can
11 find out before April of 1994 what, in fact, they're finding out in
12 this season, or this summer? I expect they're collecting this
13 data. If there could be some information about how much oil
14 they're finding in these biological samples, then the Trustees
15 would have a better sense of whether they really need to do it or
16 at what level they need to do it here.

17 DR. MORRIS: Yeah, yeah. Yes and no. The nature of
18 the timing is such is that if they're out in the field in the
19 summer, and the samples are sent in, they probably won't be
20 analyzed, they'll be in the freezer and they'll be analyzed
21 sometime during the fall and winter, and then the results will be
22 given to the PI and -- it's a continuous process. Some of them
23 will have data earlier than others and some won't. We've
24 drastically cut down on our laboratory capacity capabilities
25 because we aren't taking nearly as many samples as we used to. We
26 don't have the capacity to do a lot of samples in a hurry anymore,

1 and it kinds of spreads them out.

2 MR. PHILLIPS: Donna?

3 DR. MORRIS: Does that answer your question though?

4 MS. BRODIE: Yeah.

5 MS. FISCHER: Byron, another question I have too,
6 probably, how come some of these projects, since you're along the
7 same shoreline, aren't done at the same time? I mean, why --
8 because, you know, for -- I don't know, I just -- I really question
9 some of the -- I think it's good that it's being done, I think it
10 needs to be done, but I'm wondering why it can't be done at the
11 same time, whether the same amount of money can be utilized instead
12 of -- that's eleven -- boy, that's a lot of money, five hundred
13 thousand, six hundred thousand, a hundred and five thousand, being
14 in the same area, why can't it all be combined at once, and less
15 money?

16 DR. MORRIS: I couldn't be able to give you a very good
17 answer at that -- I don't know how much -- that would save
18 logistics costs somewhat, I suppose.

19 MS. FISCHER: Well, it would save a lot of costs.

20 DR. MORRIS: Many of these projects are being done by
21 different personnel from different agencies, and they want to go
22 one place at one time, and then they want to go someplace else
23 next, where another project may want to go here and then another
24 place, and they aren't -- well, coordinated, I don't know if it
25 would work if they were. We have, on occasion, done some of the
26 sampling together, but -- I don't know.

1 MR. PHILLIPS: Good question.

2 MR. WILLIAMS: Maybe we need a resolution to encourage
3 them to combine --

4 MS. FISCHER: Combine some of these projects and to
5 really work hard at them. There's a lot down here, all the way
6 down the line.

7 MR. PHILLIPS: Vern?

8 MR. McCORKLE: Mr. Chairman, could you refresh my memory
9 as to the role of the Chief Scientist here? It seems to me that we
10 have a profusion of diverse, in some cases, and similar projects,
11 and no one really riding herd on the whole program. Are we
12 awaiting the comment of the Chief Scientist to say that all of
13 these projects having to do with shoreline gathering, whether it
14 refers to tissue collection, or hydrocarbon collection, or
15 hydrocarbon dating, or whatever, all makes sense for a certain
16 purpose? What we -- what we do have is a profusion, maybe even a
17 confusion, of projects, and it's difficult for us to just -- with
18 any certainty at all, know whether what we've just heard is valid
19 or not. I do not impugn the -- the expertise of the NOAA
20 representative, but it really is beyond our scope to be able to
21 understand whether or not the '93 and '94 and '95 collection of
22 hydrocarbon data needs to go on to the year 2000 or whatever, and
23 what -- how that all fits into the scheme of things we're doing.
24 So, I guess my question is, perhaps, to Mr. Gibbons, or others who
25 could say, who is -- who's in charge here?

26 MR. PHILLIPS: Dave?

1 DR. GIBBONS: We're -- it's a coordinated program,
2 that's all I can say, you know. The Chief Scientist gives input on
3 what he thinks, the Restoration Team looks at this information and
4 tries to bring it together into a package that we think is logical,
5 and we've tried -- we try as much as possible to combine projects
6 that are going to the same location so we can reduce costs. But if
7 you're doing coded-wire tag recovery of pink salmon on ten streams,
8 you know, and you're doing something over here, and there's time
9 frames that you need to meet, and so sometimes it's very difficult,
10 but the package is -- there's two people putting it together.
11 First, the Chief Scientist looked at it, and he has, and he's
12 looked at it and said, yeah, this what I think should be done, and
13 then the Restoration Team looks at it and says, based on public
14 input and all the rest of the things, these are the things -- what
15 we think needs to be done, and that's who develops the package.
16 The Trustee Council has the ultimate say in putting it together.
17 The Trustee Council, at the last meeting, Steve Pennoyer in
18 particular said, how do the pink salmon projects fit together? How
19 does coded-wire tag recovery and coded-wire -- yeah, how does this
20 all fit together? And so, what we're doing now is we're trying, as
21 quickly as we can, is we're developing recovery plans for the
22 species. It says, pink salmon, what was injured, what are the
23 objectives, how do we get there, and how does it fit together?
24 That's what we're trying to do, we're trying to pull these
25 together, and right now, this is our best shot at it, that's all I
26 can say.

1 MR.McCORKLE: Could I have a follow-on question? I see
2 also, in the data that is provided, that the recovery plan really
3 will not be finished until after we have to adopt the work plans
4 for '94.

5 DR. GIBBONS: That's correct.

6 MR. McCORKLE: And I'm wondering if I am mistaken, but
7 did I not hear at some previous meeting that what the Trustees
8 could do would provide a minimum amount of money to implement the
9 work plan, which would allow certain things, certain parts and
10 certain plans to begin, and they would be continued only pursuant
11 to and in response to a final restoration plan. It would make me
12 feel more comfortable if I felt that this group would be asked to
13 say, yeah, go ahead and make some starts, but don't plan to spend
14 three or four years worth of budget time and money on it until we
15 see if that's called for in the restoration plan. And I fully
16 understand the problems that the staff and the professional folks
17 area dealing with and having to come up with everything at once,
18 but we're also being asked to make known the public's view with
19 respect to spending vast sums of money in diverse programs,
20 projects, before we really know if they have a place in the
21 restoration plan. So it seems to me there needs to be some
22 accommodation there.

23 DR. GIBBONS: We had that on track until June 2. We had
24 a draft restoration plan laying in front of the Trustee Council,
25 and we had a draft environmental impact statement laying in front
26 of the Trustee Council, and we asked them, we were asking them to

1 let us release that for public comment, come back and do a final by
2 January '94, and that was the track we were on. So then, we could
3 put off any of this, the final decisions on this, until the
4 restoration plan was done. But the Trustee Council threw a wringer
5 in it. They said, no, we don't want to release that, we want to
6 get all public comment through August 6th, develop another
7 Restoration Plan that has a preferred alternative, and go to the
8 public. And now we're looking at the spring in '94, somewhere in
9 that range. We're shooting for December to get a draft out.

10 MR. McCORKLE: Could I have just one final comment on
11 this point, and I promise to relinquish the floor.

12 MR. PHILLIPS: That's all right.

13 MR. McCORKLE: So then, as I understand it, if there is
14 a delay in getting the best program for expenditure possible, it's
15 not because the Public Advisory Group refused to give its opinions
16 to the Trustee Council, but because the Trustee Council has asked
17 for a several month delay?

18 DR. GIBBONS: The Trustee Council wanted to do a
19 preferred alternative in the restoration plan.

20 MR. McCORKLE: They've asked for a several month delay as
21 a result of that, that's what that resulted in?

22 DR. GIBBONS: That's what it resulted in.

23 MR. McCORKLE: Thank you. That's all I wanted on the
24 record.

25 MR. PHILLIPS: Where do we go from here? Is there any --
26 yes?

1 UNIDENTIFIED VOICE: Lunch!

2 (Laughter)

3 DR. FRENCH: With respect to the projects that Byron
4 was discussing, I'd like to make a couple of comments before we
5 rush whole hog into trying to minimize duplication of collection
6 efforts. I don't have a budget in front of me, but my guess is
7 that a good part of both of those projects is actually in sample
8 analysis, mussel tissue for mussels is different from sediments and
9 requires a different set of analyses, and that can't be minimized.
10 The other thing is, just logistically, if we request an absolute
11 minimization of logistic effort and cost in sampling, we maximize
12 the amount of expenditures necessary in the administrative costs in
13 designing those sampling plans. So, in one sense, there's a happy
14 medium somewhere, but if we simply take a position, you've got to
15 try to minimize the duplication in sampling, we may actually be
16 incurring quite a significant additional cost in doing that.

17 MR. PHILLIPS: Yes, Jim?

18 MR. CLOUD: One way that private enterprise often
19 approaches on something like this is that they put the entire cost
20 of sampling, of all of the samples that need to be taken throughout
21 the summer, out to bid, and leave it up to the capitalists, the
22 contractors, to take the risk on planning the logistics in such a
23 way that maximizes their profits and minimizes the expense to the
24 organization. I would suggest that that is an alternative that
25 hasn't been used to its fullest yet.

26 MR. PHILLIPS: I don't think October is enough time.

1 Could we get a thumbnail now on 83 and 85? Would you just quickly
2 do that, and then I notice we have Mark and Ken here from DEC and
3 the Forest Service, so we've got some more people that can give us
4 advice on those items. But it's almost 10:30 now. If you could
5 just thumbnail us the next 83 and 85?

6 DR. MORRIS: Sure, I can do these fairly quickly. 83 is
7 a study that's been ongoing to look at the recovery of beaches
8 within Prince William Sound that were either not cleaned, or
9 treated, as they called it, or they used either hot water wash or
10 cold water wash to remove oil. We're finding that beaches that
11 were treated with hot water washing, the upper intertidal is still
12 slow in recovering. There's recruitment, but then there's die off,
13 and it's continuing, so this study has been following that over the
14 years since 1990. It's also looking at the fate of the remaining
15 oil, the oil that remains buried in some of the subsurface
16 intertidal sediments through digging trenches and taking sediment
17 samples and analyzing them.

18 MR. PHILLIPS: Those two are similar?

19 DR. MORRIS: That's part of -- they're both part of 83.
20 85 is looking at the recovery of the mussel beds that are still
21 retaining oil underneath the mussel mass of -- and also doing some
22 experimental manipulations such as removing the mussels or
23 trenching through them for a few tidal cycles and seeing if the oil
24 then flushes out, and putting the mussels back and seeing if they
25 stay clean. The mussels are, of course, a source of food to a lot
26 of predators and contaminated mussels probably aren't doing any

1 good, so we're looking at that as a problem and looking at actual
2 recovery. Now, I'll jump down to 90, which is, if we find a way to
3 actually clean mussel beds, this project would contain funds to go
4 ahead and maybe remove the mussel mass for awhile. We found that
5 if you take them away and put them in the subtidal, you can put
6 them back even a month later and they'll reattach rather quickly.
7 So, maybe a project like that would be a technique for cleaning the
8 mussel bed.

9 MR. PHILLIPS: Okay, and then your next one is 92.

10 DR. MORRIS: This should be familiar to all of you.
11 It's continuing to monitor the AB Pod in Prince William Sound, to
12 do a photo ID to see if -- they lost a number of whales after the
13 oil spill, and see if the mortality is stabilized and whether the
14 birth rate is increasing and new whales are being added to that
15 pod. We lost 40 percent of the number of whales in the pod in '89,
16 '90.

17 MR. PHILLIPS: It was never conclusively proved that oil
18 had anything had anything to do with the loss, was it?

19 DR. MORRIS: No, it's continually debated, argued.

20 MS. FISCHER: Byron, with the number of whales in the
21 Sound today, apparently this year, and I think Brad can testify
22 that they've seen more, spotted more, and people that track them
23 claim they've spotted more whales, humpbacks, killer whales,
24 whatever, in the Sound today than what they've had in years, even
25 prior to the oil spill. Can you explain that?

26 DR. MORRIS: I haven't heard it. It would be very hard

1 if it's just an impression that people are having because -- at
2 least, humpback whales, it could be true. We've found in '90 there
3 actually were record numbers of whales after the spill, but for
4 killer whales we've documented that there are a number of pods that
5 use the Sound, some very large ones that use it only irregularly.
6 Some years, they are seen; some years, you never see them in Prince
7 William Sound. We know that the AB pod has not exploded or
8 increased, that's the injured pod that we know about, to be the one
9 that's accounting for all these new whales that people have seen.
10 I would guess that probably it's the AT or AM pod that has fifty or
11 sixty whales in it that maybe they're seeing this year, but they
12 haven't been in the Sound in the past couple of years. And then
13 they'll go and you won't be seeing them again because they are
14 highly migratory, transient pods.

15 MS. FISCHER: There's times they leave the Sound never
16 to return for a long time, too.

17 MR. PHILLIPS: Then, the next two, if you would comment
18 on 163 and 146. Yes, Pam?

19 MS. BRODIE: Could I go back to the earlier topic?

20 MR. PHILLIPS: Sure, yeah. I wonder if you could just
21 thumbnail these, then everybody would know what these are, and we
22 can ask him any questions on any of them. If you'd just go through
23 those two first, then . . .

24 DR. MORRIS: The next one, 163 is a concept at this
25 stage. All the agencies realize that forage fish are very
26 important to the injured resources in the sound, the birds, them

1 marine mammals. We don't know a thing about them. We're going to
2 try to design a study and some type of a very basic, preliminary
3 look in '94 to answer the question, is there enough prey, forage
4 fish prey, to support the predators.

5 MR. CLOUD: What's a forage fish?

6 DR. MORRIS: Capelin, herring, sand lance, juvenile
7 cod, pollack, smaller fish that a lot of sea birds and seals and
8 stuff feed on.

9 MR. CLOUD: Does this mean they eat sea plants?

10 DR. MORRIS: A big portion of Alaska are generally
11 scholastic -- schools of fish.

12 MR. CLOUD: The forage isn't what they eat, it's who
13 eats them.

14 DR. MORRIS: Yes.

15 MR. PHILLIPS: Well, 147 then.

16 DR. MORRIS: Yeah. Our proposal is to design -- this
17 year we have funding to do it, the overall natural recovery
18 monitoring program that would include all of the projects that are
19 for the interim identified as recovery monitoring of killer whales,
20 recovery monitoring of pigeon guillemot and coordinate them and
21 integrate them, and this is the cost of administering the overall
22 recovery monitoring program, which is quite extensive. Built into
23 this priority this year is over six million dollars worth of
24 recovery monitoring projects, that at present are separate, non-
25 coordinated, and we hope that by the time the '94 field season
26 rolls around, we'll have a plan that will have them all integrated,

1 coordinated, maybe even share common logistics, common sense.

2 MR. PHILLIPS: Comment on 320 then, and then we'll go
3 back to questions.

4 DR. MORRIS: We were assigned this project; I can't
5 tell you where it's going to go. We heard a lot yesterday about
6 the need for endowment to do baseline research to understand the
7 ecosystem. Without understanding what's going on in the ecosystem,
8 we can't understand what perturbation they still -- not other than
9 the oil spill may be affecting the recovery of the resources, is
10 one example. And this is some money to -- I don't really know
11 where the five hundred thousand dollar figure came from, to at
12 least plan a program of what we should be studying, at the
13 ecosystem baseline level. And it's an idea that's come in from the
14 public and actually from one of the Trustee Council members, and
15 we've been asked to come up with a statement of work that would do
16 it, and we aren't there yet.

17 MR. PHILLIPS: It's a logical item, though, for -- if
18 there was such a thing as we talked about yesterday. Pam, now, you
19 had a question?

20 MR. CLOUD: There's one more, one more, the last one.

21 DR. MORRIS: Okay. This is -- we've been taking
22 sediment samples and looking for remaining oil from the spill and
23 subtidal sediments between three and a hundred meter depths. This
24 year, we're doing it at four control and four oiled sites in Prince
25 William Sound. It proposes next year to go outside and make sure
26 -- look at Kodiak and the Kenai Peninsula and see how some of these

1 oiled sites are doing there, plus resample the four controlled and
2 oiled sites in the Sound. We expect that the oil is still there.
3 It was there in '91, was the last year we sampled it, we skipped
4 doing any work in '92, and we don't have the results from this
5 summer's field work to tell you what the condition is still on the
6 subject. But that's where the oil went, and the oil that was on
7 the beaches, it didn't get decomposed, whatever you call it,
8 degraded.

9 MR. PHILLIPS: We could possibly save you three hundred
10 and ninety thousand by telling you we went out there this spring
11 and there was some oil underneath, if that will help.

12 (Laughter)

13 DR. MORRIS: Yeah. If the -- the (indiscernible) oil
14 is in the sea bed and this is where a lot of these (indiscernible)
15 animals and stuff are feeding.

16 MR. PHILLIPS: I'm going to call a break here in just a
17 minute.

18 MS. FISCHER: Brian (sic), why can't 285 and 290 be
19 combined?

20 DR. MORRIS: Okay, I'm backing up, which is 285 and
21 which is 290?

22 MS. FISCHER: You know, I realize that they are a little
23 bit different, but still they basically are dealing with the same
24 substance there with your hydrocarbon contaminated subtidal areas.

25 DR. MORRIS: I'm not familiar with these.

26 MS. FISCHER: I know what it analyzes, but it still --

1 MR. McCORKLE: This is collects. 85 collects and 90
2 analyzes.

3 MS. FISCHER: Well, if you collect it, you have to
4 analyze it.

5 DR. MORRIS: Yeah.

6 MR. McCORKLE: You pay them to collect, you pay them to
7 analyze it. It's summertime work.

8 MS. FISCHER: But it's still NOAA.

9 DR. MORRIS: Well, yeah, NOAA has the responsibility
10 for the day-to-day.

11 (Indiscernible)

12 DR. MORRIS: Well, if we didn't do one, we'd still --
13 one isn't dependent on the other. I mean, 285, which uses the
14 services of 290, but 290 provides services to numerous other
15 projects that are independent of whether 285 would be funded or
16 not.

17 MR. PHILLIPS: I'd like to call a brief recess, no longer
18 than ten minutes, then ask any questions you want here, and then
19 I'd like to call on both the Forest Service and DEC so that we can
20 get into these things pretty quick, or we're going to be here
21 Saturday and Sunday also. So, if we can just take a break and be
22 back here at a quarter to.

23 (Off Record)

24 (On Record)

25 MR. PHILLIPS: I think after (indiscernible) a little bit
26 on this one because our monitor (indiscernible) so that she can get

1 the information recorded. It's time now to ask questions of what
2 go on these items that even have the description on. Are there any
3 questions?

4 MR. CLOUD: Here's Pam, she had a question.

5 MR. PHILLIPS: Pam do you want to ask a question?

6 MS. BRODIE: Yes, I do. There's one study, I'm sorry
7 I left my list with Mary, but it was from the sheet, but one study
8 was half a million dollars for monitoring mussel beds and then
9 there was another half million dollars to try washing the mussel
10 beds. Suppose they find in the first study, yes, there is oil in
11 the mussel beds, and they find in the second study that the washing
12 does help. So we spent a million dollars finding that out. Then,
13 what's it going to cost to go wash the mussel beds in Prince
14 William Sound or wherever you need to? We're doing testing leading
15 up to a recovery which may or may not be worth the cost, is there
16 a sense of what it would cost?

17 DR. MORRIS: (Indiscernible) that's correct. The one
18 study is documenting the -- what the oil in the mussel beds and has
19 been doing that for two years, including this summer and has been
20 doing these little experimental manipulations. They're going to --
21 they did a little bit of trench feeding last year, a little bit of
22 removal. They're doing it more widespread this year. If they
23 discover that it works, and that's the first project, then the
24 question is should we do something more in depth to -- to clean up
25 the beds or not. Are they -- if they're -- if in fact they're
26 recovering at some rate of speed on their own, which was one study

1 documented, then we don't need to go out and actually implement
2 some kind of clean-up procedure with -- if that decision is made
3 that cleaning them up would be the best approach or removing them -
4 - just removing the mussels, sacrificing them, for the sake of --
5 there being a source of contamination, then the other project would
6 be put into effect, and you would have the funding to actually do
7 the clean-up effort itself on a wide-scale basis. Use of mussel
8 beds that are identified as being serious problem.

9 MS. BRODIE: I understand that. My question is suppose
10 this works. This is a test....

11 DR. MORRIS; No.

12 MS. BRODIE: The second one is really would clean them
13 all up?

14 DR. MORRIS: The second one -- is the clean up one,
15 yes.

16 MS. BRODIE: So, we wouldn't need to do it anymore if
17 we spend the -- if the Trustees found that this (indiscernible --
18 simultaneous talking).

19 DR. MORRIS: I don't know. I -- we're still looking at
20 -- this was an estimated, kind of a target budget. I don't know if
21 it's accurate or not. If that means it could all be done in one
22 year depends on, I guess, what methods you choose to employ or
23 whether that would be enough to do some beds one year and maybe
24 more beds another year would you find more funding, I don't know.
25 How far five hundred thousand goes at this point -- we're working
26 up detailed budgets and projects and descriptions now.

1 MS. BRODIE: It would say that that kind of information
2 would be very useful to us, not what it costs to do it, but what --
3 what the Trustees would get for what they pay.

4 DR. MORRIS: Right. In that -- we haven't done that
5 yet. We're -- we're going to be doing that over the next month or
6 so.

7 MR. McMULLEN: Mr. Chairman.

8 MR. PHILLIPS: Yes.

9 MR. McMULLEN: I'd like to know what the -- what the age
10 top position of the mussels are in the present day mussel beds that
11 they're working on. In other words, how do you know these mussels
12 can be expected to live. Are we still dealing with the same
13 mussels that were there in 1989 when this occurred, or is this a
14 whole new bunch of mussels that have replaced those that were there
15 at one time. You know, we've talked about 1994 here, now, which is
16 many years beyond the spill, and I assume that these mussels are
17 still are being reproducing and so, what mussels are we talking
18 about? Is the original population (indiscernible -- coughing)
19 dying or remain there or is this a different bunch of mussels.

20 MR. PHILLIPS: Can you answer that?

21 DR. MORRIS: These -- well, given whatever natural
22 mortality or deaths and recruitment that occur within mussel beds,
23 these are the beds that were there and were oiled in 1989, and they
24 didn't -- didn't -- mussels were not killed, but the clean-up
25 procedures were such that they were not going to treat or wash or
26 remove mussel beds. They were protected from clean up. So, by in

1 large they're the same mussels with maybe some recruitment. But,
2 we're looking at this year -- whether these mussels are in fact
3 reproducing or their reproduction is still -- is being impaired by
4 the oil. The mussels themselves are very resistant to the oil.
5 They close themselves up and then they open up with the tides and
6 feed, and they just accumulate (indiscernible), it didn't really
7 kill them.

8 MR. McCORKLE: Mr. Chairman.

9 MR. PHILLIPS: Yes.

10 MR. McMULLEN: With respect then to project 85, if we
11 find that they are recovered or recovering, do we then need to have
12 project 90? We're looking at a million dollars here and if -- I
13 just wonder if -- if the mussels that were there at the same time
14 as the spill are still there, or their -- or their progeny are
15 there, it seems to me that we might not need to appropriate the
16 money for project 90 this year, and wait and see what the research
17 reveals. There will be money enough, plenty, to do restoration of
18 the beds in the future, and indeed, I guess with project 90, it
19 really isn't clear if we're restoring the mussels or the beds, but
20 the beds don't really need that kind of restoration because they're
21 still there. But I guess, my question is, could we not postpone
22 project until we have the benefit of the research data from project
23 85? Do they both need to be done now?

24 DR. MORRIS: Okay. The purpose of project is not to
25 protect or restore the mussel beds. They're a problem. They're
26 not a resource we're trying to restore. They're protecting the oil

1 that's beneath them and they're absorbing the oil that's -- they
2 are living on and these mussels are being fed on by black
3 oystercatchers, harlequin ducks, sea otters, river otters, to some
4 extent, other resources that are -- seem to show continuing injury
5 and we're -- we're thinking that these mussels are the remaining
6 source where they're getting oil from. So, they're a problem. The
7 problem is should we just leave them be, or should we remove them,
8 or clean them up for the other resources, say not for the mussel.
9 And so -- it's like there's oil spill being on the shore or buried
10 in the sediments, like getting into the ecosystem.

11 MR. PHILLIPS: Could we -- it is now almost 11:00, I'd
12 like to get the Department of Interior stuff in before noon. We
13 have a request that they cover that before noon. If she arrives
14 here, we'll do that, and I'd like to as quickly as possible get the
15 Forest Service and DEC in front of us. Are there any pertinent
16 questions now that are going to shape your life forever on this
17 subject? If not, thank you very much for your time. Could I ask
18 one of you gentlemen, I don't know what your time requirements are,
19 but let's see, DEC has two, as I see it, two projects. Could you
20 come up and we could talk about those briefly? Yes.

21 DR. GIBBONS: While Mark is coming up, here's -- I'm
22 going to pass out the package that went to the agency. This
23 contains the budget information in the format for preparation of
24 detailed study plans. Just to give you an idea of what went out.

25 MR. PHILLIPS: Okay, would you give us a thumbnail then
26 on 417 and 266 so that if they have some questions here before they

1 put a red line through them, they have a chance to ask it. Go
2 ahead.

3 MR. BRODERSEN: 417 is a project that resulted from the
4 round of public hearings that we did a couple of months ago.
5 Basically, we heard from several communities that they had a waste
6 oil disposal problem in their communities and what would the
7 Trustee Council do to help assist in that. And, it's using the
8 same argument that one uses for habitat protection that what you're
9 trying to do is reduce any further insult to the injured resources
10 and services, so that Mother Nature can basically restore them.
11 This is an attempt to be responsive to community's requests, that
12 we see what we can do to help them. What several communities
13 requested was that we look at putting waste oil burners into their
14 communities, so that when they collect waste oil, they have a way
15 to dispose of it. This project is still under development. It's
16 intended primarily to allow additional members of the public to
17 help us help them, I guess is the way I would put it, with waste
18 oil disposal, potentially some other types of contaminated waste.
19 We don't know the legality of that kind of situation yet, but we
20 want to get some input back as to, is this a reasonable thing to do
21 with the money.

22 MR. PHILLIPS: What communities would be affected?

23 MR. BRODERSEN: Potentially any of them in the spill
24 affected area -- in the area.

25 MR. PHILLIPS: Would that go as far as Ketchikan?

26 MR. BRODERSEN: In the spill affect -- remember the map

1 that has the line drawn....

2 MR. PHILLIPS: We saw several. Yes, Donna.

3 MS. FISCHER: Yes Mark, I would like to ask why is this
4 being put in here now. During the oil spill, Valdez had the
5 incinerators in the waste oil areas. It was not recognized by any
6 of this -- at one time they -- Valdez put in for it. They had done
7 all this and now all at once it's back in here again. I think it's
8 good; I think it's needed, but I think it needs to be in exactly
9 the areas that would be affected by tankers going out or something
10 would happen because it wouldn't do any good to send it to Nome.

11 MR. BRODERSEN: Well, Nome is not in the spill-affected
12 area in the first place.

13 MS. FISCHER: Right.

14 MR. BRODERSEN: I think we need to make a distinction
15 between the incinerators at Valdez was talking about putting in,
16 which was for disposal of the oily waste that was picked up during
17 the spill, as opposed to this much, much, much smaller scale
18 project. These would run maybe five to ten thousand dollars a
19 piece, to burn the waste oil that's generated by boats in boat
20 harbors, cars, etc., that people now dump down storm drains on the
21 tide flats, etc. And, trying to deal with these smaller amounts of
22 waste in that are in the spill-affected communities. And, one
23 needs to remember that this is not saying that the Council is going
24 to do this thing. The whole purpose of this is to gather
25 information from the public as to whether it's a wise thing for the
26 Council to do or not. Earlier, as I was sitting here, it seemed

1 like occasionally that you were losing sight of that. That this is
2 not saying that today the Council is going to do this, but this is
3 just to gather information. We, on the Restoration Team, when
4 we're talking about these projects also make the same oversight,
5 and the Council makes the same oversight occasionally, we were
6 talking about that. So, you have to maintain a littler perspective
7 on -- on where we're at in the process right now.

8 MS. FISCHER: I want to follow up.

9 MR. PHILLIPS: Go ahead.

10 MS. FISCHER: Yeah, well, this is basically the same
11 thing that Valdez requested. Where would these go? Would they go
12 in Valdez, Cordova? I mean, Cordova is out of the way really when
13 it comes right down to it.

14 MR. BRODERSEN: We're -- you're too soon in the process to
15 even answer those kinds of questions. This is to develop those
16 kinds of answers.

17 MS. FISCHER: At five hundred thousand, you're just
18 waiting to (indiscernible -- simultaneous talking).

19 MR. BRODERSEN: I'm not sure where that number came from,
20 in all honesty. I had much more in mind of a much lower amount.
21 Remember also that these numbers were numbers that were put
22 together with the project title, and people pulled numbers out,
23 trying to be as realistic as possible, but by the same token,
24 budgets, detailed budgets, have not been developed yet, and, so as
25 these are written up and detailed budgets are developed, I would
26 expect that cost to come down, but that's just my guess at this

1 point. I do not know. You're asking questions that we don't know
2 yet.

3 MS. FISCHER: And if it comes -- as you say ten to
4 fifteen thousand....

5 MR. BRODERSEN: Per year.

6 MS. FISCHER: You'll only need per unit -- you'll only
7 need four maybe in the Sound....

8 MR. BRODERSEN: Well, don't forget Kodiak.

9 MS. FISCHER: Or maybe six.

10 MR. BRODERSEN: Now, there's seven communities on Kodiak,
11 six of them told me they needed this.

12 MS. BENTON: (Indiscernible) said you were looking for
13 direction for projects rather than saying that they should or
14 shouldn't do this. I think this is a good project, but something
15 that I brought up earlier that I think that when you're looking at
16 the budget and budget application, that there should be some room
17 or some consideration, as much consideration given as possible to
18 having the locals participate in that contract. I know that
19 there's several villages that have this in their areas and that
20 there are several village area workers who would be more than happy
21 to help you in any way that they can, rather than having agency
22 people come in and do the work. It would be much more cost
23 effective to look at options of having the village do it. That is
24 the only recommendation that I would send along with this.

25 MR. BRODERSEN: Yeah, well, that's the way DEC does
26 business. So, as -- those of you who are familiar with the Village

1 State Water Program know, DEC doesn't build anything. It's all
2 done by the contractors.

3 MR. PHILLIPS: Jim.

4 MR. CLOUD: This is just the plan, for facilities
5 (indiscernible -- out of range of microphone).

6 MR. BRODERSEN: It could be facilities. It depends on how
7 far along one gets.

8 MR. CLOUD: The five hundred thousand that you just
9 pulled out of the air was that (indiscernible).

10 MR. BRODERSEN: Well, (indiscernible) there's a facilities
11 to any plan. When you talking -- and that's not the only way that
12 conceivably a person could do this. This is one way that the
13 villages suggested that we try to make some in-roads on allowing
14 Mother Nature to work at restoring these resources as quickly as
15 possible. I would hope that if we get this out to an even wider
16 swath of the public, that additional measures like this that are
17 also very cost effective, or potentially cost effective, could be
18 developed.

19 MR. CLOUD: Over the past years every time some
20 village or town (indiscernible) put incinerator of their own, it
21 seems to be -- to get embroiled in lawsuits and regulatory....

22 MR. BRODERSEN: One needs to make a distinction between an
23 incinerator and waste oil burner. It's a very different animal.
24 One's very specific, and they're now fairly far along in their
25 development, whereas incinerators burn everything, and often don't
26 burn hot enough, and there are sometimes gases that are emitted by

1 them that are not all that environmentally safe. So....

2 MR. McCORKLE: What Chuck Totemoff told us several months
3 ago, there could be several dozen villages that needs these small
4 burners, but what caught my ear was when you said they might be
5 able to take waste oil from automobiles in Silver Bay. I think
6 that falls outside what we're permitted to do. If it's clean-up
7 oil, then we can do that and so I -- I'm glad to learn that there
8 is not only a plan, but there is an implementation in that five
9 hundred thousand dollars because that's a bunch of money.

10 MR. PHILLIPS: Yes, Pam.

11 MS. BRODIE: This project is for chronic marine
12 pollution, including oil. Could you tell us what other marine
13 pollution is going to be handled by this?

14 MR. BRODERSEN: Well, that's -- where I was trying to kind
15 of slide past that earlier. If you noticed I was saying potential
16 other hazardous waste. We haven't developed or we haven't done the
17 write-upon it yet. It -- it's an attempt to get a vehicle out to
18 the public to get public thoughts back on it to help develop it.
19 It's something that came out of the public meetings in an attempt
20 to be responsive to those public meetings, and there just has not
21 been time to put together the brief project description yet. I'm
22 hoping that when we get through the brief project description, it
23 will be much better to answer -- much more able to answer your
24 questions, than I currently can today. I just mentioned the waste
25 oil burners because that was the one concrete thing I heard in both
26 the Sound and on Kodiak Island, and I would hope that we would also

1 come up with other things that are as cost effective as that,
2 assuming that it is found to be cost effective, it may not be cost
3 effective. We still need to determine that. And, it is the
4 habitat protection argument again -- same -- it's very parallel to
5 that that you're trying to reduce sources of pollution that would
6 cause further insult to injured species and, yes, there is a
7 question on legality on it, but initial conversations with the
8 state lawyers, not the federal lawyers, are that it would be
9 permissible to take such sources as oil from automobiles, boats,
10 etc., that would find its way into the area of injured -- that was
11 -- the habitat of the injured species and deal with that problem so
12 that it doesn't occur. It's the same kind of thing as are you
13 trying to guide logging. Logging was not injured by the spill and
14 yet we're still able to look at that.

15 MS. BRODIE: I'm not necessarily opposing this project.

16 MR. BRODERSEN: I was just trying -- I was trying to
17 answer some other questions that I'd heard earlier too, or
18 comments.

19 MR. CLOUD: The jury is not out on logging by any
20 means.

21 MR. BRODERSEN: Not in?

22 MR. PHILLIPS: Could you describe 266 then?

23 MR. BRODERSEN: 266 is -- is a, for lack of a better term,
24 it's a placeholder, very similar to what was done this year. We
25 don't have the results for this year. Depending upon what you find
26 this year, you may need to do assessment or clean up next year.

1 We're trying to put that into the plan to allow public discussion
2 of it, but the intent in writing it up was to put that as clearly
3 contingent upon the results of the shoreline assessment project
4 that's being carried out this year. And, I guess it would be --
5 essentially parallel what's been written up this year for the
6 shoreline assessment project and clean-up.

7 MR. PHILLIPS: That's going on right now you say.

8 MR. BRODERSEN: Yes. Through August.

9 MR. PHILLIPS: Alright, ladies first.

10 MS. MCBURNEY: Thank you. Mark, how does this project
11 relate to like -- ADEC 's projects right now to, like, at Sleepy
12 Bay during the oil spill, remediation type projects and the
13 partnerships that you'd have, like, with Tesoro?

14 MR. BRODERSEN: That one is being done through 470
15 funding. Now that you've caught me here, I'm forgetting the name
16 of the council. There is a council on science and technology
17 review.

18 MS. MCBURNEY: Oil and Hazardous....

19 MR. BRODERSEN: Yea, it's about eighteen words long, that
20 I can never remember. That project is being done through there.
21 They told the -- or they told the Trustee Council, I have to keep
22 my councils straight, that they're doing the project. As part of
23 the shoreline assessment project, we went out and looked at the
24 site that they planned to clean, prior to their cleaning and we
25 going -- we've been back after since they've cleaned to compare
26 results and see how it works. So, there's cooperation between the

1 two councils, if you will. It's not something -- that clean-up
2 project was not funded by the Trustee Council. It was looked at as
3 a possible -- possible method for further remediation.

4 MS. MCBURNEY: Thank you.

5 MR. PHILLIPS Yes, John.

6 MR. McMULLEN: Mr. Chairman. I was over in the Coast
7 Guard offices, over in Key Bank building, earlier this year. Just
8 happen to talk with some upper -- upper level officer there.
9 You're talking about conditions in the Sound and the Coast Guard
10 involvement out there, the clean up and sign off and whatever.
11 This individual told me, he said, yes, we're going to go out and
12 make one more inspection this spring and if results of that
13 inspection are as we think they're going to be, we're signing off,
14 it's over. No more clean beyond this date -- time. And I think --
15 am I correct that the Coast Guard did sign off and say we're out of
16 here? If so, what -- what is the difference in that and the
17 individual agencies who find, continue to find work out there,
18 monitoring beaches, looking for oil, doing different things and
19 talking about (indiscernible -- coughing) is it -- what? What --
20 and the Coast Guard was actually the organization responsible.
21 They were responsible for the clean up and the sign off on it. So,
22 is this just an agency preferences, or is there -- who's right and
23 who's wrong here? Is there -- do things keep going on when some
24 people tell me -- you know, officially it's over.

25 MR. BRODERSEN: Actually, the Coast Guard is participating
26 through the end of August in the shoreline assessment that the

1 Council is funding. The Council's actually provided some
2 transportation costs to the Coast Guard to allow them to
3 participate. Clean up is much like restoration. When is something
4 restored, when is something cleaned up? The Coast Guard has very
5 specific guidelines, regulations, whatever you want to call them
6 that they use to know when their phase of clean-up, restoration,
7 however, what term you what to use, is done. They feel that they
8 have met the criteria in their clean-up guidelines, as has the
9 State of Alaska under its guidelines. It's met its criteria for
10 clean up. There is still oil present on those beaches and under
11 those beaches. There's no question about that. Anybody that spent
12 any time out there can see it. The Coast Guard standards, and also
13 the state standards for clean up are pretty much along the line, on
14 a general basis, are you going to do more harm than good in
15 cleaning up additional oil and is it cost effective to clean up
16 additional oil or are you better off to let Mother Nature take it -
17 - to finish the job, I guess, would be the way to put it. Using
18 their guidelines, they are done; they're out of here. But, by the
19 same token, there was a clear awareness on the part of the Coast
20 Guard that they needed to hand the job off to the Trustee Council,
21 and it come to the Council several different times saying this is
22 where we are in terms of clean up. The job is now yours. We're
23 passing it off to you. What the Council is doing with it,
24 shoreline assessment project this year, is seeing what is the
25 condition of the oiling on those beaches this year. You may have
26 missed an area, winter storms may have surfaced an area that now

1 has oil on it, other -- and those were the primary things we were
2 looking at. We also just wanted to know, was our interpretation of
3 the guidelines correct in terms of was clean-up really finished or
4 not. Are there things that for restoration purposes you need to do
5 above and beyond the guidelines the Coast Guard has? An example is
6 that discussions continued on quite a bit. The Coast Guard
7 regulations are not really specific to subsistence. They meet
8 clean-up standards for the fifty states. Subsistence is not a very
9 major issue in the Lower Forty-Eight, to put it mildly, as always
10 we are kind of a square peg in the round hole, so that the Council
11 is continuing to address the question, do we need to do further
12 remediation on some of these sites that are known subsistence sites
13 to make sure that the people using those sites aren't going to be
14 affected by the oil. There's different standards that one has to
15 apply for removal of that oil, depending upon what the area is used
16 for and who is -- who is addressing it. And, I want to make clear
17 that this project would be totally dependent upon what is found
18 this year as to whether you conduct it next year. If you go out
19 and find out that the oil is miraculously gone, the project's not
20 carried out next year. If you find out that the project -- the oil
21 is -- not -- this now, on my part, is supposition, this is what I
22 would recommend to the Council, that if the oil is continuing to
23 disappear at the rate that we think it is, you can probably skip a
24 year and going out and looking at it next year. Maybe you need to
25 look at it in three or four years. But you need to know what's
26 happened this year to figure out whether you can do anything next

1 year. Same with clean-up. We know from last year that there were
2 some sites that were marginal in their being cleaned up
3 sufficiently. We need to look at them this year, and if they're
4 still there in -- in poor form, such as the oiled mussel beds, is
5 one that Dr. Morris is just talking about, or if there some
6 subsistence sites that have had winter storms bring oil to the
7 surface that needs to be cleaned up, then we need to address those.
8 If the results of the study this year says that there's not
9 anything out there that needs to be cleaned up, you don't clean up.
10 So, I guess that's a very long story to get to a short answer.

11 MR. PHILLIPS: I apologize for missing 145, but does that
12 tie into this shoreline assessment?

13 MR. BRODERSEN: Actually, the two projects have been
14 combined together since this came out. We're going to handle them
15 as one project. The shoreline assessment and the clean-up.

16 MR. PHILLIPS: Have you changed the numbers at all?

17 MR. BRODERSEN: We will use one number and drop the other,
18 but I'm not sure which yet.

19 MR. PHILLIPS: Okay. Alright, (indiscernible) really
20 appreciate it. If there aren't any other questions on that, then
21 I would ask the Forest Service representative to come up and brief
22 us on your projects. Ken -- Ken Rice of the Forest Service and
23 looking at the number of projects, three?

24 MR. RICE: Mr. Chairman, project number 139 is the
25 first one on the list, in-stream habitat and stock restoration
26 technique for salmon. This project is a direct restoration project

1 to be -- in 1992 the Trustee Council funded the Alaska Department
2 of Fish and Game and the Forest Service to go out and identify
3 systems, whether they are lakes or streams, where some habitat
4 improvement could go forward that would contribute to restoring the
5 injured resources, salmon stocks. And, this project would look at
6 several of those sites. Whether it would be all of them or -- or
7 a sub set of them, I'm not sure at this time. But, it would look
8 at several sites and propose some action to occur on those systems
9 that would provide additional salmon to the oil spill areas. Some
10 of them occur in Prince William Sound, some of them occur in the
11 Kodiak area, I'm not sure if we have any identified sites along the
12 outer Kenai coast. If they occurred there, then we would also look
13 at those. Again, the dollar figures there are an estimate because
14 we don't know until the detailed project descriptions are written,
15 what each one of those sites would cost, but I would say that the
16 cost would -- for each site could vary from ten to fifteen thousand
17 dollars for one site, upwards for others, depending on the size of
18 the system, the logistics and other factors.

19 MR. PHILLIPS: 43 is the next one I see.

20 MR. RICE: 43 is very similar to 139, except it's
21 focusing on cutthroat trout and dolly varden.

22 MR. PHILLIPS: Were they damaged?

23 MR. RICE: There -- there's -- there was injury to
24 dolly varden and cutthroat trout, yes.

25 MR. PHILLIPS: And the last one is 217, that's what I
26 find here.

1 MR. RICE: That's correct. 217 is implementing
2 Prince William Sound area recreation plan. This spring the Trustee
3 Council directed us to put together a group to identify specific
4 restoration projects that could be implemented. And, we have a
5 team that's working with users within Prince William Sound to reach
6 some agreements on specific actions that could go forward to
7 benefit recreation. They have not completed that project, and so
8 we don't have specific proposals yet that would do that. It's
9 probably going to be a couple of months before they completed their
10 round of public involvement in that and identify specific things
11 that -- that have pretty much agreement amongst the users.

12 MR. PHILLIPS: Could you -- in general terms, tell us
13 what kind of things you're talking about. Are you talking about
14 building cabins, or are you talking about -- theme parks?

15 MR. RICE: No, I don't think it would be -- in my
16 mind I don't think it would be theme parks, but it could. No, it
17 could range from mooring buoys to cabins to possibly trails to --
18 they've had some discussion about interpretive sites for coastal
19 resource areas, some things like that. I frankly -- they're early
20 enough into the process that I don't know where the agreements and
21 the opportunities are amongst the users as to what could reasonably
22 become forward there.

23 MR. PHILLIPS: (Indiscernible) have anything to do with
24 building roads or that too?

25 MR. RICE: I would say that building roads to
26 Whittier is outside the scope of this project.

1 SEN. PEARCE: Quick question, in the criminal fifty
2 million state settlement funding -- and the appropriations that
3 were made this year, there was over three, but I believe less than
4 four million, I forgot the exact number, dollars appropriated for
5 this same sort of thing. What sort of coordination is happening
6 between the state's planning process of how they're going to
7 utilize those dollars and what you're planning?

8 MR. RICE: Several of the state Restoration Team
9 members have met with Neil Johansen (ph) very recently, and tried
10 to start that coordination effort, and one of the members of the
11 team that's looking at the Prince William Sound area that's under
12 the Trustee Council direction, will be coordinating, hopefully very
13 closely, with the state effort on that, so that -- where they're
14 mutual opportunities to combine funds or at least not create
15 conflicts between the kinds of development that might go forward,
16 certainly we're going to be working very closely with them.

17 MR. ANDREWS: Mr. Chairman.

18 MR. PHILLIPS: Yes, Rupert.

19 MR. ANDREWS: Let me just move back quickly to clarify
20 in my own mind under cutthroat and dolly varden. Damage didn't
21 result in those two species -- came about because they're
22 anadromous and they were feeding in the intertidal areas adjacent
23 to wherever their home stream happened to be at time, am I correct?

24 MR. RICE: That's -- that's the supposition, yes,
25 that -- that their feeding in there has reduced their growth and
26 survival.

1 MR. ANDREWS: The restoration project, will that take
2 place in the fresh water or the intertidal area?

3 MR. RICE: It would probably try -- I would assume it
4 would try and create additional spawning areas, for example, for
5 cutthroat trout, so that you could produce more fish, essentially.

6 MS. BENTON: Ken, can I -- looking at areas that are on
7 public lands or on private lands?

8 MR. RICE: I would -- if the ability to access those
9 fish was guarantied by the private landowner for the public,
10 because we're looking at public resources, then I would say we
11 would look at private lands for -- for some of those opportunities.

12 MS. BENTON: The reason I brought that up, and I guess
13 it's just a friendly suggestion, last year there was some
14 considerable planning done on a project that was on private land
15 and the private landowner was never contacted at the earlier
16 stages. And, I know that the private landowners that I work with
17 are more than willing to help in any way that they can, as long as
18 they're brought in at the front in of the project, so when you get
19 closer to identifying these areas, and if this is a project that
20 goes forward, it would be really helpful to get approval.

21 MR. RICE: Any sites that are identified as part of
22 our detailed -- or our project write-ups, certainly the landowners
23 would be contacted first. We're not going to make that same
24 mistake.

25 MR. McMULLEN: Mr. Chairman -- Ken. Project number 271,
26 it is -- it says "implement this recreational plan." I don't know

1 if implement means proceed to build facilities, etc., or if it
2 means proceed to enforce policies. And I'm -- what I'm asking is,
3 is this plan, does this plan choose between uses of resources in
4 geographical areas, within -- within Prince William Sound, and does
5 implementation of a plan then -- does it establish policy for --
6 for the various uses in the Sound and maybe -- and maybe even
7 advocate against -- against certain other uses that might not be
8 recreationally oriented?

9 MR. RICE: Well, the original intent of the '93
10 project was to come up with some specific recommendations for
11 objectives and ways of developing recreation opportunities
12 throughout -- throughout Prince William Sound, and integrate that
13 into the restoration plan. In other words, take those objectives,
14 put them in there, you'd have some proposed projects that could
15 become part of annual work plan. Because of the delays in the
16 restoration plan, we kind of have to change our thinking a little
17 bit on how we're going to do that, but still the '93 project is
18 going to have some recommended objectives for how the recreation
19 resource within various areas of Prince William Sound could be
20 directed, and some ideas on what kinds of projects then would fit
21 within that. But, it certainly would not go so far as to say these
22 other uses that are going on should not go forward, whether they're
23 hatchery development or anything else. It's not going to make any
24 kinds of -- it's not going to set any policy in that direction at
25 all. It's just going to say, when you're looking at recreation,
26 here are the kinds of things that are compatible with the existing

1 uses, and here are kinds of things that the land base can support,
2 and that the users are supporting.

3 MR. McMULLEN: I just -- I just have reason to be
4 concerned because we're presently funding an unbudgeted, three
5 hundred thousand dollar environmental impact study just for the --
6 to try to develop the opportunity to upgrade a state hatchery which
7 they would have otherwise closed if they hadn't -- if the Prince
8 William Sound Aquaculture Corporation hadn't accepted it. We're
9 about a year behind in -- in the process of getting this EIS on the
10 street, because all of the concerns the Forest Service it has about
11 recreation, I believe now in how that's list was changed greatly
12 during the last year and a half or two that we've been in this
13 process. I hope I didn't see this whole process culminate and now
14 be somehow omitted from various parts of the Sound where we now
15 operate.

16 MR. RICE: This project would not do that.

17 MR. PHILLIPS: Any other questions? Could we have the
18 representative of the Interior here? We're running really short on
19 time. (Indiscernible) break a bit. I'd like to ask one question,
20 I know that you're leaving, Lew. Do you have any comments at all
21 that you wanted to make on this other resolution, or do we have
22 answer that? Okay. Then we'll do that this afternoon on the
23 budget and this other resolution. I wonder if Carol Gorbics could
24 come up and use the microphone over on the end there, and what
25 we're trying to do Carol is to just thumbnail these projects. You
26 have a whole gang of them here. There's one, two, three, four,

1 five, six, seven, eight, nine, ten projects. Maybe you can lump
2 some of them together to make it simpler. We just need a thumbnail
3 sketch on these and try to articulate that to us as best you can,
4 and then we'll ask you some questions, if there are any.

5 MS. GORBICS: Okay. Instead of going in order, I'll
6 start with recreation, since you just talked about it, since this
7 is a similar project. It's that number 216, and it's development
8 of a Gulf of Alaska recreation plan.

9 MR. PHILLIPS: What a place to recreate.

10 MS. GORBICS: This would include the Kenai coast, Alaska
11 Peninsula, Kodiak, all of the oil spill area outside of Prince
12 William Sound. The plan for 1994 is to inventory what's out there,
13 inventory the needs of the communities, work with the communities
14 on that and develop a strategy or plan for continuing further
15 throughout the life of the settlement, so there wouldn't actually
16 be any trails built or cabins built or mooring buoys put out in
17 1994, it would just be finding out what's there and what the needs
18 are for the future.

19 MR. PHILLIPS: And this would cover the area that the
20 spill covered?

21 MS. GORBICS: Gulf of Alaska, it would exclude Prince
22 William Sound which is being done by the Forest Service.

23 MR. PHILLIPS: The Gulf of Alaska goes all the way down
24 to Seattle.

25 MS. GORBICS: Right, you're right. The Gulf of Alaska
26 within the oil spill area.

1 MR. PHILLIPS: Does that include Kodiak.

2 MS. GORBICS: Kodiak, Alaska Peninsula, Kenai coast.

3 MR. PHILLIPS: Okay. Alright next, what other one to you
4 want to take.

5 MS. GORBICS: Okay, starting up at the top, number 7,
6 archeology. This is a continuation of a project that's ongoing
7 this year. There are twenty-four sites -- twenty-four injured
8 sites that were identified by the archeologist that they wanted to
9 continue to look at and do some sort of restoration that -- they've
10 already started that this year. I don't know how many they're
11 doing this year, depends on how many they're able to get to and
12 what the condition of the price are. This will be continuing that
13 project into next year, so the additional -- the sites that are
14 left out of those twenty-four, and they're either doing actually
15 restoring the sites if it's been vandalized, if they can just put
16 it back to its previous condition so it's not (indiscernible)
17 additional vandalism or erosion. In some cases they're actually
18 retrieving the artifacts and the cultural context of the site, and,
19 in other cases they're just monitoring the oil, so there's one of
20 those three things going on for each of those twenty-four sites.

21 MR. PHILLIPS: Okay, then. Yes.

22 MR. ANDREWS: It's my understanding that the biggest
23 problem is that artifacts have been stolen from some of these
24 areas.

25 MS. GORBICS: This particular project would not address
26 that particular issue. This is actually on-the-ground kind of

1 work. But, you're right there was some vandalism infraction and
2 art actually moved from some sites.

3 MR. PHILLIPS: Okay, that -- you want to continue on into
4 the bird colonies beneath here.

5 MS. GORBICS: There's three common murre projects here.
6 One of them is continuing the monitoring of the recovery of the
7 population primarily at the Barren Islands, which is where we saw
8 most indications of injury. The second is removal of introduced
9 predators from Sherikoff and Canegi (ph) Islands, and back in the
10 late 1800's and the early 1900's foxes were put onto many of the
11 Aleutian Islands for fox farming. There are remnant populations of
12 those foxes left. The reason they were put on the Aleutians was
13 because there was plentiful bird eggs and birds for them to feed
14 on. They're continuing to decimate bird populations. So, we're
15 proposing to go to these two islands in '94 to remove the foxes so
16 all the bird populations to recover more quickly. This is the
17 beginning of -- or part of a program that the Fish and Wildlife
18 Service began back in the '70's and we've been trying to go to many
19 of the islands in the Aleutians and remove foxes and this would be
20 continuing that program, trying to get some closer to the spill
21 area. So, the last part of the common murre project is to reduce -
22 - an education program to reduce disturbance near murre colonies
23 injured by the spill. Again, this would target primarily on those
24 that are accessible by the public, the Chiswells and the Barrens,
25 and work with tour operators and fishermen, and it would be an
26 education program. At this point, we don't anticipate any kind of

1 regulatory requirement. Just try to make then sensitive to what
2 kinds of activities that they do that may disturb the nesting
3 birds.

4 MR. PHILLIPS: Donna.

5 MS. FISCHER: First of all, how do I want to say this,
6 was there some evidence that the murre population was down prior to
7 the oil spill? I understand that there were some scientists that
8 discoveries that is was down.

9 MS. GORBICS: Many of the bird populations within the
10 Gulf of Alaska and Prince William Sound were declining. The murre
11 population was not.

12 MS. FISCHER: It was not?

13 MS. GORBICS: No, not to my knowledge.

14 MS. FISCHER: And then secondly, why can't all three of
15 these be combined?

16 MS. GORBICS: They could be. The foxes -- the three
17 projects have three different objectives. One is to monitor the
18 recovery, so we'd have a team of people out there in boats actually
19 doing the work. Another is the education programs, we'd actually
20 work with some of the environmental educators and groups like that
21 developing some brochures or talks to give to the tour operators
22 and fishermen, and the third is to actually send people out to the
23 fox removal on some of those islands. So, they're three very
24 different tasks, but if you wanted to have a single murre project
25 with three sub-projects under it, that's up to the Trustees or you
26 all.

1 MS. FISCHER: Yeah, because I don't think that all the
2 bird projects actually could be to the areas where they could be
3 combined any more.

4 MR. PHILLIPS: You want to do the murrelets?

5 MS. GORBICS: Okay, the marble murrelets, I'll do them
6 and the pigeon guillemot together. These are bird populations that
7 actually were declining prior to the spill. In 1994 these projects
8 are recovery, monitoring, we'll be monitoring the recovery of those
9 birds. In some cases, we don't have pre-spill numbers that are
10 very accurate so we might be comparing oil -- oiled areas and non-
11 oiled areas, rather than looking at actual increase or decrease in
12 numbers. There are a number of restoration end points that we want
13 to look at, what is the status of reproductive capabilities, those
14 kinds of things. We haven't actually determine yet which -- which
15 of the end point we'd be looking at, with marbled murrelets,
16 sometimes all we can do is look at the number of juveniles to
17 adults on the water. These two projects will continue to be
18 developed, obviously, for the next couple of months, then we'll
19 have all the answers to those. Black oystercatcher, actually I
20 skipped one. The boat surveys -- the boat surveys are boats
21 throughout Prince William Sound. We've -- it's a technique that
22 Fish and Wildlife Service has used since the mid-'70's. We do this
23 every five or six years, up until the time of the spill, then we've
24 done it -- we did it in '89 and '90, we skipped -- '89, '90 and
25 '91, we skipped '92, we're doing it again this year, and this is a
26 proposal to do it again next year. And, it's our best measure of

1 bird populations within the Sound. So....

2 MR. PHILLIPS: Who do you ask to monitor?

3 MS. GORBICS: Pardon?

4 MR. PHILLIPS: Who do you ask to report to you monitor
5 there?

6 MS. GORBICS: We -- the protocols are set up that
7 there's three teams of biologists on three different boats doing
8 coastal, just offshore (indiscernible).

9 MR. PHILLIPS: It's an in-house thing?

10 MS. GORBICS: Yes, this is an in-house.

11 MR. PHILLIPS: You don't ask commercial boats of any kind
12 to help you in that?

13 MS. GORBICS: No, the protocols are -- have pretty
14 rigorous statistical requirements in order to make comparisons
15 between murre. The black oystercatcher is the next one. This is
16 -- the black oystercatcher is a species that interacts with the
17 intertidal community very heavily in their foraging and feeding.
18 So, we -- we're using them as sort of an indicator species to look
19 at how they use oiled mussels, how they use the intertidal area and
20 oiled areas versus unoled areas, and see if there's any
21 difference. Again, it's monitoring their recovery and monitoring
22 the continuing problems in the intertidal area. It's to provide
23 some indication of that. And that, again, is a study that's going
24 on this summer and we probably would have some effective changes
25 based on this year's results, but I can't tell you what that would
26 be right now.

1 MR. PHILLIPS: Okay.

2 MS. GORBICS: The last one for Fish and Wildlife Service
3 is monitoring a sea otter population, abundance, distribution,
4 reproduction, mortality. This particular project has a lot of
5 components, but basically the question we're trying to answer is
6 how is the population recovering or is it recovering by looking at
7 numbers, by looking at mortality patterns, not mortality rates, but
8 mortality patterns, and this year we're actually -- the Fish and
9 Wildlife Service is doing a study not funded by the Trustees is
10 looking at wheedling survival, which was a study done back at the
11 time of the spill, that the Trustees did fund. So we do various --
12 I don't know what will be yet -- I don't know what will be in the
13 '94 program, what components of previous years that we'll propose
14 to include. Those are the kinds of things we've done in the past.

15 MR. PHILLIPS: I'd like to congratulate you for covering
16 an awful lot of ground in a vocabulary that's understandable.

17 MS. GORBICS: I talk fast, sorry.

18 MR. PHILLIPS: No, not sorry, you'll also succinct in
19 getting to details, and you use a vocabulary that's understandable
20 by people who are not in your -- you know, what you do, and that's
21 unusual and appreciated.

22 MS. GORBICS: Thank you.

23 MR. PHILLIPS: Let me ask you on the -- is the marbled
24 murrelet a small fish, surface fish feeder like the....

25 MS. GORBICS: It feeds on herring, caplin...

26 MR. PHILLIPS: Would it be the same type of feed that say

1 the kittywakes and....

2 MS. GORBICS: To some extent, yes, they would feed on
3 some of the same species. They're both diving birds.

4 MR. PHILLIPS: Yeah, we're up to our hubcaps in marbled
5 murrelets where we are, and it's hard to think that they're not
6 somewhere else.

7 MS. GORBICS: They have declined precipitously since the
8 '70's, obviously that was unrelated to the spill and they're very
9 hard birds to census accurately, so we're -- you know, still
10 struggling with that. We're focusing mostly on habitat use of
11 marbled murrelets since that seems to be easier to evaluate than
12 actual numbers of marbled murrelets.

13 MR. PHILLIPS: I guess they just don't know that they're
14 declining where we are.

15 MS. GORBICS: They must not.

16 MR. PHILLIPS: They're everywhere. Alright. Are there
17 any questions. Yes, Lew.

18 MR. WILLIAMS: Yeah, I have one question, maybe she
19 answered it when she said their concentrating on habitat. I was
20 just curious as to why they're -- you know, they're going after the
21 foxes for eating the eggs, but in noting the vote on all the
22 fisheries things like herring and salmon, I noted that the
23 Department of Interior representative failed to support many of
24 those, and it seemed to me that if you're concerned about them
25 catching, you should be concerned about them feeding. But, maybe
26 their limited and only cover habitat. I don't know....

1 MS. GORBICS: We're very concerned about the forage fish
2 availability for these birds. There are people that consider the
3 hatcheries conflict to be one of the causes of these declines. We
4 don't know that for a fact, but those are the kinds of
5 considerations that have to be taken into account as we're trying
6 to evaluate what is happening to these birds. Why since the '70's
7 there's been major declines in forage fish eating.

8 MR. WILLIAMS: I was just wondering why the Interior
9 representative then didn't support some of these herring and salmon
10 deals.

11 MS. GORBICS: These -- actually, I'm not going to answer
12 that. I don't know. (Indiscernible -- laughing and talking).

13 MR. WILLIAMS: It's just so obvious from the vote.

14 MS. GORBICS: You'll have to ask the Department of
15 Interior Restoration Team representative.

16 MR. PHILLIPS: Yes, go ahead.

17 MR. ANDREWS: You've got my curiosity. You're here to
18 say that about hatcheries contributing decline of the forage fish?

19 MS. GORBICS: No, I'm not saying that hatcheries
20 contributed to the decline of them, I'm saying that's one of the
21 factors that have been considered in trying to understand the
22 decline. If you increase the hypothesis, which is not one that the
23 Fish and Wildlife Service currently has any reason to -- to put
24 forth that fact, it's one of the hypothesis that scientists have
25 considered is that the number of -- hatchery smolts are competing
26 with the forage fish, like the capelin and the juvenile herring,

1 and perhaps that's -- maybe -- perhaps a loss of numbers of fish is
2 contributed to their decline. There's a study in here on forage
3 fish specifically. Isn't there, Phil? And that's going to try to
4 look NOAA's going to take the lead on that one and try to look at
5 some of those relationships. We don't have the answers. We don't
6 know why they're declining. And, there's a lot of hypothesis,
7 that's only one. Please don't think that I'm saying that I'm going
8 to have to shut down hatcheries, that's not at all what I'm
9 proposing.

10 MR. PHILLIPS: Yes, John.

11 MR. McMULLEN: The hatchery operators operate certain
12 (indiscernible). Both birds and fish, including herring, young
13 pollacks are -- all kinds of young pollacks in Prince William Sound
14 right now. We wish someone would get them the hell out of there.
15 They all feed on -- on hatchery fish. Ted Cooney at the --
16 biological oceanographer at the University of Alaska has -- you
17 know, estimated food supplies -- you know, plankton, species,
18 numbers and says that the salmon fry in the Sound, wild and
19 hatchery, are probably eating a few percentage points of what's
20 available to them.

21 MS. GORBICS: That probably means the hypothesis is not
22 going to hold up once we look at it then.

23 MR. PHILLIPS: Are there any other questions? Yes, go
24 ahead.

25 MR. CLOUD: I can't help by notice, my hand is higher
26 than yours. (Laughter). I can't help but note that when the Fish

1 and Wildlife Service went into eradicate reindeer off Hagermeister
2 Island, last year, that they -- they in fact allowed the reindeer
3 to have, as I read in the paper, the best calving season that
4 they've ever had. And, it seems to me that this could just be
5 throwing good money after bad to go down to try to eradicate the
6 fox, fail and leave fewer fox to eat more birds and lead to
7 basically a population boom.

8 MS. GORBICS: That certainly is something that we will
9 have to consider. The success of the fox program has been --
10 although it's been limited, has been astonishing. If we look at
11 the number of birds on those islands prior to the fox removal and
12 after the fox removal, there is, in some cases, one hundred percent
13 more of some species of bird, I think birds particularly are the
14 ones that are the most vulnerable. The foxes can actually get up
15 and, you know, get into these burrows and eat the eggs. So, based
16 on our previous experience, I think that it has a high potential
17 for success. I think it is one of the very few ways we've actually
18 increased bird numbers. Foxes are not indigenous. I think it's
19 one of the very few ways we can actually increase bird numbers.
20 The foxes are not indigenous -- you know, they're not -- they were
21 brought in by fur farmers because the islands were considered to be
22 full of food for foxes, and that's why they were brought in. So,
23 the Fish and Wildlife Service would hope that it would be
24 successful because it has proved to be very successful in the past.
25 There's no guaranties obviously.

26 MR. CLOUD: Well, if you are successful, then maybe we

1 can turn you lose on the wolf problem.

2 MS. GORBICS: Little easier.

3 MR. PHILLIPS: Kind of like putting pigs on an island
4 too, I think. Pam, you're next.

5 MS. BRODIE: I have a question about number 40, the
6 education program to reduce disturbance to your murre colonies.
7 First of all, is there any evidence that the firearms on halibut
8 boats does in fact harm the murres, that it causes them to do less
9 nesting, and the second is, have there been any communications with
10 the charter boat owners to see -- to educate them so far -- to see
11 if anybody will -- is responsive to this.

12 MS. GORBICS: For the first question, it's only
13 anecdotal, but what we know about murres and what we've observed,
14 and again anecdotally not any kind of survey, is that once birds
15 are fledged -- are flushed from the cliff, they're very vulnerable
16 predation and that's -- that's evident when birds are flushed from
17 the cliffs, you have egg loss, and that's even evident from our
18 surveys on the -- from the oil spill. And there are a few birds
19 there flushed, the ravens and bald eagles just have a heyday. And
20 the anecdotal evidence is that, yes, when firearms are shot very
21 close to the colonies, I'm not talking about offshore, in-sight,
22 but just right at the colonies, it's very clear that the can flush
23 a large number of birds just from the sound of the firearm.
24 Whether or not it's affecting the recovery, again, we don't know.
25 But, it seems like a relatively inexpensive way to perhaps insure
26 that it's not affecting the recovery, if there's willing tour

1 operators. We're not suggesting that we do anything other than
2 voluntary compliance at this point, because we don't have any firm
3 evidence. The answer to the second question, we've only done it
4 casually. We haven't done it in any kind of formal way. So, if
5 the tour operators are interested and ask, we talk to them about
6 it.

7 MS. BENTON: One quick question. Do you have any idea
8 how much money has been spent to date on marbled murrelet recovery
9 and studies of those populations?

10 MS. GORBICS: I would guess, I'd guess about a million
11 dollars. We didn't do any in '89 and '90 on recovery, so we
12 started probably in '91 and '92. Actually we did some in '90, we
13 did it in conjunction with the damage assessment study, we started
14 doing some habitat work, which was in support of restoration as
15 opposed to the damage assessment. So, with those three years, I
16 would say that two hundred to two hundred and fifty thousand a
17 year. I would guess a million dollars, a little less or a little
18 more. I can find out that for you, if you would like me to.

19 MS. BENTON: Just general, thank you.

20 MS. GORBICS: Okay.

21 MR. PHILLIPS: Any further questions? Yes, James.

22 MR. KING: I just bring up this fox book that....

23 MS. GORBICS: There is a publication -- Introduction of
24 Foxes to Alaska Islands, and it talks about why they were put on
25 there, what kind of an impact they have, and what we've been able
26 to do to remove them, if anyone wants to look at it. We obviously

1 have a copy here.

2 MR. KING: It's brand new.

3 MR. PHILLIPS: Do you have any extra copies of that --
4 you could obtain?

5 MS. GORBICS: I've -- I've never even seen this
6 particular bound one. I can try. I can at least get you xeroxes
7 if that's what you'd like. Like one for everyone?

8 MR. PHILLIPS: Well, I don't know. I'd love to have one
9 because we talk about fox farms almost every day, and with the
10 general public we want to be sure we're accurate in what we say.

11 MR. CLOUD: Tell them that they're going to be in
12 (indiscernible) wolves to Yellow Stone Park, maybe they should read
13 the book first.

14 MR. PHILLIPS: Are there any further questions before we
15 take a break for lunch. Because we're a little late, I'd like to
16 suggest a quarter after one as reconvening, if that's alright with
17 everybody. And we'll say bon voyage to you Mr. Williams and look
18 forward to seeing you in September.

19 (Off Record 11:47 a.m.)

20 (On Record 1:22 p.m.)

21 MR. PHILLIPS: Okay, let's come back to order and we
22 would -- is there anybody here to (indiscernible). You're the one.
23 Our Fish and Game persons not here. Why don't we do the Marty bit
24 next. Alright the first one we'll take up because we have somebody
25 to answer questions and give us a thumbnail of these -- those items
26 under ADNR, so Dave is going to do that for us.

1 DR. GIBBONS: Project 386, the artifacts repository and
2 cultural centers. This is a planning site selection and design
3 project, and this is aimed at about four or five artifact
4 repositories, I'm going to call them now, primarily this is a
5 public -- you can see by the number 386 it came from the public,
6 and primarily it did identify four sites, Valdez, Cordova, Chenega
7 and Tatitlek. And there was one on an island, Hinchinbrook too,
8 that's been mentioned, I forget the name of it. Will you check?
9 We felt we should broaden this because there's some interest in the
10 Kodiak area also for this type of thing. In addition to the -- to
11 the one they got in Kodiak, some of the Port Lions, some of those
12 communities felt that there was a need for this too. So we
13 broadened this to include Prince William Sound and the Gulf of
14 Alaska, within the oil spill area. So, this is for planning site
15 selection and design, and we don't know -- this is -- is an
16 estimate again.

17 MR. PHILLIPS: How's this different from the one we
18 talked about this morning with Interior.

19 DR. GIBBONS: The one with Interior was the lead --
20 that's -- they'll collect the artifacts that will go into these
21 repositories. That's how that linked. Next, project 15 is
22 archeological site stewardship program. This was funded in 1992 by
23 the Trustee Council to prepare the materials. And what this is a
24 project to involve the local people in site protection for their
25 archeological resources. You go there with material and they may
26 act as watchdogs for the archeological sites. It was not approved

1 in '93, and the reason it's here, is we're bringing it back up
2 because they paid for the material to be prepared, you know, do
3 they really want to just waste that hundred thousand dollars that
4 they paid for the material to be prepared. So, that's what we're
5 asking them the question. Do you want to do it this year or do you
6 want to just forget the whole thing and do away with it.

7 MR. ANDREWS: Mr. Chair.

8 MR. PHILLIPS: Yes.

9 MR. ANDREWS: Is this an ongoing program or -- you know,
10 site protection and all that means to me an ongoing program
11 (indiscernible -- simultaneous talking)....

12 DR. GIBBONS: There are ongoing programs, but this is a
13 new program.

14 MR. ANDREWS:No termination point on it.

15 DR. GIBBONS: You know, the agency have responsibility
16 to protect those resources, and that's an ongoing program. This is
17 a program to help that protection process by -- by including the
18 local people in that site protection process.

19 MS. BENTON: Dave, is this part two or part one, and
20 part one was to prepare, I almost want to use it as a plan, a
21 guideline plan, that you would be giving to locals, and this is
22 part two which would actually fund somebody to go out there and
23 educate them.

24 DR. GIBBONS: That's right.

25 MS. BENTON: So, then we're done and there's not part
26 three really.

1 DR. GIBBONS: There's no part three. This is a -- you
2 can fund it for one year, you can fund it for ten years. It's
3 money to have the local people go out and provide protection to the
4 site.

5 MS. BENTON: But the idea being to educate the locals
6 to the point that they can do it themselves.

7 DR. GIBBONS: That's correct.

8 MR. CLOUD: Are you paying the locals to do it?

9 DR. GIBBONS: It's primarily a volunteer program.

10 MS. BENTON: There's several volunteer groups
11 (indiscernible).

12 DR. FRENCH: If we could back up a moment Dave, with
13 respect to repositories and cultural centers. I don't have any
14 problem with small cultural centers scattered all over, is it
15 really cost effective though to have repositories other than on a
16 regional type of basis.

17 DR. GIBBONS: Well, that's -- that's kind of the
18 questions we're -- we're asking too. You've got a -- you'll have
19 a nice one there in Kodiak -- you know, I mean do we want one in
20 Prince William Sound or do you want (indiscernible -- simultaneous
21 talking).

22 DR. FRENCH: Really, I can understand it. You
23 mentioned Port Lions and then that's....

24 DR. GIBBONS: The state -- that's in response to their
25 request to us that they wanted one there, you know.

26 MR. PHILLIPS: Okay, your next, go ahead.

1 MS. FISCHER: John, in order to answer some of your
2 questions there on the artifact repository, especially in Prince
3 William Sound, there's a lot of factors included in that. You're -
4 - I think you were given or handed out a brochure or papers on it,
5 that I think there's a lot of things unique that we can, or the
6 Prince William Sound Valdez, can offer and there's many factors
7 involved in that sections and enhance this area. First of all, the
8 road ends in Valdez. Secondly, we also jumped on theme too, is
9 that the Exxon ship was called the Exxon Valdez at the time. So we
10 get the questions, more so than Kodiak or anyone else, and I'm not
11 objecting -- you know to your area or anything, but Valdez does get
12 the questions, get the people that come in there that want to see
13 the oil, want to know about the oil, and know the areas in the
14 Sound that were affected.

15 DR. FRENCH: I understand that completely, and I don't
16 argue against that. I thought we were specifically talking about
17 cultural heritage here and in that sense, yes, the Prince William
18 Sound is also uniquely different unit from Kodiak, both in --
19 administratively and culturally. That's why I use the term
20 regional. I think that the Prince William Sound area deserves some
21 kind of cultural heritage center. If you talk about ones within
22 the general area administered by CANA, all of coast communities,
23 hopefully were going to be represented by the cultural heritage
24 center that was funded.

25 DR. GIBBONS: Yeah, the original request was for
26 construction of a bunch of small ones, and you'll see here that

1 we're backing off that and saying we need to do the planning site
2 selection and where do you want them. Do you want one, do you want
3 four, what do you want. And, that's our reasoning for backing off
4 that.

5 MR. PHILLIPS: How about 199?

6 DR. GIBBONS: 199. I -- Marty -- Marty just got stuck
7 with one. We didn't know where to put the Seward Sealife Center
8 which agency, and so there it is.

9 MR. PHILLIPS: Is this your theme park?

10 DR. GIBBONS: This is Monterey of the north.

11 MS. BENTON: Is that some funding that was passed by
12 the state legislature? (Indiscernible -- simultaneous talking)

13 DR. GIBBONS: If the -- state's legislation was twelve
14 and a half million dollars.

15 MS. BENTON: Has been funded and the total project is
16 estimated to cost....

17 DR. GIBBONS: The total project is forty-six point five
18 million dollars. The proposal, as I understand it, twelve and half
19 million came out of the criminal, they're asking for twenty-five
20 million out of the joint, and they'll raise the additional nine
21 million out of other contributors, British Petroleum or whatever.
22 They are bonds, city bonds -- you know. They're going to raise the
23 additional nine.

24 MR. PHILLIPS: How do they link this with damage from the
25 oil spill.

26 DR. GIBBONS: Well, what they presented to us was that,

1 it's going to -- it's three things. It's a rehab center for
2 injured marine birds and mammals, to provide a research facility to
3 look at why the animals were declining prior to the oil spill, the
4 numbers, and third it's an educational thing. Have the public come
5 in and look at.

6 MR. PHILLIPS: Well would the research then, a segment of
7 it, wouldn't that conflict with the thing with the University of
8 Alaska? Or duplicate?

9 DR. GIBBONS: Uhh-huh. And the questions have been
10 asked, and I've asked them too. The Prince William Sound Science
11 Center, you've got there and they're looking there, you've got
12 Seward Sealife Center, you've got Kodiak -- you know.

13 (Indiscernible -- simultaneous talking).

14 MR. PHILLIPS: Go ahead.

15 MS. FISCHER: Didn't Seward have this plan before the
16 oil spill though, so this is something that was in their planning
17 stages long before the spill and, actually, they weren't affected
18 by the spill either, were they.

19 UNKNOWN: No.

20 DR. GIBBONS: Well, you can't really say that because
21 Cordova -- if you want to say that Cordova wasn't oiled either, but
22 they were affected by the spill. Seward was -- the City of Seward
23 wasn't oil, but they were affected by the spill. So, I mean, you
24 can't say -- you know, oh, Valdez wasn't -- but it was affected, so
25 it -- it's affected oil spill-affected areas, that's why we call it
26 that.

1 MS. FISCHER: Because we were affected by the oil spill.
2 MR. PHILLIPS: See if my memory is correct. They have a
3 road to Seward, don't they?
4 MS. FISCHER: Yes.
5 (Simultaneous laughter).
6 MR. PHILLIPS: I was kind of curious. Is there a road
7 to Whittier? No, there isn't. And I just think this would really
8 build one. (Laughter)
9 DR. FRENCH: I'd like to suggest we build a tunnel to
10 Kodiak. (Laughter)
11 MR. PHILLIPS: First things first.
12 MS. BENTON: A bridge, Jim -- John.
13 MR. PHILLIPS: It just seems like the priorities have
14 been screwed up here.
15 MS. BENTON: (Indiscernible -- out of range of
16 microphone) settlement and it does, or not?
17 DR. GIBBONS: There's a difference of opinion.
18 MS. BENTON: I'm surprised!
19 MR. PHILLIPS: Son of a gun! Two lawyers!
20 DR. GIBBONS: The state says yes, the federal government
21 says no. This is, if you go back in the -- in the charts back
22 here, the ones that were sent to the Trustee Council, well, the
23 ones with the small print, you'll see them call themselves legal.
24 We flagged a bunch of ones with question marks that were....
25 MR. PHILLIPS: Okay, the next one is -- Pam wanted to
26 (indiscernible -- simultaneous talking). Pam.

1 MS. BRODIE: Regarding your animal rehabilitation,
2 first of all, this center could not be used to rehabilitate animals
3 that were injured in the Exxon Valdez oil spill, is that correct?
4 It would be for animals injured in the future?

5 DR. GIBBONS: Yes.

6 MS. BRODIE: I worked in animal rehab centers after the
7 oil spill and after that I worked coordinating volunteers to work
8 in the rehabilitation center, and the consensus of the people
9 involved with animal rehabilitation was that the only thing that
10 makes sense is mobile units because the spill could happen anywhere
11 off the coast of Alaska, and having a bricks and mortar center in
12 Seward is not necessarily going to make any sense. I personally do
13 not think that animal rehabilitation is warranted by the cost
14 versus the lack of success unless you're dealing with endangered
15 species. That is my personal opinion....

16 MR. PHILLIPS: I agree with you.

17 MR. BRODIE:on the organization, but certainly
18 even if you believe in animal rehabilitation, I don't think that
19 this project makes sense.

20 MS. MCBURNEY: I'm trying to remember, wasn't one of the
21 conditions for the twelve point five million that the economic
22 feasibility of the project would have to be proven before the state
23 would release the money. If that's the case, it almost seems like
24 a little premature to start looking at funding this project yet,
25 when we don't even know if its going to be economically feasible
26 and whether the state is even going to release the money that it's

1 kind of, sort of, pledged.

2 DR. GIBBONS: My understanding of that money is four
3 million is for design and verification of the economic liability of
4 the project. That what -- then there's eight and a half million
5 for other things, but that's what I understand.

6 MR. WILLIAMS: Will all of this information be in that
7 stuff you're going to give us.

8 DR. GIBBONS: All this information will be in the three
9 page write-up. They -- they gave me about a fifty-page write-up on
10 it....

11 MR. PHILLIPS: What's the next one.

12 DR. GIBBONS: 110 is a habitat protection bid
13 acquisition and the support project. What this is is to collect
14 the information necessary to analyze that parcels of land for
15 possible protection. What the project is, it's pulling together
16 all information on marbled murrelets, pulling all information on
17 harlequin ducks -- you know, overlays.

18 MR. CLOUD: This is analyzing only private land or
19 public land.

20 DR. GIBBONS: Private land only.

21 MR. CLOUD: Could you identify -- do you identify
22 landowners who are willing to sell first.

23 DR. GIBBONS: Yeah, we already have, but we've sent
24 a....

25 MR. CLOUD: Only go and identify habitat on those that
26 are willing....

1 DR. GIBBONS: That's correct. Yeah, we've sent out a
2 letter to all the landowners in the oil spill-affected area of a
3 hundred and sixty acres in size or greater, and we've gotten a
4 feedback from them, and that's where the -- the emphasis will be.
5 We are going to ask the Trustee Council, do they want us to look at
6 public lands. We're going to ask that question in the fall.

7 MS. FISCHER: Well, I was just going to ask -- he kind
8 of pretty much answered that. This may sound like a stupid
9 question, but why isn't it taken into account that, say, within
10 maybe perhaps two hundred yards of a fish stream that all the
11 properties should be looked at and maybe used as acquisition in the
12 oil spill area instead of going out and buying thirty-forty
13 thousand acres of land.

14 DR. GIBBONS: That's an option. Under the habitat
15 protection, you've got all the way from fee simple to a
16 conservation easements to land banks to -- you know, you've got all
17 those range of options you can do. So, if you're options on a
18 specific parcel is the best thing is to do is to add an additional
19 hundred feet on anadromous fish streams, then that's what the
20 proposal would be. It isn't a lock into a fee simple, habitat
21 protection set up.

22 MS. FISCHER: I want to follow up.

23 MR. PHILLIPS: Do you -- go ahead and finish now.

24 MS. FISCHER: Okay. Because I really have a concern and
25 I know I mentioned it yesterday about it, it's come to my attention
26 a couple months ago, like on Kachemak Bay, that all that land was

1 purchased for habitat protection. But, now I understand that the
2 beetle kill has taken out that forest, so that land no longer will
3 suffice for habitat protection because the birds won't be able to
4 live in it. It'll be gone within the next two to four years
5 because of the beetles. So we spent what, twenty-two million
6 dollars, even though the Trustees only spent seven and a half
7 million, that's a lot of money to spend on land that can no longer
8 be considered habitat protection, and, I think we're amiss by not
9 looking at it.

10 MR. PHILLIPS: Okay, do you have a question?

11 MS. BENTON: There are differing opinions on this --
12 respect beetles, I talked that a little bit earlier. I'm not going
13 to get into it. My questions, I guess, under this project the --
14 wasn't the Nature Conservancy contracted to do something last year
15 that was similar as far as data collection and recommendations.
16 How is this different or how does it fit?

17 DR. GIBBONS: This would supplement that. What we're
18 finding in this -- the habitat protection -- last year -- in '93 we
19 funded work to look at the habitat of marbled murrelets, the
20 anadromous fish streams, those types of activities. Okay, what
21 we're doing this year, is we're, the Restoration Team is not
22 recommending to fund any of that, any additional habitat work.
23 It's to bring all that together, and that's what this project does.
24 You know, it'll supplement the Nature Conservancy's data base
25 development.

26 MS. BENTON: Like Prince William Sound Science Center

1 has an existing data base and so do several other groups. It would
2 try to bring all of that together.

3 DR. GIBBONS: That's correct.

4 MR. PHILLIPS: Pam.

5 MS. BRODIE: I just wanted to echo exactly what Kim
6 said that there are differences (indiscernible -- out of range of
7 microphone).

8 DR. GIBBONS: Especially if the birds like the beetles.

9 MR. PHILLIPS: Okay, I think you have one more.

10 DR. GIBBONS: I've got about three more. 126 is a
11 habitat protection acquisition fund. You'll see TBD on it. It's
12 to be determined by the Trustee Council. Last year the set went up
13 to twenty million dollars. This year, your guess is as good as
14 mine. I wouldn't want to -- we don't feel comfortable putting a
15 number in there. We're going to let them put a number in there.

16 MR. CLOUD: How did you feel comfortable voting for it
17 if you don't feel comfortable putting any number in there?

18 DR. GIBBONS: Because we know that there -- is going to
19 be some activity in that area, and we want to create a fund....

20 MR. CLOUD: A slush fund of undermined amount?

21 DR. GIBBONS: Well, this year, twenty million dollar
22 habitat protection fund was set up. Seven and a half million from
23 Kachemak, Kachemak Bay came out of that. We don't know quite sure
24 where Seal Bay is going to come out of yet, but that's -- that's
25 the concept. The concept is to get the money out of the court and
26 put it in another interest-bearing account that is accessible, much

1 easier than going to the court. Every time you go to the court,
2 you've got to go through a petition, the Department of Law,
3 Department of Justice, and go through, and then have Judge Holland
4 -- so, we're trying to get that out, put it in an interest-bearing
5 account that is -- that is more accessible if the Trustee Council
6 decides to move on something.

7 MR. CLOUD: How many parcels are under consideration
8 right now?

9 DR. GIBBONS: The Trustee Council authorized five
10 imminently threatened parcels. Kachemak Bay, one, Seal Bay, Power
11 Creek by Cordova, Fish Bay by Tatitlek and I call it Fort Chatham,
12 it's on the end of the Kenai Peninsula. That's the only one
13 authorized for negotiations at this point in time. We're in the
14 process to pull altogether this one point two million acres or
15 something, analysis to get it for the Trustee Council this fall.

16 MR. CLOUD: Are those all logging sites?

17 DR. GIBBONS: The five were imminently threatened
18 parcels, but there some activity that was going to go on that would
19 -- that would reduce the quality of the habitat for the injured
20 resources. The comprehensive is not imminently threatened. It can
21 be any. It's -- it's spill area wide and all lands that people are
22 willing to negotiate with. We're evaluating those so we don't --
23 so we have some feel of what's work -- what's more important to the
24 injured resources than other parcels. Some parcels are more
25 imminently linked than other parcels. And, that's what we're in
26 the process of doing now.

1 DR. FRENCH: It's you understanding the request on here
2 would be a comprehensive analysis or a more comprehensive analysis,
3 right?

4 DR. GIBBONS: Right. We're -- we're in the
5 comprehensive process. The Trustee Council clearly said we don't
6 want to be in the imminently threatened, chain saws running in the
7 phone booth type thing. We want to be beyond that. I'm not sure
8 they use that analogy, but that's it. (Laughter).

9 MS. FISCHER: Dave, whose going to own this property
10 after it's purchased?

11 DR. GIBBONS: That's determine on a case-by-case basis
12 by the Trustee Council.

13 MS. FISCHER: So, if the Trustees decide that it would
14 go to the government, it'll go to the government. Right?

15 DR. GIBBONS: That's correct.

16 (Indiscernible -- out of range of microphone - simultaneous
17 talking)

18 MS. FISCHER: State of federal, it would go federal.
19 And, this is just in opposition with the Governor wants. He wants
20 it back in the state. I mean it's property of Alaska or Alaskans,
21 but it's not going to be.

22 DR. GIBBONS: It could be. I mean, Kachemak went to the
23 State park, Seal Bay is going to the State. Who knows what the
24 next parcel is going to go.

25 MR. PHILLIPS: The Shadow (ph) knows. How about 316?

26 DR. GIBBONS: 316. Again, Marty got this one.

1 Shoreline trash clean up in the oil spill-affected area. This is
2 to pick up like plastic, trash and stuff on the beach.

3 MR. PHILLIPS: What does it have to do with the oil
4 spill? Absolutely nothing. This is a continuing problem on the
5 beaches wherever you have people. People are pigs and they drop
6 their trash, it's going to be on the beaches. But I -- I don't see
7 how in the vaguest part of your imagination you can relate that to
8 the oil spill damage. I know that they need money to do, but that
9 ought to come out of the state's normal operating budget.

10 DR. GIBBONS: The opinion again is the federal
11 government says there's no link to the oil spill and the state says
12 this. I'm not suppose to say anything about this.

13 MR. CLOUD: Brad, you agree with the federal
14 government.

15 MR. PHILLIPS: Not often. Okay, anybody want to make
16 some brilliant comments on that one. Okay, let's go to 200.

17 MS. FISCHER: Do we have a choice of saying no we don't
18 afford it?

19 MR. PHILLIPS: Yes, but not yet. We don't have enough
20 information on all these, I believe. What I'm trying to accomplish
21 here today is to have everybody exposed to the people who are in
22 the Restoration Teams, to get all your questions answered, then
23 Dave is going to give us the detailed information by the 10th,
24 hopefully by the 10th of September, then we would have our next
25 meeting prior to the Council's meeting on the 20th, when we've had
26 a chance to digest the stuff that he has, then we can really get

1 into the nitty-gritty. I just think there's no way that we can
2 give an intelligent opinion on any of these to the Trustees this
3 afternoon. I think this is an information-gathering session, it's
4 the way I see it.

5 DR. GIBBONS: You know, there is one recommendation you
6 can make though is, I'll be careful with what the other Restoration
7 Team will be hard-pressed to developing 60 in the budget
8 descriptions, but if you feel that there's several others that can
9 be added, you can make that recommendation so we're developing some
10 project description. That would be a thing that you could do
11 today. If you wait until September 20th to come to the Trustee
12 Council and say we feel you should add x, y and z projects to it,
13 then the Restoration Team has got to run out, develop the three
14 pagers, and come back, and you're going to be out of them.

15 MR. PHILLIPS: I -- just stating our meeting will be
16 somewhere close to the 10th whenever you can get that stuff to us,
17 or we've had a chance to sit down and read it, then get together,
18 make our recommendations, and at that time if any individual has a
19 project that isn't this that -- we want to -- do we still have ten,
20 twelve or ten or eight or ten days before their meeting to put the
21 stuff together. I just hate -- on ignorance that's all. We've had
22 so much anyway.

23 DR. GIBBONS: The last one that Marty has is project 200
24 17(B) easement identification. There's 17(B) easements identified
25 out there. The federal government has the lead really on this.
26 This would be Department of Agriculture and Department of Interior.

1 Identifying the lead, but what this will do will do a publication
2 too to let the public know where these 17(B) parcels so public can
3 use them?

4 MR. PHILLIPS: What do you mean easement?

5 DR. GIBBONS: It's a conservation easement. It's an
6 easement for the public access. You know, you might have a block
7 of private land, but there's an easement along the stream so the
8 public can walk up into the alpine or fish the streams or whatever.
9 That is not private land.

10 MR. CLOUD: You don't know where those are now.

11 DR. GIBBONS: We know where most of them are, but
12 there's been no --there's been no publication to let the public
13 know where they are. That's -- that's the problem, as I understand
14 it.

15 MR. PHILLIPS: Are there any questions? He's concluded
16 his review of the DNR's projects. Any questions? If not, I'm
17 going to ask that Fish and Game be our next one. Joe, you want to
18 use that end seat over there with the microphone. Just identify
19 yourself for the record. Our little lady will get everything, then
20 we'll start from the top. There's a lot of these. I would ask the
21 group if it's possible, let him thumbnail these things, make your
22 notes to yourself, and then let's go into the questions afterwards.
23 That way we'll get through all of them because there's quite a few.
24 If you want to start on 345.

25 MR. SULLIVAN: Okay. Well, first -- how's this sound?
26 Is that too loud? Okay, for the record my name is Joe Sullivan,

1 I'm the resource program manager for Fish and Game (indiscernible).
2 345 evaluation, enumeration projects for the streams in the lower
3 Kenai Peninsula. This is largely a project that the commercial
4 fishermen in lower Cook Inlet asked us to do. It basically mimics
5 what we have done in Prince William Sound. They have seen injuries
6 to pink salmon in Prince William Sound, and we would basically like
7 to assess the same situation to see if the same situation exists in
8 the Lower Cook Inlet and at or around Kenai Peninsula streams.
9 Commercial fishermen there feel like the there has -- that they
10 have noticed an impact of -- on the local fish. Although, we're
11 not certain that is in fact the case, we would like to follow it up
12 to see if that -- what has happened in Prince William Sound holds
13 true for that area. 137, stock identification of chum, sockeye and
14 chinook salmon in Prince William Sound is essentially continuation
15 of the project that the Trustee Council approved just a month or so
16 ago, and again, that would be retrieving coded-wire tags that the
17 Trustee Council put in these fish several years ago. They tagged
18 -- put the tags in in order to separate stock and this
19 (indiscernible) to retrieve the tags and come to the end of the
20 project. 139, I'm sorry that's Fish and Wildlife Service. Project
21 64, habitat -- seal habitat use, monitoring, population, modelling
22 and information. This is again a continuation of a current project
23 and basically monitors what's going on with harbor seals.

24 MR. PHILLIPS: Where?

25 MR. SULLIVAN: Prince William Sound as far as I know. I
26 don't -- I don't believe that this extends outside Prince William

1 Sound, with possible exception of the outer Kenai Peninsula, yeah,
2 Prince William Sound. It's also going to tie in -- let me, excuse
3 me, jump forward to another project on the second page. 244,
4 harbor seal and sea otter cooperative, subsistence, harbor
5 subsistence. It will interface with that project, and those two
6 projects will share data and hopefully be able to share some
7 resources to see what's going on. But, that project, of course,
8 the second project will be monitoring subsistence -- I mean,
9 basically it says what it's going to do. It will monitor the
10 subsistence harvest and see how that fits in. Project 66, back on
11 the first page again, harlequin ducks, recovery monitoring. Again,
12 is a continuation of the current project, but probably at a smaller
13 level. What we really still don't know is how these reproduction
14 that's going in these animals, and, of course, we're in the middle
15 of field season now, so exactly what the boundaries of this project
16 are going to be will somewhat depend on this seasons results. But,
17 anyway that will be a spill-wide project. 68, deposit sand and
18 clean beaches to promote clam recruitment feasibility study. It
19 appears that one of the problems, it appears that there may be
20 problems with recruitment of clams in Prince William Sound, because
21 when the beaches were cleaned, a lot of the fine settlements --
22 sediments -- into which young clams have to settle, were washed
23 into the subtidal zone and without those fine settlements --
24 sediments -- whereas a larger clam could make it in that area, a
25 smaller, a larval clam could not. So, what we intend to do with
26 this is to try putting some sand back up on the beaches and see if

1 -- some of the clean beaches -- to see if larval clams do in fact
2 settle out. If that is the case, if this does work, then we may
3 proceed on -- this would be a pilot project. The coming year and
4 the years following that may evolve into something much larger, if
5 that appears to be warranted. Now, taking a look -- let's see,
6 I've lost my place. If you look at -- jump down to 81, 81 --
7 monitoring for recruitment of littleneck clams -- that project
8 really is to see what is the scope of the problem of Prince William
9 Sound. Is this thing that's been noticed thus far really something
10 significant or not. So, basically, what we'd like to do there is
11 to go out and find out whether in fact clams are recruiting in
12 Prince William Sound. Project 86, Herring Bay experimental and
13 monitoring studies, is a long-term monitoring study of the
14 intertidal animals and plants in Herring Bay, which was, of course,
15 one of the most heavily hit areas, and we based the monitoring of
16 that community -- we would more or less extrapolate on to other
17 parts of Prince William Sound to see how that community is
18 recovering. The price tag on that will probably be a little bit
19 lower. It will probably be significantly lower actually because
20 part of that past year was to see if fucus, one of the -- which is
21 a rock weed in Prince William Sound -- if it could be
22 experimentally enhanced -- if recovery of that could be enhanced by
23 various means. And if that proves, and if we can come up with an
24 effective method this summer, and there's another project, project
25 70, restoration of high-intertidal fucus, which would be an
26 implementation project, which would take the results of that

1 experimental project and apply it to those areas that -- where
2 fucus has not recovered and which could benefit from an on-the-
3 ground, hard restoration project. Let's see, now.

4 MR. PHILLIPS: Next is 166.

5 DR. SULLIVAN: Herring spawn deposition egg loss and
6 reproductive impairment -- again, we have done in the past. That
7 was not an active project this past year, however, herring --
8 getting a handle on herring population injury is very difficult.
9 We've certainly been able to demonstrate injury at various egg and
10 larval stages, but herring are a very significant heart of the base
11 food system of the ecosystem -- food base of the Prince William
12 Sound ecosystem. They did have some sort of a major, probably a
13 disease problem, this spring. A very small percentage of them came
14 back to spawn. We don't know whether they have died or whether
15 they have skipped spawning, but it something that we really haven't
16 observed there, and we're very worried that this next spring that,
17 in fact, if these animals did, in fact, die that we may have had a
18 really major decimation of the herring population in Prince William
19 Sound. So, the Trustee Council recognized the seriousness of this
20 problem and more or less made a commitment to at least consider
21 herring spawn deposition for the spring. But spawn deposition, egg
22 loss, and reproductive impairment is our best way at this point to
23 get a handle on what's going on with herring. There are other
24 things that we could look, but this is what we have the most
25 experience with and really, I think, can address that problem that
26 goes directly with. 165, stock identification for herring in

1 Prince William Sound. We have no idea whether or not there are
2 more than stock of herring in Prince William Sound. It's really is
3 something -- something we haven't looked at very well anywhere, but
4 if there are more than one stock of Prince William -- stock of
5 herring in Prince William Sound, that limits our options as to how
6 we can help them recover. Knowing whether there's more than one
7 stock or whether they are faithful to spawning beaches and things
8 like that will help to direct any restoration effort that we may
9 need to take after that. 184, coded-wire tag recoveries from pink
10 salmon in Prince William Sound fisheries, that is also a
11 continuation of a project that the Trustee Council recently funded,
12 and basically it helps us separate wild from hatchery fish, based,
13 building upon what we have learned with the pink salmon coded-wire
14 tag studies in the oil spill, we believe that we can have a
15 significant impact on allow -- either -- allowing the wild fish to
16 escape if they need sufficient escapement numbers to meet, I mean,
17 to meet their escapement goals; we can allow the fishermen to fish
18 for them if there's going to be an excess; by using the information
19 that we get -- I'm trying to make this quicker than it really is --
20 we could hopefully, if there are, you know, we can, you know,
21 observe that there are enough fish getting away, we could
22 conceivably allow fishermen to fish for pink salmon when they are
23 brighter and worth more. On the one hand, this project could help
24 the fish itself recovery; on the other hand, it could help the
25 fisheries recoveries by allowing for a better project. That was --
26 this was a multiply-funded -- because there are different aspects

1 to this problem, and there are some normal agency management
2 functions in this and some hatchery-related impacts, we did get
3 multiple sources of funding for this project this year, and we
4 would probably pursue that in the future. So, what we are trying
5 to do, I think most of the agencies in many of these projects, one
6 of the things that you noticed in your packet, is to try to
7 separate out what is a normal agency management function, what
8 group already throws out a project, or what other sources of
9 funding might be addressing a particular project. This one in
10 particular is one that we demonstrated this year had multiple
11 sources of funding, and that, I think, is one reason the Trustee
12 Council voted to fund it this year. Coded-wire tagging of wild
13 pink salmon stock for stock identification would be putting tags in
14 the salmon and would, in fact, help this -- continue this process
15 in the future, but that's the next project. Otolith marking -- in-
16 season -- 187 -- otolith marking, in-season stock separation tool
17 to reduce wild salmon exploitation -- as John mentioned earlier,
18 this has a potential for being a very useful tool, perhaps as
19 useful or potentially more so than coded-wire tagging. The
20 difficulty is is that it is still experimental. It does look like
21 we can work the bugs out of it, but we can't really tell you right
22 now that it's going to work clean as a whistle. We just don't know
23 that yet, but the prospects are good. And so, what we would like
24 to do is try that and see if it works, see if we can make it a
25 useful technology, and we would be beyond experimental technology.
26 192 -- evaluation, enumeration and effects of hatchery straying on

1 wild pink salmon in Prince William Sound. Again, what we're trying
2 to do there is to see how the wild fish and the hatchery fish are
3 interacting, if in fact, you know, one potential may be that
4 because pink salmon tend, at least in this area, may tend to stray
5 more than other species of salmon that we may not have -- we may
6 have already passed the point at which we have large numbers of
7 different stocks of pink salmon in Prince William Sound. That is
8 what we would really, we would ultimately like to know -- is there
9 a difference now between the hatchery and wild pink salmon. How
10 many stocks of wild pink salmon are there. That kind of fits in
11 with the next one, 189, Prince William Sound pink salmon stock
12 genetics. Again, depending upon what stocks are there, how much
13 they have strayed, and so forth, if you know that information, you
14 can then set up more easily a suite of projects to take care of the
15 problem if there is a problem. Do you see what I'm saying? If all
16 -- if there's only one stock of pink salmon in Prince William
17 Sound, you have a lot of options. If you have a whole bunch of
18 salmon stocks in Prince William Sound, then you have to do things
19 much more carefully. Excuse me (coughing). 191, investigating and
20 monitoring oil related egg and alevin (ph) mortalities, lab and
21 field work -- one of the things in 1989, fall of 1989, we noted
22 that there was additional egg mortality in the oiled areas. In
23 1990, we noted that there was additional egg mortality in the upper
24 intertidal zone of oiled areas, which of course was the last area
25 to get cleaned. Both those years, that was rather reasonable. The
26 following year, we noticed high egg mortalities in the oil spill

1 zone -- area -- in all zones, which have a hypothesis -- we had a
2 hypothesis that would account for those mortalities, perhaps
3 relating back to sterilization of the parents. That appears to be
4 the case, the same high egg mortalities or similar egg mortalities,
5 appeared in the fall of '92, again, potentially based on the same -
6 - resulting from the same hypothesis. Again, it's not something
7 we've demonstrated. Some of the field work this year hopefully
8 will tell us whether this is going away or what's going on. Lab
9 work is simply -- is trying to duplicate it in the lab, if it in
10 fact is the case. That's what's going on there. And if it -- you
11 know, see where we're going on pink salmon recovery with this.
12 River otter recovery monitoring, this is again -- we did not do
13 river otter recovery monitoring this past year. It's probably
14 something that needs to be done on a periodic basis, and they --
15 river otters -- did appear to be injured by the oil spill. We
16 would try to get a population estimation based on treen (ph),
17 counts of scats at the treen (ph) areas, and things like that. But
18 it's probably something that needs to be done on a periodic basis
19 to see what's going on with river otters. Rockfish, 241, was a --
20 the problem with rockfish was that while they -- there may have
21 been huge impact of oil, there was a huge impact of commercial
22 fishing, switching from salmon to rockfish during the oil spill
23 because they could fish for these fish without contaminating them.
24 That fisheries has not declined. Rockfish -- the rockfish
25 population, size and structure is something we don't have a handle
26 on in Prince William Sound, and that's what this -- and we have no

1 idea whether fish or fishing over the maximum sustainable yield or
2 not. We could wipe out rockfish without -- before we knew we were
3 getting there is actually what I'm saying with rockfish. That's
4 what this is driving at is to try and figure out what's the
5 population size and structure, and from that we would develop a
6 management plan for rockfish in Prince William Sound. (Cough)
7 Excuse me. 259, restoration of Coghill sockeye salmon stock, that
8 would be a continuation of a current project which combines lake
9 fertilization and mimology (ph) work to try to restore sockeye
10 salmon to Coghill Lake, and it will probably last for another three
11 or four years at least until we start seeing salmon come back.
12 Because of the decline fish in Prince William -- in Coghill Lake --
13 fertilization essentially takes the place of fertility that would
14 be dropped into the lake by dead salmon carcasses. By raising the
15 fertility of the lake, you would therefore have enough food for
16 juvenile salmon to eat, and this would continue up to the point at
17 which sufficient numbers of adults were coming back to provide
18 their own fertilization. 258, sockeye salmon overescapement, this
19 is, again, a continuing project. Our current estimates are -- I'm
20 sure you're all aware of this one -- current conditions at this
21 point do not really indicate things recovering yet. I don't have
22 the very latest, up-to-the-minute on that, okay, so I don't know
23 what the very latest on smolt out-migrant counts are. At least,
24 let me rephrase that. It doesn't appear that the Kenai system is
25 recovering. It does look like Red Lake may be on its way back.
26 But, anyway, this is a continuation of that. 255, Kenai River

1 sockeye salmon restoration. This is an attempt to separate fish
2 bound for the Kenai system from fish that are bound for other
3 systems. It's both a -- there are a number of different components
4 of this. This past year, this was divided into two different
5 projects, one of which was genetic identification of the various
6 stocks, and then the other part of this was basically taking that
7 information and using it to make management decisions. In the
8 future -- this project will simply be a combination of both of
9 those. Since they are intimately depend upon each, we figured it
10 was better to -- made more sense to lock those into a single
11 project. That does -- that is in progress right now, and the
12 current results indicate that we can very well separate Kenai from
13 Susitna-bound stocks, and at least within the last week or so, it
14 appears that a large component of the fish coming along the east
15 side setnet fisheries are Susitna-bound stocks. So, that's pretty
16 -- it doesn't mean that that's going to hold true through the whole
17 season, but that's -- what I'm saying is, what we set out to do we
18 are doing with this project.

19 MR. CLOUD: Kenai-bound stocks?

20 DR. SULLIVAN: Pardon me?

21 MR. CLOUD: You mean Kenai-bound stocks?

22 DR. SULLIVAN: No. What I'm saying is, in the last week
23 or so, of the fish that are coming up the east side of the
24 Peninsula, some of those are headed for the Kenai River.

25 MR. CLOUD: Correct.

26 DR. SULLIVAN: Some of those are also headed for Susitna,

1 okay? And there is a larger component of that than we would have
2 guessed in those fish right now. Okay?

3 Red Lake salmon restoration, 260, again, there was a -- this
4 is a lake fertilization. I'm sorry, no, it is not. This is -- the
5 fertility of this lake appears to be recovering. The difficulty
6 is, will we have enough spawners coming back to Red Lake to provide
7 enough juveniles to make use of that fertility and for those stocks
8 to recover faster. What we plan to do with this is to -- if there
9 was an insufficient number of spawners returning to Red Lake, we
10 would take some of those, take some of the spawners, spawn them,
11 take the fish back to the hatchery, incubate them and short-term
12 rear them there, and then take them back to the lake. What this
13 would do would be to cut off unusually high -- this would decrease
14 the usually high wild egg mortality and would decrease some of the
15 early fry mortality associated with Red Lake system. So, what you
16 would end up with then is more fish -- more fry -- in Red Lake to
17 use the nutrients. (Sen. Drue Pearce arrived at 2:15 p.m.) 244,
18 we've already discussed. 279, subsistence food safety testing,
19 this is again a continuation of a current project, and depending
20 upon the results of what we see this year, we'll determine the
21 magnitude of this project next year. This -- conceivably, this
22 could be a very tiny project next year, okay, but based on what we
23 were trying to do this year was to find out, indeed, if there was
24 a problem with any of the subsistence foods the Natives were
25 eating. And if there isn't, well, whether there is or is not, get
26 that information out to the Natives, okay. 272, Chenega chinook

1 and coho release program, this is a cooperative program between
2 Chenega and Prince William Sound Aquaculture Corporation to produce
3 smolts for release at Chenega so that when these fish come back,
4 they will, the people there will be able to harvest them. This is
5 more or less -- less a replacement fisheries not for salmon but for
6 some of the other subsistence foods that these people ate. We were
7 going to try to do that this year, but basically we just couldn't
8 get completely organized well enough to do that, and the fish
9 weren't available and so forth, but Chenega and PWSAC are working
10 together to make this happen next year. Port Graham salmon
11 hatchery -- the link to the oil spill on this one was when, during
12 the oil spill, the -- basically the sockeye salmon that this
13 hatchery would try to restore were -- impinged on some of the booms
14 that were set out to theoretically protect them, decreased the
15 number of salmon, of course, that therefore returned. The salmon
16 hatchery is an on-going project. This would basically help them
17 along with that. There's a considerable amount of matching funds,
18 exact amount of which I'm not quite sure at this point, but I
19 think, I believe that Port Graham hatchery was like a two million
20 dollar hatchery, and that this throws, I think, five hundred
21 thousand at it -- yeah. So, in other words, there should be about
22 three times as much money coming from other sources to fund this
23 project. 277 is the village mariculture project, oyster farming.
24 Again, this would be largely a replacement for fish, for shellfish,
25 that the Natives felt uncomfortable about eating. It would
26 conceivably could redirect shellfish harvest away from impacted

1 stock, and so that, of course, would help them recover, but I think
2 some federal agents or the federal attorneys had some question as
3 to whether or not this was legal. I frankly do support it, but if
4 you get into a mode of trying to find out whether things that
5 people think are legal or not legal, I think this would be another
6 good one to pursue, because my perception of simply making a
7 statement that it might not be legal needs to be dealt with. It's
8 otherwise a good project. I think you need to figure -- figure it
9 out. Spot shrimp survey and juvenile spot shrimp habitat
10 identification. This would probably concentrate in the southwest
11 corner, around the Green Island area. This is spot shrimp. We had
12 difficulty demonstrating a direct link to the oil spill -- injury
13 due to the oil spill. It may have been our technique; it may have
14 been an impossible job -- and then there may not have been one.
15 But, in any event, the spot shrimp are a significant part of the
16 food base of the Prince William Sound ecosystem, and we would like
17 to see what's going on with these things to see if there's some way
18 we could assist their recovery, and that would not only assist the
19 recovery of other injured species but it would also -- if we could,
20 in fact, ultimately cause the recovery of spot shrimp in Prince
21 William Sound, that would improve the fisheries in that area as
22 well. I believe I've covered them all. Have I skipped any?

23 MR. PHILLIPS: No. You've covered them all. I think
24 it's time for questions, if you could -- yes, Donna.

25 MS. FISCHER: Joe, one of the hearings I was at when the
26 Trustee team came out and was in Valdez, there was quite a few

1 fishermen there. There's no one here that was at that hearing, but
2 I'm sure that Marty came back with a full report that it was well-
3 attended.

4 DR. SULLIVAN: Uh-huh.

5 MS. FISCHER: One of the things that came up in that
6 hearing -- now, you just mentioned Green Island, but even like in
7 Valdez Bay and just right outside the Arm, the spot shrimp is gone.
8 Now, why is it that the fishermen can find it, and you guys get a
9 hundred and some thousand dollars, and you can't find it?

10 DR. SULLIVAN: In Valdez?

11 MS. FISCHER: I just can't ...

12 DR. SULLIVAN: You mean in Valdez Arm?

13 MS. FISCHER: ... see the discrepancy. Not just in
14 Valdez Bay, but also outside the Arm, outside the Narrows in the
15 Sound.

16 DR. SULLIVAN: I guess I'm not sure. Obviously, Valdez
17 Arm is not an oil spill area. Whether it's being ...

18 MS. FISCHER: Right.

19 DR. SULLIVAN: ... impacted by -- the terminal, I have no
20 idea.

21 MS. FISCHER: But outside the Narrows, it is.

22 DR. SULLIVAN: Uh-huh.

23 MS. FISCHER: When you get to Bligh Reef, around that
24 area there.

25 DR. SULLIVAN: Uh-huh.

26 MS. FISCHER: They did have the spot shrimp out there,

1 and now there isn't.

2 DR. SULLIVAN: I don't know the

3 MS. FISCHER: Or there hasn't been the last couple of
4 years.

5 DR. SULLIVAN: ... answer. Yeah. I don't know the
6 answer to that. I know that our spot shrimp study really didn't
7 look at that area right there. I mean, it was, both our control
8 and our test areas, were in western Prince William Sound ...

9 MS. FISCHER: Well, this is over by Bligh -- Bligh Reef
10 going on in.

11 DR. SULLIVAN: I don't know the answer to that. I would
12 appreciate whatever information you have. What -- do you know
13 Charlie Cobridge (ph)? Do you know him?

14 MS. FISCHER: No.

15 DR. SULLIVAN: Okay. Well, he is the Fish & Game person
16 in Cordova who would probably deal with this, and I would --
17 whatever information you have, I could pass on to him.

18 MS. FISCHER: I think this is some of the reason why it
19 got in here because it was brought up at the Restoration Team
20 public meetings they held.

21 MR. PHILLIPS: Okay, Jim.

22 MR. CLOUD: While we're still on the second page here,
23 the Coghill Lake sockeye stock, you say fertilization is you take
24 dead salmon carcasses and sprinkle them in the lake?

25 DR. SULLIVAN: No, no, no, no, no. No, that would be a
26 little -- no. Let me start again. What I'm saying is the reason

1 -- in the Northern Hemisphere, okay, in the northern part of the
2 Northern Hemisphere, okay, fresh waters are considerably less
3 fertile than the ocean waters, and that's why you have anadromous
4 fish up here, whereas in the warmer waters you have catadromous
5 fish, which mean that -- and the fresh waters are more fertile and
6 they eat in fresh water and spawn in salt water. But when salmon
7 come back to spawn, one of the reasons they theoretically die, I
8 mean, one of the survival values of that for the species, is that
9 when they die and their body decomposes, the nutrients from their
10 body move through the food chain and eventually feed their
11 offspring when they hatch out, okay?

12 MR. CLOUD: Uh-huh.

13 DR. SULLIVAN: In Coghill Lake, the catch-22 though in
14 this situation is that if you have a system that is very dependent
15 upon carcasses for the fertility of those waters and has a high
16 flushing rate, for example, you need those bodies each year to
17 provide nutrients for the juveniles the following year. Okay?

18 MR. CLOUD: So, you're not putting bodies in there.

19 DR. SULLIVAN: Oh, no. No, no. This would be a liquid
20 fertilizer from an airplane. That's -- it's an inorganic ...

21 MR. CLOUD: Sort of like green or something

22 DR. SULLIVAN: Yeah, right. Something like that.
23 (Laughter).

24 MR. CLOUD: In follow up to your adopted fish program
25 for Red Lake salmon, where you adopt the fry and put it back ...

26 DR. SULLIVAN: Right.

1 MR. CLOUD: ... is that what you're planning for the
2 Kenai River restoration.

3 DR. SULLIVAN: No. No. No. The Kenai River restoration
4 is directing -- is limiting the fisheries on -- in other words,
5 what we're doing there is we're trying to identify schools of fish
6 as they come into Cook Inlet as to where they're bound. And so,
7 the last couple of years then, we've been doing genetic alizym (ph)
8 tests to try to be able to distinguish these stocks.

9 MR. CLOUD: Uh-huh.

10 DR. SULLIVAN: Last year, we developed our techniques;
11 this year, we're using them and they appear to be working. And
12 what it means is that when an animal is at the mouth of Cook Inlet,
13 you can take a plug out of it, in other words different tissues,
14 and tell where it's bound as long as you've done your homework from
15 previous years. Okay.

16 MR. CLOUD: Uh-huh.

17 DR. SULLIVAN: With that -- with that information then,
18 as these fish proceed along to the various fisheries, you can open
19 and close fisheries to allow fish to escape or not escape. And
20 what we're saying is that, particularly beginning next year, we're
21 going to need all the fish we can get to make escapement goals in
22 the Kenai River. It doesn't mean we're going to take any into a
23 hatchery there. What it means is is that we're going to try to
24 close down the fishing when necessary to let those fish go up the
25 stream. But without this technique, what we would -- in order to
26 allow minimal escapement goals in the Kenai system, without this,

1 we would simply have to close down the fisheries, the whole thing,
2 and then they couldn't fish for the -- the other fish. Yeah. Now,
3 granted, there may be some difficulties with Susitna-bound fish.
4 There have been underescapement problems there in a number of the
5 past years, and part of the criminal money went to trying to get a
6 better handle on what is going on up there.

7 MR. CLOUD: Has the Kenai Lake and Skilak Lake systems
8 ...

9 DR. SULLIVAN: Right.

10 MR. CLOUD: ... have enough, have recovered enough,
11 and there's no point and then everything else just (inaudible --
12 electronic feedback) ... fry again.

13 DR. SULLIVAN: No, I don't think that's the case yet,
14 okay, but I don't know when that is going to happen. You know,
15 hopefully, it will shift more quickly than -- burgrets (ph) could
16 recover like fish, but I don't know that that has occurred, and I
17 don't know where we're going with that, to tell you the honest
18 truth. What --

19 MR. CLOUD: So, even if you allow -- even if you get
20 your maximum escapage, with the management techniques next year, if
21 the system's not recovered enough, you still won't ...

22 DR. SULLIVAN: That's right, and what you -- what we need
23 to know before we get to that point is where are we with the
24 recovery of the food base there. The base of what the bottom line
25 appears to be is that we overgrazed zooplankton. The duck did not
26 vertically migrate. And what we -- that we essentially

1 (indiscernible) selected for those that did. Once the system
2 swings back the other way and you have a better mix of those two
3 types of zooplankton, then it should, in fact, be able to support
4 more fish.

5 MR. ANDREWS: Joe, could I just talk to that point about
6 overgrazing and overescapement in the Kenai.

7 DR. SULLIVAN: Uh-huh.

8 MR. ANDREWS: The department put out an oil spill
9 publication in their magazine in January ...

10 DR. SULLIVAN: Right.

11 MR. ANDREWS: Now, in that, one of the articles was
12 talking about the Kenai system. In the two years prior to the oil
13 spill, there was escapement over the goals, escapement goals. In
14 other words, there was overescapement according to their
15 definition.

16 DR. SULLIVAN: Right.

17 MR. ANDREWS: I guess my question is how could you say
18 that the '89 overescapement was the cause of the problem in the
19 drainage.

20 DR. SULLIVAN: The answer ...

21 MR. ANDREWS: It's nice to say it is, I know, and charge
22 the restoration fund.

23 DR. SULLIVAN: Yes. You're -- this is the -- this is the
24 battle we've fought every year for this, okay, and the point -- the
25 point is is that in the Kenai system, the '89 year class
26 overescapement appears to be the straw that broke the camel's back

1 rather than the entire problem. Okay. Had there been -- in other
2 words, what our biologists at this point feel is that all of the
3 things being equal, had there been only those two years of
4 overescapement to the Kenai system, it would have been able to
5 sustain normal escapements thereafter. It's that this third large
6 escapement in a row was, essentially, the last straw. From that
7 first group back, I mean, from the '87 year class, we got something
8 like twenty-five million smolts go out, and we had a terrific, you
9 know, return last year of the second group of -- fish from the
10 second fell from the second year of overescapement turned out an
11 okay number of smolts, and then it started to go downhill from
12 there. Okay. We went from twenty-five million to six million to
13 a half million to three hundred thousand, you know, and basically
14 what I'm saying is it's just, yes, had there only been the Exxon
15 Valdez oil overescapement, or the Exxon Valdez and one of those
16 other two, it may not have crashed. Those are -- that is a kind of
17 a whether-or-not because the Exxon Valdez is the entire root of the
18 problem or only part of the problem -- obviously, it is only part
19 of the problem -- should the Trustee Council fund these projects or
20 should there be some other things that go into address this problem
21 has been a policy call that I thought they had settled, you know,
22 once or twice in the past, but it does come up every year, and
23 that's -- that's exactly his point. The part is, the department --
24 this is not -- Trustee Council money is not the only money that we
25 throw at this, and that is, because of that sort of impression
26 that's why the Restoration Team this year in their broad project

1 descriptions added a little section that says how does the agency
2 already address this, you know. In other words, is this a matching
3 fund situation here or are you expecting the Trustee Council to
4 pick up the whole bill? That explanation is in there, whether it's
5 valid or not or it's sufficient or not, is at least going to be
6 each agency's attempt to address that issue which has been a
7 problem in the past.

8 MR. ANDREWS: I guess, also to follow up, not to take
9 more time on the subject, but it is a rather large amount of money
10 here. What will the department do to correct this situation then?
11 Besides just close fisheries down in 1994 or further than that?

12 DR. SULLIVAN: I don't know the answer to that. I know
13 that on the ...

14 MR. ANDREWS: In other words, the restoration will be
15 through the regulatory process?

16 DR. SULLIVAN: I think -- that is -- that is our
17 preference. I know there's been a little rumbling, and I don't
18 know whether this is significant or not, that perhaps there may be
19 something that we may need to do, such as, conceivably, lake
20 fertilization. I don't know that -- I know -- the Kenai, in
21 particular, is to many people a very sacred system, okay, that you
22 don't want to screw around with if you can avoid it. And things,
23 restoration options that we might use in other places, people would
24 think twice about using on the Kenai. On the other hand, it may
25 reach a point if it doesn't look like it's going to come around any
26 time soon, there may be a point at which we will have to intervene

1 in a more direct way than regulating the fisheries. But if we
2 could cause it to recover by regulating fisheries, that would be
3 our preference.

4 MR. PHILLIPS: Mr. McMullen.

5 MR. McMULLEN: Mr. Chairman, there's a lot we could say
6 about the (indiscernible) sockeye Kenai River system, but I'm going
7 to let that go for now because (indiscernible) to discuss that, but
8 I would like to go back and just leave you with a couple, a three
9 more thoughts on this pink salmon projects here, which I think,
10 maybe, I'd like to add something to that for understanding. On
11 project 185, coded-wire tagging of wild stock pink for stock
12 identification, I think that's -- I think that's really incorrectly
13 stated because I think what the coded-wire tagging does there is to
14 determine if there's -- determine the rate of straying of pinks --
15 wild pink salmon -- between streams. The guy who's done this work,
16 Dan Sharp in Cordova, has stated publicly and as he has done in his
17 report, said in his report, that the wild stock had a greater
18 tendency to stray between streams than did hatchery fish have a
19 tendency to stray into wild stock streams. It also appears that,
20 and these projects here that are going to genetically determine or
21 try to determine, define pink salmon stocks in the Sound, I think
22 is very appropriate because it appears that a pink stock is not a
23 stock that goes into a stream but maybe one that runs into a entire
24 large geographic lariat with a certain timing pattern, and that
25 movement between streams is very positive rather than the negative
26 effect, and that our hatchery fish, which we spawn in abundance by

1 the hundreds of thousands so as to prevent choosing certain genetic
2 straying, will determine if there is any genetic makeup or patterns
3 of hatchery fish, you know, as opposed to wild stocks from which
4 they came. So, otolith marking, Joe described that as
5 experimental. I've talked several times to the people in the state
6 of Washington who I think perfected this method, and they told me
7 that never in any study that they ever conducted did they find a
8 fish not marked that was supposed to be marked. In other words, a
9 hundred percent of the cases where these fish were introduced to a
10 temperature change in the incubators, and this is a very small
11 temperature change -- you just bring the temperature in the
12 incubators while this is (indiscernible) of a fry, you just bring
13 it up a couple of degrees over a period of twenty-four hours and
14 turn off the hot water, and that, the return of that water to its
15 regular temperature, just a couple of degrees, causes a disruption
16 in growth and lays down a little ring on the otolith, the ear bone
17 of the fish. You can see these under a microscope. This
18 methodology here, this otolith marking and tracking, is being
19 carried out with the Dicamp (ph) Hatchery in Juneau, and then same
20 fishery at the north end of Admiralty, and they're -- I get reports
21 of this every day through the fax machine that identifies the
22 number and percentage of hatchery fish in the catch of salmon at
23 north Admiralty, and most of those fish go into, probably in the
24 Taku River in Canada. Pink salmon evaluation and enumeration
25 effects of hatchery straying of wild pink salmon in Prince William
26 Sound, this is just a straying study in general, and not

1 particularly hatchery but also including hatchery, because the
2 other stocks are straying at a greater rate than hatchery fish are.
3 And, I guess that's it.

4 MR. PHILLIPS: Any other questions on the items covered?
5 Yes.

6 MS. BENTON: I just have a question back on project 279
7 on subsistence.

8 DR. SULLIVAN: Uh-huh.

9 MS. BENTON: We had talked before this discussion had
10 happened here (aside comment) that part of the problem with the
11 studies that were done previously was a lack of local involvement.
12 And, so when the agency personnel came back and said, yep, yep, you
13 can eat those, they went, yuch, right, sure -- you know -- is there
14 -- I'm sure it will come up in the three-page description, but can
15 you tell me how we're not going to run into the same problem with
16 this hundred thousand dollar project?

17 DR. SULLIVAN: This year we have tried to involve the
18 Natives as much as possible to get them involved in collecting
19 these samples and so forth. And Rita -- do you know Rita Miraglia?
20 You don't know? Well, in any event, our -- one of our subsistence
21 people who has, I think, very good relationship with the Natives in
22 Prince William Sound, has spent a lot of time with them and, you
23 know, has tried to find out from them what do they want to know,
24 and you know, help with -- trying to get them help collect the
25 samples and so forth. So, yes, I think there is a considerable
26 amount of Native involvement in this one.

1 MR. PHILLIPS: Any other questions? Pam.

2 MS. BRODIE: I'm a little overwhelmed, but I do have a

3 few questions. The total price on all of these projects is forty-

4 one -- forty-one and a half million dollars.

5 DR. SULLIVAN: Uh-huh.

6 MS. BRODIE: Of which twenty-five million dollars would

7 go to the Seward Sealife Center.

8 DR. SULLIVAN: Uh-huh.

9 MS. BRODIE: So, that's sixteen and a half million

10 dollars in proposed projects, not counting that.

11 DR. SULLIVAN: Uh-huh.

12 MS. BRODIE: How much do the Alaska Department of Fish

13 & Game projects add up to out of that sixteen and a half million?

14 DR. SULLIVAN: To tell you the truth, I don't know. I

15 probably should have made that calculation. I would -- let's see

16 if I can make a guess. I would have to imagine about half of it at

17 least, but I don't, I really haven't made those ...

18 MS. BRODIE: Well, we can figure that out.

19 DR. SULLIVAN: Sure.

20 MS. BRODIE: Can you tell us which of these projects

21 have been funded either by Fish & Game or the aquaculture

22 associations before the oil spill, if any of them?

23 DR. SULLIVAN: Um.

24 MS. BRODIE: The coded-wire tags, for instance.

25 DR. SULLIVAN: Right.

26 MS. BRODIE: That must have been ...

1 DR. SULLIVAN: Coded ...

2 MS. BRODIE: ... something that ...

3 DR. SULLIVAN: Coded-wire tagging was something that had
4 gotten started a couple of years before the oil spill. It really
5 hadn't -- it had gotten in on a kick-off phase but had not really -
6 - boy, this is a complicated story which I think maybe John could
7 even answer better than I can -- but essentially when the oil spill
8 occurred, there was a very large portion of it that was picked up
9 by the Trustee Council. The purposes at that point then, not only
10 served -- in other words -- coding-wire tagging at one point was an
11 experimental process, just as I think that otolith marking -- it is
12 certainly getting, perhaps moving out of that area, but it's
13 certainly still in the early phases of development, but when the
14 department and other aquaculture organizations were involved with
15 providing most of the funds for this, it was indeed largely an
16 experimental project. As it came to fruition, the oil spill
17 occurred, and the Trustee Council picked up a large portion of the
18 tab. The last couple of years, however, I think the application of
19 tags has been at the expense of the -- excuse me -- aquaculture
20 corporations. Most of the aquaculture corporations around the
21 state apply tags for different reasons, not necessarily their
22 entire stock, but, for example, you may want to, say, feed this
23 group of fish this kind of feed, and this kind of fish this kind of
24 feed, and see what percentage returns, you know, based on -- on
25 something else that you're looking for. Let's see, am I getting to
26 your question?

1 MR. McMULLEN: (Out of microphone range) the coded-wire
2 tagging program in Prince William Sound, in reality (indiscernible)
3 the oil spill. There were specialized projects before that, but
4 not the overall evaluation of stock (inaudible), whatever. That
5 came from the oil spill.

6 MS. BRODIE: But it was planned before then? Before
7 the oil spill?

8 DR. SULLIVAN: I would say this too. When you look at
9 what was funded this year as far as recovery of coded-wire tags, I
10 think it was the multi-source, multiple agency source of funds for
11 this, is recognition that there are reasons for doing this other
12 than strictly the recovery of stocks for the service. And I think,
13 you know, again, what we need to demonstrate on these projects, all
14 of them, is what is a normal agency management function, what is
15 the responsibility of the aquaculture organizations or some other
16 organization, and what really are we asking the Trustee Council to
17 pick up in relation to the entire problem. And I really do believe
18 this is why this project flew, you know, at the last minute. It
19 was because there was a demonstration that other interests were
20 throwing what they could at this problem.

21 MR. PHILLIPS: Any further questions?

22 DR. FRENCH: Just a quick clarification while we're on
23 coded-wire tags. This is for just recovery or for placing new tags
24 also?

25 DR. SULLIVAN: There are different projects. There is
26 one for recovery, and there's one for placing tags.

1 UNIDENTIFIED VOICE: (Inaudible -- out of microphone
2 range)

3 DR. FRENCH: Okay. It's my understanding this year's
4 project was just recovery and no placement?

5 DR. SULLIVAN: That's right.

6 MR. PHILLIPS: Thank you very -- oh -- Pam?

7 MS. BRODIE: I have a few more questions. How long,
8 how many more years would you anticipate wanting to do the coded-
9 wire tag study.

10 DR. SULLIVAN: A lot of the coded-wire -- a lot of that
11 would depend on what we found about genetics of Prince William
12 Sound. In other words, what we would -- what we're trying to do,
13 what all the agencies have been directed to is to look at each of
14 their resource and come up with a grand plan for that resource,
15 okay. And I think that this suite of projects here does try to
16 address different phases of, you know, what is the problem and how
17 do we take care of it. Different pieces from these studies would
18 provide different parts of that answer. You know, conceivably,
19 depending upon how protective do you have to be of stock to a
20 stream or stocks to an area, you know, depending on what the stocks
21 do turn out to be eventually, would determine in the long run what
22 you have to do to protect them or not. Do you see what I'm saying?
23 So, what I'm getting at is that, right now, our anticipation, if we
24 anticipate, coded-wire tag recovery, this first project, as perhaps
25 going on another year, but it, I mean, just '84 -- '94 -- but it
26 really, it really needs to have these pieces fit together before

1 you can really get a good long-term picture on it.

2 MS. BRODIE: Couple of more questions. What has been
3 the level of funding by the Trustee Council of Fish & Game projects
4 in the 1992 and 1993 work plans?

5 DR. SULLIVAN: I think we've been around forty percent,
6 I believe is ...

7 MS. BRODIE: In dollars?

8 DR. SULLIVAN: I think we're talking in dollars and in
9 projects. I believe that's right.

10 MS. BRODIE: No, I mean ...

11 DR. SULLIVAN: I'm sorry

12 MS. BRODIE: How -- what is the -- how many dollars
13 were spent in 1992 and 1993?

14 DR. SULLIVAN: I think that we're talking about five or
15 six million dollars each year in projects.

16 MS. BRODIE: And my last question is about a particular
17 project here, the one where you put sand out for the clams ...

18 DR. SULLIVAN: Right.

19 MS. BRODIE: I think it's not very high now, twenty
20 thousand dollars ...

21 DR. SULLIVAN: Right.

22 MS. BRODIE: I think, but that's just a pilot project?

23 DR. SULLIVAN: Right. Right.

24 MS. BRODIE: Suppose you find out that it works, that
25 putting out sand ...

26 DR. SULLIVAN: Uh-huh.

1 MS. BRODIE: ... does help the clams recolonize

2 DR. SULLIVAN: Uh-huh.

3 MS. BRODIE: How much is it going to cost to put sand
4 all over Prince William Sound and the Gulf of Alaska?

5 DR. SULLIVAN: I don't know what the answer to that is,
6 and some of that will depend upon what we find out on 81,
7 monitoring for recruitment of littleneck clams. If the -- in other
8 words, what we're looking at there are probably the areas in which
9 the beaches were cleaned, okay. So that would be your initial set
10 of beaches that conceivably could need this type of remediation.
11 If there is a significant amount of recruitment on a large portion
12 of those beaches, or that if perhaps the cleaning didn't remove a
13 significant amount of sediment on some of them, then that -- that
14 would be small. For this project, I think Department of Interior
15 may be willing to offer the use of some equipment for the pilot
16 project. I don't know how far that would go. Maybe, I don't know
17 whether Doug has a feeling for that or not? Do you know what I'm
18 talking about here? No. Okay.

19 MR. MUTTER: You mean backhoes?

20 DR. SULLIVAN: Yeah -- no. (Laughter) (Simultaneous
21 talking and aside comments)

22 MR. McMULLEN: Shoveling sand (out of microphone
23 range -- laughter)

24 DR. SULLIVAN: Do you think so? Well, the answer is I
25 don't know how much it would cost, okay.

26 MS. BRODIE: Not even a ball park?

1 DR. SULLIVAN: I really don't.

2 (Inaudible aside comments out of microphone range)

3 MR. PHILLIPS: Are there any further questions? If not,
4 we thank you very much for your coming down. This is a question,
5 Dave, I notice in many of the presentations today there has been
6 either -- the question has been asked by the group here or it's
7 been volunteered that (a) it's a project that's on-going because we
8 spent money on it last and possibly the year before, (b) it may
9 require money next year or on ad nauseam, or it may be a single
10 financial outlay. Is there any way that we can get so that we can
11 evaluate when you are sending this stuff to us any indication on
12 these fifty of how much has been spent or how long it's been on the
13 payroll, and some indication to know whether we're dealing with an
14 ongoing project?

15 DR. GIBBONS: Yes. When you get the projects and you
16 also -- I'll get you the detailed budgets for them. The first
17 column in the detailed budget is funding in 1993. That -- that'll
18 tell you if it's -- it was funded in '93 and it's a continuing
19 project. Then there's a column for total fiscal year '94 budget,
20 and then there's a column for '95 and out. Well, you'll see, be
21 able to see on that if there's proposals for the future or if it
22 was funded in the past and what it is.

23 MR. PHILLIPS: Thank you. Yes, Jim.

24 MR. CLOUD: I have two things. One is -- excuse me --
25 number one, I think we've asked several times, I think, I've asked
26 at least several times, for a breakdown of how much has been spent

1 since you started spending this money on each of these resource,
2 maybe even on each of the resource groups because to do it project
3 by project is pretty scattered. But how much have we spent on a
4 resource group, how much you're planning to spend this year, and in
5 future years. Since you're breaking it down as resource groups, it
6 should be something that we can track. But we went through this
7 with the '83 (sic) work plan last year, and when we finished that
8 whole, that whole task of going through that, this is one of the
9 things we asked for this year. So, could you see about providing
10 that by next year.

11 DR. GIBBONS: It's -- I can do that for you, but it's
12 also easy for you to do also. If you just take a -- it depends on
13 how far back you want to go. Do you want to go back to '89 on a
14 damage assessment study?

15 MR. CLOUD: No, just money.

16 DR. GIBBONS: Or to '92 ...

17 MR. CLOUD: The nine hundred million dollars.

18 DR. GIBBONS: The nine -- just go to '92 and '93 and you
19 can look at it. It's really easy.

20 MR. MUTTER: I think it's partly right there.

21 MR. CLOUD: Oh, is it?

22 MR. MUTTER: It's here by project for '91 and '92 --
23 '92 work plan project breakdown.

24 DR. GIBBONS: '92 and '93.

25 MR. CLOUD: But it isn't by resource, right? What
26 we're getting at is how much really are we spending on the eagle?

1 And how much do we plan on spending on the eagle? But before I
2 leave, I have a motion to make. Do you have something on this?

3 MS. FISCHER: I was going to ask you something about the
4 spending too, but go ahead.

5 MR. CLOUD: Why don't we go ahead on the spending
6 issue and then can we come back to my motion?

7 MR. PHILLIPS: We have some other items to take care of,
8 yes. Go ahead.

9 MS. FISCHER: One question that maybe Dave -- that maybe
10 Dave or Doug can answer. I believe all of us got papers on the two
11 government agencies that are looking at recreation. They are
12 starting a new group or going to be an appointed group for
13 recreation. Now, is that coming out of this settlement money too,
14 and is this another agency that is going to or another group that's
15 going to be meeting. I mean, this -- some of this is spending as
16 well, isn't it?

17 DR. GIBBONS: There is a group called the Prince William
18 Sound Recreation -- whatever. It is not being funded out of the
19 Trustee Council funds at all. It was formed independently and it's
20 been meeting, and they're putting together the Prince William Sound
21 recreation plan for us at, you know, the Trustee Council funded
22 that in '93. So that's been funded, but the group is not getting
23 any funding at all.

24 MS. FISCHER: I thought it came from two government
25 agencies that ...

26 DR. GIBBONS: DNR and Forest Service.

1 MS. FISCHER: ... that are sponsoring it or helping them
2 on it. So where's the money -- so the money was allocated in '93
3 then, you say? Out of the nine hundred million?

4 DR. GIBBONS: Project 93065.

5 MS. FISCHER: Or out of the five hundred million that's
6 left?

7 DR. GIBBONS: It's part of the thirty-three million
8 dollar '93 work plan. It was for seventy-two thousand four
9 hundred, I believe.

10 MS. FISCHER: Okay.

11 MR. PHILLIPS: Do you have a motion? Pam has a question.
12 Pam.

13 MS. BRODIE: One of the things that made making
14 recommendations so difficult last time was trying to interpret the
15 budget information because there were numbers and there was a
16 breakdown in the budget, but it was very hard to understand what
17 that meant. For example, a project might say five hundred million
18 -- five hundred thousand -- dollars total, four hundred thousand
19 dollars of that contractual. Well, what is that money going for.
20 Even when it says salary, it's not clear how many people and what
21 kind of people are being employed. I would like to see more
22 information in the budgets this time and especially the amount of
23 helicopter use and boat use and how -- and the size of the boats --
24 because I think this is a big cost in terms of field work, and it
25 would be good to have a sense of what that is.

26 DR. GIBBONS: I know that we gave you, we've given you

1 a lot of materials.

2 MS. BRODIE: Uh-huh.

3 DR. GIBBONS: But we gave you that information last
4 year, and we're going to give you that information again this year.
5 There's a document that's about yea (ph) thick that's called "1993
6 Budget," and it has these forms in it that we will prepare again
7 this year, that has personnel in months, cost, who -- you know --
8 contractual, travel, and it lays all that out. And -- and --
9 there's one for '93 that was shipped to all the libraries in the
10 oil spill-affected area and also OSPIC. We're doing one again this
11 year, and you'll get access to them. They are being prepared.

12 MS. BRODIE: I agree that there was a great deal of
13 information. My recollection is that the contractual information
14 was not broken down as to what -- how -- people came up with a
15 certain number, and the contractual is often a very large part.

16 DR. GIBBONS: I'd like to believe it was, but, you know,
17 I can take a look. We've asked for a lot of detail on that on
18 contracts because under the guidelines, the financial guidelines,
19 we're allowed to within seven percent, you know, up to two hundred
20 and fifty thousand for each contract, and anything over that is two
21 percent overhead charge. To get at that, we need to know how many
22 individual contracts there are to figure that number up, so they
23 have to be listed in there. So, you know, you just don't take the
24 lump sum of that column, it's by contract. So, they have to be
25 identified to figure out that budget. So that's why I think they
26 would be identified.

1 MR. PHILLIPS: Jim.

2 MR. CLOUD: I would like to make a motion to include

3 a project that is not included here for the purposes of getting it

4 out for public comment.

5 MR. PHILLIPS: Would you make the motion.

6 MR. CLOUD: I'll read it then --

7 MR. PHILLIPS: Do you have copies?

8 MR. CLOUD: Yes. The EVOS PAG recommends that the

9 Trustee Council include the final three point five million dollars

10 required to complete the funding for the expansion of the Fishery

11 Science and Technology Center in Kodiak in the FY 94 work plan as

12 it goes out for public comment. The restoration benefits of this

13 project extend to several fish, bird, marine -- and marine --

14 mammal species and injured services. This project includes the

15 involvement of several state and federal agencies in addition to

16 the University of Alaska and has strong support from the city and

17 borough governments. The cost-sharing includes land contributed by

18 the City of Kodiak, State of Alaska, EVOS criminal settlement

19 funds, and federal lease payments.

20 MR. PHILLIPS: Do I hear a second?

21 MS. BENTON: Second.

22 MR. PHILLIPS: Then, seconded -- who seconded? Oh, okay.

23 RECORDER: Ms. Benton.

24 MR. PHILLIPS: It's been seconded. Do you want to

25 discuss the motion? Tell us what it means.

26 MR. CLOUD: Well, it -- like I said in the

1 introduction, it is a motion to put on the list that we just
2 considered this project that was submitted last year under the '93
3 plan and put it on this list so that it goes out in the book for
4 public comment.

5 MR. PHILLIPS: What is that project status right now? Is
6 it on the second list or is it in oblivion somewhere or what?

7 MR. CLOUD: I don't know. Dave?

8 DR. GIBBONS: It's in oblivion right now.

9 MR. CLOUD: It's in oblivion.

10 UNIDENTIFIED VOICE: It's part of the two hundred and
11 ninety that didn't make it. It didn't receive any Restoration Team
12 support.

13 MR. McMULLEN: Mr. Chairman.

14 MR. PHILLIPS: Yes.

15 MR. McMULLEN: I know we decided today earlier that we
16 weren't going to pass on recommendations on projects. I would much
17 prefer this motion state that this project to complete the
18 Fisheries Science and Technology Center be included on that list
19 that is now under consideration. I'd rather see that at this time
20 better than passing this one that says we recommend the Trustee
21 Council include the final three point five million, you know, in
22 the work plan. It almost looks like we're giving approval ...

23 MR. CLOUD: No, actually ...

24 MR. McMULLEN: ... if we approve of this right now.

25 MR. CLOUD: ... no. That isn't what I mean, no. What
26 I mean is to include it in the list, and I think that's what it

1 says here -- to include the final three point five million
2 required to complete the funding for the expansion of the Fisheries
3 Center in the FY 94 work plan, as it goes to public comment. So,
4 just adding it to the list is what we're doing.

5 MR. PHILLIPS: Pam.

6 MS. BRODIE: Dave, could you tell us why people were
7 voting against -- why Restoration Team members did not support
8 this.

9 DR. GIBBONS: My basic understanding of it was that the
10 Trustee Council did not approve it in '93, and we didn't have any
11 further -- any additional -- information that would -- that would
12 move it forward.

13 MR. CLOUD: You didn't discuss it? It wasn't in '93,
14 so you didn't include it in '94?

15 DR. GIBBONS: Well, what -- like I explained there, the
16 Restoration Team members were supposed to vote on their top fifty
17 projects out of the list of four hundred and twenty, and the six
18 Restoration Team members did that. And any project that got a vote
19 was considered subsequent to that, and the Trustee -- Restoration -
20 - Team members were to consider previous actions of the Trustee
21 Council, public comment, you know, various criteria when they made
22 their evaluation, and it did not receive any Restoration Team
23 support. That's why it's in this.

24 MR. CLOUD: I think this is -- without taking a
25 position for or against this project over the Seward project, I
26 think it's only fair that this one get a hearing in front of the

1 public as well.

2 UNIDENTIFIED VOICE: Yeah, I agree.

3 MR. PHILLIPS: Any further discussion on the motion? If
4 not, the question before us is the motion. All those in favor say
5 aye.

6 COLLECTIVE VOICES: Aye.

7 MR. PHILLIPS: All those opposed? (No audible response)

8 MR. PHILLIPS: My ear tells me the ayes have it.

9 DR. FRENCH: Mr. Chair, please ...

10 MR. PHILLIPS: We have a ...

11 DR. FRENCH: ... state for the record that I have
12 abstained for reasons of conflict of interest.

13 UNIDENTIFIED VOICE: What, John?

14 MR. CLOUD: He said abstain.

15 DR. FRENCH: I said, let the record indicate that I
16 abstained for reasons of conflict of interest.

17 MR. PHILLIPS: We have now -- we've been putting this off
18 today the consideration of the budget and also the resolution
19 attached to that that we were going to consider about adding thirty
20 thousand dollars to the budget to pay for members of the PAG to
21 work with the Restoration Team on a voluntary basis. Did we pass
22 the resolution? We didn't, did we?

23 MR. MUTTER: Not yet.

24 MR. PHILLIPS: Is there -- who wrote this? This is a --
25 John? John, do you want to move the resolution so you can get it
26 before us?

1 DR. FRENCH: Yes. I'd like to move approval of the
2 resolution that's stands before you.

3 MR. PHILLIPS: Is there a second?

4 MR. CLOUD: Second.

5 MS. FISCHER: Second.

6 MR. PHILLIPS: There was two seconds.

7 RECORDER: I'm not sure I got those seconded.

8 MR. PHILLIPS: Okay, well,

9 RECORDER: Thank you.

10 MR. PHILLIPS: Donna was one.

11 RECORDER: Thank you.

12 MR. PHILLIPS: And there was another one over here.

13 Cloud was another.

14 RECORDER: Thank you.

15 MR. PHILLIPS: Okay, does somebody -- you want to -- does
16 everybody understand this? Is there any reason for going over it
17 again? If there's no questions about it, discussion, please -- the
18 resolution is before us, those in favor indicate by saying aye.

19 COLLECTIVE VOICES: Aye.

20 MR. PHILLIPS: Those opposed?

21 MR. ANDREWS: (Opposed by raised hand)

22 MR. PHILLIPS: There's one in opposition. (Aside
23 whisperings) -- Pam. So the resolution passes, and we'll have to
24 modify the budget document to reflect that. You can handle that,
25 can't you, Doug?

26 MR. MUTTER: (Inaudible)

1 MR. PHILLIPS: Or do you want to discuss the budget
2 document?

3 MR. MUTTER: Well, let me just ask if there's any other
4 changes that you make to the budget document that was handed out
5 yesterday?

6 MR. PHILLIPS: Do you need an action on it? A formal
7 action?

8 MR. MUTTER: I suppose that would be in order.

9 MR. PHILLIPS: Alright then, a proper motion would be to
10 approve the budget with the addition that we just voted.

11 MS. FISCHER: So moved with addition.

12 MR. PHILLIPS: Do I have a second for the --?

13 MR. CLOUD: Second.

14 MR. PHILLIPS: Second by Cloud. Is there any discussion
15 on the budget? If not, is there any objection to the budget? If
16 not, then it's so ordered ...

17 DR. FRENCH: Yes, Mr. Chairman.

18 MR. PHILLIPS: Yes.

19 DR. FRENCH: This is partly on Vern's behalf since he's
20 not with us any longer, but also I share some of the concern. We
21 both feel this is a fairly minimal budget, and there's quite
22 possibly going to be additional requirements in terms of, perhaps,
23 one additional meeting. I gather the same situation occurs -- is
24 true -- it was true last year -- that if there are more meetings
25 required, we can simply go back to ask the Trustees to give us
26 allowance to do so.

1 MR. PHILLIPS: If that be the case. Are there any other
2 comments or questions about the -- about the budget. Okay, if not,
3 is there any objection? If there isn't then it's approved
4 unanimously. We have, I think, one more proposed resolution here,
5 and the author of this was -- John, were you the author of this?

6 DR. FRENCH: Which one? We had the one that starts out
7 the statement of principles.

8 MR. PHILLIPS: Yeah.

9 DR. FRENCH: Okay. Um -- yes, this is ...

10 MR. PHILLIPS: Does everybody have a copy of it?

11 MS. FISCHER: No.

12 UNIDENTIFIED VOICE: No.

13 MR. PHILLIPS: Why don't we get this out.

14 DR. FRENCH: Okay, what I have here, what's going
15 around to you, I felt that one of the ways we might be able to
16 provide some useful input to the overall work plan evaluation
17 process would be to pass some kind of a statement of principles.
18 Now, I don't think this is a finished statement as it stands today,
19 so I would propose we have minimal discussion on it and put it on
20 the -- postpone its actual consideration for next -- 'til next
21 meeting. But, if people agree that this is a useful activity and
22 something that might be of benefit to the Trustee Council, I'd like
23 to suggest that we flesh out this proposed statement of principles
24 and try to provide to the Trustee Council as soon as possible,
25 presumably after our next meeting, a statement of -- I mean, the
26 statement we passed was more or less a statement of goals of

1 restoration, and this would be a more nearly a -- a means of
2 evaluating, a set of principles to follow in evaluating the
3 projects beyond the restoration-driven goals that the Restoration
4 Team worked on in developing the plan as we saw it today. In other
5 words, I'll make this motion to put it on the table, but I don't
6 want -- don't think it warrants major discussion at this point. I
7 would move it and then propose that we delay consideration.

8 MS. FISCHER: I'll second that. I think it's
9 (indiscernible)

10 MR. PHILLIPS: It's been seconded. Did you get that?
11 Okay. Open for discussion.

12 MS. FISCHER: Yeah. I think this is some of things that
13 we've been trying to get at here today that, you know, some of the
14 questions that we're asking. I think it's a good setup, John. I
15 think it's the way it should be. I think what it will do, so they
16 don't have to listen to the tapes, they can refer to this.
17 (Laughter)

18 MR. PHILLIPS: Are there any -- yes, James.

19 MR. KING: My feeling is that the Restoration Team
20 and their people could benefit from a draft copy of this as they're
21 working the next month. So, perhaps, they could receive it as a
22 draft, and say this is the way the PAG is beginning to look at some
23 of these things.

24 MR. PHILLIPS: In that circumstance, we really should
25 vote on it because we can't -- we won't send them a draft if
26 haven't taken some action. So, that's okay. I mean, I just -- it

1 hasn't been postponed, so the motion is before us. Is there any
2 further discussion on motion? Yes, Rupert.

3 MR. ANDREWS: Number five, "the plan should use local
4 individuals and organizations where cost effective." I think it
5 might be better if we said "local individuals and Alaska
6 organizations."

7 MR. CLOUD: Maybe we should table this for further
8 evaluation at the next meeting.

9 MR. PHILLIPS: Okay.

10 MR. ANDREWS: Don't need a second on that, do you?

11 MR. PHILLIPS: Yes, there's no discussion then, and so
12 the proposal of changing the words is now in limbo. The question
13 is whether we should table the motion. Those in favor say aye.

14 UNIDENTIFIED VOICE: Aye.

15 MR. PHILLIPS: Those opposed?

16 COLLECTIVE VOICES: Aye.

17 MR. PHILLIPS: The motion fails. So it's before us, and
18 the last suggestion was that we add a word in between "and" and
19 "organization" the word "Alaskan."

20 MS. FISCHER: Mr. Chair, did we vote on it (inaudible --
21 out of microphone range)

22 MR. PHILLIPS: We voted on the motion to table, and the
23 motion failed. So, it's before us now. We didn't table it. Does
24 somebody want to move that or do you want to include it in your
25 draft.

26 DR. FRENCH: I can accept that.

1 MR. PHILLIPS: You can?
2 DR. FRENCH: Yes.
3 MR. PHILLIPS: You suggest ...
4 DR. FRENCH: I don't know if it's within the Rules of
5 Order, but that's fine.
6 MR. PHILLIPS: Well, we can go through -- it takes more
7 time, or you can just say you'll include it ...
8 DR. FRENCH: Sure.
9 MR. PHILLIPS: ... I think we all know that. Okay, then
10 before us -- it has been moved and seconded this statement of
11 principles be approved. Any more discussion? Yes, James.
12 MR. KING: I wonder if it wouldn't benefit by saying
13 "preliminary statement principles for evaluation" in the event that
14 we come up with some more things before our next meeting.
15 MR. PHILLIPS: Is it your thought that this thing would
16 be voted on and then transmitted to the -- ahead of time -- before
17 the next meeting?
18 MR. KING: Well, they're going to be working on this
19 package ...
20 UNIDENTIFIED VOICE: Yeah.
21 MR. KING: ... which is going to be dealing with ...
22 MR. PHILLIPS: It would be immediately transmitted to
23 them.
24 MR. KING: I would think they
25 UNIDENTIFIED VOICE: Know it's approved.
26 MR. KING: ... at least ought to know what we're

1 thinking, and that we may change our mind, or we may come up with
2 more thoughts.

3 MR. PHILLIPS: Is your suggestion in the form of a motion
4 to amend, an amendment to main motion, to add the word
5 "preliminary"?

6 MR. KING: I'll make a motion to that effect.

7 MR. PHILLIPS: Is there a second?

8 MR. ANDREWS: I'll second that.

9 MR. PHILLIPS: Rupert. The question is shall the word
10 "preliminary" precede in the title the word "statement"? All those
11 in favor, say aye.

12 COLLECTIVE VOICES: Aye.

13 MR. PHILLIPS: Those opposed?

14 MR. McMULLEN: No.

15 MR. PHILLIPS: Okay, the ayes have it, so that will
16 Now, it's before us for approval or whatever. Yes.

17 MR. McMULLEN: Mr. Chairman, the reason, one of the
18 reasons why I voted against preliminary -- the word "preliminary" --
19 -- was because I see this as a statement of some principles.
20 Certainly, these -- these aren't the only considerations I would
21 follow in evaluating EVOS work plans, the very projects themselves,
22 and this is just aimed at a couple -- couple objectives here of --
23 namely RFP's and, you know, use of local individuals and
24 organizations in carrying out of this -- of the work plans. And,
25 so, this was a very directed -- to me -- document here, and it
26 doesn't cover the array of principles that you might follow in a

1 careful evaluation of the programs. Therefore, I can't vote for
2 that.

3 MR. PHILLIPS: Yes.

4 DR. FRENCH: Mr. Chairman ...

5 MR. PHILLIPS: ... John.

6 DR. FRENCH: I concur completely with -- with John
7 McMullen. This was put together very quickly, and I recognize it
8 as an incomplete set of principles. It was my hope that at some
9 point, with some deliberation, we could attempt to flesh it out and
10 make it a more complete set of principles. I am hesitant to force
11 it through at this late time in our meeting and try to make it a
12 meaningful set of principles. I think it might be more useful to
13 the Restoration Team if we held off and had a more complete
14 document for their use, rather than giving them something that we
15 might modify substantially at our next meeting.

16 MR. PHILLIPS: May I suggest, if that's the case, that
17 you make a request to have it added to our agenda on our very next
18 meeting so we can work on it.

19 DR. FRENCH: I guess I would repeat Jim Cloud's -- that
20 I'll move that we table -- or postpone -- consideration 'til our
21 next meeting. We don't have a date, I guess I can't put that on.

22 MR. PHILLIPS: Right. Our next meeting -- we'll
23 determine that.

24 MR. McMULLEN: Mr. Chairman, I'd hope that when we came
25 back at the next meeting that some or all of us might have, you
26 know, additions to this that we can flesh out, change, throw away.

1 DR. FRENCH: Yes, hopefully.

2 MR. PHILLIPS: Sure. The motion is to postpone it to a
3 time certain on our next meeting.

4 MS. FISCHER: I'll second that.

5 MR. PHILLIPS: It's been seconded by Donna. The question
6 is shall it be postponed until our next meeting, time certain?
7 Those in favor, say aye.

8 COLLECTIVE VOICES: Aye.

9 MR. PHILLIPS: Those opposed? (No response) It's been
10 postponed, and we'll have it on the agenda for our next meeting
11 when we set that time today. Okay, talking about that, why don't
12 we talk about our next meeting. I'd like to recommend, with the
13 time frame that Dave has given us on getting meaningful material to
14 us by the 10th of September, that we shoot for the 13th, which is
15 on a Monday. I know I, for one, by the 15th have to take a ship to
16 Seattle, so I will not be here after that for a little while.

17 MR. CLOUD: You have to take a what?

18 MR. PHILLIPS: A ship.

19 MR. CLOUD: A ship.

20 MR. PHILLIPS: Ship to Seattle. (Simultaneous laughter)
21 You can tell how late it's getting. It ain't gotten over yet, but
22 it's getting close. (Simultaneous laughter) Anyway, I would like
23 to recommend the 13th, which is on a Monday. Yes, Dave.

24 DR. GIBBONS: Yeah, just a comment. I'm shooting for
25 the package to be completed on September 10th. That's a Friday.
26 To get to you for a meeting, it's going to be three hundred pages

1 long.

2 MR. PHILLIPS: Oh, God.

3 DR. GIBBONS: It's going to have detail, extreme detail
4 in it, and if you would like the budget stuff, another two hundred
5 and fifty pages of material. What I'm recommending is -- as soon
6 as I get it completed, I'll get it to you, but the only way I can
7 get it to you is DHL it. I can't fax it. It's -- would be too big
8 of a package. So, what -- what I'm getting around the long story
9 is here, if I was you, I'd give some time for you to read it.
10 Instead of having the meeting on the 13th, set back into the 16th
11 or something if you can, and then give comments by or before the
12 20th Trustee Council meeting. It's a big package. You're not
13 going to be able to get it on Sunday and meet Monday and say, gee,
14 you know. And I've heard that from you in the past -- we give you
15 a big stack of stuff and ...

16 MR. PHILLIPS: I withdraw my suggestion.

17 (Simultaneous laughter)

18 DR. GIBBONS: That's my only -- that's my plea with you
19 is to give you some time to ...

20 MR. CLOUD: Couldn't the Trustees move their meeting
21 back?

22 DR. GIBBONS: Can the Trustee Council move their meeting
23 back?

24 MR. CLOUD: How are they going to ...

25 DR. GIBBONS: Pass a motion to see

26 MR. CLOUD: (Inaudible -- simultaneous talking) read

1 all that in ten days.

2 DR. GIBBONS: They're going to get ten days to do it,
3 and that's what they allowed me. So -- they get more time than you
4 do.

5 MS. FISCHER: (Inaudible -- simultaneous talking)
6 receive it.

7 MR. PHILLIPS: Does somebody have a suggestion on a
8 meeting date?

9 MR. ANDREWS: The Trustee Council meeting is really set
10 in concrete?

11 DR. GIBBONS: Well, basically, it's set for the 20th.
12 It could be changed a little bit. I can -- make -- a
13 recommendation.

14 MR. CLOUD: What day is the 20th?

15 DR. GIBBONS: The 20th is a Monday.

16 DR. FRENCH: Monday.

17 DR. GIBBONS: The following Monday.

18 MR. CLOUD: Your ship stuck.

19 (Simultaneous laughter)

20 MR. PHILLIPS: Well, I don't have to be here. I'm going
21 to be gone. Yeah. I'm going to gone. So, I can't change that.
22 I'm not going to change it. But, I don't have to be here.

23 MS. FISCHER: Mr. Chair.

24 MR. PHILLIPS: We'll hand the gavel to this young lady
25 right here. Yeah.

26 MS. FISCHER: If the Trustees can change their meeting

1 to maybe later in the week, maybe we can meet around the first part
2 of that week.

3 (Simultaneous talking)

4 MR. PHILLIPS: Monday. You can't get much earlier in the
5 week than that.

6 MS. FISCHER: No, but if we take their 20th and they
7 maybe meet on the 23rd and 24th or something like that the later
8 part of the week, if they would change the date.

9 DR. GIBBONS: I can ask them.

10 MS. FISCHER: And then that would give us time to get --
11 will you back by then?

12 MR. PHILLIPS: I don't know -- depends on the weather.

13 MR. CLOUD: Let's set it for the two days before the
14 Trustee's meeting. If -- (inaudible -- out of microphone range).

15 MS. FISCHER: You're talking about Saturday and Sunday.

16 MR. CLOUD: Right. What are you doing on (inaudible -
17 - out of microphone range). No, I'm talking about the 13th.

18 MS. FISCHER: Okay.

19 MR. CLOUD: Two working days before their meeting.
20 And if they can move -- shift theirs ahead a little bit (inaudible
21 -- out of microphone range).

22 MS. FISCHER: Okay. 16th and 17th?

23 MR. PHILLIPS: Pick a day, somebody.

24 (Simultaneous aside comments)

25 MR. CLOUD: 16th and 17th or the 20th and 21st.

26 MR. PHILLIPS: Don't we have to have something definite

1 though for publication.

2 MR. CLOUD: Well, you'll be able to determine, Dave.
3 It's the 16th and 17th ...

4 MS. FISCHER: Or the 20th and 21st, uhh-huh.

5 MR. CLOUD: He'll be able to determine for
6 publication.

7 MR. PHILLIPS: Okay.

8 MS. FISCHER: We know it will either be the 16th, 17th
9 or 20th and 21st.

10 MR. PHILLIPS: Okay, is that -- what do you -- anybody
11 else have some thoughts on those dates? What day of the week are
12 you? Thursday and Friday? Okay. 16th, 17th or 20th -- 20th and
13 21st.

14 MS. FISCHER: Or 19th and 20th, something like that.

15 MR. PHILLIPS: 20 and 21. If that's okay with everybody,
16 then let's let Dave see what he can do, and then he can just advise
17 us, as long as there's no objection here to either of those dates.
18 Can you do that, Dave, and just let us know what you can.

19 DR. GIBBONS: Right. Right. Jim said though -- the
20 Trustee Council -- it's hard enough for me to get someone together
21 on a date, so -- I'll try, but I'll do the best I can.

22 MR. PHILLIPS: Okay. Now, any further comments from the
23 members of the committee. Yes, go ahead.

24 MS. MCBURNEY: Mr. Chairman, I just wanted to bring up
25 what you and I had ...

26 MR. PHILLIPS: Yes.

1 MS. MCBURNEY: ... briefly discussed, and perhaps this
2 might be the appropriate time.

3 MR. PHILLIPS: Yes. There's been an indication that Pam
4 would like to participate in the committee headed by John. They
5 are going to gather some specific recommendations on our program or
6 a trust or --

7 UNIDENTIFIED VOICE: Endowment?

8 MR. PHILLIPS: -- endowment. She had some thoughts on
9 it, and I have no objection, and I don't think John has, though the
10 one thing we would like to do is to come up with -- has she
11 disappeared again?

12 MR. CLOUD: She's over there talking to somebody.

13 UNIDENTIFIED VOICE: Pam, we're talking about you.

14 MR. CLOUD: Pam, we're talking about you.

15 MR. PHILLIPS: We're talking about your participation on
16 the committee, trying to put some positive suggestions together for
17 the endowment program, and so I would suggest that you check with
18 John. The only problem I've got with any kind of a committee that
19 has two, four, six members on it, that's an invitation for not
20 resolving anything. If that happens, then we'll have to do
21 something about it, but, John, do you have any comments?

22 DR. FRENCH: I don't have any objections, no. That's
23 fine.

24 MR. PHILLIPS: Why don't you two get together then. Are
25 there any other comments from members of the committee, members of
26 the public, anybody have anything to say that we don't -- haven't

1 already heard. Well, if not, we're down to that magic number an
2 hour early. Is there a motion for adjournment.

3 UNIDENTIFIED VOICE: Call for public comment (inaudible --
4 out of microphone range).

5 MR. PHILLIPS: I just called for that and nobody showed
6 up.

7 MS. FISCHER: I move that we adjourn.

8 MR. ANDREWS: Second.

9 MR. PHILLIPS: Did you get all that? If there's no
10 objection, it is so ordered, and we are adjourned until whatever
11 date Dave tells us.

12 (Off Record at 3:17 p.m.)

13 END OF PROCEEDINGS

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CERTIFICATE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

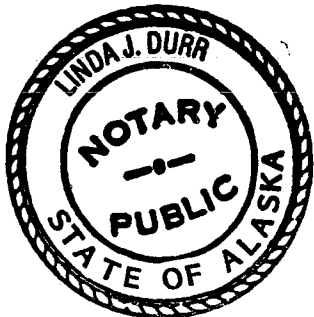
I, Linda J. Durr, a notary public in and for the State of Alaska and a Certified Professional Legal Secretary, do hereby certify:

That the foregoing pages numbered 03 through 296 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustees Council Public Advisory Group meeting taken electronically by me and Ladonna Lindley on July 15 and 16, 1993, commencing at the hour of 9:45 a.m. on July 15, 1993, 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, Sandy Yates, and Angela Hecker 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 20th day of July, 1993.



Linda J. Durr
Linda J. Durr, Certified PLS
Notary Public for Alaska
My commission expires: 10/19/93